



Sava Insurance Group
and Sava Re d.d.
ANNUAL REPORT
2024

COMMITTED TO PEOPLE AND OUR PLANET

This version of the annual report does not comply with the ESEF Regulation and is an unofficial version of the official annual report published in accordance with the ESEF Regulation in XHTML format. The official annual financial report, prepared in accordance with the ESEF Regulation, is available on the Company's [financial reports website](#).



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REACHING HIGHER TOGETHER

Good relationships are built on trust. We are proud to be trusted by our customers, business partners, investors and employees.

From left to right (standing):

- Edvard Hojnik, TBS Team 24, Slovenia
- Shpend Balija, Illyria, Kosovo
- Miloš Brusin, Sava Životno Osiguranje, Serbia
- Bojan Mijailović, Sava Neživotno Osiguranje, Serbia
- Jošt Dolničar, Zavarovalnica Sava, Slovenia
- David Benedek, Sava Re, Slovenia
- Peter Skvarča, Sava Re, Slovenia
- Marko Jazbec, Sava Re, Slovenia
- Andrej Plos, Sava Pokojninska, Slovenia
- Albin Podvorica, Illyria Life, Kosovo
- Nebojša Sčekić, Sava Osiguranje, Montenegro

From left to right (seated):

- Melita Gugulovska, Sava Osiguruvanje, North Macedonia
- Snezana Stanković, Sava Penzisko Društvo, North Macedonia
- Ivana Ivetič, ASP, Serbia
- Kristina Cvitanović Zorić, Zavarovalnica Sava, Croatian branch
- Jožica Palčič, Sava Infond, Slovenia
- Polona Pirš, Sava Re, Slovenia
- Barbara Smolnikar, Zavarovalnica Vita, Slovenia



We have raised the level of security we offer, as reflected in the ratings from an independent rating agency.

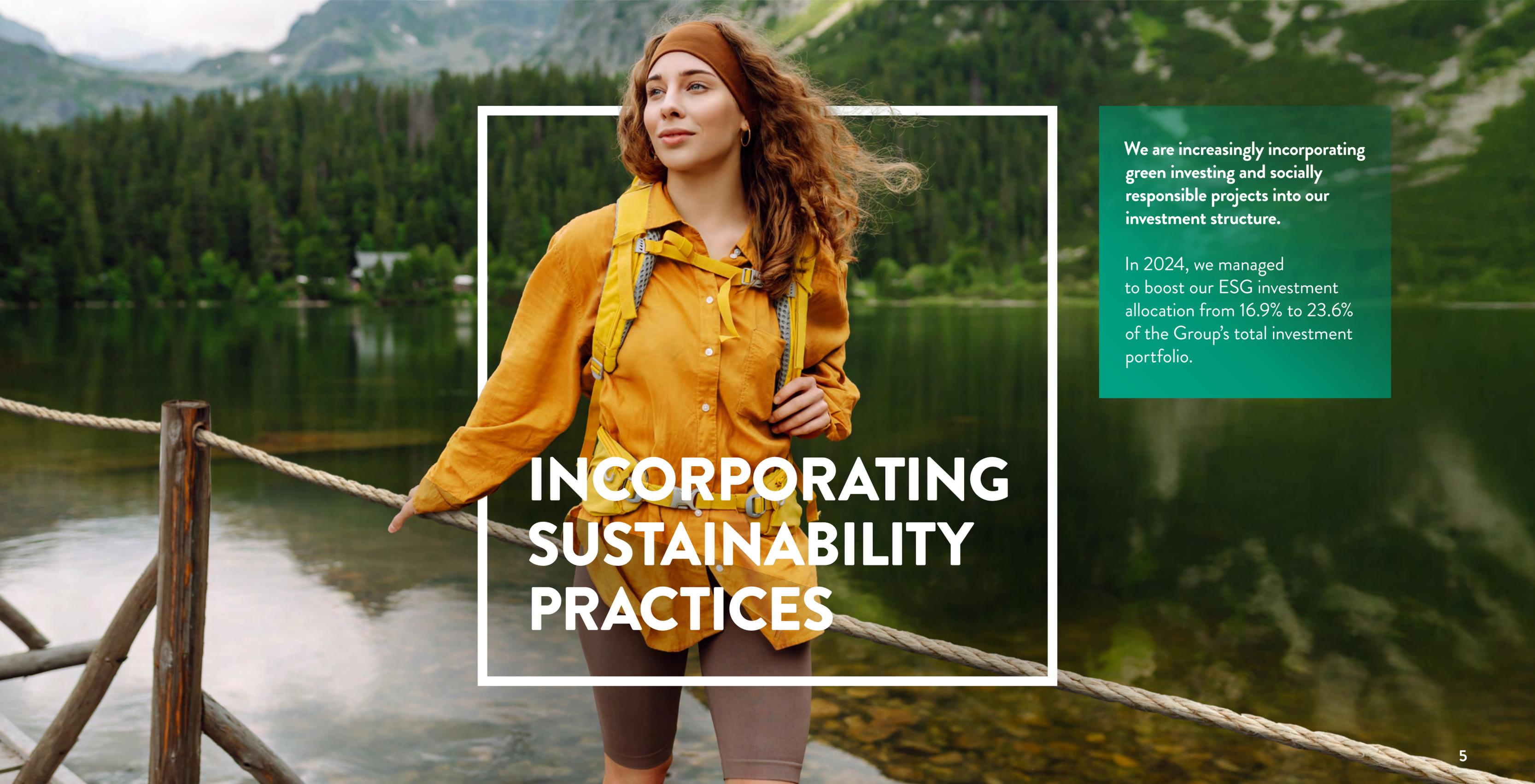
In 2024 S&P Global Ratings revised the outlook on Sava Re and Zavarovalnica Sava to positive from stable. The two companies are now rated

“A”
positive

December 2024

SECURITY
YOU CAN
RELY ON





INCORPORATING SUSTAINABILITY PRACTICES

We are increasingly incorporating green investing and socially responsible projects into our investment structure.

In 2024, we managed to boost our ESG investment allocation from 16.9% to 23.6% of the Group's total investment portfolio.



We support local communities and the wider environment, and work to improve the quality of life.

In 2024, we donated a total of 6,574 volunteer hours to local communities, up from 5,114 hours last year. We are proud to have increased this figure yet again.

FORMING STRONG BONDS



**BUSINESS
REPORT**

CREATING A SAFE HAVEN

More than 3,000 of our people in six countries in the Adriatic region, standing on the shoulders of two generations of dedicated colleagues, work together regularly to offer security to our stakeholders, especially our customers, investors and partners.

BUSINESS REPORT

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Declaration of the management board

To the best of our knowledge and in accordance with the International Financial Reporting Standards and other laws applicable in Slovenia, the Solvency II Directive and Directive (EU) 2022/2464 on sustainability reporting, the consolidated and separate financial statements give a true and fair view of the financial position and profit or loss of the Sava Insurance Group and Sava Re d.d. The business report gives a true and fair view of the development and performance of the Group and the Company, and of their financial position, including a description of the principal risks to which the consolidated companies are exposed.

Ljubljana, 14 March 2025

Where possible, the sustainability report disclosures have been provided for all members of the Group at a consolidated level. Where this has not been possible, they have been provided only for the parent company and its EU-based subsidiaries.

David Benedek
Member of the Management Board

Peter Skvarča
Member of the Management Board

Polona Pirš
Member of the Management Board

Marko Jazbec
Chairman of the Management Board



▶ Key figures

EUR million	2024	2023	Change	Index
Business volume	1,035.1	910.1	125.0	113.7
Insurance revenue	801.2	697.6	103.7	114.9
Insurance service result	108.6	83.5	25.1	130.1
Finance result	22.8	15.8	7.0	144.5
Other net expenses	-21.7	-19.7	-2.0	110.0
Net profit	87.8	64.7	23.2	135.9
	31 December 2024	31 December 2023	Change	Index
Equity	648.6	585.7	62.9	110.7
Contractual service margin	175.6	155.3	20.3	113.1
Investment portfolio	1,666.9	1,503.3	163.6	110.9
Total assets	2,885.4	2,568.5	316.9	112.3
Assets under management	2,889.4	2,325.0	564.4	124.3
	2024	2023	Change	Index
Combined ratio	91.3%	93.1%	-1.8 pp	-
Return on equity (ROE)	13.6%	10.8%	+2.8 pp	-
Return on investment portfolio	2.5%	2.1%	+0.4 pp	-
Solvency ratio	207%-213%	191%	-	-

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





“The return on equity of 13.6% was more than 25% higher than last year.”

Marko Jazbec
Chairman of the Management
Board of Sava Re d.d.

1 Letter from the Chairman of the Management Board

Dear Shareholders, Business Partners and Employees,

Once again, the Sava Insurance Group’s strategy of controlled organic growth, disciplined underwriting and ambitious profitability stood us in good stead in 2024. Favourable macroeconomic conditions provided a tailwind, with continued economic growth in all markets where the Group is present, moderating inflation and positive developments in financial markets. Meanwhile, changing climatic conditions have made severe weather events a regular feature, and, like other insurers around the world, we had to adapt to this new reality.

Last year, we achieved outstanding results. Our business volume exceeded one billion euros, and we achieved a record profit after tax of EUR 87.8 million. We grew business volume in all our major segments, with the strongest growth recorded in our home market of Slovenia, where we also increased our combined non-life and life market share by 1.1 percentage points to 31.2%. In addition to strong growth in insurance revenue, the profit benefited from a more favourable claims experience and our continued focus on improving the Group’s cost effectiveness. The return on equity of 13.6% was more than 25% higher than last year. The Group’s strong performance is also reflected in the significant increase in Sava Re’s share price, which gained 42.9% during the year, contributing greatly to shareholder value.

“We reduced our scope 1 and 2 carbon footprint per employee by 21% and increased our ESG investment allocation by 8.7 percentage points to 23.6% over the strategy period.”

In 2024, we continued to pursue our strategic goals centred on our customers, the digitalisation of communications, and the development and improvement of products and processes, while successfully adapting to market changes and our customers' needs. We established a systematic approach to monitoring customer satisfaction, based on regular feedback and the management of actions derived from the insights gained. To improve productivity and cost effectiveness, we continued to automate processes, expand our range of online products and introduce new technology solutions, including a new mobile application and a digital branch office. We optimised our claims handling using advanced machine learning and artificial intelligence technologies. Strengthening banking partnerships was one of the most important aspects of expanding our distribution channels. In the reinsurance business, we continued to pursue one of our key strategic priorities – the appropriate diversification of our reinsurance portfolio by region and market, line of business and form of reinsurance. In asset management, we held our position in key distribution channels, reflecting record net inflows into mutual funds and an increase in the value of invested assets.

We also continued to deliver on our strategic sustainability priorities. We reduced our scope 1 and 2 carbon footprint per employee by 21% and increased our ESG investment allocation by 8.7 percentage points to 23.6% over the strategy period.

We continued our sustainable product development and support for the global sustainable development goals. Through socially responsible projects and sponsorships, we strengthened our positive impact on consumers and communities, working towards a culture of sustainability. We also fostered a sense of solidarity and purpose among our employees through volunteering and other sustainability initiatives. The transition to the new ESRS reporting standards with the double materiality assessment was an important milestone in our approach to sustainability in 2024. We see this as an opportunity to monitor sustainability impacts in a more transparent and comprehensive way.

Recognising our strong business performance, S&P Global Ratings revised the outlook on Sava Re to positive from stable at the end of 2024. In its announcement, the rating agency underlined the Group's strategic focus on strong underwriting performance and its robust capitalisation as the key factors. In the agency's view, Sava Re was well positioned to continue its track record of sound

operating results, while expanding profitably in both domestic and international markets and maintaining its robust capitalisation over the next two years.

Looking back on a rewarding year, I would like to take this opportunity to express my sincere gratitude to our customers, business partners and shareholders, and especially to our employees, whose expertise, commitment and innovation have enabled the Sava Insurance Group to remain one of the leading insurance groups domiciled in the region. Without their efforts and commitment, these achievements would not have been possible.

Our goals for the year ahead remain ambitious. We will continue to expand our footprint in our key markets, drive digital transformation and develop products that respond to changing customer needs. Through responsible risk management and a focus on long-term stability, we will continue to create value for our shareholders, customers and communities. By building relationships of trust and working together, we can reach even higher.

Marko Jazbec
Chairman of the Management Board of Sava Re d.d.



2 Profile of Sava Re and the Sava Insurance Group

2.1 Sava Re company profile

Sava Re d.d. is a reinsurance company headquartered in Ljubljana, Slovenia, and is the operating holding company of the Sava Insurance Group. Sava Re is one of the largest reinsurance companies based in southeastern Europe, serving more than 500 partners in over 120 reinsurance markets worldwide. The Group is one of the leading insurance groups based in the region, with a presence in six countries of the Adriatic region.

E-MAILS

info@sava-re.si

ir@sava-re.si

COMPANY DETAILS

Company name	Sava Re d.d.
Business address	Dunajska 56, 1000 Ljubljana, Slovenia
Telephone (switchboard)	+386 1 47 50 200
Facsimile	+386 1 47 50 264
Website	www.sava-re.si
ID number	5063825
Tax identification number	SI17986141
LEI code	549300P6F1BDSFSW5T72
Date of entry into court register	10 December 1990, Ljubljana District Court
Certified auditor	Deloitte Revizija d.o.o., Dunajska cesta 165, 1000 Ljubljana, Slovenia
Largest shareholder and holding	Slovenian Sovereign Holding (Slovenski Državni Holding d.d.) and the Republic of Slovenia – together 31.6% (number of no-par-value shares: 5,436,319)
Credit ratings:	
S&P Global Ratings	A /positive/; December 2024
AM Best	A /stable/; October 2024
The Company has no branches.	

MANAGEMENT AND SUPERVISORY BODIES

MANAGEMENT BOARD

Marko Jazbec (chairman)
 Polona Pirš
 Peter Skvarča
 David Benedek

SUPERVISORY BOARD

Davor Ivan Gjivoje Jr (chairman)
 Keith William Morris (deputy chairman)
 Klemen Babnik
 Matej Gomboši
 Edita Rituper (employee representative)
 Blaž Garbajs (employee representative)

SHARE CAPITAL

AMOUNT

EUR 71,856,376

SHARES

17,219,662
 no-par-value shares



2.2 Significant events in 2024

- On 22 February 2024, Sava Re signed a contract to acquire a 2.5% stake in TBS Team 24. Upon completion of the transaction on 27 February 2024, Sava Re held a 90% stake in the company.
- In accordance with the Company's 2024 financial calendar, the 40th general meeting of shareholders was held on 27 May 2024¹.
- In July 2024, the rating agency S&P Global Ratings affirmed the "A" ratings of Sava Re and Zavarovalnica Sava. The outlook was stable.
- In October 2024, following its regular annual rating review, the rating agency AM Best published its ratings for Sava Re and affirmed its "A" ratings (with a stable outlook).
- On 4 October 2024, Sava Re issued a tier 3 subordinated bond with a maturity of five years. The aggregate principal amount of the subordinated bond issue was EUR 50 million. The principal amount of the bond is payable in full in a single amount on 4 October 2029 and bears a fixed rate of interest of 5.20% per annum, payable annually. Demand for the bond (amounting to over EUR 75 million) exceeded supply. More than 20 qualified investors participated in the bond subscription. The bonds were admitted to trading on the Luxembourg

Stock Exchange. The issue was structured and managed by Erste Group Bank AG.

- In October 2024, Sava Re's supervisory board reappointed Peter Skvarča, whose five-year term of office is due to expire on 19 June 2025, as a member of the management board for a further term. His new five-year term starts on 20 June 2025.
- On 22 October 2024, Katarina Sitar Šuštar tendered her immediate resignation as an external member of the audit committee due to her appointment to the same role at a competing insurance company.
- In December 2024, the rating agency S&P Global Ratings revised the outlook for Sava Re and Zavarovalnica Sava to positive from stable and affirmed their "A" ratings.

Rating outlook upgraded by S&P Global Ratings

2.3 Significant events after the reporting date

- In early 2025, the subsidiary Vita S Holding established the private healthcare provider PZU Vita S Skopje.
- In January 2025, a petition was filed to initiate the dissolution of Asistim under the summary procedure without liquidation.
- Davor I. Gjivoje Jr began his third four-year term as a member of the supervisory board on 9 March 2025. The supervisory board of Sava Re elected him chairman of the supervisory board for the new term

2.4 Sava Re rating profile

Sava Re is rated by two rating agencies, S&P Global Ratings and AM Best, which issued the following ratings in 2024:

► Financial strength ratings of Sava Re

Agency	Rating ²	Outlook	Latest review
S&P Global Ratings	A	positive	December 2024: outlook revised to positive
AM Best	A	stable	October 2024: existing rating affirmed

S&P Global Ratings revised the outlook on Sava Re to positive from stable. In its announcement, the Agency underlined the strategic focus on strong underwriting performance as the key factor. Prudence and underwriting discipline had enabled the Group to achieve favourable combined ratios in the non-life insurance business over the past ten years and in the international reinsurance markets in recent years. The Group

had also achieved consistent underwriting performance in its life insurance business. All of these factors had enabled the Group to deliver steady growth in operating results and a strong 10-year average return on equity of 13%, which the Agency considered compared favourably with its peers in the core markets in which the Group operates.

¹ For more information, see sections 3 "Shareholders and share trading" and subsection 5.3.1 "General meeting of shareholders".

² The credit rating agency S&P Global Ratings uses the following scale for assessing financial strength: AAA (extremely strong), AA (very strong), A (strong), BBB (adequate), BB (less vulnerable), B (more vulnerable), CCC (currently vulnerable), CC (highly vulnerable), R (under regulatory supervision), SD (selectively defaulted), D (defaulted), NR (not rated). Plus (+) or minus (-) following the credit rating from AA to CCC indicates the relative ranking within the major credit categories. AM Best uses the following categories to assess financial strength: A++, A+ (superior), A, A- (excellent), B++, B+ (good), B, B- (fair), C++, C+ (marginal), C, C- (weak), D (poor), E (under regulatory supervision), F (in liquidation), S (suspended).



The Agency also based its decision to improve the outlook on the Group's robust capital position, both under the Agency's capital model and under the Solvency II regime.

The Agency concluded that the positive outlook reflected its view that Sava Re was well positioned to continue its track record of sound operating results while expanding profitably in both domestic and international markets and maintaining its robust capitalisation over the next two years. The outlook for continued strong performance was further supported by improved prospects for economic growth in Slovenia and the Adria region, where the Group operates.

2.5 Profile of the Sava Insurance Group³

We are one of the leading insurance groups based in the Adriatic region, with a presence in six countries in the region. Pozavarovalnica Sava d.d. (Sava Re) is the parent company of the Sava Insurance Group and a reinsurance company headquartered in Ljubljana, Slovenia. The Group operates in the areas of insurance, asset management and complementary activities. We continuously improve the quality of our services and the comprehensiveness of the range of services we offer:

Reinsurance

Sava Re is one of the largest reinsurance companies based in southeastern Europe, serving more than 500 partners in over 120 reinsurance markets worldwide and building a globally diversified reinsurance portfolio.

Insurance, Slovenia

In Slovenia, the insurance business is conducted through our subsidiaries Zavarovalnica Sava and Zavarovalnica Vita. Zavarovalnica Sava offers a wide range of non-life and life insurance policies. It markets its products through its own distribution network and external channels, always focusing on the needs of its customers. Zavarovalnica Vita is a life insurance company based in Slovenia. It operates on a bancassurance model and

exclusively through the branches of NLB d.d. Unit-linked life insurance dominates in terms of premiums.

Insurance, international

Through our subsidiaries and branches, we operate in the markets of Croatia, Serbia, Montenegro, North Macedonia and Kosovo. Of the non-life classes, motor insurance is the largest in terms of premium income, while all other non-life classes, including health insurance, are growing. We offer life insurance in the markets of Croatia, Serbia and Kosovo.

Pensions

We offer pension insurance in Slovenia and North Macedonia. In the Slovenian market, Sava Pokojninska offers a comprehensive range of supplementary pension insurance, as it manages pension fund assets and distributes supplementary pension annuity payments. The Group's pension company in North Macedonia manages both mandatory and voluntary pension funds.

Asset management

Through Sava Infond we serve nearly 89,000 investors and manage assets in excess of EUR 850 million in the Infond Umbrella Fund, which

is made up of 19 sub-funds offering diverse investment schemes. In terms of number of funds and assets under management, Sava Infond is one of the leading asset managers in Slovenia, with a market share of approximately 13.6%. In addition to managing open-ended mutual funds, the company also provides portfolio management services to institutional investors. These services cover the management of more than EUR 1,200 million in assets.

Assistance services

The TBS Team 24 assistance services supplement our core business in all the markets where we are present. As the leading assistance provider in southeastern Europe, we offer our policyholders roadside, home and travel medical assistance, as well as other assistance services.

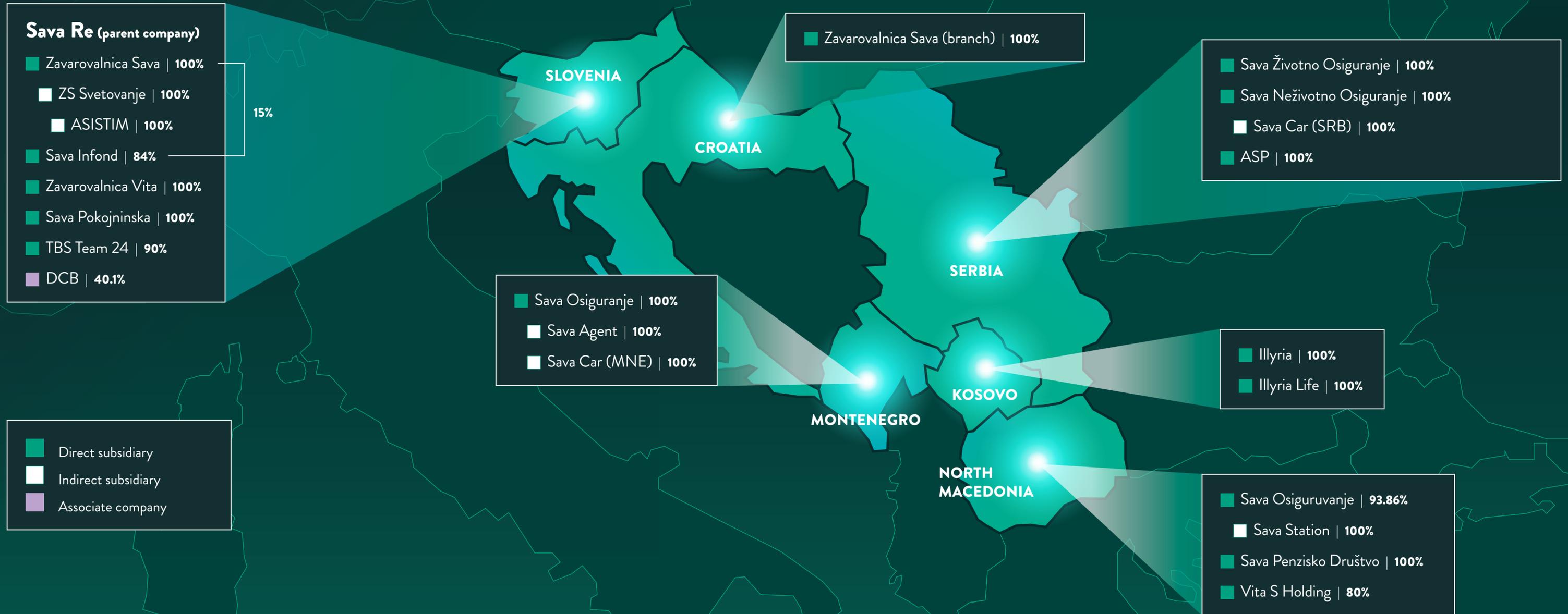
Other activities

Of particular note are the hospital and healthcare activities in Slovenia carried out by the associate company DCB. In the North Macedonian company Vita S Holding, we continued our activities related to the entry into the healthcare market, and in the Serbian company ASP, we continued the development of comprehensive IT solutions, mainly for the needs of the Group.



2.6 Composition of the Sava Insurance Group⁴

The percentages in the diagram refer to shareholdings of Sava Re or other controlling companies of the Sava Insurance Group as at 31 December 2024.⁵



⁴ ESRS 2 SBM-1 paragraph 40 (a) ii.

⁵ The figure shows the ownership interests of Sava Re and other parent companies. The shareholdings provided for Sava Infond and DCB differ from the voting rights held by these companies. Section 2.7 "General information on Group companies as at 31 December 2024" provides disclosures about all Group companies, including equity stakes and voting rights.

2.7 Information on Group companies

► As at 31 December 2024, the Sava Insurance Group consisted of the following members:



Sava Re

Official long name

Pozavarovalnica Sava d.d. / Sava Reinsurance Company d.d.

Registered office

Dunajska 56, 1001 Ljubljana, Slovenia

ID number

5063825000

Main activity

reinsurance

Share capital (EUR)

71,856,376

Governing bodies

management board

Marko Jazbec (chair), Polona Pirš, Peter Skvarča, David Benedek

supervisory board

Davor Ivan Gjivoje, jr. (chair), Keith William Morris, Klemen Babnik, dr. Matej Gomboši, Edita Rituper, Blaž Garbajs



Zavarovalnica Sava (SVN)

Official long name

ZAVAROVALNICA SAVA, zavarovalna družba, d.d.

Registered office

Ulica Eve Lovše 7, 2000 Maribor, Slovenia

ID number

5063400000

Main activity

insurance

Share capital (EUR)

68,417,377

Book value of combined equity interest of all Group members (EUR)

68,417,377

% equity share / voting rights held by Group members

Sava Re: 100.0%

Governing bodies

management board

Jošt Dolničar (chair), Uroš Lorenčič, Primož Močivnik, Lea Hafner Platovnjak (from 8/11/2024), Robert Ciglarič (until 5/11/2024)

supervisory board

Marko Jazbec (chair), Pavel Gojkovič, Polona Pirš, Peter Skvarča, Aleš Perko, Branko Beranič



ZS Svetovanje (SVN)

Official long name

ZS Svetovanje, storitve zavarovalnega zastopanja, d.o.o.

Registered office

Ulica Eve Lovše 7, 2000 Maribor, Slovenia

ID number

2154170000

Main activity

insurance agency

Share capital (EUR)

327,263

Book value of combined equity interest of all Group members (EUR)

327,263

% equity share / voting rights held by Group members

Zavarovalnica Sava: 100.0%

Governing bodies

managing director

Darja Žnidarič



Sava Pokojninska (SVN)

Official long name

Sava pokojninska družba, d.d.

Registered office

Ulica Eve Lovše 7, 2000 Maribor, Slovenia

ID number

1550411000

Main activity

pension fund

Share capital (EUR)

6,301,109

Book value of combined equity interest of all Group members (EUR)

6,301,109

% equity share / voting rights held by Group members

Sava Re: 100.0%

Governing bodies

management board

Andrej Plos (chair), Igor Pšunder

supervisory board

David Benedek (chair), Pavel Gojkovič (deputy chair), Rok Moljk, Hermina Kastelec (until 31/5/2024), Tadej Mendiževc (from 1/6/2024), Irena Šela, Tomaž Šalamon, Uroš Krajnc (until 1/6/2024), Marko Rems (from 1/6/2024)



TBS Team 24 (SVN)

Official long name

TBS TEAM 24 podjetje za storitvene dejavnosti in trgovino d.o.o.

Registered office

Ulica Eve Lovše 7, 2000 Maribor, Slovenia

ID number

5946948000

Main activity

provision of assistance services

Share capital (EUR)

8,902

Book value of combined equity interest of all Group members (EUR)

8,012

% equity share / voting rights held by Group members

Sava Re: 90.0%

Governing bodies

managing director

Edvard Hojnik

holder of procuration

Aleksandra Tkalčič



Zavarovalnica Vita (SVN)

Official long name

Vita, življenjska zavarovalnica, d.d.

Registered office

Trg republike 3, 1000 Ljubljana, Slovenia

ID number

1834665000

Main activity

life insurance

Share capital (EUR)

7,043,900

Book value of combined equity interest of all Group members (EUR)

7,043,900

% equity share / voting rights held by Group members

Sava Re: 100.0%

Governing bodies

management board

Barbara Smolnikar (chair), Irena Prelog, Tine Pust

supervisory board

David Benedek (chair), Pavel Gojkovič, Andreja Rahne, Jure Košir



DCB (SVN)

Official long name

Diagnostični center Bled d.o.o.

Registered office

Pod skalo 4, 4260 Bled, Slovenia

ID number

5690366000

Main activity

hospital activities

Share capital (EUR)

379,123

Book value of combined equity interest of all Group members (EUR)

189,562

% equity share / voting rights held by Group members

Sava Re: 40.1% / 50.0%

Governing bodies

managing director

Zvonko Novina, Robert Cugelj

supervisory board

David Benedek (chair from 1/4/2024), Blaž Jakič (deputy chair from 1/4/2024), Jaka Kirn, Milan Marinič, Matej Narat, Stanka Pintar (from 16/2/2024)



Sava Infond (SVN)

Official long name

SAVA INFOND, družba za upravljanje, d.o.o.

Registered office

Ulica Eve Lovše 7, 2000 Maribor, Slovenia

ID number

5822416000

Main activity

fund management activities

Share capital (EUR)

1,460,524

Book value of combined equity interest of all Group members (EUR)

1,460,524

% equity share / voting rights held by Group members

Sava Re: 84.00% / 84.85%

Zavarovalnica Sava: 15.00% / 15.15%

Governing bodies

management board

Jožica Palčič (chair), Samo Stonič, Jure Dubravica

supervisory board

David Benedek (chair), Polona Pirš, Jure Košir, Uroš Lorenčič



Sava Neživotno Osiguranje (SRB)

Official long name
SAVA NEŽIVOTNO OSIGURANJE
AKCIONARSKO DRUŠTVO ZA
OSIGURANJE BEOGRAD

Registered office
Bulevar vojvode Mišića 51, 11040
Beograd, Serbia

ID number
17407813

Main activity
non-life insurance

Share capital (EUR)
6,314,464

**Book value of combined equity interest
of all Group members (EUR)**
6,314,464

**% equity share / voting rights held by
Group members**
Sava Re: 100%

Governing bodies
management board
Bojan Mijailović (chair), Aleksandar
Ašanin, Nenad Nenadić (from
1/10/2024)

supervisory board
Peter Skvarča (chair), Nebojša Ščekić,
Josif Jusković



Sava Životno Osiguranje (SRB)

Official long name
„SAVA ŽIVOTNO OSIGURANJE“
akcionarsko društvo za osiguranje,
Beograd

Registered office
Bulevar vojvode Mišića 51, 11040
Beograd, Serbia

ID number
20482443

Main activity
life insurance

Share capital (EUR)
4,326,664

**Book value of combined equity interest
of all Group members (EUR)**
4,326,664

**% equity share / voting rights held by
Group members**
Sava Re: 100%

Governing bodies
management board
Miloš Brusin (chair), Ana Bojanić

supervisory board
Polona Pirš (chair), Pavel Gojković, Uroš
Čamilović



ASP (SRB)

Official long name
APPLICATION SOFTWARE
PARTNER DOO BEOGRAD

Registered office
Bulevar kralja Aleksandra 17, 11000
Beograd, Serbia

ID number
17077295

Main activity
computer programming

Share capital (EUR)
1,129

**Book value of combined equity interest
of all Group members (EUR)**
1,129

**% equity share / voting rights held by
Group members**
Sava Re: 100%

Governing bodies
managing director
Ivana Ivetić



Sava Car (SRB)

Official long name
PRIVREDNO DRUŠTVO
ZA TEHNIČKI PREGLED I
REGISTRACIJU SAVA CAR DOO
BEOGRAD

Registered office
Braće Jerkovića 108A, 11041 Beograd,
Serbia

ID number
21822302

Main activity
technical testing and analysis

Share capital (EUR)
100,000

**Book value of combined equity interest
of all Group members (EUR)**
100,000

**% equity share / voting rights held by
Group members**
Sava neživotno osiguranje (SRB): 100%

Governing bodies
managing director
Nemanja Parapid



Illyria (RKS)

Official long name
KOMPANIA E SIGURIMEVE
„ILLYRIA „, SH.A.

Registered office
Sheshi Nëna Terezë 33, 10000 Pristina,
Kosovo

ID number
810483769

Main activity
non-life insurance

Share capital (EUR)
7,228,040

**Book value of combined equity interest
of all Group members (EUR)**
7,228,040

**% equity share / voting rights held by
Group members**
Sava Re: 100.0%

Governing bodies
managing director
Shpend Balija
deputy managing director: Fazile Gashi

board of directors
Marko Jazbec (chair until 31/8/2024),
Rok Moljk (chair from 31/8/2024),
Andreja Rahne (until 31/8/2024), Milan
Viršek, Ilirijana Dželadini, Maja Jerič
(from 31/8/2024), Albert Lumezi (from
29/11/2024)



Illyria Life (RKS)

Official long name
Kompania për Sigurimin e Jetës „ Illyria
– Life „, SH.A.

Registered office
Sheshi Nëna Terezë 33, 10000 Pristina,
Kosovo

ID number
810793837

Main activity
life insurance

Share capital (EUR)
3,285,893

**Book value of combined equity interest
of all Group members (EUR)**
3,285,893

**% equity share / voting rights held by
Group members**
Sava Re: 100.0%

Governing bodies
managing director
Albin Podvorica
deputy managing director: Mehmeti
Fisnik

board of directors
Marko Jazbec (chair until 30/8/2024),
Rok Moljk (chair from 30/8/2024),
Andreja Rahne (until 30/8/2024),
Milan Viršek, Ilirijana Dželadini, Maja
Jerič (from 30/8/2024), Albert Lumezi
(from 29/11/2024)



Sava Osiguranje (MNE)

Official long name
AKCIONARSKO DRUŠTVO SAVA
OSIGURANJE PODGORICA

Registered office
Ulica Svetlane Kane Radević br. 1,
81000 Podgorica, Montenegro

ID number
02303388

Main activity
non-life insurance

Share capital (EUR)
4,033,303

**Book value of combined equity interest
of all Group members (EUR)**
4,033,303

**% equity share / voting rights held by
Group members**
Sava Re: 100.0%

Governing bodies
board of directors
executive director: Nebojša Ščekić
non-executive directors of the company:
Marko Jazbec (chair), Milan Viršek,
Zvonko Peković



Sava Car (MNE)

Official long name
Društvo sa ograničenom odgovornošću
– SAVA CAR – Podgorica

Registered office
Ulica Svetlane Kane Radević br. 1,
81000 Podgorica, Montenegro

ID number
02806380

Main activity
technical testing and analysis

Share capital (EUR)
485,000

**Book value of combined equity interest
of all Group members (EUR)**
485,000

**% equity share / voting rights held by
Group members**
Sava osiguranje (MNE): 100.0%

Governing bodies
executive director
Siniša Mićunović



Sava Agent (MNE)

Official long name
DRUŠTVO ZA ZASTUPANJE U
OSIGURANJU „SAVA AGENT“
D.O.O. - Podgorica

Registered office
Ulica Svetlane Kane Radević br. 1,
81000 Podgorica, Montenegro

ID number
02699893

Main activity
insurance agency

Share capital (EUR)
10,000

**Book value of combined equity interest
of all Group members (EUR)**
10,000

**% equity share / voting rights held by
Group members**
Sava osiguranje (MNE): 100.0%

Governing bodies
executive director
Snežana Milović, Irena Gojković (from
11/7/2024)



Sava Osiguruvanje (MKD)

Official long name

SAVA osiguruvanje a.d. Skopje

Registered office

Železnička 41, Opština Centar, PF 133, 1000 Skopje, North Macedonia

ID number

4778529

Main activity

non-life insurance

Share capital (EUR)

3,820,077

Book value of combined equity interest of all Group members (EUR)

3,585,524

% equity share / voting rights held by Group members

Sava Re: 93.86%

Governing bodies

board of directors

managing director: Melita Gugulovska, executive director: Kristian Leskov

non-executive directors of the company: Rok Moljk (chair), Peter Skvarča (until 6/7/2024), Milan Viršek, Sašo Tonevski (until 5/11/2024), Nenad Jovanović (until 6/7/2024), Borut Mavsar (from 5/11/2024)



Sava Station (MKD)

Official long name

Društvo za tehničko ispitivanje i analiza na motorni vozila SAVA STEJŠN DOOEL Skopje

Registered office

Železnička 41, Opština Centar, 1000 Skopje, North Macedonia

ID number

7005350

Main activity

technical testing and analysis

Share capital (EUR)

199,821

Book value of combined equity interest of all Group members (EUR)

199,821

% equity share / voting rights held by Group members

Sava osiguruvanje (MKD): 100.0%

Governing bodies

managing director

Aleksandar Mihajloski



Sava Penzisko Društvo (MKD)

Official long name

Društvo za upravljanje so zadolžitelni i dobovolin penzisko fondovi SAVA PENZISKO DRUŠTVO A.D Skopje

Registered office

Dimche Mirchev br. 20, 1000 Skopje, North Macedonia

ID number

5989434

Main activity

fund management activities

Share capital (EUR)

2,110,791

Book value of combined equity interest of all Group members (EUR)

2,110,791

% equity share / voting rights held by Group members

Sava Re: 100.0%

Governing bodies

management board

Snežana Stanković (chair), Petar Taleski, Tatjana Bojkovska

supervisory board

David Benedek (chair), Pavel Gojkovič, Rok Moljk, Peter Skvarča (until 30/1/2024), Erol Hasan

Vita S Holding (MKD)

Official long name

VITA S HOLDING DOO Skopje

Registered office

Ul. 50-ta Divizija br. 24A, Opština Centar, 1000 Skopje, North Macedonia

ID number

7690088

Main activity

non-specialised wholesale trade

Share capital (EUR)

1,320,873

Book value of combined equity interest of all Group members (EUR)

1,056,699

% equity share / voting rights held by Group members

Sava Re: 80%

Governing bodies

managing director

Sonja Lovaceva, Suzana Jovanova

supervisory board

David Benedek (chair), Zvonko Novina, Snežana Stanković, Simon Trpeski, Nebojša Mojsoski

The management of all Sava Insurance Group companies is local.

2.8 Changes in Group composition

Sava Re acquired an additional 2.5% stake in TBS Team 24 in 2024. Upon completion of the transaction on 27 February 2024, Sava Re held a 90% stake in the company.

3 Shareholders and share trading

Sava Re shares gained 42.9% in 2024, while the STOXX Europe 600 Insurance index rose by 17.8% and the SBITOP, which tracks the most liquid and capitalised stocks on the Ljubljana Stock Exchange, grew by 33.0%, demonstrating that investors have recognised the stable business growth and the ambitious plans of the Sava Insurance Group.

The gross dividend of EUR 1.75 per share paid in 2024 was higher than in previous years and represents a dividend yield of 5.1% (before tax). The total shareholder return on the share (including the dividend) in 2024 was 49.1%. The management and supervisory boards intend to propose to the annual general meeting on 26 May 2025 the payment of a dividend of EUR 2.25 gross per share.

Sava Re’s share price rose by 42.9% in 2024, from EUR 28.0 to EUR 40.0, one of the strongest share price increases in recent years, outperforming both the Slovenian SBITOP stock index and the STOXX Europe 600 Insurance sector index. During this period, Sava Re’s share price peaked at EUR 40.4.

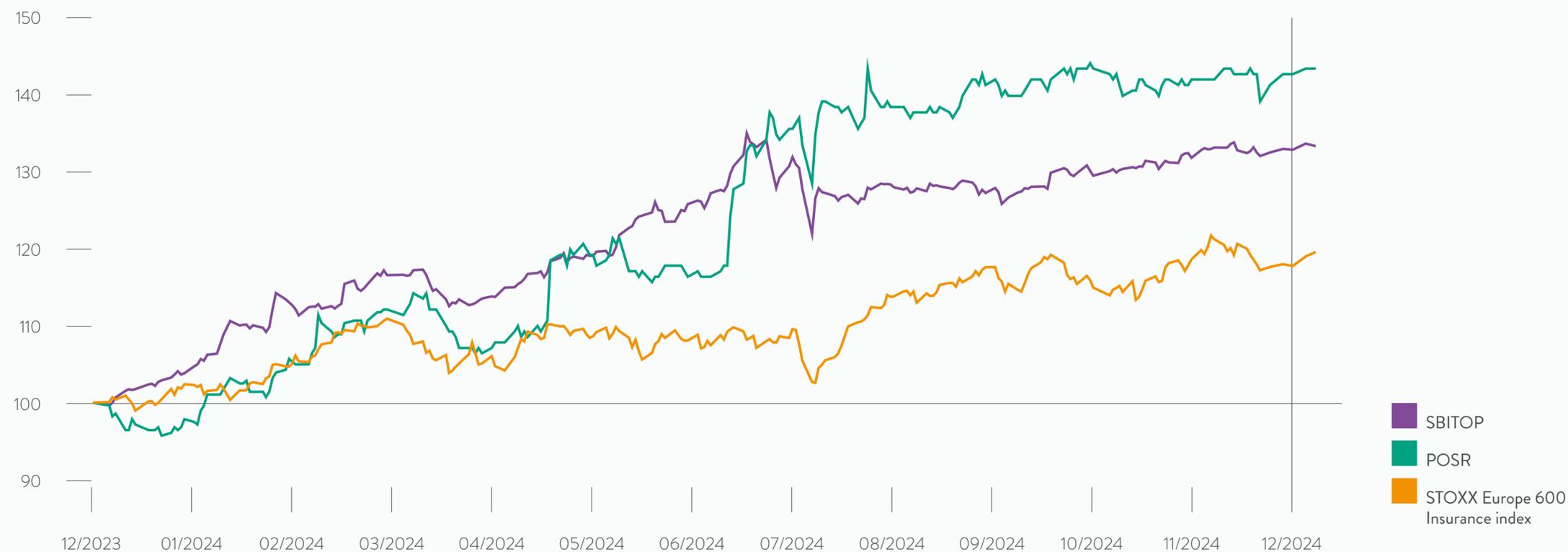
In 2024, the trading volume of Sava Re shares also increased significantly, with turnover rising

from EUR 15.8 million in 2023 to EUR 27.5 million in 2024. The average daily turnover in 2024 was EUR 112,174, or 3,214 shares, compared to EUR 66,114, or 2,717 shares, in 2023.

For more information on the Sava Re share, please visit the Company’s website (www.sava-re.si/en-si/investor-relations/our-share/).

Share price
+42.9%

► Sava Re share price movement against two selected indices in % (31 December 2023 = 100)





About the Sava Re share

► Basic details about the Sava Re share

	31 December 2024	31 December 2023	31 December 2022
Ticker symbol	POSR		
Type of share	ordinary		
Listing	Ljubljana Stock Exchange, prime market		
Number of shares issued	17,219,662	17,219,662	17,219,662
Number of treasury shares	1,721,966	1,721,966	1,721,966
Number of shareholders	4,422	4,376	4,316
Consolidated book value per share (EUR)	41.85	37.79	26.58
Market capitalisation at end of period (EUR)	619,907,840	433,935,488	347,148,390
	2024	2023	2022
Consolidated net earnings per share (EUR)	5.66	4.16	4.39
Share price at end of period (EUR)	40.00	28.00	22.40
Average share price during reporting period (EUR)	34.59	24.56	25.26
Period low (EUR)	26.80	22.10	20.10
Period high (EUR)	40.40	28.00	30.40
Turnover during the period (EUR)	27,482,673	15,801,226	17,892,849
Share turnover during the period (number of shares)	787,399	649,304	704,005
Average daily trading volume (EUR)	112,174	66,114	71,859
Average daily share turnover (number of shares)	3,214	2,717	2,827

All shares of Sava Re are registered no-par value ordinary shares, all issued in book-entry form and of the same class. They confer the following rights on their holders:

- the right to participate in the Company’s management, with each share carrying one vote at the general meeting;
- the right to a proportionate share of the Company’s profits (dividends);
- the right to a proportionate share of the remaining assets in the event of liquidation or bankruptcy of the Company.

In accordance with Sava Re’s articles of association and applicable legislation, Sava Re’s current shareholders also have pre-emptive rights entitling them to subscribe for shares in proportion to their existing shareholdings in any future stock offering; their pre-emptive rights may be excluded only on the basis of a resolution to increase the share capital adopted by the general meeting by a majority of at least three quarters of the share capital represented.

Share transfer restrictions

All shares of Sava Re are freely transferable.

Holders of securities with special control rights

Sava Re has issued no securities carrying special control rights.

Treasury shares

From 11 April 2016 to 31 December 2024, Sava Re did not buy back or sell any of its own shares. The total number of treasury shares as at 31 December 2024 was 1,721,966, representing 10% less one share of all issued shares. The Company’s management board does not have a new authorisation of the general meeting to acquire own shares.

Contingent capital

The Company had no contingent capital as at 31 December 2024.

Excellent year for Sava Re shares

Shareholders

Ten largest shareholders and qualifying shareholders under the Slovenian Takeover Act as at 31 December 2024⁶

Shareholder	Number of shares	% of share capital	% voting rights
1 InterCapital Securities Ltd. – fiduciary account	3,297,648	19.2%	21.3%
2 Slovenian Sovereign Holding	3,043,883	17.7%	19.6%
3 Republic of Slovenia	2,392,436	13.9%	15.4%
4 European Bank for Reconstruction and Development (EBRD)	1,071,429	6.2%	6.9%
5 Modra Zavarovalnica d.d.	714,285	4.1%	4.6%
6 OTP Banka d.d. – fiduciary account	587,771	3.4%	3.8%
7 Hrvatska Poštanska Banka – fiduciary account	390,455	2.3%	2.5%
8 Guaranteed civil servants' sub-fund	320,346	1.9%	2.1%
9 Kapitalska Družba d.d. – SODPZ	238,109	1.4%	1.5%
10 Modri Zajamčeni Podsklad (guaranteed sub-fund)	168,150	1.0%	1.1%
Total	12,224,512	71.1%	78.8%
Sava Re d.d., treasury shares*	1,721,966	10.0%	-

* Treasury shares do not carry voting rights.

Pursuant to Article 235a of the Slovenian Companies Act (ZGD-1), in April 2023 Sava Re started the process of identifying shareholders who are registered with intermediaries as holders of shares and who are not themselves intermediaries (ultimate shareholders). According to the information received, Adris Grupa d.d. held 3,278,049 POSR shares on 6 May 2024.

In 2024, the combined share of equity and the combined share of voting rights of the 10 largest shareholders increased from 70.0% to 71.1% and from 77.8% to 78.8%, respectively.

As at 31 December 2024, four shareholders had reached or exceeded the threshold of 5% of the voting rights in Sava Re (a qualifying holding pursuant to Article 77 of the Slovenian Takeover Act, ZPre-1).

Sava Re shareholder structure as at 31 December 2024

Type of investor	Domestic investors	Changes vs 2023	International investors	Changes vs 2023
Insurance and pension companies	17.9%	0.0%	0.0%	0.0%
Other financial institutions*	17.9%	-0.1%	19.6%	0.0%
Republic of Slovenia	13.9%	0.0%	0.0%	0.0%
Natural persons	11.3%	-0.2%	0.2%	0.0%
Investment funds and mutual funds	1.7%	-0.7%	0.0%	0.0%
Other commercial companies	2.5%	-0.1%	0.8%	-0.2%
Banks	0.0%	0.0%	14.2%	+1.2%
Total	65.2%	-1.1%	34.8%	+1.0%

* The other financial institutions item includes Slovenian Sovereign Holding with a stake of 17.7%.

The composition of shareholders remained broadly unchanged in 2024. Among domestic investors, the categories of investment companies and mutual funds recorded the largest decrease in ownership, by 0.7 percentage points, while among foreign investors, banks saw the largest increase, by 1.2 percentage points. International ownership increased by 1.0 percentage points to 34.8%.

Fiduciary accounts with banks, attorneys and other financial institutions together account for 26.7% of all POSR shares.



Shares held by the members of the management and supervisory boards

In 2024, David Benedek, a member of the Sava Re management board, purchased 150 Sava Re shares, increasing his holding to 1,350 shares. There were no other changes in the number of shares held by the members of the management board in 2024. At the end of 2024, the members of the management and supervisory boards together held 18,868 shares, representing 0.11% of the share capital.

► POSR shares held by members of the supervisory and management boards as at 31 December 2024

	Number of shares	% of share capital
Marko Jazbec	12,000	0.070%
Polona Pirš	4,318	0.025%
Peter Skvarča	1,200	0.007%
David Benedek	1,350	0.008%
Total management board	18,868	0.110%
Total supervisory board	0	0.000%
Total management and supervisory boards	18,868	0.110%

Dividends

At the 40th general meeting of shareholders held on 27 May 2024, the shareholders approved the proposal of the management and supervisory boards to use EUR 27,120,968 of the distributable profits to pay a dividend of EUR 1.75 per share. The dividend was paid on 12 June 2024 to the shareholders of record on 11 June 2024.

► Details of dividends paid each year in respect of the previous financial year⁷

EUR, except percentages	2019	2020	2021	2022	2023	2024
Amount of dividend payment	14,722,811	0	13,173,042	23,246,544	24,796,314	27,120,968
Dividend per share	0.95	0.00	0.85	1.50	1.60	1.75
Dividend yield	5.6%	-	3.4%	5.9%	6.5%	5.1%

Sava Re has set an annual dividend payout target for the 2023–2027 period to distribute between 35% and 45% of the net profit of the Sava Insurance Group.

Dividend yield
5.1%

⁷ Dividend paid in current year out of the previous year's distributable profits. The dividend yield was calculated as the ratio of the dividend per share to the average share price over the last 12-month period.



Responsibility to investors

Our shareholders, investors and analysts are important stakeholders of Sava Re, with whom we regularly maintain a transparent, professional and comprehensive relationship. We want to maintain an open communication space with these stakeholders. We want to increase awareness of the true value of the Sava Re and Sava Insurance Group brands and, consequently, of all that investing in Sava Re shares and bonds means. In 2024, we continued our efforts to improve the liquidity of the Sava Re share.

Transparent communication, in line with established principles and rules

As a prime market company of the Ljubljana Stock Exchange, we respect the principle of equal treatment and equal access to information for all market participants. Our communications follow recommendations for information symmetry, and our public announcements provide simultaneous and transparent information in line with the financial calendar. In this way, we build the confidence of our shareholders and other potential investors in the Company and its shares. Key information is published according to the financial calendar on the Company's website and via the SEOnet regulatory information service

system of the Ljubljana Stock Exchange. A total of 21 regulatory announcements were published simultaneously in Slovenian and English in 2024.

Sava Re communicates in compliance with the Slovenian Financial Instruments Market Act (ZTFI-1), the Slovenian Companies Act (ZGD-1), the aforementioned recommendations of the Ljubljana Stock Exchange for listed companies, the Corporate Governance Code for Listed Companies, the rules of procedure of the supervisory board and the Company's internal communication rules.

Reaching out to shareholders, investors and analysts in a variety of ways

Our responsibility to the investment community is reflected in our active engagement and two-way communication. We communicate regularly with investors through face-to-face meetings, video conferencing, telephone and email. In 2024, we also spoke to shareholders, investors and analysts at investor and analyst conferences, participated in the quarterly events of the Ljubljana Stock Exchange and the conference of the Securities Market Agency, and held a press conference to announce our annual results. Ahead of the AGM,

we sent a letter to all shareholders outlining the highlights of the year and encouraging them to attend the 40th annual general meeting. Nearly 75% of shareholders attended or were represented.

We also engage with investors through our support of the Trade on the Stock Exchange and the Ljubljana Stock Exchange's Financial Festival projects, which aim to develop the capital market in Slovenia, and the Capital Markets Conference organised by the Delo media company. In 2024, we also supported the new Investor Max (Vlagatelj Maks) project launched by the local business daily Finance, which promotes responsible management of personal finances.

Two market makers

Sava Re was the only prime market listed company on the Ljubljana Stock Exchange to engage an additional liquidity provider for its shareholders in 2024. This was to ensure even better accessibility and liquidity of Sava Re shares for our shareholders. We are currently the only company in Slovenia with two market makers, which demonstrates our commitment to developing the capital market and to ensuring the highest

standards for our investors. We believe this is one of the reasons for the more than 70% increase in daily turnover for Sava Re shares in 2024.

Visit our website

We also use our official website www.sava-re.si/en-si/, in particular the Investors subpage, to provide timely and uniform information to investors, shareholders and other members of the financial community. The subpage contains all the key information on the Sava Re share price performance, key performance indicators, dividends, financial reports, analysis and a financial calendar.

A calendar of past investment conferences is also available on the website, together with the material presented at each event. The events we will be attending in 2025 are also listed.

We are available to investors, shareholders and analysts at the office of the management board and of compliance on telephone number +386 1 47 50 200 and via investor relations email at ir@sava-re.si.

4 Report of the supervisory board

In 2024, the supervisory board of Sava Re d.d. (the Company or Sava Re) monitored the Company's operations and oversaw its management in a responsible manner. It periodically examined reports on various and select aspects of the business, passed appropriate resolutions, and monitored their implementation. Individual issues were addressed in more detail by the relevant supervisory board committees, and, on the basis of the supervisory board committee findings, the supervisory board also adopted appropriate resolutions and recommendations.

The supervisory board acted within the framework of the powers and responsibilities conferred upon it by legal and regulatory provisions, the Slovenian Corporate Governance Code for Listed Companies, the Company's articles of association, and its rules of procedure.

This report has been prepared in accordance with Article 282 of the Slovenian Companies Act (ZGD-1).

OPERATION OF THE SUPERVISORY BOARD

Composition in 2024

In 2024, the composition of the supervisory board remained unchanged.

In 2024, the supervisory board comprised the following members: Davor Ivan Gjivoje Jr (Chairman), Keith William Morris (Deputy Chairman), Klemen Babnik, Matej Gomboši, Edita Rituper and Blaž Garbajs.

The size and composition of the supervisory board allowed for effective discussion and the adoption of sound resolutions based on the broad range of expertise and experience provided by its members.

Operation in 2024

In its work and decision-making, the supervisory board is guided by the goals of the Company and the Sava Insurance Group as a whole. During sessions, the members expressed their opinions and positions and sought to reconcile any differences.

The supervisory board notes that the reports prepared by the management board for the

supervisory board's own use, and that of its committees, were appropriate for a careful examination of issues, and that they conformed with both the relevant laws and internal regulations. Session materials were provided in a timely manner, allowing the members sufficient time to prepare themselves for the discussion of agenda items. The Company's professional staff assisted in the conduct of the sessions and organised other supporting activities.

The supervisory board held nine sessions during 2024, one of which was held by correspondence. All members attended all the sessions to which they were entitled. The number of sessions the members were entitled to attend varies due to members recusing themselves from the discussion of certain matters to avoid conflicts of interest or recusing themselves from a nomination process. Most of the sessions were held at the Company's head office.

The members of the management board and the secretary of the supervisory board also participated in the discussions, whereas other professional staff assisted in certain agenda items.

During the year, the supervisory board discussed select and relevant aspects of the operations and activities of the Company and the Sava Insurance Group within its powers under Slovenian law and the Company's articles of association.

The major issues to which the supervisory board members paid particular attention in 2024 are, in particular, outlined below.

Business plans of the Company and the Sava Insurance Group

In late 2024, the supervisory board discussed and approved the Business Plan of the Sava Insurance Group and Sava Re d.d. for 2025.

Financial reports – annual report

The supervisory board reviewed the unaudited financial statements of the Group and the Company for 2023, and it adopted the audited annual report of the Group and the Company for 2023, including the auditor's report and opinion on the 2023 annual report, and the supervisory board's own report on its activities in 2023.



Financial reports – interim reports

The supervisory board also periodically reviewed other select financial reports in 2024, in particular the statements of results of the Sava Insurance Group with the financial statements of Sava Re d.d. for January–March 2024 and January–September 2024, and the unaudited financial report for January–June 2024.

Investment

The supervisory board monitored asset management periodically and as part of its review of the annual report and interim financial reports of the Company and the Group.

Reinsurance operations and claims experience

The supervisory board was informed of the Company's reinsurance programme for the current year. Throughout 2024, the management board regularly updated the supervisory board on major loss events in the domestic and global markets and the related expected claim payments (if already known) that could have a material impact on the Company. The supervisory board took note of the management's additional report on the reinsurance renewal process.

Supervision of subsidiaries

In addition to overseeing the operations of Sava Re as the parent company of the Sava Insurance Group, the supervisory board actively monitored the performance of the Group's subsidiaries to the extent permitted by law.

Risk management system

Risk management function

The supervisory board monitored risk management periodically and as part of its review of the annual report and interim financial reports of the Company and the Group.

The supervisory board took note of the risk report for the last quarter of 2023 and the risk reports for the first, second and third quarters of 2024. In March, it also took note of the Own Risk and Solvency Assessment (ORSA) Report of Sava Re d.d. and the Sava Insurance Group for 2024. The report covered select and relevant information on the own risk and solvency assessment of Sava Re d.d. (the parent company) and the Sava Insurance Group.

Actuarial function

In 2024, the supervisory board discussed the actuarial function report of Sava Re d.d. for 2023, and it took note of the Sava Insurance Group

non-life actuarial function report for 2023 and the Sava Insurance Group life actuarial function report for 2023.

Compliance function

In 2024, the supervisory board of Sava Re took note of the annual report of the compliance function holder for 2023 and his annual work plan for 2024. It also took note of the compliance function holder's half-yearly report for the period from 1 January to 30 June 2024.

Internal audit function

In 2024, the supervisory board oversaw the activities of the Company's internal audit department in accordance with its statutory powers. It also reviewed the internal audit report for the period from 31 October to 31 December 2023 and the annual report on internal auditing for 2023, including a quality assurance and improvement programme of the Company's internal audit department, and drew up an opinion on the annual report, which was presented to the Company's general meeting of shareholders. It also discussed quarterly internal audit reports for the periods ending on 31 March 2024, 30 June 2024 and 30 September 2024. In addition, it monitored the quarterly reports of the internal audit department on internal auditing of the Sava Insurance Group (Group Internal Audit). All reports prepared by the Company's internal audit

department were presented by the head of the department.

The supervisory board is of the opinion that the internal audit reports are independent and objective and that the internal auditor's recommendations and findings have been taken into consideration by the management board. It notes that the internal audit's reviews, based on their available resources, have not revealed any significant irregularities in the Company's operations. The supervisory board also notes that the internal audit department regularly monitors the development of the internal audit departments of Group subsidiaries, providing them with appropriate support. In addition, it also monitors the operations of these companies and has not detected any major irregularities.

The supervisory board reviewed and held an in-depth discussion on the new Global Internal Audit Standards. It took note of the amendments to the Internal Audit Policy of the Sava Insurance Group and Sava Re d.d., prepared in accordance with the new global standards, and gave its approval to this document. In light of the new global standards, the supervisory board has granted the internal audit department a mandate to provide the management board, the audit committee and the supervisory board with objective assurance, advice, insight, and foresight.

At the end of 2024, the supervisory board discussed and approved the internal audit department's updated strategy for 2025–2027 and its annual plan for 2025.

In accordance with the International Standards on Internal Auditing, the supervisory board approved the proposed bonus for the head of the internal audit department relating to her individual performance in 2023.

Joint statement of key function holders

The supervisory board took note of the joint statement of all key function holders of the Group and the Company for 2023, including the opinion that key risk areas were effectively managed and their functions were aligned to ensure ample coverage of the risks to which the Company and the Group were exposed.

Solvency II policies

In 2024, the supervisory board also took note of the update on the periodic review of Solvency II policies, discussing individual policies and giving its consent to the proposed amendments.

Personnel matters

Report on the activities of the works council

In March 2024, the supervisory board discussed the works council's report on the state of employee participation in management for 2023.

Measurement of employee satisfaction

In October 2024, the supervisory board discussed a report on the results of the measurement of organisational potential and employee satisfaction and engagement in Sava Re and the Sava Insurance Group.

Nomination procedures

Supervisory board

Nomination process for a supervisory board member (term of office commences on 9 March 2025)

In spring 2024, the supervisory board of Sava Re, with the professional support of the relevant committees, undertook a nomination process and prepared a proposal to the general meeting for the appointment of a supervisory board member. The general meeting elected Davor I. Gjivoje Jr as a member of the supervisory board to represent the interests of shareholders. The four-year term of office of the elected supervisory board member started on 9 March 2025.

Nomination process for three supervisory board members (term of office commences on 18 July 2025)

In October, the supervisory board adopted a resolution to start the nomination process for the appointment of three supervisory board members

with a four-year term commencing on 18 July 2025. The nomination process is scheduled to be completed by the time of the notice of the general meeting for 2025.

Supervisory board committees

On 22 October 2024, Katarina Sitar Šuštar tendered her immediate resignation as an external member of the audit committee due to her appointment to the same role at a competing insurance company. The supervisory board appointed Simona Korošec Lavrič as a new external member of the audit committee. Her term of office runs from 21 November 2024 to 21 November 2028.

Management board

In autumn 2024, the supervisory board of Sava Re, with the professional support of the relevant committees, undertook a nomination process for the reappointment of Peter Skvarča, a member of the management board, and it voted unanimously to reappoint him for another term. The new five-year term starts on 20 June 2025.

Remuneration of members of management and supervisory bodies

Remuneration policy and remuneration report

In accordance with the Slovenian Companies Act, in 2024 the management and supervisory boards submitted to the Sava Re general meeting

of shareholders the Remuneration Policy for Members of Management and Supervisory Bodies of Sava Re d.d. and the Directors' Remuneration Report of Sava Re d.d. for 2023. At its 40th session, held on 27 May 2024, the general meeting of shareholders of Sava Re approved both documents.

Variable remuneration of the management board in 2023

In 2024, the supervisory board adopted a resolution on the payment of variable remuneration to the members of the management board for business and individual performance in 2023, in accordance with the internal methodology for determining the variable remuneration of the management board members.

Goals of the management board for determining the variable remuneration for 2025

In late 2024, the supervisory board approved the management board's goals for 2025 for determining the variable remuneration of a management board member.

Remuneration of external committee members

In March 2024, the supervisory board approved a change to the remuneration system for external members of supervisory board committees.

Adoption of internal regulations

In August 2024, the supervisory board approved amendments to the audit committee's rules of procedure.

Calling and holding the general meeting of shareholders

The supervisory board, together with the management board, called the Company's general meeting of shareholders once in 2024, for 27 May 2024.

Sustainable operations

In August 2024, the supervisory board approved the revised Sustainable Business Policy of the Sava Insurance Group. At that time, it also took note of the report on the Sava Insurance Group's preparations for sustainability reporting. In November 2024, the supervisory board approved a draft contract with the audit firm Deloitte Revizija d.o.o. for the audit of the 2024 sustainability report of the Sava Insurance Group.

Consideration of additional reports**Benchmark analyses**

The supervisory board discussed in detail the analysis of performance, solvency and financial condition reports of the Sava Insurance Group and its competitors for 2023.

Impact of inflation on claims

In August 2024, the supervisory board took note of the periodic report on the impact of claims inflation on the non-life portfolio and on the measures taken to limit this impact on the Group subsidiary's motor business.

DORA project

In August 2024, the supervisory board took note of the progress report on the DORA project related to digital operational resilience.

Other additional reports

In 2024, the supervisory board also took note of the following additional management reports:

- a report on the functioning of the management board committees as part of the governance system of Sava Re and the Sava Insurance Group;

- a report on brand awareness market research and net promoter score (NPS) measurement;
- a progress report on the Jupiter project – IT system overhaul in the subsidiary Zavarovalnica Sava.

Monitoring corporate finance projects

The management board kept the supervisory board informed of developments in corporate finance projects, with the supervisory board paying particular attention to the monitoring of the Sava Re subordinated bond issue, a project successfully completed in October 2024.

Overseeing the work of supervisory board committees

In March 2024, the supervisory board discussed the 2023 risk committee report and the 2023 audit committee report. It also assessed the quality of the work of the two committees. At each session, it monitored the activities of all four of its committees through reports from the committee chairmen and session minutes.

Correspondence with market regulators

As part of the periodic risk reports, the supervisory board reviewed reports on correspondence between the Company and the Insurance Supervision Agency (ISA), other market regulators and inspection services.

Strengthening supervisory board best practices

In line with best practice, the members of the supervisory board complete questionnaires upon taking office and annually thereafter, including a declaration that they have no conflicts of interest. In 2024, all the members of the supervisory board and its committees declared themselves to be independent. The declarations were noted by the supervisory board. The Company publishes the declarations of the supervisory board on its website.

In accordance with good practice, in 2024 the supervisory board evaluated its composition, its functioning, the work of its individual members, and the supervisory board as a whole, including its cooperation with the management board. It carried out a self-assessment with positive results, and it included an action plan to further improve the board's operation.



OPERATION OF SUPERVISORY BOARD COMMITTEES

AUDIT COMMITTEE

In accordance with statutory requirements, the Company's supervisory board has established an audit committee to deal with accounting, financial and auditing matters.

Terms of reference

The duties and powers of the audit committee of the supervisory board are laid down by the Slovenian Companies Act, its rules of procedure and those of the supervisory board, and other autonomous legal acts (e.g., recommendations for audit committees).

Composition in 2024

In 2024, the audit committee comprised the following members: Matej Gomboši (chairman), Blaž Garbajs, Dragan Martinović (external member), Katarina Sitar Šuštar (external member, until 22 October 2024) and Simona Korošec Lavrič (external member, from 21 November 2024).

Operation in 2024

The audit committee met 11 times in 2024. Nine sessions were held at the Company's head office, and two sessions were held by electronic means. All the members attended all committee sessions in their term of office.

The main activities of the audit committee in 2024 are outlined below.

Overseeing the integrity of financial information

The audit committee monitored the integrity of financial information. The committee focused mainly on overseeing the financial reporting processes. In this respect, it made recommendations and suggestions on materials for supervisory board sessions to ensure compliance with all regulatory requirements and relevant professional standards and adherence to appropriate reporting principles, such as completeness, transparency, and consistency of reporting.

Monitoring the efficiency and effectiveness of internal controls and internal audit

The audit committee monitored the efficiency and effectiveness of internal controls and internal audit activities based on the annual and quarterly internal audit reports. In addition, it

monitored the quarterly reports of the internal audit department on internal auditing of Group companies (Group Internal Audit). It also reviewed the quality assurance and improvement programme of the Company's internal audit department and the department's self-assessment for 2023. It discussed the proposed bonus for the director of internal audit for her individual-performance-based pay for 2023. It also assessed the adequacy of the internal audit department's updated strategy for 2025–2027 and its annual plan for 2025.

The audit committee reviewed and held an in-depth discussion on the new Global Internal Audit Standards. It took note of the amendments to the Internal Audit Policy of the Sava Insurance Group and Sava Re d.d. and proposed that the supervisory board approve the document. In light of the new global standards, the audit committee proposed to the supervisory board that the internal audit department be mandated to provide the management board, the audit committee and the supervisory board with objective assurance, advice, insight, and foresight.

The audit committee carried out an interview with the head of the internal audit department without the presence of the members of management and

the minute taker, in accordance with the internal audit standards and the recommendations for the work of audit committees issued by the Slovenian Directors' Association. The audit committee also took note of information on the progress of the internal audit quality assessment carried out in all Group companies in 2024.

Overseeing the operation of the risk management system

In line with the Company's corporate governance system (the supervisory board having established a separate risk committee), the audit committee oversaw the effectiveness and efficiency of the risk management framework by taking note of the minutes of the work and findings of the risk committee of the Sava Re supervisory board.

The audit committee also took note of the report on the regular annual review of the Solvency II policies for 2024 and discussed the policies relevant to its area of work.

In addition, the audit committee took note of the annual reports of other key function holders of Sava Re and the Sava Insurance Group for 2023 and the solvency and financial condition reports of the Company and the Group for 2023 (Company SFCR and Group SFCR).

Monitoring the statutory audit of separate and consolidated financial statements

About the statutory auditor

In 2022, a contract was signed with Deloitte Revizija d.o.o., Dunajska Cesta 165, 1000 Ljubljana (Deloitte) to audit the financial statements for the period from 2022 to 2024. Deloitte has thus audited the financial statements of Sava Re and the Sava Insurance Group for 2022, 2023 and 2024. In 2022, 2023 and 2024, the Group's subsidiaries were audited by the local audit staff of the same audit firm.

Statutory audit of financial statements

During 2024, the audit committee met several times with the selected external auditor, monitored the audit of the separate and consolidated financial statements and took note of the post-audit management letter and the additional auditor's report in relation to the audit of the financial statements for 2023. It also took note of the results of the auditor's review of compliance with the ESEF Regulation and the findings of the review of the absolute level of net assets as required by the local regulators in the relevant markets. The committee also took note of a number of other reports by the Company and the external auditor relating to the audit of the financial statements.

Setting audit focus areas

The audit committee took note of the 2024 audit plan and, among other things, participated in setting the audit focus areas. In December 2024, it also took note of the external auditor's report and the management letter following the pre-audit of the 2024 financial statements. Together with the external auditor, the audit committee reviewed and followed up on information security findings and measures and the effectiveness of information system controls.

Preparation of the contract between the auditor and the Company

In 2022, a contract was signed with Deloitte to audit the financial statements for the period from 2022 to 2024. In 2024, the audit committee discussed two annexes to the audit contract. At the end of December 2023 and in December 2024, the audit committee took note of the letters from Deloitte explaining that for the non-EU companies of the Sava Insurance Group reporting under IFRS 4 for local purposes and under IFRS 17 for consolidation purposes, the 2023 and 2024 audits will require more procedures to be carried out than estimated when the tender was prepared as part of the external auditor selection process (2021). Each of the annexes included two additional services beyond the above:

Annex no. 1 – ISA requires the auditors to report separately on the consistency of the financial statements for ISA reporting purposes with those included in the annual report and on the accuracy and completeness of the notes to the financial statements for ISA reporting purposes.

Annex no. 2 – For the period ending 31 December 2024, the auditor will perform additional procedures to verify the compliance of the tax accounting and notes thereto with the requirements of the Slovenian Minimum Tax Act (Pillar II) for the financial year 2024.

In order for these additional services to be provided, the committee discussed draft annexes no. 1 and 2 to the contract with the external auditor, as this part of the services was not included in the original contract price. The audit committee gave a favourable opinion on both proposed annexes.

Other contracts with the external auditor

The audit committee also discussed proposals for other contracts with the external auditor:

- a contract for the provision of agreed-upon procedures regarding the additional auditing of the 2023 and 2024 financial statements to be reported to ISA;
- a contract for the provision of a comfort letter for a subordinated bond issue;

- a contract for the audit of the sustainability report of the Sava Insurance Group for 2024.

Assessing the quality of the external auditor

In accordance with the internal methodology for assessing the quality of the external auditor, the audit committee carried out a quality assessment of the external auditor of the 2023 annual report.

Independence of the auditor of the Company's annual report

Based on quarterly management board reports on non-audit services provided by the audit firms, the audit committee assessed the independence of the auditor of the annual report of the Company and the Group. It also took note of the report on the recruitment of the Group auditor's team members or the granting of mandates to the Group auditor's team members in corporate bodies or other key functions in individual companies of the Sava Insurance Group.

In May 2024, the audit committee took note of Deloitte's statement that the total amount of payments for the years 2022 and 2023 would not be exceeded.

The audit committee also carried out a separate interview with the external auditor in May 2024 without the presence of management.



Selection process for the auditor of the Company's annual report for 2025–2027

At the general meeting of shareholders of Sava Re in 2022, Deloitte was elected to audit the financial statements for the period 2022–2024.

The external auditor completed the first three-year period at Sava Re with the 2024 audit and is eligible for reappointment under Slovenian insurance legislation. In May 2024, the audit committee started the nomination process for the external auditor for a new three-year period. The nomination process will be completed by the time of the notice of the general meeting for 2025.

Internal acts

Rules of procedure of the audit committee

In August 2024, the audit committee approved the amendments to the audit committee's rules of procedure and proposed that the supervisory board approve this document. The rules of procedure of the audit committee, which came into effect on 1 September 2024, are now also published on Sava Re's website.

External auditor independence policy

In November 2024, the audit committee approved the amendments to the Policy for Ensuring the Independence of the Auditor of Financial Statements of Sava Re d.d. and the Sava Insurance Group.

Performing other tasks

In 2024, the audit committee also performed other tasks. It prepared a report on its work in 2023 for the supervisory board. In the context of corporate integrity, the committee took note of the report on implementing the whistleblower protection system in a work-related context at Sava Re, presented by the compliance function holder. It also confirmed its work plan for 2025, including the attached timetable. The external members of the audit committee had an open invitation to attend the supervisory board and risk committee sessions for agenda items concerning reports on additional topical issues.

Further strengthening audit committee best practices

The audit committee carried out a self-assessment of the quality of its work, which was then presented to the supervisory board.

Following the self-assessment, the audit committee adopted an action plan to improve its work, which was fully implemented in 2024.

The committee in turn took note of the assessment of the quality of its work carried out by the supervisory board in 2024. It also took note of information on the fit and proper assessment of its members and the assessment of its own competence as a collective body, which were carried out in accordance with the internal fit and proper policy for relevant personnel (1) on a periodic basis in March 2024 and (2) when the composition of the audit committee changed in November 2024.

All the audit committee members signed an annual declaration of their independence, which was also presented to the supervisory board.

Conclusions

The chairman of the audit committee reported regularly to the supervisory board on the work and positions of the audit committee. The supervisory board regularly reviewed the minutes of the committee's sessions.

The supervisory board is of the opinion that the audit committee thoroughly considered relevant issues within its terms of reference, taking into account the fact that the board established a separate risk committee. It provided the supervisory board with high-quality professional assistance in the form of opinions and proposals.

The supervisory board also believes that the composition of the audit committee is appropriate and that the members have the professional and personal qualities to maintain a high level of quality and independence in their work.

Furthermore, the supervisory board is of the opinion that the audit committee received appropriate support in carrying out its work.

RISK COMMITTEE

The supervisory board believes that identifying and managing risk is a central part of good governance and has therefore set up a risk committee to monitor risk developments and provide advice and support to the supervisory board on risk-related matters.

Terms of reference

The risk committee performs its duties in accordance with the resolutions of the supervisory board, the Solvency II Directive, its rules of procedure, the rules of procedure of the supervisory board, the Insurance Act, the Slovenian Corporate Governance Code for Listed Companies, and other applicable risk management regulations.

Composition in 2024

In 2024, the risk committee comprised the following members: Keith William Morris (chairman), Davor Ivan Gjivoje Jr, Slaven Mičković (external member, deputy chairman) and Janez Komelj (external member).

Operation in 2024

The risk committee met five times in 2024. All the members attended all committee sessions.

The main activities of the risk committee in 2024 are outlined below.

Overseeing the operation of the risk management system

The risk committee focused on overseeing the risk management system, primarily in terms of its reliability, effectiveness, and efficiency. It assessed the adequacy of the risk management system in place.

The risk committee reviewed in detail all risk management documents submitted to it, brought to its attention or approved by the supervisory board:

- the quarterly risk reports of the Sava Insurance Group and Sava Re for the periods ending on 31 December 2023, 31 March 2024, 30 June 2024, and 30 September 2024;
- the own risk and solvency assessment (ORSA) report of Sava Re and the Sava Insurance Group for 2024;
- the annual reports on the capital adequacy calculations under Solvency II and solvency and financial condition reports of the Company and the Group for 2023 (Company SFCR and Group SFCR).

As reinsurance is one of the areas of the risk management system by which an insurance company covers part of the assumed risks in excess of its retentions according to its tables of retention limits, the risk committee also reviewed the Company's reinsurance programme for 2024.

The risk committee also took note of the report on the regular annual review of the Solvency II policies for 2024.

Performing other tasks

The risk committee also performed other tasks in 2024: It prepared a report on its work in 2023 for the supervisory board. The risk committee also discussed an update on claims inflation and a report on the Sava Insurance Group's preparations for sustainability reporting. It also took note of the audit committee's work (audit committee session minutes) to ensure that there is mutual information and insight into each other's work, that relevant areas are adequately monitored and that gaps or overlaps in the work of the two committees are minimised as far as possible. It also confirmed its work plan for 2024, including the attached timetable. The external members of the risk committee had an open invitation to attend the supervisory board and audit committee sessions for agenda items concerning reports on additional topical issues.

Further strengthening risk committee best practices

The risk committee carried out a self-assessment of the quality of its work, which was then presented to the supervisory board. The committee in turn took note of the assessment of the quality of its work carried out by the supervisory board in 2024. It also took note of the information on the fit and proper assessment of its members and the assessment of its own competence as a collective body, both of which were conducted in 2024. All the risk committee members signed an annual declaration of their independence, which was also noted by the supervisory board.

Conclusions

The chairman of the risk committee reported regularly to the supervisory board on the committee's work. The supervisory board regularly reviewed the minutes of the committee's sessions.

The supervisory board believes that the composition of the risk committee is appropriate and that the members have the professional and personal qualities to perform its duties with quality and independence. Furthermore, the supervisory board is of the opinion that the risk committee received appropriate support in carrying out its work.



NOMINATIONS AND REMUNERATION COMMITTEE

In accordance with the Slovenian Corporate Governance Code for Listed Companies, the supervisory board has established a nominations and remuneration committee as a permanent special committee to make proposals on the selection criteria and the selection of candidates for the management and supervisory boards, prepare proposals on the remuneration of the management and supervisory boards, and assist the supervisory board in other areas where, amongst other possible tasks, conflicts of interest may arise among the members of the supervisory board.

Terms of reference

The nominations and remuneration committee operates in accordance with the resolutions of the supervisory board, the Solvency II Directive, the rules of procedure of the supervisory board, the Insurance Act, and the Slovenian Corporate Governance Code for Listed Companies.

Composition in 2024

The term of office of each committee member is limited by the term of office of the supervisory board.

In 2024, the nominations and remuneration committee comprised the following members:

Klemen Babnik (chairman), Davor Ivan Gjivoje Jr, Keith William Morris, Matej Gomboši, Edita Rituper and Blaž Garbajs.

The nominations and remuneration committee carried out the activities relating to the candidate selection process for members of the supervisory board (one vacancy for the term March 2025 – March 2029) in the following changed composition: Klemen Babnik (chairman), Keith William Morris, Matej Gomboši, Edita Rituper and Blaž Garbajs.

The nominations and remuneration committee carried out the activities relating to the candidate selection process for members of the supervisory board (three vacancies for the term 2025–2029) in the following changed composition: Davor Ivan Gjivoje Jr (chairman), Keith William Morris, Edita Rituper and Blaž Garbajs.

Operation in 2024

The nominations and remuneration committee met seven times in 2024. All members attended all the sessions to which they were entitled. The number of sessions the members were entitled to attend varies due to members recusing from the relevant nomination processes. Most of the sessions were held at the Company's head office.

The main activities of the nominations and remuneration committee in 2024 are outlined below.

Remuneration of members of management and supervisory bodies

Remuneration policy and remuneration report

The nominations and remuneration committee discussed the proposed Directors' Remuneration Report of Sava Re d.d. for 2023 (Article 294b of ZGD-1) and the proposed Remuneration Policy for Members of Management and Supervisory Bodies of the Sava Insurance Group (Article 294a of ZGD-1). The committee recommended that the supervisory board submit both documents to the 40th general meeting for approval.

Variable remuneration of the management board in 2023

In accordance with the internal methodology for determining the variable pay of a management board member, the nominations and remuneration committee assessed the management board's performance in 2023. This assessment served as the basis for the supervisory board's resolution on the payment of variable remuneration to management board members for their business and individual performance in 2023.

Goals of the management board for determining the variable remuneration for 2025

At the end of 2024, after extensive discussion, the nominations and remuneration committee proposed that the supervisory board approve the proposed goals of the management board for 2025.

Remuneration of external committee members

In March 2024, the nominations and remuneration committee discussed a change in the remuneration system for external members of the supervisory board committees and recommended that the supervisory board approve the change.

Nomination procedures

Nomination process for a supervisory board member (term of office commences on 9 March 2025)

In the first quarter of 2024, by resolution of the supervisory board, the nominations and remuneration committee carried out the activities necessary to conduct the nomination process for a member of the supervisory board with a term of office commencing on 9 March 2025. It also drafted a proposal for an election resolution, which the supervisory board then proposed to the annual general meeting.

Nomination process for three supervisory board members (term of office commences on 18 July 2025)

By resolution of the supervisory board, the nominations and remuneration committee commenced its activities in the fourth quarter of 2024 in connection with the nomination process for the appointment of three supervisory board members with a term of office commencing

on 18 July 2025. This nomination process will be completed by the time of the notice of the general meeting for 2025.

Further strengthening nominations and remuneration committee best practices

All the nominations and remuneration committee members signed an annual declaration of their independence, which was also noted by the supervisory board.

Conclusions

The chairman of the nominations and remuneration committee reported regularly to the supervisory board on the work of the committee. The supervisory board regularly reviewed the minutes of the committee's sessions.

The supervisory board believes that the composition of the nominations and remuneration committee is appropriate and that the members have the professional and personal qualities to perform its duties with quality and independence.

Furthermore, the supervisory board is of the opinion that the nominations and remuneration committee received appropriate support in carrying out its work.

FIT AND PROPER COMMITTEE

In accordance with the law and the Company's fit and proper policy, the management and supervisory boards have appointed a dedicated fit and proper committee for the fit and proper assessment of the management board and the supervisory board, including all its committees, and the members of these bodies.

Terms of reference

The fit and proper committee operates in accordance with the resolutions of the supervisory board, the fit and proper policy, the Solvency II Directive, the rules of procedure of the supervisory board, the Insurance Act, the Slovenian Corporate Governance Code for Listed Companies, and the ISA recommendations.

Composition in 2024

The term of office of each committee member is limited by the term of office of the supervisory board.

In 2024, the fit and proper committee comprised the following members: Keith William Morris (chairman), Klemen Babnik, Rok Saje (compliance officer) and Klara Hauko (director of human resource management).

Operation in 2024

The fit and proper committee met four times in 2024. All the members attended all committee sessions.

The main activities of the fit and proper committee in 2024 are outlined below.

In March 2024, the fit and proper committee carried out a fit and proper assessment of Davor I. Gjivoje Jr, the candidate for reappointment to the supervisory board of Sava Re as a representative of shareholders, and an assessment of the competence of the supervisory board as a collective body in its expected future composition. At the same time, it carried out a regular annual fit and proper assessment of all incumbent members of the management board and the supervisory board, including its committees. It also conducted its periodic fit and proper assessment of the aforementioned management and supervisory boards as collective bodies.

In October 2024, the fit and proper committee carried out a fit and proper assessment of Peter Skvarča, the candidate for reappointment to the management board of Sava Re, and an assessment of the competence of the management board as a collective body in its expected future composition.

When a replacement in or an addition to any supervisory board committee was made, the fit and proper committee reassessed the fitness and suitability of the new members to also serve as members of the individual committees. It also reassessed the competence of each committee as a collective body in its new composition.

Further strengthening fit and proper committee best practices

All the fit and proper committee members signed an annual declaration of their independence, which was also noted by the supervisory board.

Conclusions

The chairman of the fit and proper committee reported regularly to the supervisory board on the committee's work. The supervisory board regularly reviewed the minutes of the committee's sessions.

The supervisory board believes that the composition of the fit and proper committee is appropriate and that the members have the professional and personal qualities to perform its duties with quality and independence. Furthermore, the supervisory board is of the opinion that the fit and proper committee received appropriate support in carrying out its work.

CONCLUDING FINDINGS

Macroeconomic conditions were generally favourable in 2024, with continued economic growth in the markets where the Group is present, moderating inflation and mainly positive developments in financial markets. Changing climatic conditions have made severe weather events a likely regular feature, and we, like other insurers around the world, needed to adapt to these new developments.

Once again, the Sava Insurance Group's strategy, based on controlled organic growth, disciplined underwriting and ambitious profitability, kept us in good stead in 2024. We grew business volume in all segments, with the strongest growth recorded in our domestic Slovenian market. The Sava Insurance Group has exceeded virtually all the targets set in its business plan for the year.

The excellent financial results for 2024 reflect the successful implementation of the Group's key strategic priorities. An important development in the approach to sustainable development in 2024 was the transition to the new ESRS reporting standards, which provide an opportunity for even more transparent and comprehensive monitoring of the sustainability impacts of our operations.

This assessment of the supervisory board is also based on the report of the independent auditor on the financial statements of Sava Re d.d. and the Sava Insurance Group for 2024, and those of the key function holders of the Company's risk control system.

In 2025, the supervisory board will continue to pay very close attention to overseeing the management of risks arising from business operations. In addition to its day-to-day responsibilities, it will also focus on monitoring the implementation of the 2025 business plan and the Group's five-year strategy.

Equally so, the supervisory board will continue to give its steadfast support to the management board, within the scope of its responsibilities, capabilities and defined powers.



ANNUAL REPORT 2024

The Company's management board submitted the audited Annual Report of the Sava Insurance Group and Sava Re d.d. for 2024 for approval to the supervisory board. The audit committee of the supervisory board considered both the unaudited and audited Annual Report of the Sava Insurance Group and Sava Re d.d. for the year ended 31 December 2024, including the sustainability report. It also took note of the additional auditor's report to the audit committee on the audit of the financial statements as at 31 December 2024, prepared in accordance with Article 11 of Regulation (EU) No 537/2014, and the auditor's report on the sustainability report, and expressed its opinion and views thereon. In accordance with its powers, the supervisory board examined the audited annual report at its session on 3 April 2025.

The supervisory board notes that the annual report for 2024 is clear and extensive, and it complies with the content and disclosure requirements of the Slovenian Companies Act and the Slovenian Insurance Act with its implementing regulations. The financial statements with notes have been prepared in accordance with International Financial Reporting Standards, and the sustainability report has been prepared in accordance with European Sustainability Reporting Standards (ESRS) and Article 8 of the Taxonomy Regulation.

The supervisory board also took note of the opinion of the auditor Deloitte Revizija d.o.o., Dunajska Cesta 165, 1000 Ljubljana, which audited the financial statements of Sava Re d.d. and the consolidated financial statements of the Sava Insurance Group. The supervisory board agrees with the opinion of the authorised auditor Deloitte, who finds that the separate and consolidated financial statements provide, in all material respects, a fair view of the financial position of the Company and the Group as at 31 December 2024, and their financial performance and cash flows for the year then ended, in accordance with International Financial Reporting Standards, as adopted by the European Union. The supervisory board also agrees with the independent auditor's assurance report with limited assurance issued by the authorised auditor Deloitte Revizija d.o.o. regarding the sustainability report.

Based on its review of the 2024 annual report, and based on the opinion of the external auditor and the opinion of the audit committee, the supervisory board is of the opinion that the annual report gives a true and fair opinion of the assets and liabilities, financial position, profit or loss, and cash flows of the Sava Insurance Group and Sava Re d.d.

The supervisory board hereby approves the audited Annual Report of the Sava Insurance Group and Sava Re d.d. for 2024, as submitted by the management board.

DETERMINATION OF AND PROPOSAL FOR APPROPRIATION OF DISTRIBUTABLE PROFIT OF SAVA RE

The supervisory board has also reviewed the management board's proposal for the appropriation of the distributable profit as at 31 December 2024, subject to final approval by the general meeting of shareholders of Sava Re. The supervisory board of Sava Re d.d. gives its consent to the management board's proposal to the general meeting regarding the appropriation of the distributable profit as at 31 December 2024 of EUR 56,542,806.98; EUR 34,869,816.00 to be appropriated for dividends, and the remaining part of the distributable profit of EUR 21,672,990.98 to be left unallocated as retained earnings. Thus, the proposed gross dividend per share is EUR 2.25.

The supervisory board proposes that the general meeting of shareholders grant discharge to the management board for the financial year 2024.



Davor Ivan Gjivoje, Jr.
Chairman of the Supervisory Board of Sava Re d.d.

Ljubljana, 3 April 2025

5 Corporate governance statement

Sava Re issues this corporate governance statement to publicly disclose information on the nature, structure and effectiveness of the Company's internal governance and control system. It aims to increase transparency, accountability and trust among all the Company's stakeholders, including investors, employees and the general public. The Company prepares this statement in accordance with Article 70(5) of the Slovenian Companies Act (ZGD-1) and the recommendations of the Slovenian Corporate Governance Code for Listed Companies. The statement is a special section of the business report as part of the annual report for 2024. It covers the period from 1 January 2024 to 31 December 2024, with additional disclosure of significant events occurring after this period up to the date of its publication. The statement is available in electronic form for at least five years from the date of its publication on the website of the Ljubljana Stock Exchange d.d. in its SEOnet information system (<http://seonet.ljse.si>) and on the Company's official website (<http://www.sava-re.si>).

5.1 Corporate governance policy

In December 2023, with the consent of the Company's supervisory board, the Sava Re management board adopted the revised Corporate Governance Policy of the Sava Insurance Group and the revised Corporate Governance Policy of Sava Re d.d. The documents set out the main subsidiary governance principles for the Sava Insurance Group and the governance rules for Sava Re, taking into account the goals, mission, vision and values of the Group. The policies represent a commitment to future action.

The Corporate Governance Policy of Sava Re d.d. is available through the Ljubljana Stock Exchange SEOnet information system and from the Company's website.

5.2 Compliance with the Slovenian Corporate Governance Code for Listed Companies

As a public limited company, Sava Re's reference code in 2024 was the Slovenian Corporate Governance Code for Listed Companies adopted by the Ljubljana Stock Exchange and the Slovenian Directors' Association on 9 December 2021. It is available in Slovenian and English from the Ljubljana Stock Exchange website.

The management and supervisory boards of Sava Re hereby state that Sava Re operates in compliance with the Code, with individual deviations that are disclosed and explained as follows.

Corporate governance statement

Recommendation 5.6: External assessment of adequacy of corporate governance statement

The Company has yet to ensure an external assessment of the adequacy of the corporate governance statement. It intends to carry out an external assessment of the corporate governance statement in the current strategy period.

Relationship between the Company and shareholders – Relations with shareholders

Recommendation 10.1: Holding general meetings by electronic means

The Company has not yet provided for the possibility of attending and voting at the general meeting by electronic means without physical presence. It intends to amend its internal rules (articles of association and rules of procedure for the general meeting) during the current strategy period.



Supervisory board

Recommendation 16.4: Evaluation of the supervisory board

The supervisory board does not perform periodic external assessments of its evaluation. The Company intends to perform periodic external assessments of the supervisory board's evaluation during the current strategy period.

Transparency in operations – Public disclosure of significant information

Recommendation 32.7: Public disclosure of the rules of procedure of management bodies

The Company has published the rules of procedure of both the general meeting and the supervisory board on its website but not those of the management board, as they are an internal procedural document.

5.3 Bodies of Sava Re

Management system

Sava Re has a two-tier management system with a management board that conducts the business and a supervisory board that oversees operations. The governing bodies – the general meeting, and the supervisory and management boards – act in compliance with laws, regulations, the articles of association and internal rules. The Company's articles of association and the rules of procedure of both the general meeting and the supervisory board are posted on the Company's website.

Risk management system⁸

The risk management system is a cornerstone of strong governance. The management board ensures the effectiveness of this system. Rules of the risk management systems and own risk and solvency assessment rules are set out in detail in the Company's internal regulations.

Key functions⁹

The Company has certain functions integrated into its organisational structure and decision-making processes. These are the risk management function, internal audit function, actuarial function and compliance function, defined by applicable law as the key functions of the

governance system (key functions). They are integrated in order to strengthen the three-lines-of-defence framework in the Company's control system. The key function holders cooperate closely with each other, regularly exchanging information they need for their functioning.

The key function holders perform their duties independently from each other and from other organisational units of the Company. The key functions in the Company are normally organised as services of the risk management system that report directly to the Company's management board. The compliance key function is conducted as part of the office of the management board and of compliance.

The key function holders established and integrated into Sava Re's governance system perform their key functions both at the level of the parent company and the Group level.

The key function holders report in two directions, namely:

- to the management and supervisory boards or, if so provided, the audit committee and other relevant committees, if so required by the internal regulations;
- to the relevant key function holder at the Group level.

The key function holders meet regularly, as a general rule once a month, to exchange opinions and discuss topical issues and specifics of the business in the current period. They harmonise the various annual work plans of the key function holders they are required to draw up under the applicable legislation or internal regulations. They also exchange findings from individual audit reviews, findings and recommendations from the areas of work covered by each key function holder, and discuss the annual or other reports on the work of each key function holder. In accordance with the applicable legislation and internal regulations, they report on findings and follow up on recommendations to the management and supervisory boards.

Each year, the key function holders issue a joint statement that they have undertaken activities to ensure, with due care and in accordance with the rules of the profession, that all key risks to which the Company is or could be exposed in the course of its business operations are monitored and that the level of the risk management system is effective.

Rules governing individual key functions are set out in detail in the Company's internal regulations.

⁸ ESRS 2 GOV-1 paragraph 22 (c).
⁹ ESRS 2 GOV-1 paragraphs 22 (c) i, 22 (c) ii and 22 (c) iii.



5.3.1 General meeting of shareholders

The general meeting of shareholders is the supreme body of the Company through which shareholders exercise their rights in Company matters. The terms of reference of the general meeting are governed by its rules of procedure, which are posted on the Company's website.

Convening the general meeting

The general meeting of shareholders, through which the shareholders of Sava Re exercise their rights in the affairs of the Company, is convened at least once a year, but not later than by the end of August. The general meeting may be convened in other cases as provided by law, the Company's articles of association, and whenever this is in the interest of the Company. As a rule, the general meeting is convened by the management board. In the cases stipulated by law, it may be convened by the supervisory board or shareholders.

The Company publishes general meeting notices through the SEOnet system provided by the Ljubljana Stock Exchange and through its website (www.ljse.si), on the AJ PES website (www.ajpes.si) and on the Company's official website (www.sava-re.si), as well as in printed form in one daily newspaper as provided for in the articles of association (in Delo or Dnevnik) or in the Official Gazette of the Republic of Slovenia.

Participation in the general meeting

To attend the general meeting and exercise their voting rights, shareholders must send the Company a registration form no later than by the end of the fourth day prior to the general meeting and must be registered holders of shares listed in the central register of book-entry securities at the end of the seventh day prior to the general meeting.

The conditions of participation or exercise of voting rights at the general meeting must be set out in detail in the notice of the general meeting.

Adoption of resolutions

General meeting resolutions are adopted by a majority of votes cast (simple majority), unless a larger majority or other requirements are stipulated by law or the articles of association.

Exercise of voting rights

Shareholders may exercise their voting rights in the general meeting according to their share of the Company's share capital. Each no-par-value share with voting rights carries one vote. Voting rights can be exercised by proxy based on a written proxy form, or through financial organisations or shareholder associations.

Treasury shares carry no voting rights.

The general meeting in 2024

The general meeting of shareholders was convened once in 2024.

In accordance with the Company's 2024 financial calendar, the 40th general meeting of shareholders was held on 27 May 2024. Among other things, the general meeting was presented with the annual report for 2023, including the auditor's opinion and the written report of the supervisory board to the annual report, and the annual report on internal auditing for 2023 with the opinion of the supervisory board thereto. The general meeting received the management board's report on treasury shares. At the general meeting, the shareholders adopted the management and supervisory boards' proposal to use EUR 27,120,968.00 of the distributable profits for dividends. The dividend of EUR 1.75 gross per share was paid out on 12 June 2024 to the shareholders listed in the shareholders' register on 11 June 2024. The shareholders granted discharge to the management and supervisory boards for 2023. The general meeting elected Davor Ivan Gjivoje Jr as a member of the Company's supervisory board to represent the shareholders. His new four-year term begins on 9 March 2025. The general meeting approved the Directors' Remuneration Report of Sava Re d.d. for the financial year 2023 and the Remuneration Policy

for Members of Management and Supervisory Bodies of Sava Re d.d. The remuneration report and the remuneration policy were published on the Company's website immediately after the 40th general meeting and will remain publicly available for at least ten years. No legal actions to challenge any general meeting resolutions were announced at the general meeting.

5.3.2 Supervisory board

The supervisory board oversees the Company's conduct of business and appoints members of the management board.

In accordance with the Company's articles of association and applicable law, the supervisory board is composed of six members, of which four (shareholder representatives) are elected by the Company's general meeting, and two (employee representatives) are elected by the works council, which informs the general meeting of its decision. Supervisory board members are appointed for a term of up to four years and may be re-elected. The supervisory board members elect a chair and deputy chair from among their number.



The supervisory board is composed in such a manner as to ensure responsible oversight and decision-making in the best interest of the Company. Its composition takes account of diversity in terms of technical knowledge, experience and skills, and the way members complement each other so as to form a homogeneous team, which also ensures a sound and prudent oversight of the Company's affairs. In 2024, the Company sought to align the composition of the supervisory board with the Company's policy on the diversity of the management and supervisory boards. The Company's policy on diversity of the management and supervisory boards is posted on the Company's website.

In 2024, the gender balance on the supervisory board was 16.67% women and 83.33% men.¹⁰ The implementation of the policy on diversity of the supervisory board in 2024 is detailed as follows.

Terms of reference and operation of the supervisory board¹¹

The supervisory board must comply with the applicable legislation, particularly the Slovenian Companies Act and the Insurance Act, the

Company's articles of association and the supervisory board's rules of procedure. In accordance with the law, the supervisory board must be convened at least on a quarterly basis, generally after the end of each quarter of the financial year, and more frequently if necessary.

The supervisory board may request that the management board provide any information necessary for them to perform their supervisory function.

The conduct of business cannot be transferred to the Supervisory Board.

The main tasks of the supervisory board are to:¹²

- monitor and oversee the business conduct and operations of the Company, and, in the case of weaknesses or irregularities, propose remedial action to the management board;
- give consent to the business policy and financial plan of the Sava Insurance Group and Sava Re as prepared by the management board;
- give consent to the development strategy of the Sava Insurance Group and Sava Re as prepared by the management board;
- approve the written rules of the system of governance, risk management, compliance,

- internal audit, actuarial function, internal controls and outsourced business;
- approve the granting and withdrawal of authority relating to key function holders;
- approve the solvency and financial condition report of the Company and the Group;
- approve the risk strategy of the Company and the Group as prepared by the management board;
- consider the own risk and solvency report and quarterly risk reports of the Company and the Group;
- consider compliance function reports;
- consider actuarial function reports;
- approve the framework annual and long-term work plan of the internal audit plan as prepared by the management board;
- oversee the adequacy of the procedures used by and the effectiveness of the internal audit function and consider internal audit function reports;
- issue an opinion for the general meeting to be attached to the annual report on internal auditing;
- give consent to the appointment, removal and remuneration of the head of internal audit;
- review the annual and interim financial reports

- of the Sava Insurance Group and Sava Re;
- review the annual report submitted by the management board, adopt an opinion on the auditor's report and prepare a qualified or approving report for the general meeting;
- review the proposal regarding appropriation of the distributable profit submitted by the management board, and prepare a written report for the general meeting;
- appoint and remove the chair and the members of the management board;
- decide on the criteria for determining the remuneration and reward system of the chair and the members of the management board;
- adopt the rules of procedure of its operation;
- draft general meeting resolutions within the supervisory board's terms of reference, and perform tasks directed by the general meeting;
- consider the findings of the Insurance Supervision Agency and other supervisory bodies made when exercising their supervisory function over the Company.

The major issues to which the supervisory board members paid particular attention in 2024 are presented in section 4 [“Report of the supervisory board”](#).¹³

10 ESRS 2 GOV-1 paragraph 21 (d).
 11 ESRS 2 GOV-1 paragraph 22 (b).
 12 ESRS 2 GOV-1 paragraph 22 (d), and ESRS 2 GOV-2 paragraphs 26 (a), 26 (b) and 26 (c).
 13 ESRS 2 GOV-2 paragraph 26 (c).



Remunerations, compensation and other benefits

The supervisory board members are entitled to remuneration for performing their function, attendance fees and reimbursement of expenses. The remuneration must not be directly linked to the Company's performance, as demonstrated by its financial statements. The amount of the above remuneration was set by resolution of the general meeting and is also regulated by the Remuneration Policy for Members of Management and Supervisory Bodies of Sava Re d.d., which was submitted for approval to the 40th general meeting (held on 27 May 2024).

The remuneration of supervisory board members in 2024 is disclosed in section [C.3.9 "Related party disclosures"](#) and in more detail in the Directors' Remuneration Report for 2024, which will be submitted as a separate document to the general meeting.

Commitment to identify the existence of any conflict of interest

Before taking office and afterwards periodically (annually) and upon each change, each supervisory board member signs and submits to the supervisory board a statement of their independence, thereby taking a position with respect to individual conflicts of interest, in accordance with the criteria set out in the Code.

The statements of independence of the members of the Company's supervisory board are posted on the Company's website.

POSR holdings of supervisory board members

Supervisory board members report any acquisition or disposal of Company shares to the Company and relevant organisations, and Sava Re posts this information.

Details on Sava Re shares held by supervisory board members as at 31 December 2024 are provided in section [3 "Shareholders and share trading"](#).

The supervisory board in 2024

In 2024, the supervisory board comprised the following six¹⁴ smembers: Davor Ivan Gjivoje Jr (chairman), Keith William Morris (deputy chairman), Klemen Babnik, Matej Gomboši, Edita Rituper and Blaž Garbajs.

5.3.3 Supervisory board committees

Pursuant to legislation, the Code and best practice, the supervisory board appoints one or more committees, tasking them with specific areas, the preparation of draft resolutions of the supervisory board, the implementation of resolutions of the supervisory board and other tasks requiring specialist expertise, thereby

providing the board with professional support.

The Company has established the following supervisory board committees:

- the audit committee,
- the risk committee,
- the nominations and remuneration committee,
- the fit and proper committee.

Audit committee

The main tasks of the audit committee are to:

- oversee the integrity of financial information;
- monitor the efficiency and effectiveness of internal controls, the operation of the internal audit department and risk management systems;
- monitor the statutory audit of independent and consolidated financial statements;
- perform other tasks assigned by a valid resolution of the supervisory board, in line with statutory requirements and best practices of comparable companies or insurance groups.

In 2024, the audit committee comprised the following members: Matej Gomboši (chairman), Blaž Garbajs, Dragan Martinović (external member), Katarina Sitar Šuštar (external member, until 22 October 2024) and Simona Korošec Lavrič (external member, from 21 November 2024).

Risk committee

The main tasks of the risk committee are to:

- assess the impact of various types of risk on economic and regulatory capital;
- assess the Group's overall risk governance framework, including the risk management policy, and the risk strategy, and monitor operational risks;
- assess the appropriateness and adequacy of risk management documents to be approved by the supervisory board;
- perform other tasks assigned by a resolution of the supervisory board, in line with statutory requirements and best practices of comparable companies or insurance groups.

In 2024, the risk committee comprised the following members: Keith William Morris (chairman), Davor Ivan Gjivoje Jr, Slaven Mičković (external member) and Janez Komelj (external member).



Nominations and remuneration committee

The main tasks of the nominations and remuneration committee are to:

- draft proposals for the supervisory board regarding the criteria for membership of the management board, and consider and draft proposals concerning nominations to be decided by the supervisory board;
- preliminarily consider the proposal of the chair of the management board regarding the composition of the management board and the Company's governance, and draw up proposals for the supervisory board;
- carry out the nomination process for candidates for membership of the supervisory board who are shareholder representatives;
- provide support in drawing up and implementing a system for remuneration, reimbursements and other benefits for management board members.

In 2024, the nominations and remuneration committee comprised the following members: Klemen Babnik (chairman), Davor Ivan Gjivoje Jr, Keith William Morris, Matej Gomboši, Edita Rituper and Blaž Garbajs.

Temporary composition of the nominations and remuneration committee for the purpose of the nomination processes for new members of the supervisory board

Regarding the nomination process for membership of the supervisory board of Sava Re (one vacancy for the term March 2025 – March 2029), on 13 December 2023, the supervisory board took note of the statement of Davor I. Gjivoje Jr by which, in order to avoid any conflicts of interest as a member of the nominations and remuneration committee, he excluded himself from all activities of the above committee that related to the candidate selection process for membership of the Sava Re supervisory board.

The nominations and remuneration committee carried out the activities relating to the candidate selection process for members of the supervisory board (one vacancy for the term March 2025 – March 2029) in the following changed composition: Klemen Babnik (chairman), Keith William Morris, Matej Gomboši, Edita Rituper and Blaž Garbajs.

Regarding the nomination process for membership of the supervisory board of Sava Re (three vacancies for the term July 2025 – July 2029), on 10 October 2024, the supervisory board took note of the statements of Klemen

Babnik and Matej Gomboši by which, in order to avoid any conflicts of interest as members of the nominations and remuneration committee, they excluded themselves from all activities of the above committee that related to the candidate selection process for membership of the Sava Re supervisory board.

The nominations and remuneration committee carried out the activities relating to the candidate selection process for members of the supervisory board (three vacancies for the term July 2025 – July 2029) in the following changed composition: Davor Ivan Gjivoje (chairman), Keith William Morris, Edita Rituper and Blaž Garbajs.

Fit and proper committee

The main tasks of the fit and proper committee are to:

- carry out procedures for assessing the competence of the supervisory board, supervisory board committees and the management board as collective bodies, and conduct fit and proper assessments of individual members of these bodies;
- at the request of the Company's works council, carry out a fit and proper assessment of any employee representative on the supervisory board elected by the works council.

In 2024, the fit and proper committee comprised the following members: Keith William Morris (chairman), Klemen Babnik, Rok Saje (compliance officer) and Klara Hauko (director of human resource management).

Temporary composition of the fit and proper committee for the purpose of the nomination process for new members of the supervisory board

Regarding the nomination process for membership of the supervisory board of Sava Re (three vacancies for the term July 2025 – July 2029), on 10 October 2024, the supervisory board took note of the statement of Klemen Babnik by which, in order to avoid any conflicts of interest as a member of the fit and proper committee, he excluded himself from all activities of the above committee that related to the candidate selection process for membership of the Sava Re supervisory board.

The fit and proper committee carried out the activities relating to the candidate selection process for members of the supervisory board in the following changed composition: Keith William Morris (chairman), Davor Ivan Gjivoje Jr, Rok Saje and Klara Hauko.

► Composition of the supervisory board in 2024¹⁵

Full name	Davor Ivan Gjivoje Jr	Keith William Morris	Klemen Babnik	Matej Gomboši	Edita Rituper	Blaž Garbajs
Function	chair	deputy chair	member	member	member	member
Employment	Networld, Inc. / DGG Holdings, Ltd., 36 Cattano Ave. Fl. 5. Ste. 3, Morristown, NJ 07960, ZDA	retiree	Ministry of Finance of the Republic of Slovenia, Župančičeva Ulica 3, 1000, Ljubljana, Slovenia	Financial Administration of the Republic of Slovenia, Šmartinska Cesta 55, 1000 Ljubljana, Slovenia	Sava Re d.d., Dunajska Cesta 56, 1000 Ljubljana, Slovenia	Sava Re d.d., Dunajska Cesta 56, 1000 Ljubljana, Slovenia
First appointed	7 March 2017	15 July 2013	17 July 2021	17 July 2021	1 January 2022	13 June 2023
End of term of office	9 March 2029	17 July 2025	17 July 2025	17 July 2025	13 June 2027	13 June 2027
Representative of shareholders/employees ¹⁶	of shareholders	of shareholders	of shareholders	of shareholders	of employees	of employees
Attendance at sessions / eligibility to attend**	8/8	9/9	9/9	9/9	9/9	9/9
Gender	M	M	M	M	F	M
Nationality	American	British	Slovenian	Slovenian	Slovenian	Slovenian
Year of birth	1968	1948	1983	1975	1966	1980
Education ¹⁷	B.A. in political science, master of science in economics	B.Sc. in management sciences, specialised in finance and marketing	university graduated lawyer	doctoral degree in computing and informatics	university graduated economist	university graduated economist
Professional profile ¹⁸	strategic management, business administration, management of equity investments, risk management, insurance business	strategic management, business administration, banking and insurance business, risk management	business administration, leadership, corporate governance, general legal affairs, compliance monitoring	business administration, governance, information technology, digitalisation, audit	insurance business, governance, corporate governance, sustainable development ¹⁹	finance, corporate finance, insurance business, governance
Possible conflict of interest ²⁰	There were no members with a continuing and material conflict of interest in 2024. All members (100%) of the supervisory board are considered independent. Members' statements of independence are posted on the Company's website.					
Memberships in committees and functions	<ul style="list-style-type: none"> risk committee, member nominations and remuneration committee, member fit and proper committee, interim member for the purpose of the nomination process 	<ul style="list-style-type: none"> risk committee, chair nominations and remuneration committee, member fit and proper committee, chair 	<ul style="list-style-type: none"> nominations and remuneration committee, chair fit and proper committee, member 	<ul style="list-style-type: none"> audit committee, chair nominations and remuneration committee, member 	<ul style="list-style-type: none"> nominations and remuneration committee, member 	<ul style="list-style-type: none"> audit committee, member nominations and remuneration committee, member
Attendance at committee sessions / eligibility to attend**	<ul style="list-style-type: none"> risk committee: 5/5 nominations and remuneration committee: 4/4 fit and proper committee: 0/0 	<ul style="list-style-type: none"> risk committee: 5/5 nominations and remuneration committee: 7/7 fit and proper committee: 5/5 	<ul style="list-style-type: none"> nominations and remuneration committee: 6/6 fit and proper committee: 5/5 	<ul style="list-style-type: none"> audit committee: 11/11 nominations and remuneration committee: 6/6 	<ul style="list-style-type: none"> nominations and remuneration committee: 7/7 	<ul style="list-style-type: none"> audit committee: 10/11 nominations and remuneration committee: 7/7
Notes on memberships of management or supervisory bodies of third parties	<p>Networld Inc. / DGG Holdings Ltd., 36 Cattano Ave. Fl. 5. Ste. 3, Morristown, NJ 07960, USA – chief executive officer</p> <p>Adria Lines Dover, Delaware, USA – chief executive officer</p> <p>Sava d.d., Dunajska 152, 1000 Ljubljana, Slovenia – chair of the supervisory board</p> <p>Sava Turizem d.d., Dunajska 152, 1000 Ljubljana, Slovenia – chair of the supervisory board</p>	<p>HMS Victory Preservation Endowment Fund Ltd, HM Naval Base (PP66) Portsmouth Hampshire PO1 3NH, UK – chair of the board of directors</p> <p>URGF IC Ltd, PO Box 33, Dorey Court, Admiral Park, St Peter Port, Guernsey, GY1 4AT, UK Irske – non-executive member of the board of directors</p>	<p>Sava d.d., Dunajska 152, 1000 Ljubljana, Slovenia – member of the supervisory board</p> <p>Sava Turizem d.d., Dunajska 152, 1000 Ljubljana, Slovenia – member of the supervisory board</p>	<p>Imark, Matej Gomboši, Inštitut za Svetovanje in Informatiko, s.p., Panonska ulica 101, 9231 Beltinci, Slovenia – founder</p>	/	/
Function in public administration, including regulatory bodies ²¹	no	no	yes	no	no	no

* Blaž Garbajs is also a member of the audit committee of the associate company Diagnostic Centre Bled, and this committee also serves as the audit committee for two of the associate's subsidiaries.

** The number of sessions the members were entitled to attend varies due to members recusing themselves from the discussion of certain agenda items to avoid conflicts of interest or recusing themselves from a nomination process, as detailed in the section [“Operation of the supervisory board”, subsection “Operation in 2024”](#).

15 ESRS 2 GOV-1 paragraph 22 (a).
 16 ESRS 2 GOV-1 paragraph 21 (b).
 17 ESRS 2 GOV-1 paragraph 23 (a).
 18 ESRS 2 GOV-1, odstavek 21 c.
 19 ESRS 2 GOV-1 paragraph 23 (a) and ESRS G1.GOV-1 paragraph 5 (b).
 20 ESRS 2 GOV-1 paragraph 21 (e).
 21 ESRS G1-5 paragraph 30.

► External member of supervisory board committees in 2024

Full name	Katarina Sitar Šuštar	Dragan Martinović	Simona Korošec Lavrič	Slaven Mičkovič	Janez Komelj	Rok Saje	Klara Hauko
Supervisory board committee	audit committee	audit committee	audit committee	risk committee	risk committee	fit and proper committee	fit and proper committee
First appointed	17 July 2021	17 July 2021	21 November 2024	17 July 2021	17 July 2021	17 July 2021	17 July 2021
End of term of office	22 October 2024	17 July 2025	21 November 2028	17 July 2025	17 July 2025	17 July 2025	17 July 2025
Attendance at sessions / eligibility to attend	9/9	11/11	1/1	5/5	5/5	5/5	5/5
Gender	F	M	F	M	M	M	F
Nationality	Slovenian	Slovenian	Slovenian	Slovenian	Slovenian	Slovenian	Slovenian
Year of birth	1971	1959	1971	1958	1954	1977	1972
Education	university graduated economist, MBA	university graduated economist	master of science in economics	master of mathematical sciences, doctor of science in economics	master of economics, master of computer science, doctor of science in economics	university graduated lawyer	university graduated economist, MBA, master of occupational psychology and organisation
Professional profile	audit, accounting, finance, taxation, banking and insurance, corporate governance, certified auditor	audit, accounting, finance, taxation, commercial trade, certified auditor	audit, accounting, finance, taxation, banking and insurance, corporate governance, certified auditor	banking, modelling, risk management	insurance operations, actuarial affairs, risk management	insurance operations, general legal affairs, insurance law, compliance	human resources management and development, work organisation
Employment	University of Ljubljana, Faculty of Economics, Kardeljeva Ploščad 17, 1000 Ljubljana, Slovenia	retiree	Zveza Računovodij, Finančnikov in Revizorjev, Dunajska Cesta 106, 1000 Ljubljana, Slovenia	Ministry of Labour, Family, Social Affairs and Equal Opportunities, Štukljeva Cesta 44, 1000 Ljubljana, Slovenia	retiree	Sava Re d.d., Dunajska Cesta 56, 1000 Ljubljana, Slovenia	Sava Re d.d., Dunajska Cesta 56, 1000 Ljubljana, Slovenia
Notes on memberships of management or supervisory bodies of third parties	Flat, Katarina Sitar Šuštar, s.p., Zaprice 6b, 1241 Kamnik, Slovenia – founder	/	Poslovno in Finančno Svetovanje, Simona Korošec Lavrič, s.p., Žeje pri Komendi 9, 1218 Komenda, Slovenia – founder	SM, Poslovno Svetovanje, Slaven Mičkovič, s.p., Avčinova 12, 1000 Ljubljana, Slovenia – founder	/	/	/

The operation of the supervisory board and its committees in 2024 is detailed in section [4 “Report of the supervisory board”](#).



5.3.4 Management board

The management board runs the Company and represents it in public and legal matters. It is composed of at least two but no more than five members, of whom one is the chair. The chair and members of the management board are appointed by the supervisory board for a period of five years. Such appointments are renewable without limitations. The chair and all members of the management board are in regular employment on a full-time basis. The exact number of management board members and the areas for which they are responsible is laid down by the supervisory board in the Act on the Management Board of Sava Re d.d.

The management board is composed in a manner to ensure responsible oversight and decision-making in the best interest of the Company. The management board's composition takes account of the diversification of technical knowledge, experience and skills, and the way members complement each other so as to form a homogenous team and ensure sound and prudent conduct of the Company's business. In 2024, the Company sought to align the composition of the management board with the Company's policy on diversity of the management and supervisory boards.

The Company's policy on diversity of the management and supervisory boards is posted on the Company's website.

In 2024, the gender balance on the management board was 25% women and 75% men. The implementation of the policy on diversity of the management board in 2024 is detailed as follows.

Terms of reference and operation of the management board²²

The management board represents the Company in its legal transactions. Through its efforts and using its knowledge and experience, the management board pursues the long-term success of the Company, ensuring optimal guidance and risk management. The management board determines the Company's goals, values, mission, vision and business strategy. Business operations are optimised through an adequate structure of human resources and prudent use of financial resources. The management board operates in accordance with the applicable legislation, particularly the Slovenian Companies Act and the Insurance Act, as well as with the articles of association and the act on the management board and its rules of procedure. Terms of reference and operation of the management board are defined in more detail in the rules of procedure of the Sava Re management board.

Delimitation of competencies between the management and supervisory bodies is presented in greater detail in the Corporate Governance Policy of Sava Re d.d., which is posted on the Company's website.

Reporting²³

The management board regularly (at least quarterly) reports to the supervisory board in a comprehensive and accurate manner on:

- the implementation of the strategy and business plan and other fundamental business issues,
- the profitability of the Company, particularly return on equity,
- business performance, especially on business volume, the financial situation and solvency,
- transactions that may have a significant impact on the profitability and solvency of the Company,
- any material risks that have, or could have, a significant impact on the Company's capital adequacy.

Remunerations, compensation and other benefits

In 2024, Sava Re prepared an update of its remuneration policy, which was approved by the 40th general meeting.

The remuneration policy for members of the management board is designed to promote:

- the **pursuit of the business strategy** by enabling pay and remuneration in line with the principles of the remuneration policy, successful implementation of the business strategy and achievement of the strategic goals of Sava Re and the Sava Insurance Group;
- **long-term development**, by preserving a direct link between payment and results, and by aligning remuneration with the goal of creating long-term value for the stakeholders and ensuring efficient risk management;
- the **Company's sustainable operations and sustainability**, with all the incentive systems at all organisational levels contributing to the Company's sustainability by aligning the goals and individuals' behaviour with the long term-mission, pursuing the Company's mission through time and building long-term value for all stakeholders and the Company's reputation, while avoiding risks that exceed the Company's risk appetite.

22 ESRS 2 GOV-1 paragraph 22 (c).

23 ESRS 2 GOV-1 paragraph 22 (c) ii and ESRS 2 GOV-2 paragraph 26 (a).



The remuneration of the management board members consists of a fixed and a variable component. The variable part of a management board member's salary comprises (1) variable pay for business performance (business-performance-based pay) based on annual business financial criteria that pursue the long-term strategic financial targets of the Sava Insurance Group and (2) variable pay for individual performance (individual-performance-based pay) based on non-financial criteria that pursue the long-term strategic targets of the Group.

The variable component must not be determined so as to allow the rewarding of behaviour that encourages the exposure of the Company to uncontrolled risk. Remuneration, reimbursements and other benefits of management board members are set out in the employment contract made between the Company and each management board member. The methodology used to establish both the variable pay and the amount of the bonus of each management board member is adopted by the supervisory board.

The remuneration of the members of the management board in 2024 is disclosed in section [C.3.9 "Related party disclosures"](#) and in more detail in the Directors' Remuneration Report for 2024, which will be submitted as a separate document to the general meeting.

Share ownership

The management board members report any acquisition or disposal of the Sava Re shares to the Company and to the relevant institutions, which is then published by Sava Re.

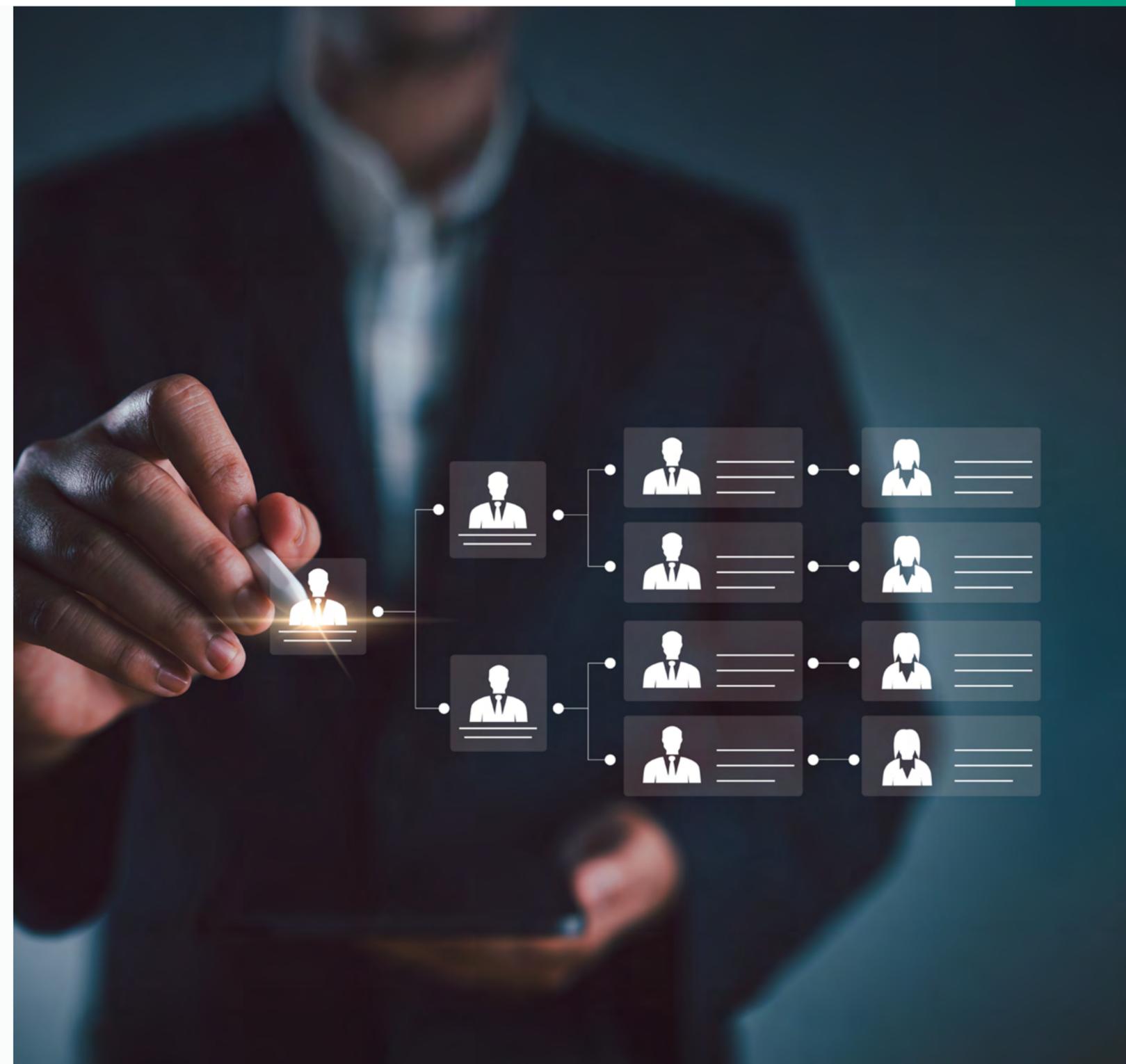
Details on Sava Re shares held by management board members as at 31 December 2024 are provided in section [3 "Shareholders and share trading"](#).

The management board in 2024

In 2024, the management board comprised the following four²⁴ members: Marko Jazbec (chairman), Polona Pirš, Peter Skvarča and David Benedek.

The average age of the members of the management board is 50.75 years. All the members of the management board are citizens of the Republic of Slovenia.

At its session held on 10 October 2024, the Sava Re supervisory board reappointed Peter Skvarča, whose five-year term of office expires on 19 June 2025, as a member of the management board for a further term. The new five-year term starts on 20 June 2025.



► Composition of the management board in 2024²⁵

Full name	Marko Jazbec	Polona Pirš	Peter Skvarča	David Benedek
Function	chair	member	member	member
Work area at management board level ²⁶	<ul style="list-style-type: none"> • coordination of work of the management board • general, HR, organisational and legal affairs • public relations • compliance • internal audit • management of strategic investments in insurance subsidiaries in Slovenia • information technology • sustainable development 	<ul style="list-style-type: none"> • corporate finance • strategic planning and controlling • accounting • investor relations • capital and risk management • actuarial affairs 	<ul style="list-style-type: none"> • development of reinsurance and reinsurance underwriting, Group and non-Group • reinsurance protection (retrocession), Group and non-Group • development of reinsurance processes and technology • reinsurance technical accounting • management of strategic investments in non-Slovenian subsidiaries 	<ul style="list-style-type: none"> • financial operations and asset management • management of strategic investments in pension companies and asset management companies (AMCs) • management of strategic investments in healthcare companies • managing overarching cooperation with commercial banks or banking groups at the Group level
First appointed	12 May 2017	14 January 2018	19 June 2020	22 March 2023
End of term of office	13 May 2027	15 January 2028	19 June 2025*	22 March 2028
Gender	M	F	M	M
Nationality	Slovenian	Slovenian	Slovenian	Slovenian
Year of birth	1970	1975	1975	1973
Education	university graduated economist	university graduated economist, master of science in economics	university graduate in political sciences / international relations, master's degree in European integration	university graduated economist, master of science in economics
Professional profile	banking, insurance business, finance, strategic management, corporate governance, business administration, sustainable development ²⁷	insurance and reinsurance business, corporate governance, controlling, accounting, risk management, actuarial affairs, corporate governance, business administration	insurance and reinsurance business, corporate governance, business administration	banking, insurance business, finance, corporate governance, business administration
Notes on memberships of management or supervisory bodies of third parties	Slovenian Insurance Association, GIZ , Železna Cesta 14, 1000 Ljubljana, Slovenia – member of the association's council	/	Tennis Association of Slovenia , Šmartinska 152, 1000 Ljubljana, Slovenia – member of the board of directors	/
Notes on memberships of management or supervisory bodies of related parties	Zavarovalnica Sava d.d. , Ulica Eve Lovše 7, 2000 Maribor, Slovenia – chair of the supervisory board Illyria sh.a. , Sheshi Nëna Terezë 33, 10000 Pristina, Kosovo – chair of the board of directors (until 30 August 2024) Illyria Life sh.a. , Sheshi Nëna Terezë 33, 10000 Pristina, Kosovo – chair of the board of directors (until 31 August 2024) Sava Osiguranje a.d. , Ulica Svetlane Kane Radevič br. 1, 81000 Podgorica, Montenegro – chair of the board of directors	Zavarovalnica Sava d.d. , Ulica Eve Lovše 7, 2000 Maribor, Slovenia – deputy chair of the supervisory board Sava Životno Osiguranje a.d.o. , Bulevar vojvode Mišiča 51, 11000 Beograd, Serbia – chair of the supervisory board Sava Infond, Družba za Upravljanje, d.o.o. , Ulica Eve Lovše 7, 2000 Maribor, Slovenia – deputy chair of the supervisory board	Zavarovalnica Sava d.d. , Ulica Eve Lovše 7, 2000 Maribor, Slovenia – member of the supervisory board Sava Osiguranje a.d. , Železnička 41, Opština Centar, PF 133, 1000 Skopje, North Macedonia – non-executive member of the board of directors (until 6 July 2024) Sava Penzisko Društvo a.d. , Ulica Majka Tereza 1, 1000 Skopje, North Macedonia – member of the supervisory board (until 30 January 2024) Sava Neživotno Osiguranje a.d. , Bulevar vojvode Mišiča 51, 11000 Beograd, Serbia – chair of the supervisory board	Vita, Življenjska Zavarovalnica, d.d. , Trg republike 3, 1001 Ljubljana, Slovenia – chair of the supervisory board Sava Pokojninska Družba d.d. , Ulica Eve Lovše 7, 2000 Maribor, Slovenia – chair of the supervisory board DCB d.o.o. , Pod Skalo 4, 4260 Bled, Slovenia – chair of the supervisory board (from 1 April 2024) Sava Infond, Družba za Upravljanje, d.o.o. , Ulica Eve Lovše 7, 2000 Maribor, Slovenia – chair of the supervisory board Vita S Holding d.o.o. , Skopje, Ul. Dimche Mirchev 20, Center Municipality, 1000 Skopje, North Macedonia – chair of the supervisory board
Function in public administration, including regulatory bodies ²⁸	no	no	no	no

* On 10 October 2024, the supervisory board of Sava Re reappointed Peter Skvarča as a member of the Company's management board. His new five-year term starts on 20 June 2025.

25 ESRS 2 GOV-1 paragraph 21 (a).
26 ESRS 2 GOV-1 paragraph 21 (c).
27 ESRS 2 GOV-1 paragraph 23 (a) and ESRS G1.GOV-1 paragraph 5 (b).
28 ESRS G1-5 paragraph 30.



5.4 Fit and proper assessment of the members of the management and supervisory boards and of key function holders and other relevant personnel²⁹

In accordance with the requirements of applicable legislation and its internal regulations, the Company ensures at all times that persons who effectively run and oversee the Company or are key or important function holders consistently meet the following requirements:

- (a) their professional qualifications, knowledge and experience are adequate to ensure sound and prudent management (they are “fit”),
- (b) they are of good repute and integrity (they are “proper”).

The members of the management and supervisory boards, including any committees thereof, as well as key function holders and other relevant personnel, are responsible for managing and supervising the Company and therefore have specific requirements with regard to their professional knowledge, experience and personal skills. The required knowledge, skills and experience of each relevant person ensures that the management body makes informed and competent decisions based on a good understanding of operations, the regulatory framework relating to risks and the governance structure of the company being managed.

The fitness requirements for the relevant personnel depend on the function or position held by the person concerned. Sustainable development and compliance with the sustainable development

goals are part of the values and policies of both the Company and the Group. The process of assessing the suitability of relevant personnel also includes the assessment of skills and experience in the area of sustainable business operations.

Criteria and procedures for any fit and proper assessment of members of the management and supervisory boards, key function holders and senior management are detailed in the Company’s fit and proper policy for relevant persons.

Sustainable development³⁰

The management and supervisory boards each have one member with a sustainability background.

Development of sustainability competencies

To enhance sustainability competencies, members of the management board and supervisory board with its committees, as well as key function holders and other relevant personnel, are provided with regular access to top-level expertise through:

- associations and organisations in which we are members and actively involved, including the UN Global Compact (UNGC), the UN Principles for Responsible Investment (UN PRI), the Partnership for Carbon Accounting Financials (PCAF), the Slovenian Insurance Association,

the Slovenian Directors’ Association, the British-Slovenian Chamber of Commerce, the Meeting of Insurance and Reinsurance Companies (SorS), the Slovenian Institute of Auditors, the Slovenian Actuarial Association, the CFA Institute and the European Institute of Compliance and Ethics (EICE);

- industry-wide events and conferences;
- training sessions organised by the Slovenian Sovereign Holding (SDH d.d.);
- internal training programmes conducted by in-house and external sustainability experts;
- up-to-date sustainability information, which is also integrated into regular sustainability executive meetings.

Sustainability governance system³¹

Sava Re has established a comprehensive sustainability governance system that involves governance bodies, business line managers and working groups, ensuring access to a wide range of sustainability-related expertise and competencies:

- The **supervisory board** provides strategic oversight of sustainability trends and monitors the implementation of the sustainability strategy.
- The **management board** is in charge of the implementation of the strategy and the sustainable business policy, ensuring compliance

with legislation and best practices. It also sets strategic goals in relation to material impacts, risks and opportunities, delegates authority and responsibility to relevant persons according to the organisational structure and ensures oversight through appropriate oversight mechanisms. The management board’s supervisory role includes defining strategic priorities, monitoring progress towards sustainability goals and assessing the impact of implemented measures.

- The **sustainability line manager** is responsible for drafting strategic documents, coordinating activities and reporting to the management board on sustainability-related matters.
- The **sustainability executive meeting** is made up of business line representatives and oversees operational task planning, legislative monitoring and best practice alignment.
- **Working groups** are formed to address regulatory requirements and include experts from a variety of disciplines, enabling a comprehensive approach to managing complex sustainability challenges.

This structure ensures that each governing body, as a collective entity, has direct access to the necessary expertise and can draw upon the knowledge and experience within the Group, allowing a holistic and strategic approach to sustainability challenges.

²⁹ ESRS 2 GOV-1 paragraph 23 and ESRS G1-1 paragraph 10 (g).

³⁰ ESRS 2 GOV-1 paragraph 23 (a).

³¹ ESRS 2 GOV-1 paragraphs 22 (a), 22 (b), 22 (c) and 22 (c) ii.

5.5 Internal control and risk management systems relating to financial reporting

Internal controls comprise a system of guidelines and processes designed and implemented by Sava Re at all levels to manage risks associated with, among other things, financial reporting, for both Sava Re and the Sava Insurance Group. These controls work to guarantee the efficiency and effectiveness of operations, the reliability of financial reporting and compliance with applicable external and internal regulations.

Apart from the Slovenian Companies Act (ZGD-1), Sava Re is governed by the Slovenian Insurance Act (ZZavar-1), which provides that insurance companies must put in place and maintain an appropriate internal control and risk management system. Relevant implementing regulations based on the Insurance Act are issued by the Insurance Supervision Agency and strictly complied with by the Company.

Financial controls are closely linked to information technology controls, which aim, among other things, to limit and control access to the network, information and applications, and to control the completeness and accuracy of data input and processing. The latter is established at the Group and parent company level through compliance with the information security policy and the enforcement of security policies.

Internal controls applicable to financial reporting on a consolidated basis are set out in the internal accounting rules and the Sava Insurance Group Financial Control Rules.

Internal controls, which are mainly preventive and detective in nature, include regular checks on account balances, reconciliation of subsidiary records with general ledger balances, built-in system controls (access restrictions, segregation of duties, limit systems and authorisations), automation of reporting and transfers between systems, additional manual controls on reporting and checks on consolidation packages. Reporting consistency is achieved through the use of a uniform data reporting system.

Internal controls include the four-eye principle, information transfer (including with subsidiaries), regular review and monitoring of transactions, department meetings, ongoing monitoring of announced regulatory changes, regular training and mentoring.

The valuation of assets and liabilities arising from insurance and reinsurance contracts follows the four-eyes principle, while the calculations are based on the valuation methodology for insurance and reinsurance contracts in accordance with

IFRS 17. In addition, for consolidation purposes, additional internal controls are in place to review the consolidation processes for manual data entry and internal controls over items where adjustments are made to the Group, as well as controls over all the procedures carried out for the Group (e.g. consolidation adjustments). Members of the Group submit the financial information required for the preparation of the consolidated financial statements in reporting packages, prepared in accordance with International Financial Reporting Standards (IFRS) and the parent company's guidelines, within the time limits set out in the Company's financial calendar. In addition, Group members submit their separate financial statements, which constitutes an additional control measure. By unifying information systems and applications that support consolidation, planning and reporting, the exchange and control of financial data between subsidiaries and the parent company is becoming ever more efficient. Whether necessary information system controls have been put in place and function adequately is verified, on an annual basis, by relevant experts as part of the regular annual auditing of financial statements.

A system of internal controls is also in place for other important business processes. Effective risk management requires that companies ensure a functioning and established internal control system. The systematic internal controls of companies ensure the achievement of their objectives in terms of the efficiency and effectiveness of their operations, the reliability, timeliness and transparency of internal and external reporting, and compliance with applicable laws, legal provisions and internal regulations. All major business processes have been specified, including details on control points and the persons responsible for each control. Basic controls are carried out by reviewing documents received or by an automatic or manual control procedure of processed data.

Sava Re complies with all rules and regulations on handling confidential data and inside information, allocating investments and prohibiting trading based on inside information.

Other entities authorised by Sava Re to provide individual services must do so in compliance with the law, implementing regulations, service contracts, internal rules and work instructions in force at Sava Re.



The risk management department monitors improvements in the internal control environment and keeps track of internal controls in the internal control register, which is linked to the risk register. In accordance with the Insurance Act, Sava Re has its own internal audit department, which provides assurance and advice to the management board on how to increase added value and improve the efficiency and effectiveness of operations. The internal audit department assists the Company in achieving its goals by systematically and methodically assessing the effectiveness and efficiency of the governance, risk management and internal control systems and making recommendations for their improvement. The internal audit also reports on its findings to the management board, the audit committee and the supervisory board.

5.6 External audit

In 2022, a contract was signed with Deloitte Revizija d.o.o., Dunajska 165, 1000 Ljubljana, for the audit of the financial statements for the period 2022–2024.

Deloitte has also audited the financial statements of Sava Re and the Sava Insurance Group for 2022, 2023 and 2024. In 2022, 2023 and 2024, the Group's subsidiaries were audited by the local audit staff of the same audit firm.

5.7 Disclosures in accordance with Article 70(6) of the Companies Act

Sava Re is subject to the Slovenian Takeovers Act (ZPre-1).

The composition of Sava Re's share capital, the list of qualified shareholders under the Slovenian Takeovers Act as at 31 December 2024, the rights and obligations attached to the shares, the restrictions on share transfer and the absence or existence of shares carrying special control rights are presented in section [3 "Shareholders and share trading"](#).

Employee share scheme

Sava Re has no employee share scheme.

Restrictions of voting rights

Sava Re has not adopted any restrictions on voting rights.

Shareholders' agreements restricting transferability of shares and voting rights

Sava Re is not aware of any such agreements between shareholders.

Rules on appointment or removal of members of management or supervisory bodies and on amendments to the articles of association

Company rules on appointment or removal of management board members

Under the Sava Re articles of association, the chair and the members of the management board are appointed by the supervisory board for a period of five years. Such appointments are renewable without limitation. To be appointed as a member of the management board, natural persons must have full legal capacity and meet the requirements set down by law and the Company's internal rules. The process and criteria for the selection of candidates for members of the management board and the process of periodic fit and proper assessments of individual members, as well as the assessment of the competence of the management board as a collective body, are clearly set out in the Company's fit and proper policy for relevant persons.

The management board as a whole and its individual members may be removed from office by the supervisory board for reasons prescribed by law.

Company rules on appointment and removal of supervisory board members

Under the Sava Re articles of association, the supervisory board is composed of six members, of which four (shareholder representatives) are elected by the Company's general meeting, and two (employee representatives) are elected by the works council, which subsequently informs the general meeting of its decision. Shareholder representatives of the supervisory board are elected by the general meeting by a majority of votes present. The term of office of supervisory board members is four years and is renewable. To be appointed as a member of the supervisory board, natural persons must have full legal capacity and meet the requirements set down by law and the Company's internal rules. The process and criteria for selecting candidates for membership of the supervisory board and for drafting proposals for general meeting resolutions on the appointment of supervisory board members, including the process of periodic fit and proper assessments of individual members, as well as the assessment of the competence of the supervisory board as a collective body, are clearly set out in the Company's fit and proper policy for relevant persons.



Supervisory board members who are shareholder representatives may be removed from office by the general meeting for reasons prescribed by law, by a resolution passed by a majority of at least three quarters of the share capital represented.

Company rules on amendments to its articles of association

The Sava Re articles of association do not contain special provisions governing their amendment. Under the applicable legislation, they may be amended by resolution of the general meeting by a majority of at least three quarters of the share capital represented.

Powers of the management board (increase in share capital, acquisition of treasury shares)

The management board has no authorisation to increase the share capital.

The Company's management board has no authorisation to purchase treasury shares.

With the additional treasury share repurchases in April 2016, the management board fully exhausted the general meeting authorisation granted in 2014 to purchase treasury shares up to 10% minus one share of the share capital.

Important agreements that become effective, change or terminate after a public takeover bid results in a control change

Sava Re limits its exposure by reinsuring its own account (retrocession). As is customary in the industry, retrocession contracts contain provisions governing contract termination in cases involving significant changes in ownership or control of the counterparty.

Agreements between an entity and members of its management or supervisory bodies on compensation in case of (i) resignation, (ii) dismissal without cause or (iii) termination of employment relationship due to any bid specified in the law governing takeovers

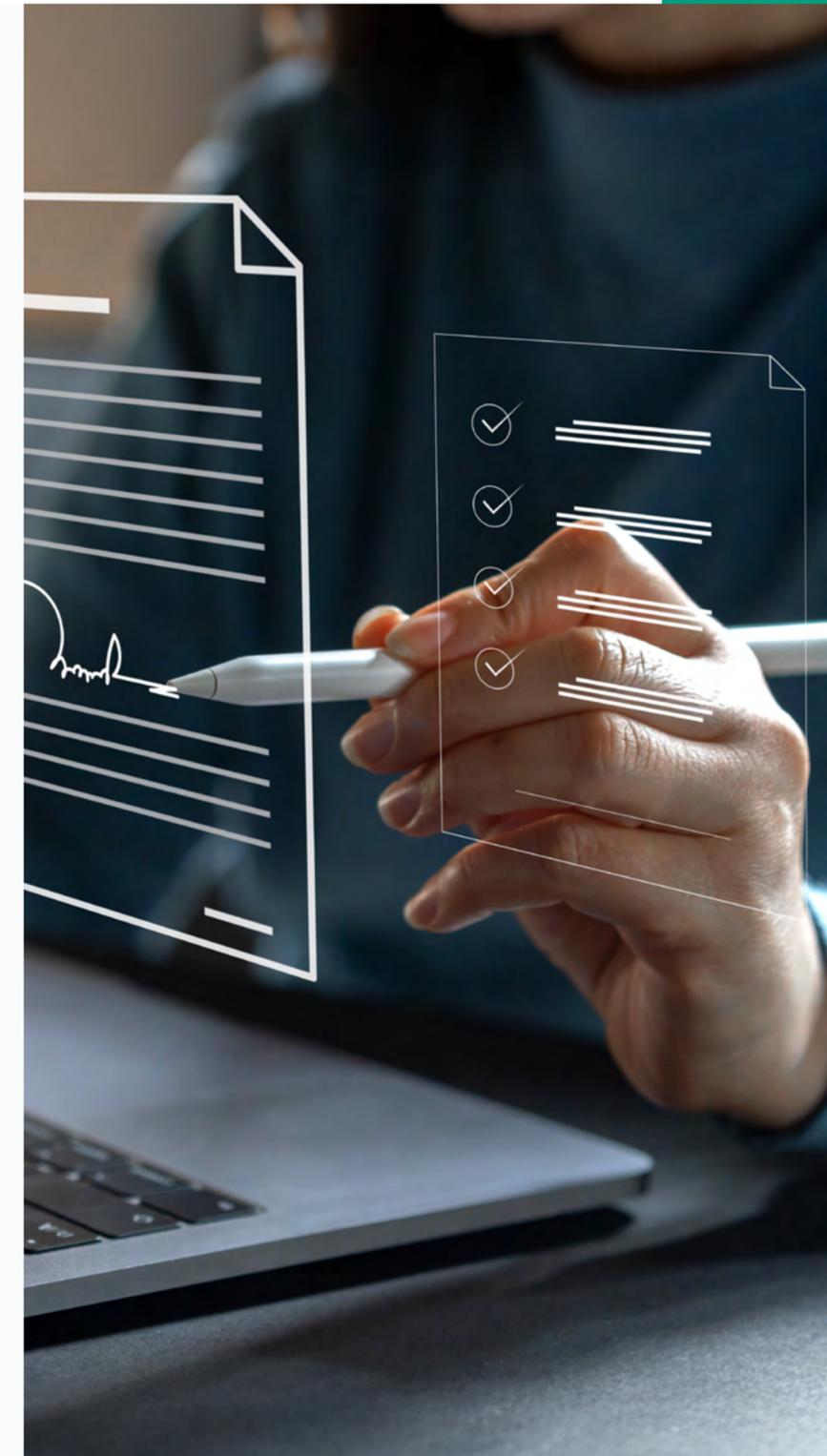
A management board member is entitled to severance pay if recalled for other economic or business reasons (major change in shareholder structure, reorganisation, launch of a new product, major change in the Company's business and the like) or if the member's term of office ends and he or she is not reappointed as a management board member.

A management board member is entitled to a termination benefit in the event of a mutually agreed termination of the office, unless the dismissal is due to misconduct.

A management board member is entitled to a termination benefit referred to in the previous two paragraphs only if his employment relationship with all companies of the Sava Insurance Group is terminated.

A management board member is also entitled to severance pay upon retirement.

Management board members are not entitled to severance pay in case of resignation.



5.8 Governance of Sava Insurance Group members

The parent company’s management and supervisory bodies are responsible for the proper governance and supervision of the entire Group and for setting up a governance framework appropriate to the structure, business and risks of the Sava Insurance Group as a whole and of its individual members.

The parent company fully exercises its governance function by setting the business strategy from the top down, taking into account both the Group as a whole and its individual members. For optimal capital allocation and resilience against unforeseen events, capital allocation and capital adequacy are managed on the Group level following the top-

down principle. As part of its risk strategy, the Group sets the risk appetite at the Group level and the level of its members.

The Group has set up a systematic approach to risk management, including risk management at the level of individual companies, appropriate monitoring of the risks of individual companies by the parent company and risk management at the Group level. The latter takes into account any interaction between the risks of individual Group companies, in particular risk concentration and other material risks associated with the operation of the Group.

Management or supervisory bodies of each Sava Insurance Group subsidiary pursue the same values and corporate governance policies as the parent company, unless otherwise required by law, the local regulator or based on the principle of proportionality. Therefore, the management or supervisory bodies of each Sava Insurance Group subsidiary, as part of their responsibility for the governance of their company with regard to the implementation of the Group’s policies, consider the need for any adjustments to local legislation as well as any other necessary adjustments and, in accordance with the procedures set out in the Group’s policies, determine their adjustments

to these policies, ensuring that the subsidiary complies with applicable laws, implementing regulations and the rules of sound and prudent operation.

The governance of the Sava Insurance Group is described in more detail in the Corporate Governance Policy of Sava Re d.d. posted on the Company’s website.

Ljubljana, 14 March 2025
Sava Re Management Board

Ljubljana, 3 April 2025
Sava Re Supervisory Board

Marko Jazbec, Chairman

Polona Pirš, Member

Peter Skvarča, Member

David Benedek, Member

Davor Ivan Gjivoje Jr, Chairman



6 Mission, vision, strategic priorities and goals

OUR MISSION

Through commitment and constant progress, we ensure security and quality of life.

OUR VISION

We are building a customer-centric, flexible and sustainability-oriented insurance group.

OUR VALUES

We build relationships with care, integrity and respect.

We exceed customer expectations by our ongoing effort to make improvements and strengthen relationships.

We are active in relation to our natural and social environment.

6.1 Unique corporate culture

Through a positive climate, good business culture, continuous training and investments in employees, we contribute to the ongoing development of insurance and ancillary products, and to more optimal business processes. We are developing a unique corporate culture that will be reflected in the quality of our services and in the loyalty of our employees to their company and the Group.

By definition, insurance is the provision of economic security through the spreading of financial risk, which is why the industry is tightly intertwined with the larger overall economy. Within this system, we have the responsibility to support activities that improve the social environment. Sustainable development is an area to which we are increasingly committed. Special attention is given to the exchange of knowledge,

ongoing training of employees and external stakeholders, and the utilisation of synergies among Sava Insurance Group companies. The social responsibility demonstrated reflects the values on which we intend to focus more in the future.

Our ambition is to be a full-service provider of insurance and reinsurance services in our target

markets, to create a climate of trust and loyalty among our stakeholders and to be recognised as a company that communicates fairly and transparently. We strive to meet the expectations of our shareholders and achieve an adequate return on equity, to raise awareness about the organisation's values and to embed them into core business policies and daily practices.



6.2 Strategic priorities of the Sava Insurance Group

The strategy of the Sava Insurance Group sets out strategic goals in two ways, based on its three key focus areas in the 2023–2027 strategy period and based on the Group’s key pillars of business operations.

► **Key Group pillars**

Integral risk management

Insurance	Reinsurance operations	Asset management and pensions	Other
Non-life, EU	Non-Group	Mutual funds	Healthcare
Life, EU	Group	Managed accounts	Assistance
Non-life, non-EU		Pensions	
Life, non-EU			

Corporate support functions



For the 2023–2027 period, we have adopted a strategy that will drive the Group forward on three key strategic priorities:

- We will take the **customer-at-the-centre** approach to the next level by always ensuring that customers, their wishes and their needs are central to the way business is done. To this end, we have set ourselves three Group-level objectives. The first objective is customer-oriented communication, which is achieved by integrating all communication channels through a centralised customer relationship management system. The second objective is to establish a hybrid sales model that will allow the sales network to focus on more complex types of insurance and on advising customers. The third objective is to set up self-care platforms, such as customer portals, websites, and mobile applications, which will improve customer service during sales, claims handling and other services.
- We have two key objectives at the Group level in **optimising business processes**: to speed up and simplify customer service and internal processes. This will also help achieve cost efficiency, which will play a more important role in the next strategy period than in the past, given the changed

macroeconomic environment. To achieve this strategic priority, the Group will undertake a comprehensive review of its processes to identify opportunities for improvement. Processes will then be redesigned, and any other necessary changes will be made to align the organisation with these new processes.

- We will pursue **sustainability**³² in all key aspects: environmental, social and governance. We will continue to support global sustainability trends and focus on goals related to climate action and the health and well-being of our customers, employees and the wider community.

Long-term strategic targets:

- Over a five-year period, we will achieve a return on equity (excluding the fair value reserve) of between 9.5% and 10.5%.
- Over the 2023–2027 period, the solvency ratio at the Sava Insurance Group level will be between 170% and 210% (within the optimal capitalisation range).
- Non-life (re)insurance operations will achieve an underwriting combined ratio not exceeding 95%.
- The return on the Group’s investment portfolio, net of subordinated debt expenses, will reach 2.2% in 2027.

6.3 Business plan of the Sava Insurance Group for 2025

In 2025, we will continue to implement our business strategy around our three key strategic priorities. Going forward, we will continue to focus on improving our services by **automating and digitalising customer communications** and introducing digital and self-care solutions to enhance and simplify the customer experience across the Group’s businesses. In addition, we will continue to place a strong emphasis on improving our sales and customer service processes while striving to

optimise our internal business processes. In the area of sustainability, we will continue to implement the Group’s **sustainability policy**, which is based on a commitment to environmental protection, social responsibility and the development of innovative and sustainability-driven products and services.

The Group has set the following financial targets for 2025.

► Major targets for 2025

	2025 plan
Business volume growth	> 5%
Return on equity	> 11%
Profit, net of tax	> EUR 84 million
Solvency ratio	170%–210%
Combined ratio	< 94%

► Planned growth in business volume for 2025

	2025 plan
Non-life, EU	> 5%
Life, EU	> 3%
Reinsurance	> 4%
Non-life, non-EU	> 8%
Life, non-EU	> 10%
Pensions and asset management	> 9%



6.4 Goals achieved in 2024

6.4.1 Targets achieved in 2024

The Sava Insurance Group achieved all its financial targets in 2024. Business volume exceeded the billion euro mark and was 11.9% ahead of plan. All operating segments exceeded their targets. Net

profit for the period was EUR 87.8 million, based on which the target return on equity was also exceeded. The combined ratio improved compared to the previous year and remained below the planned limit. The Group's active management of its investment portfolio also kept it above the planned minimum return.

► Actuals versus targets in 2024

EUR million	2024	2024 plan	As % of plan
Business volume	1,035.1	> 925	111.9%
Business volume growth	13.7%	> 5%	✓
Return on equity	13.6%	> 10.5%	✓
Profit, net of tax	87.8	> 70	125.5%
Solvency ratio	207%–213%	170%–210%	✓
Combined ratio	91.3%	< 95%	✓
Return on investment portfolio	2.5%	2.2%	✓

All financial targets achieved

6.4.2 Achievement of strategic goals

Goals achieved in the Group's key strategic priorities

Customer at the centre

Key activities in this regard include the digitalisation of customer communication through the introduction of SMS and email alerts to more companies in the Sava Insurance Group. As part of the automation of customer support, we launched a pilot chatbot solution to make customer queries faster, more accessible and more efficient.

We implemented a systematic customer satisfaction monitoring system based on the regular collection of feedback and the management of improvements based on the results. We rolled out the customer interaction management systems to more Group companies and extended their functionalities to new processes, ensuring greater consistency and efficiency across the Group.

We continued our extensive coordinated activities to capture and update customer contact data, ensuring better quality and usability of the data for further digitalisation of communications.

We developed and launched self-care portals and other additional digital solutions for both B2B and B2C customers, focusing on improving the user experience and accessibility of services.

Process optimisation

Business process optimisation has become a constant in our sales, claims and other support processes. We optimised the non-life insurance pricing process, mapped the sales processes and made proposals to streamline them, some of which have already been implemented. We mapped the claims assessment process and designed a proposal for a new application solution. Using internal and publicly available data, we significantly reduced the time it takes to process natural catastrophe claims. In addition, we automated the administrative processes involved in quoting, claims recording and customer correspondence.

On the IT front, we optimised IT governance controls at the Group level and centralised the operational IT controlling function. We significantly reduced the cost of the automated IT system upgrade process, optimised the use of infrastructure resources and increased the speed of our core IT solutions. We also extended the use of the central data warehouse and BI tools in the management functions of both the parent company and the other Group companies.



The replacement of the core IT system for reinsurance operations allows for faster processing of reinsurance contracts and billing while also providing a larger data set and more robust internal controls. A new IT system was introduced to optimise HR administration and recruitment processes. In addition, we further automated the calculation of insurance reserves, accounting and financial reporting and record keeping, improved and streamlined the preparation of risk management reports, optimised the annual planning process and introduced a project management and monitoring tool to optimise processes.

Sustainable development

In line with the Group’s sustainable development strategy, we further strengthened our efforts to achieve key strategic goals. By implementing decarbonisation measures and activities, we managed to reduce our scope 1 and 2 carbon footprint per employee by 21.8% compared to the 2022 baseline year. By increasing the share of ESG investments in our portfolio and through responsible (re)insurance underwriting, we also integrated sustainability considerations into the value chain. The share of ESG investments at the Group level increased from 16.9% last year to 23.6%.

We continued to develop sustainable products and support global goals that improve the health, well-being and sustainable development of society at large. In line with its responsible investment policy, Sava Infond changed its governance rules to offer a wide range of funds that promote environmental and social features. Through socially responsible projects and sponsorships, we reinforced our positive impact on consumers and the community, and worked to build a culture of sustainability. Employees were also encouraged to participate in volunteering and other sustainability initiatives to promote responsibility and engagement.

The transition to the new ESRS reporting standards, including the double materiality analysis, was an important milestone on our sustainable development journey in 2024. We see this as an opportunity to monitor the sustainability impacts of our business in a more transparent and comprehensive way.

Achievement of strategic goals by key business pillar

Non-life insurance

In 2024, we continued to implement our strategic goals, focusing on product and process development and improvement while successfully adapting to market changes and customer needs. The increasing frequency of extreme weather

events has necessitated further work to adapt underwriting rules, particularly in home insurance. These rules, applied in the context of the advanced Geographic Information System, are based on a combination of internal and public data on natural phenomena.

The strengthening of banking relationships was one of the most important segments in the expansion of our distribution channels. This enabled the efficient distribution of the insurance products we had developed, such as payment card insurance, unemployment insurance for bank account holders and assistance insurance, including home and roadside assistance, assistance in the event of electronic data loss and online shopping assistance. We have also made a number of other improvements in product development, mainly in response to customer needs (travel insurance in connection with home insurance, a travel insurance package for the elderly and an extension of physiotherapy cover in personal accident insurance).

We continued to introduce elements of automation into our claims management processes, improving efficiency and reducing response times, and we continued to successfully tackle claims inflation (introducing changes to premium systems, analysing motor and health insurance, etc.).

In the area of sustainability, we improved our reporting standards in terms of taxonomy and regulatory requirements while also revising our key performance indicators and expanding the paperless monitoring system of our largest subsidiary.

In the area of process informatics, we continued to develop the ASP.ins core software solution for our non-EU non-life insurance subsidiaries.

Life insurance and pensions

During the year, the Group focused on a comprehensive review and expansion of its life and pensions product range. In the area of risk products, we overhauled our credit life product to offer customers greater flexibility and enhanced coverage. At the same time, we introduced additional critical illness and permanent disability cover to meet customer demand for appropriately structured, affordable combinations of life, health and accident coverages. We further enhanced the existing SavaFit life ecosystem and digital platform, adding new functionalities to support active lifestyles and introducing services supported by our contractual partners with added value for customers.



In parallel, we also undertook a comprehensive review of our unit-linked life business, focusing on personalising the proposition and implementing the regulatory requirements of the Insurance Distribution Directive and the Product Oversight and Governance Regulation in our underwriting, insurance product development and monitoring processes, all with a view to adding value for our customers. The overhaul of our unit-linked life business also supports our commitment to sustainable development, as the redesigned segment offers a range of new investment options that promote environmental and social characteristics in line with Regulation (EU) 2019/2088. By taking out this type of insurance, customers can use their invested funds to contribute to a positive social and environmental impact.

To improve productivity and cost efficiency, we continued to automate processes, expand our range of online products and introduce new technology solutions, including a new mobile app and digital office. We optimised our claims handling processes using advanced machine learning and artificial intelligence technologies.

In Serbia and Kosovo, we added critical illness cover to our life insurance product range, enhancing its profile and competitiveness. In these markets, we also strengthened our bancassurance

business with new group life products for borrowers and established a relationship with a strong banking partner.

In the pensions segment, we reviewed our pension annuity offering with the aim of improving the cost structure and competitiveness of our pension services.

Reinsurance

In 2024, Sava Re continued to consistently adhere to one of its key strategic principles, which is the appropriate diversification of the reinsurance portfolio, both geographically and within individual markets, lines of business and forms of reinsurance. The developments in 2024 strongly reflected the global environment, which was heavily influenced by the intensification of crisis hotspots around the world (e.g., Ukraine, Israel and Gaza), as well as emerging risks that until recently were either in the background (climate change, droughts, floods and other extreme weather events) or less well understood (cyber risks, AI challenges) but are now factors that have a direct impact on the global economy and security. Reinsurance markets had to respond to these challenges and did so by a further tightening of conditions in 2024, both in terms of price and coverage (tightening of the terms and conditions of reinsurance contracts). However, the tightening was milder than in the previous period,

due to previous corrections and the resulting strong performance of global reinsurers. At Sava Re, we continued to pursue the planned balanced portfolio restructuring by form of reinsurance, with an emphasis on maintaining an appropriate ratio of proportional to non-proportional treaties. In addition, there was a focus on the strategic goal of appropriate geographic diversification. It should be noted that Sava Re's portfolio underwent some changes towards better diversification in 2024, which was achieved at the expense of some new opportunities and a partial adjustment of the aggregate exposure by each major market. In the future, we expect a further easing of the tightening of conditions or even a softening of conditions, both in terms of price and coverage (market softening). A key guiding principle in reinsurance underwriting is to keep a close eye on global trends while remaining agile enough to adapt to change. This approach will ensure that we achieve our key strategic goals – the required profitability and low portfolio volatility.

Asset management

Sava Infond performed well in 2024. We maintained our position in key distribution channels, resulting in record net inflows into the fund of funds, which, together with favourable financial market trends, helped increase the value of assets under management.

We continued our activities to optimise and digitalise our business processes. We upgraded the SavaNet digital platform.

We expanded the range of ESG-compliant funds, and as a result more than half of the sub-funds are ESG-compliant.

Assistance services

In 2024, TBS Team 24 made significant strides in digitalisation with the introduction of advanced IT systems that contributed to greater automation and efficiency in our operations. We also conducted an intensive search for and selected a new telephony provider that would deliver greater efficiency, lower costs, improved quality of service, greater flexibility and a better user experience. We continued to prepare for the implementation of the new IT system and introduced the automation of certain processes in the handling of assistance cases.

The provision of quality assistance services enables the continuation of B2B business activities in Slovenia and abroad, which contributes to strengthening the company's position on the market, building the trust of partners and effectively achieving the goals set.



7 Business environment

Global economic developments³³

The euro area in 2024 is characterised by moderate economic growth, uncertainty due to geopolitical tensions, further inflation moderation and central bank action. Optimism in financial markets persisted, contributing to a successful year for capital markets, especially equity markets.

Inflation fell to 2.2% in November 2024, close to the European Central Bank's (ECB) target. The ECB has cut key interest rates several times in 2024, and further rate cuts are expected in 2025.

Year-on-year growth in the euro area was 0.9% in the third quarter of 2024, and the European Commission's latest forecasts of 1.3% in 2025 and 1.6% in 2026 point to moderate growth going forward. Moderate economic growth is the result of several factors, among which geopolitical risks stand out, particularly the military conflict in

Ukraine and the related energy shock, which has had a strong impact on the manufacturing sector in particular. There is also the impact of increasing restrictions on world trade and the resulting changes in international capital flows, as well as the military conflict in the Middle East, which, if it escalates, could affect the availability or price of strategic commodities. Europe's structural challenges and its dependence on Russian gas, which has been significantly reduced in recent years, also pose risks.

Political instability in some European countries and declining economic activity in Germany are also contributing to a deteriorating economic environment. A positive factor for future economic growth is the robustness of economic growth in one of the euro area's main trading partners, the US, which grew by 3.1% in the third quarter of 2024. The main growth drivers

are private consumption, exports and business investment.

In terms of returns, 2024 was a positive year for bonds and even more so for equities. The European STOXX 600 Index rose by 9.6%, the US S&P 500 Index by 33.6%, and the MSCI ACWI Global Equity Index recorded a 26.2% annual increase, all in euro terms. One of the highest returns was achieved by the Slovenian SBITOP stock index, at 33.0%. The ECB's increasingly stimulative monetary policy was also reflected in government bond yields, which gradually started to fall while the prices began to rise, with solid returns in this asset class, especially for bonds with shorter maturities. In such an environment, government bond yields in many European economies are positive in real terms, making this asset class even more attractive.



33 Source: Eurostat, 2025, <https://ec.europa.eu/eurostat/web/products-euro-indicators/w/2-18122024-ap>.
 Source: Eurostat, 2025, <https://ec.europa.eu/eurostat/web/products-euro-indicators/w/2-30102024-ap>.
 Source: European Commission, 2025, https://economy-finance.ec.europa.eu/economic-forecast-and-surveys/economic-forecasts/autumn-2024-economic-forecast-gradual-rebound-adverse-environment_en.
 Source: BEA, 2025, <https://www.bea.gov/data/gdp/gross-domestic-product>.
 Source: Bloomberg, 2025.



Economic developments in markets in which the Sava Insurance Group operates

In all markets where the Sava Insurance Group is present through companies, economic growth continued in 2024 according to initial estimates and is expected to continue in 2025 and 2026

according to the latest forecasts. After the high average inflation rates reported for 2023, inflation moderated in 2024 and is expected to continue declining in most countries over the next

two years. The survey-based unemployment rate varies considerably between countries, with most forecasts pointing to a gradual decline over the next two years.

► Overview of the main macroeconomic indicators for the countries where the Sava Insurance Group is present³⁴

	BDP, real growth (%)				Average inflation (%)				Unemployment rate (%)			
	2022	2023	E2024	P2025	2022	2023	E2024	P2025	2022	2023	E2024	P2025
Slovenia	2.7	2.1	1.5	2.4	8.8	7.4	2.1	3.3	4.0	3.7	3.7	3.7
Croatia	7.0	3.1	3.4	2.9	10.7	8.4	4.0	2.8	6.8	6.2	5.6	5.5
Serbia	2.6	2.5	3.9	4.1	12.0	12.4	4.5	3.6	9.5	9.4	9.1	9.0
North Macedonia	2.2	1.0	2.2	3.6	14.2	9.3	3.3	2.3	14.4	13.1	13.0	12.8
Kosovo	4.3	3.3	3.8	4.0	11.6	4.9	2.1	2.0	12.6	10.9	n/a	n/a
Montenegro	6.4	6.0	3.7	3.7	13.1	8.6	4.2	3.7	n/a	n/a	n/a	n/a

Impact of the business environment on the operations of the Sava Insurance Group

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 in 2023 and 2024. However, inflation continued to have an impact on the cost increases of the Group companies in 2024.

In 2024, as in 2023, we were affected by natural catastrophes. In 2024, these had less impact on the people of the countries in which the Sava Insurance Group operates than in 2023, when Slovenia and some other countries were hit by a wave of storms and floods that affected a wider area and caused significant property damage. The 2024 storms affected a smaller area

and resulted in lower gross claims for the Sava Insurance Group. However, the impact on the Sava Insurance Group’s result was roughly the same in both years, as the 2023 catastrophes also indirectly affected the impact of the 2024 catastrophes by increasing the retention levels in catastrophe reinsurance programmes and increasing the price of reinsurance.

The financial performance of the insurance companies and the performance of the pension and asset management companies benefited from the favourable developments in the financial markets, resulting in higher interest income, assets under management and contributions to funds.

34 Source: UMAR, Economic Mirror, Autumn Forecast of Economic Trends 2024. IMF, World Economic Outlook, October 2024.



Markets in which the Sava Insurance Group operates

Sava Re, the parent company of the Sava Insurance Group, transacts reinsurance business in over 120 countries worldwide. The following section contains a description of the international non-life insurance market and insurance markets in which the Sava Insurance Group operates.

Global non-life reinsurance markets³⁵

Despite the challenging environment, 2024 was a successful year for the international reinsurance industry. In response to increased uncertainty and complex risks that were until recently either in the background (climate change, droughts, floods and other extreme weather events) or unknown (cyber risks and artificial intelligence challenges), the demand for reinsurance has been steadily increasing. However, the corrective measures implemented by the industry after 2021 (restructuring of reinsurance programmes away from high-loss-frequency layers and aggregate excess programmes with stricter terms and conditions and narrower coverages) have

resulted in higher retention levels for insurers and consequently a lower volume of claims ceded to reinsurers, which has a significant impact on the insurance service result. This is compounded by reinvestment in a higher interest rate environment. Favourable price developments in reinsurance markets were exceptionally intense in 2022–2023 and continued to a lesser extent in 2024, as capital growth increases capacity and premium appetite. Reinsurance broker AON estimates that the reinsurance industry’s capital surpassed a record USD 700 billion in the third quarter of 2024, making the industry much more resilient than in previous cycles. The main contributors were positive margins, reinvestment at higher interest rates and global diversification of reinsurance portfolios. Increased geopolitical and macroeconomic instability weakens growth prospects but reinforces the key role of reinsurance in risk transfer. In the medium term, profitability is expected to be driven mainly by factors such as the narrowing of the insurance gap, price growth and higher investment returns in a higher interest rate environment.



35 Source: summarised based on AON, Reinsurance Market Dynamics, January 2025, <https://assets.aon.com/-/media/files/aon/reports/2025/reinsurance-market-dynamics-jan-2025-report.pdf>; AM Best, Market Segment Outlook: Global Reinsurance, November 2024, https://go.ambest.com/l/898351/2024-11-21/6mn9lv/898351/17322057761Rldkij/2024.11_Global_Re_Segment_Report.pdf; Swiss Re, Reinsurance much more than a shock absorber, August 2024, <https://www.swissre.com/reinsurance/insights/reinsurance-more-than-shock-absorber.html>; Global economic Forum, September 2024, <https://www.weforum.org/stories/2024/09/chief-economists-outlook-global-economy-growth/>.

Insurance markets

All insurance markets in which the Sava Insurance Group is present with companies grew in 2024.

► Overview of the main indicators of the trends in the insurance markets in which the Sava Insurance Group is present through companies

	Growth/decline in premiums				Premiums, per capita				Premiums/GDP			
	(%)				(EUR)				(%)			
	2021	2022	2023	2024	2021	2022	2023	2024	2021	2022	2023	2024
Slovenia ^{*36}	5.2%	7.0%	13.0%	10.7%	808.5	864.3	971.7	1.071.0	3.3%	3.2%	3.2%	3.4%
Croatia ^{**37}	9.0%	7.0%	6.4%	12.0%	372.8	402.4	415.3	467.2	2.5%	2.3%	2.1%	2.2%
Serbia ^{***38}	8.7%	12.4%	16.0%	14.6%	147.8	167.9	199.2	229.8	1.8%	1.8%	1.8%	1.9%
North Macedonia ^{***39}	15.7%	10.0%	12.3%	12.7%	90.9	113.5	127.7	143.5	1.6%	1.6%	1.6%	1.6%
Kosovo ⁴⁰	15.4%	14.2%	9.2%	14.7%	65.3	75.9	82.9	104.8	1.5%	1.5%	1.5%	1.6%
Montenegro ⁴¹	5.5%	9.6%	10.3%	12.3%	159.4	174.1	191.5	212.0	2.0%	1.8%	1.7%	1.8%

* The premiums in the Slovenian market (excluding the branches of Zavarovalnica Sava and Generali in Croatia and FoS business), summarised based on the data of the Slovenian Insurance Association, exclude supplementary health insurance and contributions to pension funds and pension annuities.

** For 2023 and 2024, data on gross premiums written are no longer available, so premiums paid are shown. For the premium growth in 2023/2022, the premiums paid in 2022 are also taken into account for comparability. Premiums shown are premiums in the Croatian market (excluding Euroherc branches in Austria and Italy, and FoS business).

*** The 2024 estimate is based on premium growth in the first nine months of 2024.

36 Premium data from: Slovenian Insurance Association; source for GDP: UMAR, Economic Mirror, no. 1/25; source for population: Statistical Office of the Republic of Slovenia.

37 Premium data from: Croatian Insurance Bureau; source for GDP and population 2021–2023: Croatian National Bank, 2024: International Monetary Fund.

38 Premium data from: National Bank of Serbia; source for GDP and population: Statistical Office of the Republic of Serbia; GDP 2024: International Monetary Fund.

39 Premium data from: Insurance Supervision Agency, North Macedonia; source for GDP 2021–2023: National Bank of the Republic of North Macedonia; source for GDP 2024: International Monetary Fund; source for population: State Statistical Office, North Macedonia.

40 Premium data from: Central Bank of the Republic of Kosovo; source for GDP 2021–2023 and population: Kosovo Agency of Statistics; source for GDP 2024: International Monetary Fund.

41 Premium data from: Insurance Supervision Agency, Montenegro; source for GDP 2021–2023 and population: Statistical Office, Montenegro; source for GDP 2024: International Monetary Fund.

Slovenia

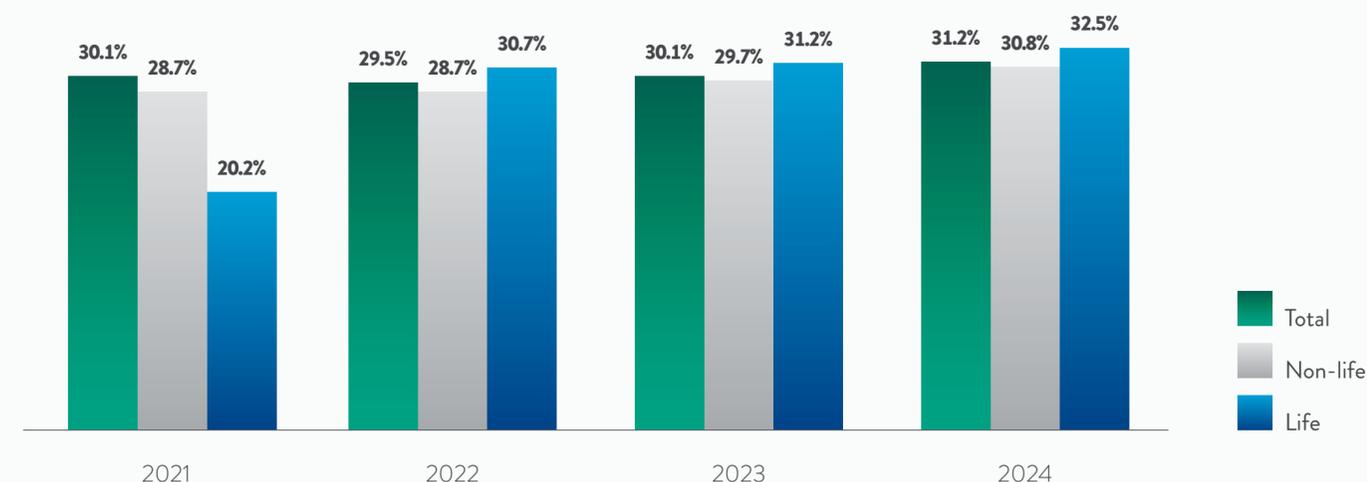
Based on data published by the Slovenian Insurance Association (SIA), in 2024 the Slovenian insurance market consisted of 11 domestic insurance companies, 6 foreign branches and 2 reinsurance companies⁴². In 2024, the non-life insurance business accounted for 74.7% of total insurance premiums, and the life insurance business for 25.3%. In 2024, gross premiums written in the Slovenian insurance market grew by 10.7% (non-life premiums by 12.9% and life premiums by 4.5%). The Sava Insurance Group

operates in the market with two insurance companies, Zavarovalnica Sava and Zavarovalnica Vita. Together, the two insurers ranked second among Slovenian insurers in 2024, with a combined market share of 31.2%.

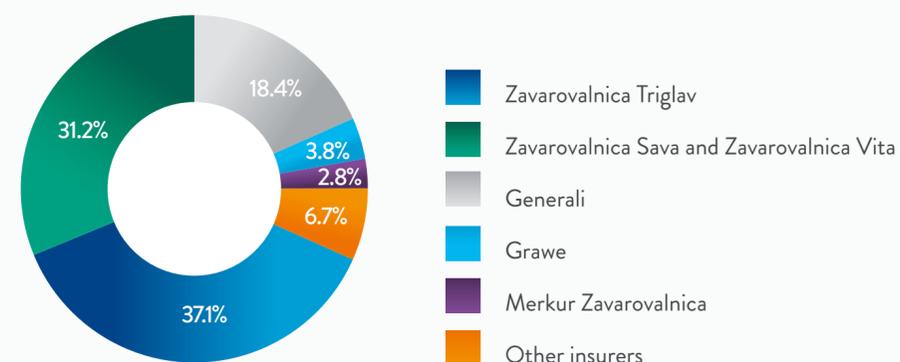
Two reinsurance companies are domiciled in Slovenia, and both are members of the Slovenian Insurance Association. The following table shows the market shares of the two reinsurance companies in the Slovenian market.

EUR	2024		2023	
	Gross premiums written	Market share	Gross premiums written	Market share
Sava Re	231,825,343	40.1%	215,914,974	40.3%
Triglav Re	346,672,890	59.9%	319,389,312	59.7%
Total	578,498,233	100.0%	535,304,286	100.0%

Market shares of Zavarovalnica Sava and Zavarovalnica Vita*



Slovenia: insurance market shares 2024*



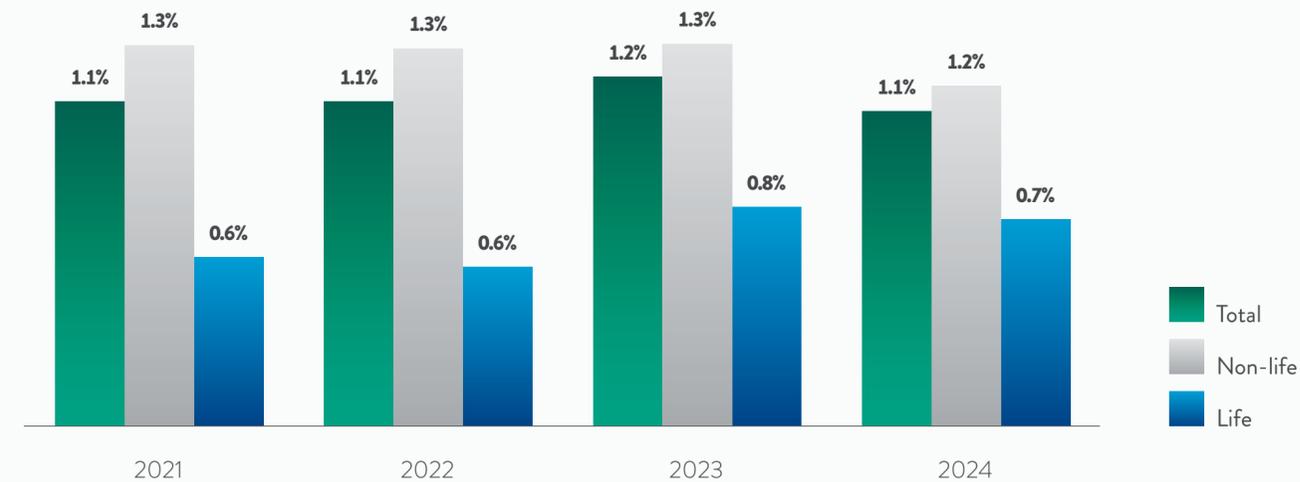
* The premiums in the Slovenian market (excluding the branches of Zavarovalnica Sava and Generali in Croatia and FoS business) exclude supplementary health insurance and contributions to pension funds and pension annuities.

42 The data are based on SIA, which receives data from its members. Not all branches and foreign insurers need to be members of SIA.

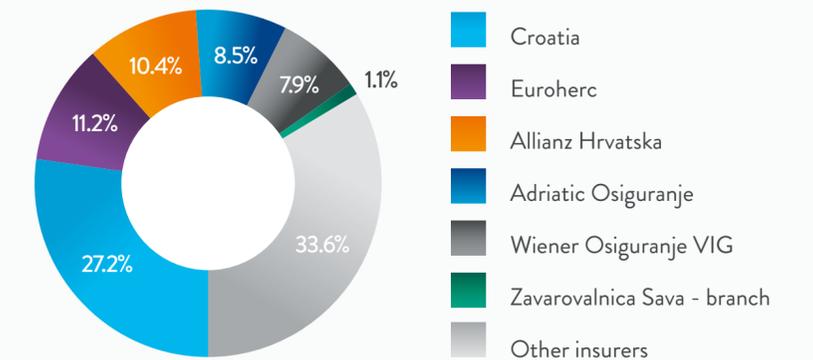
Croatia

At the end of 2024, the Croatian insurance market consisted of 14 domestic insurers and 2 foreign branches. In 2024, the non-life insurance business accounted for 81.2% of total insurance premiums, and the life insurance business for 18.8%. In 2024, premiums paid (data on gross premiums written are no longer compiled by the insurance bureau as of 2023) in the Croatian insurance market grew by 12.0% (non-life premiums grew by 14.0% and life premiums by 4.1%). The Sava Insurance Group operates in the market through a branch of Zavarovalnica Sava, which sells non-life and life insurance in Croatia. In 2024, it ranked 14th among all companies operating in the Croatian insurance market, with a market share of 1.1%.

Market shares of Zavarovalnica Sava – branch office*



Croatia: insurance market shares 2024*

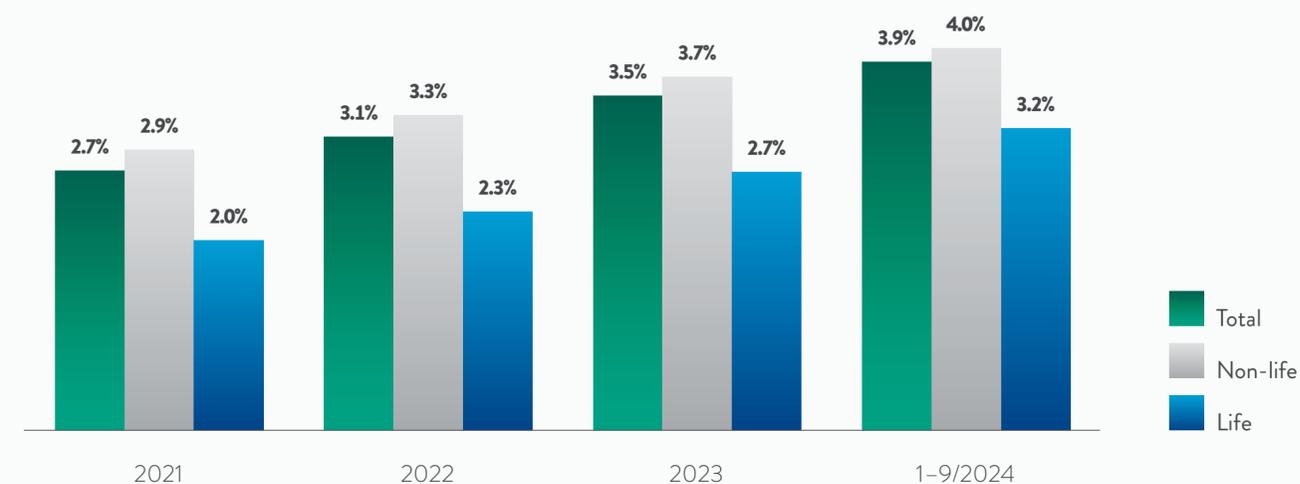


* For 2023 and 2024, gross premiums written are no longer available, so premiums paid are shown. Premiums shown are premiums in the Croatian market (excluding Euroherc branches in Austria and Italy, and FoS business).

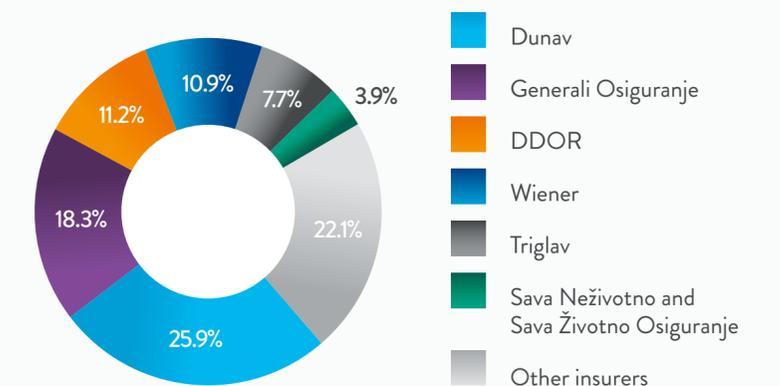
Serbia

The Serbian insurance market in 2024 consisted of 16 insurance companies. The non-life insurance business accounted for 82.3% of total insurance premiums in the first nine months of 2024, and the life insurance business for 17.7%. In the first nine months of 2024, gross premiums written in the Serbian insurance market grew by 14.6% (non-life premiums by 15.9% and life premiums by 9.4%). The Sava Insurance Group is present in the market through the non-life insurance company Sava Neživotno Osiguranje (SRB) and the life insurance company Sava Životno Osiguranje (SRB). Together, the two insurers ranked 8th among all insurers in the market in the first nine months of 2024, with a market share of 3.9%.

Market shares of Sava Neživotno Osiguranje (SRB) and Sava Životno Osiguranje (SRB)



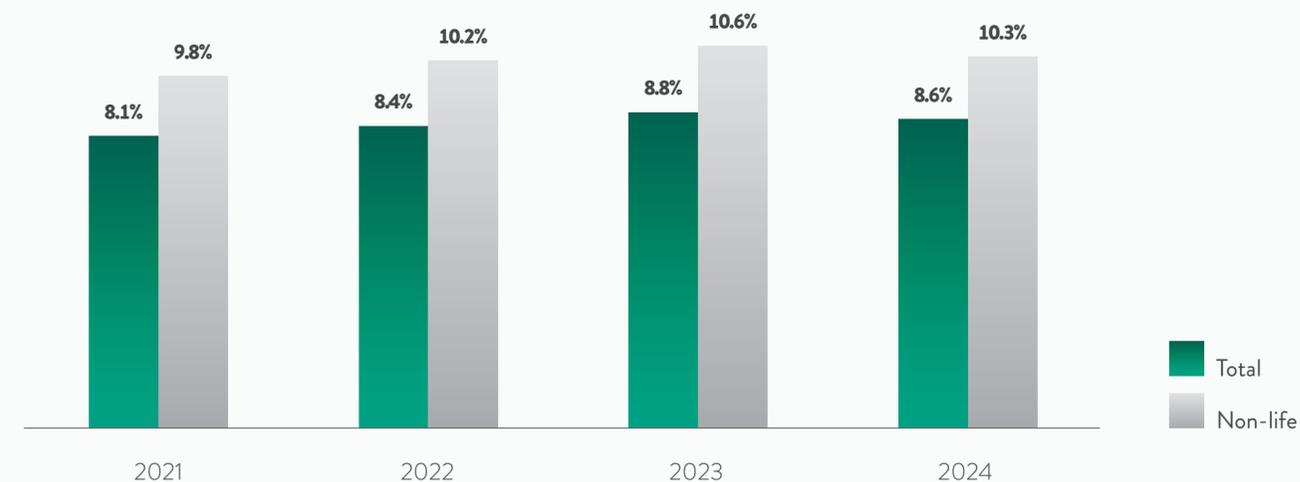
Serbia: insurance market shares 1-9/2024



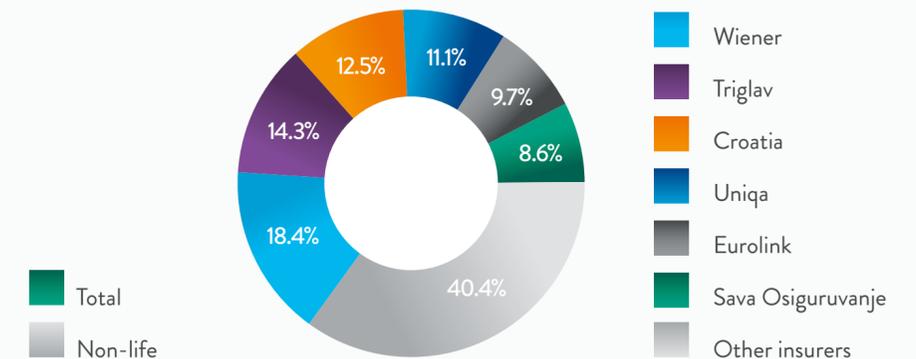
North Macedonia

The North Macedonian insurance market in 2024 consisted of 17 insurance companies. The non-life insurance business accounted for 81.3% of total insurance premiums in the first nine months of 2024, and the life insurance business for 16.9%. In the first nine months of 2024, gross premiums written in the North Macedonian insurance market grew by 12.7% (non-life premiums by 11.1% and life premiums by 20.8%). The Sava Insurance Group is present in the market through its non-life insurance company, which ranked 6th among all insurers on the market in the first nine months of 2024, with a market share of 8.6%.

Market shares of Sava Osiguruvanje (MKD)



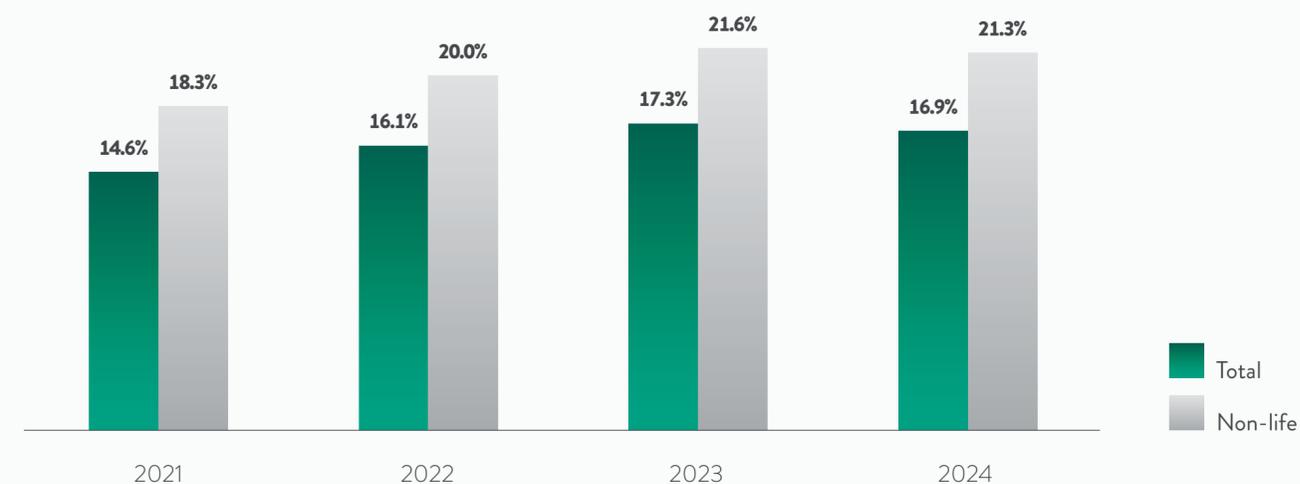
North Macedonia: insurance market shares 1–9/2024



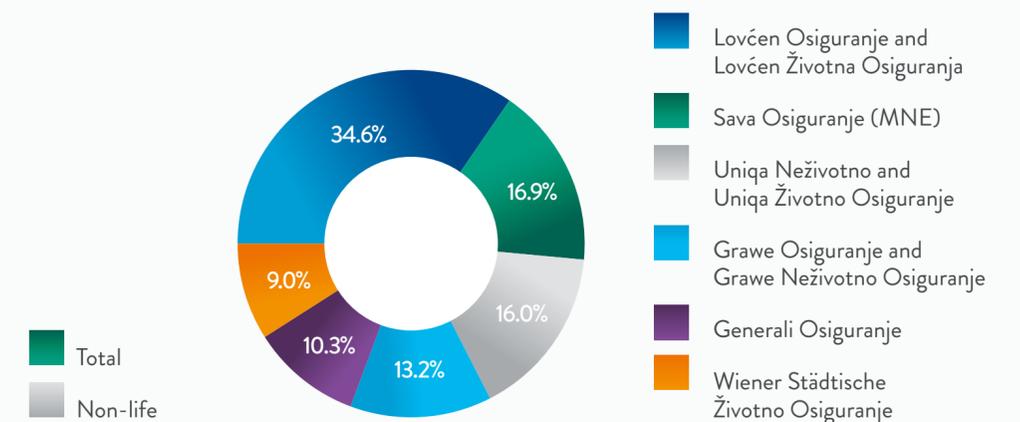
Montenegro

The Montenegrin insurance market consisted of 9 insurance companies in 2024. In 2024, the non-life insurance business accounted for 79.3% of total insurance premiums, and the life insurance business for 20.7%. In 2024, gross premiums written in the Montenegrin insurance market grew by 12.3% (non-life premiums by 11.1% and life premiums by 17.6%). The Sava Insurance Group is present in the market through the non-life insurance company Sava Osiguranje (MNE), which ranked second among all insurers in the market in 2024, with a market share of 16.9%.

Market shares of Sava Osiguranje (MNE)



Montenegro: insurance market shares 2024

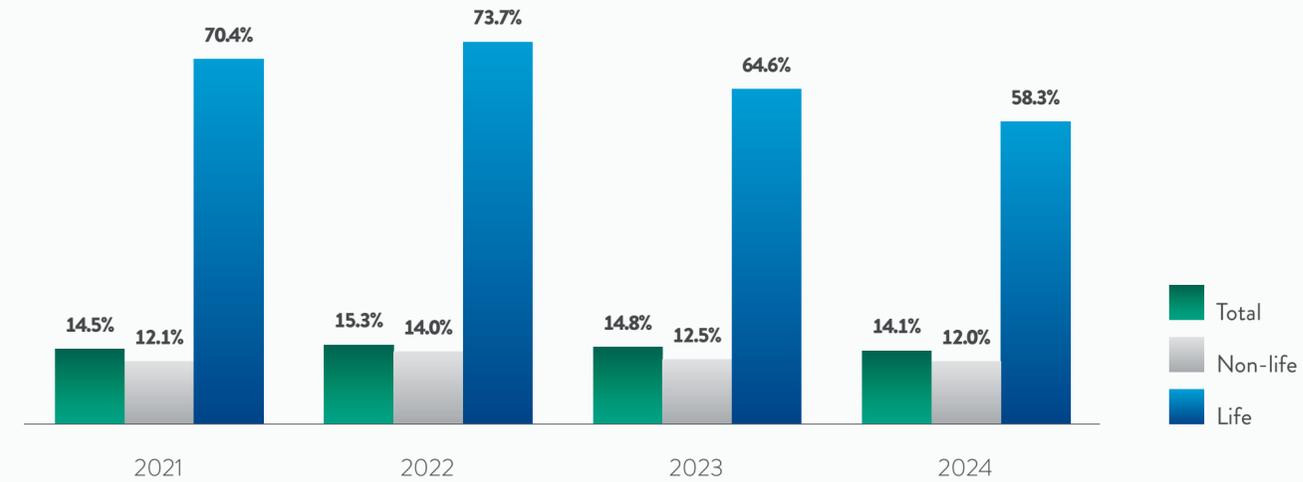




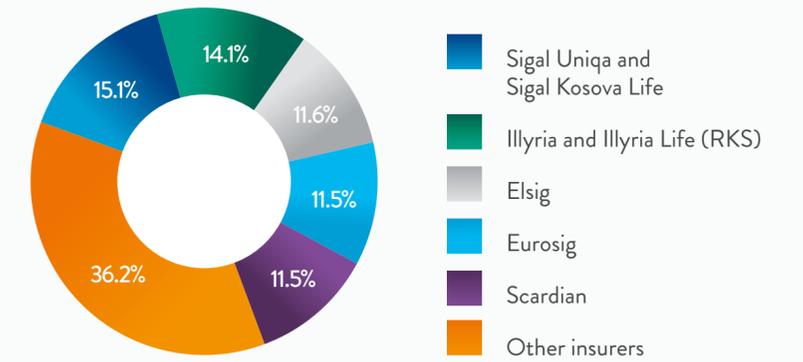
Kosovo

In 2024, the Kosovo insurance market consisted of 12 insurance companies. In 2024, the non-life insurance business accounted for 95.5% of total insurance premiums, and the life insurance business for 4.5%. In 2024, gross premiums written in the Kosovo insurance market grew by 14.7% (non-life premiums by 14.6% and life premiums by 15.7%). The Sava Insurance Group is present in the market through the non-life insurance company Illyria (RKS) and the life insurance company Illyria Life (RKS). Together, the two insurers ranked second among all insurers in the market in 2024, with a market share of 14.1%.

Market shares of Illyria (RKS) and Illyria Life (RKS)



Kosovo: insurance market shares 2024



8 Review of operations of the Sava Insurance Group and Sava Re⁴³

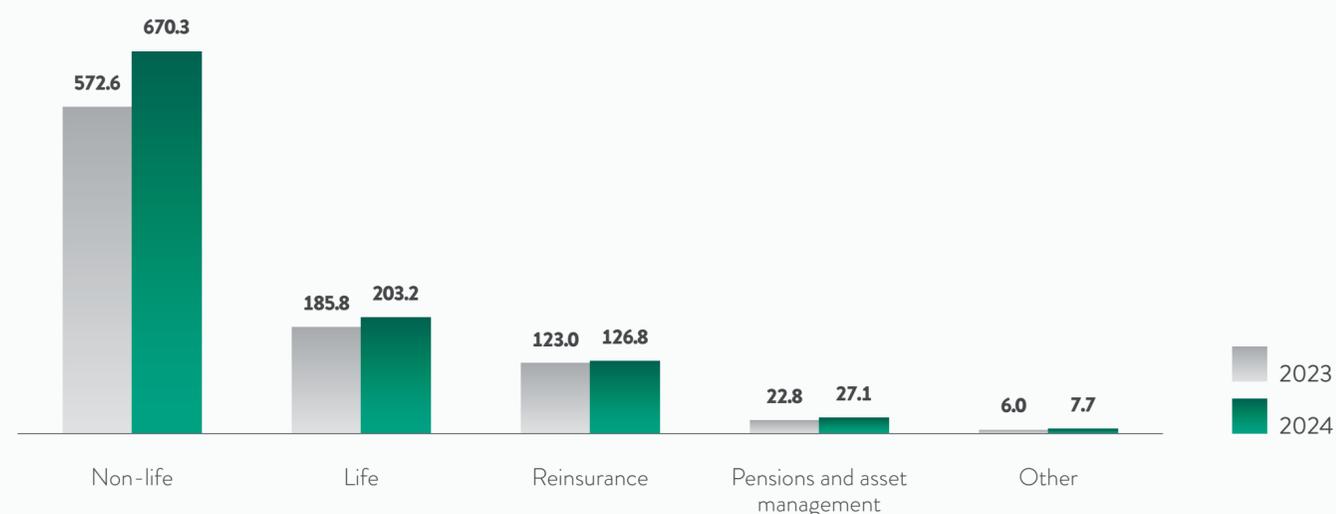
8.1 Sava Insurance Group

8.1.1 Business volume

Business volume grew by 13.7% to EUR 1,035.1 million in 2024, mainly driven by growth in non-life and life gross premiums written. In the non-life business, this growth was generated by higher prices and organic business growth, and in the life business by strong sales of new policies and top-up premiums to existing policies. Business volume increased in all segments.

EUR	2024	2023	Change	Index
Business volume	1,035,134,973	910,113,382	125,021,590	113.7

► Business volume by operating segment (€m)



Gross written premiums increased by 13.5% to EUR 1,003.8 million in 2024.

► Gross premiums written by class of insurance

EUR	2024		2023	
	EUR	Share	EUR	Share
Property	224,062,435	22.3%	201,173,345	22.7%
Land motor vehicles	227,720,163	22.7%	192,694,694	21.8%
Motor vehicle liability	192,515,726	19.2%	166,180,679	18.8%
Accident, health and assistance	101,806,249	10.1%	89,833,560	10.2%
General liability	29,976,344	3.0%	24,729,085	2.8%
Marine, suretyship and goods in transit	19,476,289	1.9%	17,488,998	2.0%
Other insurance	1,324,099	0.1%	3,212,344	0.4%
Total non-life	796,881,307	79.4%	695,312,704	78.6%
Unit-linked life	135,877,673	13.5%	121,013,982	13.7%
Traditional life	71,016,062	7.1%	68,235,616	7.7%
Total life	206,893,735	20.6%	189,249,598	21.4%
Total	1,003,775,042	100.0%	884,562,302	100.0%

43 A glossary of selected insurance terms and calculation methods for ratios is appended to this annual report.

8.1.2 Income statement

► Summary consolidated income statement

EUR	2024	2023	Change	Index
Insurance revenue	801,213,638	697,562,811	103,650,827	114.9
Insurance service expenses	-662,350,015	-657,125,518	-5,224,497	100.8
Claims incurred	-448,607,197	-465,474,154	16,866,957	96.4
Operating expenses	-214,937,268	-189,565,020	-25,372,248	113.4
Onerous contracts	1,194,450	-2,086,344	3,280,794	-57.3
Result before reinsurance	138,863,623	40,437,293	98,426,330	343.4
Reinsurance result	-30,254,180	43,040,469	-73,294,649	-70.3
Insurance service result	108,609,443	83,477,762	25,131,681	130.1
Investment result	36,688,305	27,923,277	8,765,028	131.4
Net insurance finance result	-13,581,379	-13,304,198	-277,181	102.1
Net foreign exchange gains/losses	-263,618	1,192,505	-1,456,123	-22.1
Finance result	22,843,308	15,811,584	7,031,724	144.5
Non-insurance revenue	31,359,931	25,551,080	5,808,851	122.7
Other costs	-56,923,086	-51,014,545	-5,908,541	111.6
Income from investments in subsidiaries and associates	1,781,075	2,286,208	-505,133	77.9
Other net income	2,131,728	3,501,264	-1,369,536	60.9
Profit before tax	109,802,399	79,613,353	30,189,046	137.9
Income tax expense	-21,955,857	-14,956,182	-6,999,675	146.8
Net profit for the period	87,846,542	64,657,171	23,189,371	135.9

	2024	2023	Change	Index
Combined ratio	91.3%	93.1%	-1.8 pp	-
Loss ratio	63.2%	64.6%	-1.4 pp	-
Expense ratio	28.1%	28.6%	-0.5 pp	-
Return on investment portfolio	2.5%	2.1%	+0.4 pp	-
Return on equity	13.6%	10.8%	+2.8 pp	-

Insurance service result

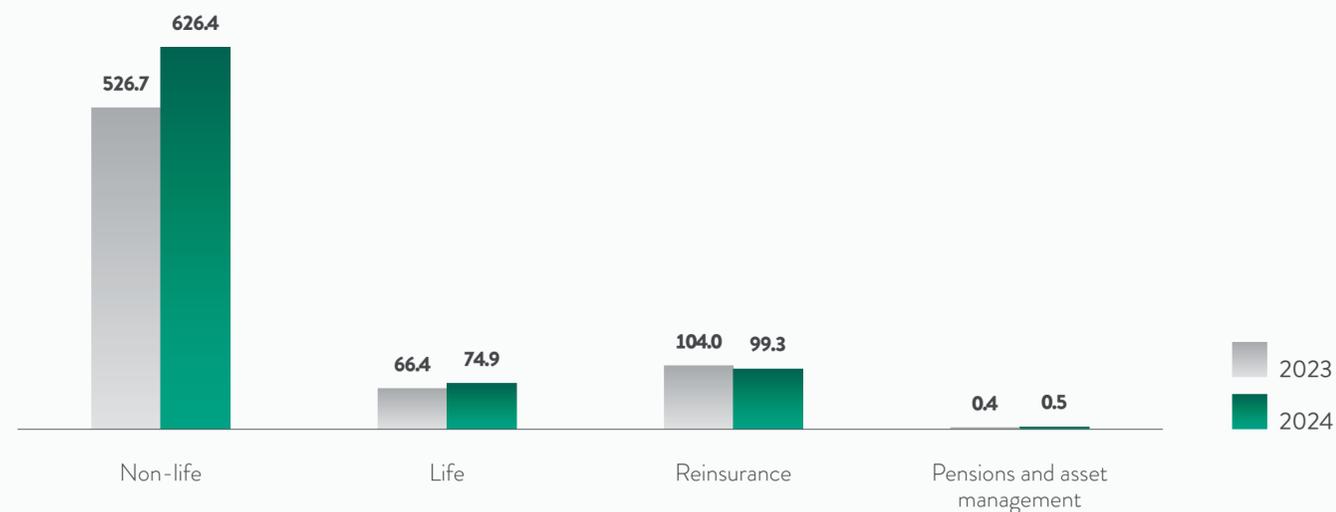
The **insurance service result** grew as a result of revenue growth driven by price increases and an increase in the number of policies sold, combined with more favourable claims experience. The composition of the insurance service result in 2024 is different from that in 2023 – the **result before reinsurance** in 2023 was heavily impacted by natural catastrophe losses, which were mitigated by reinsurance protection. The year 2024 was also affected by natural catastrophe

losses, the impact of which on the insurance service result was similar to the previous year. However, the result before reinsurance was significantly better in 2024, while the **reinsurance result** was worse than in 2023 due to the different composition of claims. The reinsurance result in 2024 was weaker because of higher expenses from reinsurance contracts held due to portfolio growth and more expensive reinsurance protection.



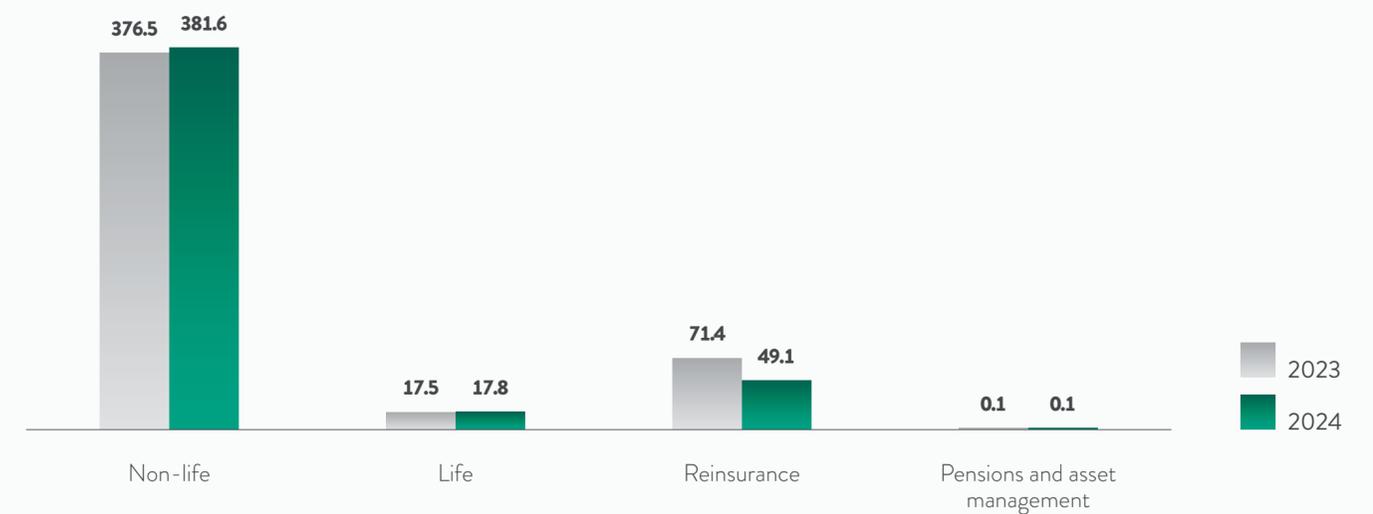
Insurance revenue grew by EUR 103.7 million, driven by premium growth, particularly in the non-life business, where it increased by EUR 99.7 million due to price increases in response to claims inflation and due to organic growth. In the life business, where revenue increased by EUR 8.5 million, the increase was due to sales volume growth. Insurance revenue decreased only in the reinsurance segment due to a different premium structure.

► Insurance revenue by segment (€m)



Incurred claims decreased by EUR 16.9 million in 2024. The decrease was driven by the reinsurance segment as a result of more favourable claims experience. The growth for the non-life business reflects portfolio growth, with incurred claims growing at a slower rate than revenue, also due to lower claims from severe weather events.

► Claims incurred by segment (€m)



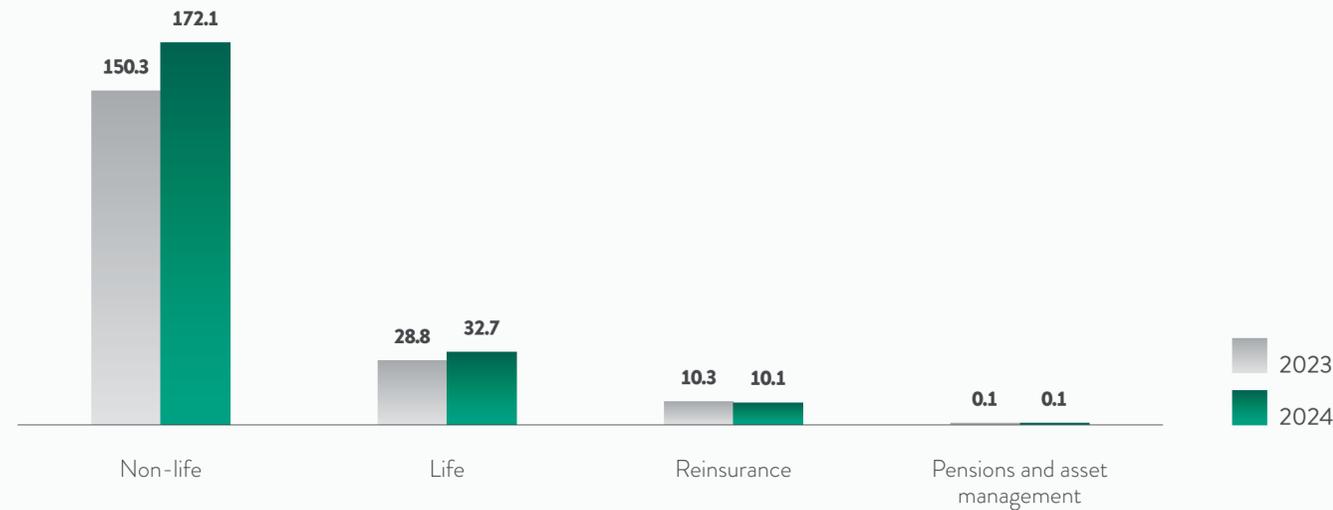
► Claims incurred by class of business

EUR	2024		2023	
	Amount	Share	Amount	Share
Property	114,046,949	25.4%	166,525,223	35.8%
Land motor vehicles	146,125,408	32.6%	140,695,828	30.2%
Motor vehicle liability	105,046,076	23.4%	85,356,588	18.3%
Accident, health and assistance	50,938,979	11.4%	44,048,404	9.5%
General liability	8,135,739	1.8%	6,716,482	1.4%
Other insurance	6,446,936	1.4%	4,577,072	1.0%
Total non-life	430,740,087	96.0%	447,919,597	96.2%
Total life	17,867,109	4.0%	17,554,557	3.8%
Total	448,607,196	100.0%	465,474,154	100.0%



Operating expenses increased by EUR 25.4 million in 2024. Acquisition costs were up EUR 14.7 million due to higher sales, whereas administrative costs increased by EUR 10.7 million, particularly due to higher business volume and general price increases driven by inflation.

► **Operating expenses by segment (€m)**



Onerous contracts improved by EUR 3.3 million and had a favourable impact on the 2024 result, as the Group recognised revenue from these contracts in 2024 due to the improved profitability of the non-life business.

Finance result and investment return

EUR	2024	2023	Change	Index
Investment result	36,688,305	27,923,277	8,765,028	131.4
Net insurance finance result	-13,581,379	-13,304,198	-277,181	102.1
Net foreign exchange gains/losses	-263,618	1,192,505	-1,456,123	-22.1
Finance result	22,843,308	15,811,584	7,031,724	144.5
	2024	2023	Change	Index
Return on investment portfolio	2.5%	2.1%	+0.4 pp	-

The **investment result** totalled EUR 36.7 million, an increase of EUR 8.8 million compared to the previous year, mainly due to higher interest income, which was EUR 6.4 million higher than in the previous year. The higher interest income mainly reflects the strong cash flow from operating activities, which was mainly invested in debt securities, with maturing debt securities purchased at lower yields and reinvested at higher yields. The **return on the investment portfolio** was 2.5%.

► **Investment portfolio income, expenses, net investment income and return**

EUR	2024	2023	Change
Interest income at effective interest rate	27,003,046	20,603,022	6,400,024
Change in fair value of FVTPL investments	3,517,065	2,960,629	556,436
Dividends from equity investments and income from alternative funds	3,979,998	3,430,577	549,421
Other investment income or expenses	2,188,196	929,049	1,259,147
Interest income on FVTPL investments	545,690	795,291	-249,601
Gains or losses on disposal of FVTPL investments	92,257	-26,141	118,398
Gains or losses on disposal of other IFRS asset categories	167,382	-813,375	980,757
Movement in expected credit losses (ECL)	500,810	289,466	211,344
Income or expenses from investment property	1,092,009	900,224	191,785
Other income or expenses	-209,952	-216,416	6,464
Investment result	36,688,305	27,923,277	8,765,028
Income from investments in associates	1,781,075	2,286,209	-505,134
Net investment income on investment portfolio	38,469,380	30,209,486	8,259,894
Return on investment portfolio	2.5%	2.1%	0.4 pp

The **net insurance finance result** remained at approximately the same level as in 2023.

Other net expenses

Non-insurance revenue increased by EUR 5.8 million to EUR 31.4 million. The majority of these revenue streams originated from asset management (EUR 23.7 million), where revenue increased by EUR 4.1 million due to more assets under management in pension funds and in funds of a mutual fund management company as a result of high net inflows and returns generated. The remainder (EUR 7.7 million) was mainly generated by assistance services, where revenue increased by EUR 1.7 million as a result of a higher volume of assistance cases.

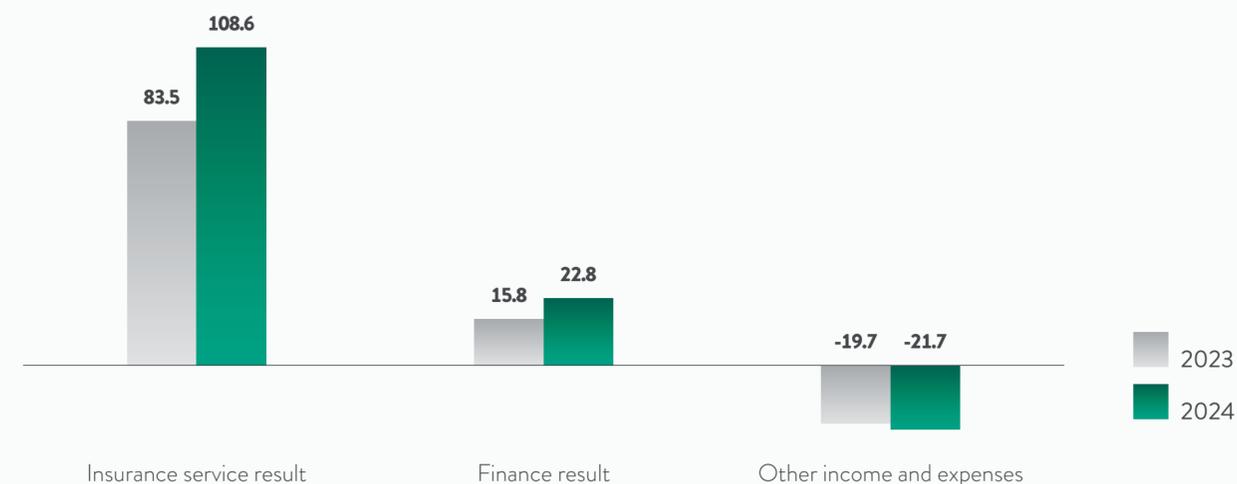
Other costs amounted to EUR 56.9 million, up EUR 5.9 million. These costs included non-attributable expenses (EUR 31.1 million) and expenses of non-insurance companies (EUR 25.8 million). The increase was mainly due to a higher volume of commissions as a result of increased assets under management, an increase in the volume of assistance business due to higher claims and inflation, and increased IT service costs.

Profit for the period

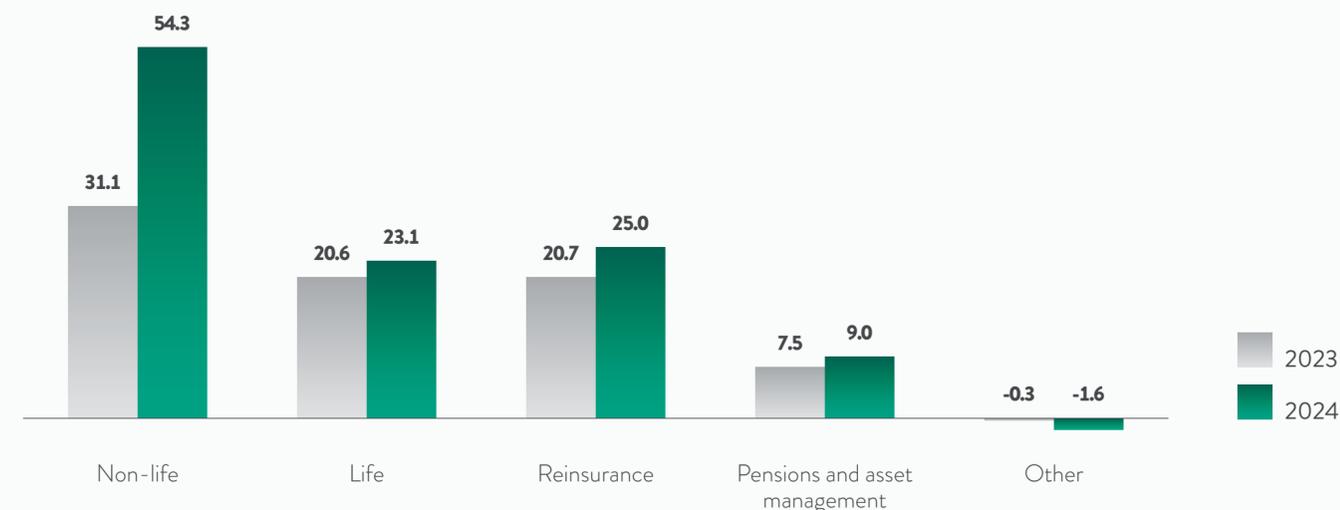
Profit before tax increased by EUR 30.2 million to EUR 109.8 million in 2024. The increase was mainly a result of the improvement in the insurance service result and finance result. All operating segments ended 2024 with a higher pre-tax profit than in 2023, except for the “other” segment, where the decrease was mainly driven by an increase in interest on subordinated debt due to the issuance of a new subordinated bond in 2024 and lower income from associates. In absolute terms, the largest increase in the pre-tax result was in the non-life segment (up EUR 23.2 million). The pre-tax result improved by EUR 4.3 million in the reinsurance segment, by EUR 2.4 million in the life segment and by EUR 1.5 million in the pensions and asset management segment, while the “other” segment recorded a deterioration of EUR 1.3 million.

In line with growth in profit before tax, the **net profit for the period** also increased, by EUR 23.2 million. As a result, the **return on equity** was higher, at 13.6%.

Composition of profit or loss before tax (€m)



Composition of profit or loss before tax by segment (€m)





Combined ratio

	2024	2023	Change
Combined ratio	91.3%	93.1%	-1.8 pp
Loss ratio	63.2%	64.6%	-1.4 pp
Expense ratio	28.1%	28.6%	-0.5 pp

The **combined ratio** improved due to both the loss and expense ratios. The improvement in both ratios is due to strong growth in insurance revenue, driven by price increases and organic business growth. The improvement in the **loss ratio** was further driven by an improvement in claims experience, while the **expense ratio** benefited from expense growth lagging behind revenue growth.

Profit before tax
+74.6%

Gross premiums written
+17.1%

8.1.2.1 Non-life segment

EUR	2024	2023	Change	Index
Gross premiums written	670,272,401	572,614,385	97,658,016	117.1
EU	554,954,482	474,543,582	80,410,900	116.9
Non-EU	115,317,919	98,070,803	17,247,116	117.6
Insurance revenue	626,422,279	526,708,126	99,714,153	118.9
EU	522,286,220	436,996,472	85,289,748	119.5
Non-EU	104,136,059	89,711,654	14,424,405	116.1
Insurance service result	57,058,922	39,492,006	17,566,915	144.5
EU	51,849,028	32,526,322	19,322,706	159.4
Non-EU	5,209,893	6,965,685	-1,755,791	74.8
Finance result	14,196,329	7,192,077	7,004,252	197.4
EU	10,586,614	4,735,833	5,850,781	223.5
Non-EU	3,609,715	2,456,244	1,153,471	147.0
Other net expenses	-16,922,599	-15,568,022	-1,354,577	108.7
EU	-14,218,218	-11,934,216	-2,284,003	119.1
Non-EU	-2,704,381	-3,633,807	929,425	74.4
Profit before tax	54,332,651	31,112,307	23,220,344	174.6
EU	48,217,424	25,324,185	22,893,239	190.4
Non-EU	6,115,227	5,788,122	327,106	105.7
Combined ratio	93.5%	95.4%	-1.9 pp	-
EU	92.8%	95.3%	-2.5 pp	-
Non-EU	97.4%	96.1%	+1.3 pp	-



Gross premiums written

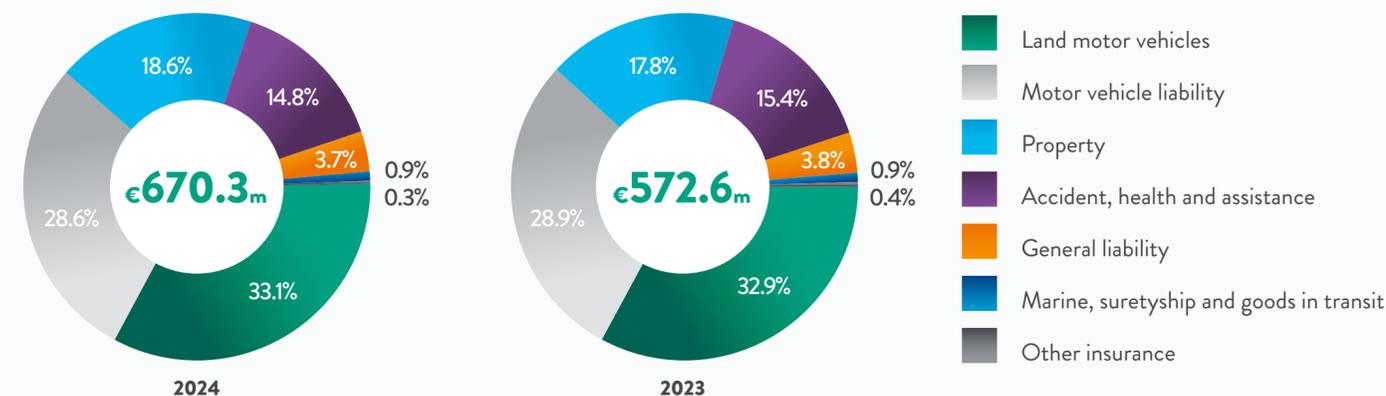
Gross written premiums of the non-life segment grew at a strong rate of 17.1%. Growth was achieved in all the markets, with the EU markets up 16.9% and the non-EU markets up 17.6%. In the EU markets, the highest nominal growth was achieved in the motor insurance business, particularly in the private passenger car segment. The growth is mainly due to both an increase in the price of insurance services in response to the rise in the price of car parts and repair services, as well as to the attraction of new policyholders and the increase in the number of policies sold. Gross written premiums in the EU markets in the personal and commercial property lines of business also increased significantly. In the non-EU markets, gross written premiums in the property business grew the most due to bancassurance sales, while motor premiums also grew significantly due to price increases and an increase in the number of policies sold.

As a result, the share of motor and property insurance in the composition of gross premiums by class of business increased in 2024 compared to 2023.

Gross premiums written – non-life

EUR	2024	2023	Change	Index
Slovenia	537,406,812	457,402,901	80,003,910	117.5
Croatia	17,547,670	17,140,681	406,989	102.4
EU	554,954,482	474,543,582	80,410,900	116.9
Serbia	51,139,979	39,539,035	11,600,944	129.3
North Macedonia	22,252,116	20,430,241	1,821,875	108.9
Montenegro	22,648,329	20,665,273	1,983,056	109.6
Kosovo	19,277,495	17,436,254	1,841,241	110.6
Non-EU	115,317,919	98,070,803	17,247,116	117.6
Total non-life	670,272,401	572,614,385	97,658,016	117.1

Gross non-life insurance premiums by class of business





Insurance service result

EUR	2024	2023	Change	Index
Insurance revenue	626,422,279	526,708,126	99,714,153	118.9
EU	522,286,220	436,996,472	85,289,748	119.5
Non-EU	104,136,059	89,711,654	14,424,405	116.1
Insurance service expenses	-551,455,068	-529,588,320	-21,866,748	104.1
Claims incurred	-381,608,294	-376,489,416	-5,118,878	101.4
EU	-323,385,553	-324,341,925	956,372	99.7
Non-EU	-58,222,741	-52,147,491	-6,075,250	111.7
Operating expenses	-172,069,475	-150,333,728	-21,735,747	114.5
EU	-135,175,763	-118,758,015	-16,417,748	113.8
Non-EU	-36,893,712	-31,575,713	-5,317,999	116.8
Onerous contracts	2,222,701	-2,765,176	4,987,877	-80.4
EU	2,357,143	-2,856,770	5,213,913	-82.5
Non-EU	-134,443	91,594	-226,037	-146.8
Result before reinsurance	74,967,210	-2,880,194	77,847,404	-2602.9
EU	66,082,047	-8,960,238	75,042,285	-737.5
Non-EU	8,885,163	6,080,044	2,805,119	146.1
Reinsurance result	-17,908,289	42,372,200	-60,280,489	-42.3
EU	-14,233,019	41,486,560	-55,719,579	-34.3
Non-EU	-3,675,270	885,641	-4,560,910	-415.0
Insurance service result	57,058,922	39,492,006	17,566,915	144.5
EU	51,849,028	32,526,322	19,322,706	159.4
Non-EU	5,209,893	6,965,685	-1,755,791	74.8

The **result before reinsurance** was EUR 77.8 million better than the previous year. In the EU markets, it improved by a remarkable EUR 75.0 million. This was mainly driven by an increase in **insurance revenue**, which rose by EUR 85.3 million as a result of higher prices and more policies sold, as well as due to less intense severe weather events and more favourable claims experience in 2024. In 2023, on the other hand, the high losses were caused by summer storms and floods. In the non-EU markets, the result before reinsurance improved by EUR 2.8 million, reflecting growth in insurance revenue and more favourable claims experience in 2024.

Insurance service expenses increased by EUR 21.9 million, of which EUR 10.2 million in the EU markets and EUR 11.6 million in the non-EU markets. The 2023 high **claims incurred** in most markets were mainly driven by summer storms and flooding. These adverse weather events had the greatest impact on the land motor vehicle and property business. In 2024, health insurance loss ratios deteriorated in the non-EU markets, and the Group was hit by a number of large losses in these markets. The largest of these

was a fire loss. **Operating expenses** increased by EUR 21.7 million in the EU markets, mainly due to growth in the insurance portfolio, an increase in personnel costs and investments in IT infrastructure, while in the non-EU markets, the increase was due to a change in the allocation of expenses between non-attributable and attributable expenses, in addition to growth in the insurance portfolio and an increase in personnel costs. The loss component from **onerous contracts** decreased in 2024 due to rate increases and improved loss ratios in the property and assistance business, resulting in a significant reduction in the loss component.

The **reinsurance result** deteriorated by EUR 60.3 million compared to the previous year. Both the EU and non-EU markets experienced a deterioration. The deterioration is due to lower revenue from reinsurance contracts held as a result of less severe weather events in 2024, the change in reinsurance protection and the discontinuation of the annual aggregate reinsurance cover, as well as higher expenses from reinsurance contracts held due to portfolio growth and the higher cost of reinsurance.



Finance result and investment return

EUR	2024	2023	Change	Index
Investment result	17,277,720	10,976,899	6,300,821	157.4
EU	13,058,379	7,882,690	5,175,689	165.7
Non-EU	4,219,341	3,094,209	1,125,132	136.4
Net insurance finance result	-3,219,223	-3,699,927	480,703	87.0
EU	-2,629,639	-3,070,764	441,125	85.6
Non-EU	-589,584	-629,162	39,578	93.7
Net foreign exchange gains/losses	137,832	-88,650	226,482	-155.5
EU	157,874	-79,847	237,721	-197.7
Non-EU	-20,042	-8,803	-11,239	227.7
Finance result	14,196,329	7,188,323	7,008,006	197.5
EU	10,586,614	4,732,079	5,854,535	223.7
Non-EU	3,609,715	2,456,244	1,153,471	147.0
	2024	2023	Change	Index
Return on investment portfolio	2.4%	1.8%	0.6 pp	-
EU	2.2%	1.5%	0.7 pp	-
Non-EU	4.0%	3.4%	0.6 pp	-

The **finance result** was up by EUR 7.0 million, mainly due to an improved **investment result**. The investment result improved by EUR 6.3 million in total across all markets, mainly due to higher interest income as a result of the larger investment portfolio and the full effect of higher interest rates on the reinvestment of investments and the investment of operating cash flow, as well as higher net income from FVTPL investments. The **return on the investment portfolio** improved by 0.6 percentage points to 2.4%.

Other net expenses

Other net expenses mainly comprise non-attributable operating income or expenses that are not related to the insurance business. In 2024, these net expenses increased by EUR 1.4 million. A deterioration of EUR 2.3 million was recorded in the EU markets. The deterioration was mainly driven by lower income as the Group sold an office building in the previous year, and also due to lower Green Card revenue, higher

tax and contribution expenses, and higher non-attributable expenses in 2024. However, the improvement of EUR 0.9 million in the non-EU markets is mainly due to a change in the allocation of expenses between non-attributable and attributable expenses.

Profit before tax

Profit before tax increased by EUR 23.2 million to a strong EUR 54.3 million in 2024. As explained above, the improvement in the EU markets was mainly driven by both a better insurance service result and finance result, whereas in the non-EU markets it was driven by a better finance result and lower non-attributable expenses.



Combined ratio

The **combined ratio** was 93.5%, an improvement of 1.9 percentage points. The EU markets improved (by 2.5 percentage points) as a result of improvements in both the loss ratio and the expense ratio. The loss ratio improved on both the insurance revenue and insurance service expense sides for the reasons described above, whereas the expense ratio improved because expenses grew at a slower rate than insurance revenue. However, the deterioration in the combined ratio in the non-EU markets (by 1.3 percentage points) due to the higher loss ratio reflects the deterioration in the loss ratios in the health business and the increase in the cost of reinsurance.

	2024	2023	Change
Combined ratio	93.5%	95.4%	-1.9 pp
EU	92.8%	95.3%	-2.5 pp
Non-EU	97.4%	96.1%	+1.3 pp
Loss ratio	63.4%	64.0%	-0.6 pp
EU	64.2%	65.4%	-1.2 pp
Non-EU	59.6%	57.0%	+2.6 pp
Expense ratio	30.1%	31.5%	-1.4 pp
EU	28.6%	29.9%	-1.3 pp
Non-EU	37.8%	39.1%	-1.3 pp

**Profit
before tax
+11.8%**

8.1.2.2 Life segment

EUR	2024	2023	Change	Index
Gross premiums written	203,223,479	185,767,557	17,455,922	109.4
EU	190,049,327	174,441,562	15,607,765	108.9
Non-EU	13,174,152	11,325,995	1,848,157	116.3
Insurance revenue	74,911,625	66,403,513	8,508,112	112.8
EU	66,401,607	59,872,919	6,528,688	110.9
Non-EU	8,510,017	6,530,594	1,979,423	130.3
Insurance service result	23,422,038	20,434,704	2,987,334	114.6
EU	21,290,551	18,724,682	2,565,869	113.7
Non-EU	2,131,487	1,710,022	421,465	124.6
Finance result	5,663,119	6,369,936	-706,817	88.9
EU	4,981,024	5,799,629	-818,605	85.9
Non-EU	682,095	570,307	111,788	119.6
Other net expenses	-6,023,729	-6,181,819	158,090	97.4
EU	-5,628,361	-5,669,054	40,693	99.3
Non-EU	-395,369	-512,766	117,397	77.1
Profit before tax	23,061,428	20,622,821	2,438,607	111.8
EU	20,643,215	18,855,257	1,787,957	109.5
Non-EU	2,418,213	1,767,563	650,650	136.8
	31 December 2024	31 December 2023	Change	Index
Contractual service margin (CSM)	160,952,422	141,629,289	19,323,133	113.6
EU	150,395,541	132,599,225	17,796,316	113.4
Non-EU	10,556,880	9,030,064	1,526,816	116.9

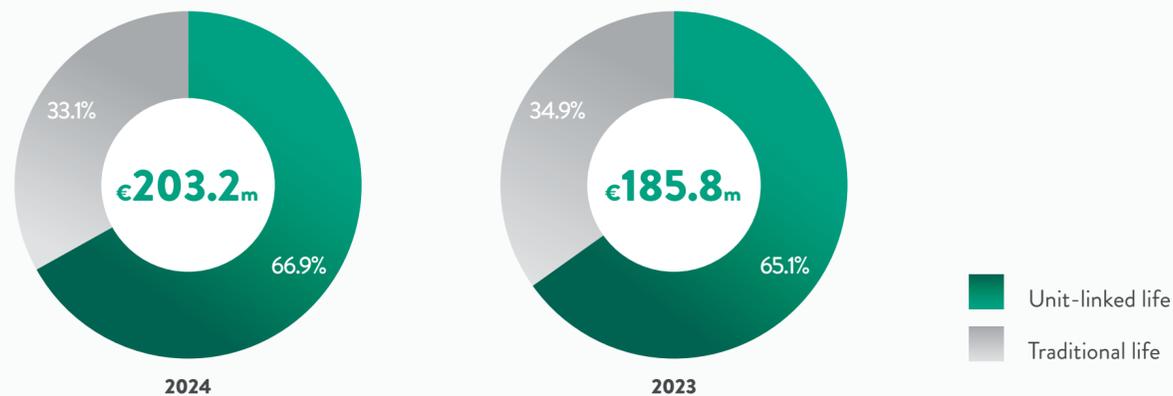
Gross premiums written

Gross premiums written – life

EUR	2024	2023	Change	Index
Slovenia	187,485,214	172,197,867	15,287,347	108.9
Croatia	2,564,113	2,243,695	320,418	114.3
EU	190,049,327	174,441,562	15,607,765	108.9
Serbia	8,725,522	7,062,615	1,662,908	123.5
Kosovo	4,448,629	4,263,381	185,248	104.3
Non-EU	13,174,152	11,325,995	1,848,157	116.3
Total life	203,223,479	185,767,557	17,455,922	109.4

Gross written premiums of the EU-based life insurers increased by 8.9% year on year, driven by higher sales of both life risk and unit-linked insurance products, as well as top-up premiums on existing policies. The life insurers outside the EU managed to increase gross written premiums by 16.3%, reflecting very strong sales of risk products, with sales of investment products also increasing.

Gross life insurance premiums by class of business



The increase in the share of unit-linked insurance was a result of the increased sales of unit-linked policies in Slovenia and the maturing of traditional life savings policies, which are no longer available for purchase in Slovenia.

Insurance service result

EUR	2024	2023	Change	Index
Insurance revenue	74,911,625	66,403,513	8,508,112	112.8
EU	66,401,607	59,872,919	6,528,688	110.9
Non-EU	8,510,017	6,530,594	1,979,423	130.3
Insurance service expenses	-51,129,499	-45,730,102	-5,399,397	111.8
Claims incurred	-17,763,747	-17,469,137	-294,610	101.7
EU	-15,023,444	-15,502,210	478,766	96.9
Non-EU	-2,740,303	-1,966,927	-773,376	139.3
Operating expenses	-32,693,636	-28,800,168	-3,893,468	113.5
EU	-29,050,613	-25,752,177	-3,298,436	112.8
Non-EU	-3,643,023	-3,047,991	-595,032	119.5
Onerous contracts	-672,116	539,203	-1,211,319	-124.6
EU	-704,662	344,857	-1,049,519	-204.3
Non-EU	32,546	194,346	-161,800	16.7
Reinsurance result	-360,088	-238,707	-121,381	150.8
Insurance service result	23,422,038	20,434,704	2,987,334	114.6
EU	21,290,551	18,724,682	2,565,869	113.7
Non-EU	2,131,487	1,710,022	421,465	124.6

The insurance service result improved by EUR 3.0 million. It increased by EUR 2.6 million in the EU markets due to revenue growth and improved claims development, and by EUR 0.4 million in the non-EU markets due to higher revenue.

Insurance revenue grew by 10.9% in the EU markets as a result of increased sales. The Group's insurance revenue outside the EU increased by 30.3% due to higher sales and updated actuarial models and assumptions.



Insurance service expenses rose by 11.8%, mainly as a result of an increase in operating expenses. There were increases in both acquisition costs, due to higher sales, and administrative expenses, mainly due to rising personnel costs as a result of inflation and a larger workforce. The increase in insurance service expenses was also affected by a deterioration in **expenses from onerous contracts**, which showed a favourable trend in expected future profitability in 2023, but a less favourable trend in 2024 due to a deterioration in expense assumptions. **Incurred claims** increased in the non-EU markets due to portfolio growth and the resulting increase in the number of claims.

Finance result and investment return

EUR	2024	2023	Change	Index
Investment result	9,639,314	10,059,429	-420,115	95.8
EU	8,322,111	9,103,691	-781,579	91.4
Non-EU	1,317,203	955,738	361,464	137.8
Net insurance finance result	-3,965,932	-3,702,612	-263,320	107.1
EU	-3,340,332	-3,302,541	-37,791	101.1
Non-EU	-625,600	-400,071	-225,529	156.4
Net foreign exchange gains/losses	-10,262	13,120	-23,382	-78.2
EU	-754	-1,520	766	49.6
Non-EU	-9,508	14,640	-24,148	-64.9
Finance result	5,663,119	6,369,936	-706,817	88.9
EU	4,981,024	5,799,629	-818,605	85.9
Non-EU	682,095	570,307	111,788	119.6
	2024	2023	Change	Index
Return on investment portfolio	2.0%	2.0%	0.0 pp	-
EU	1.8%	1.9%	-0.1 pp	-
Non-EU	3.9%	2.9%	1.0 pp	-

The **finance result** decreased by EUR 0.7 million, mainly due to the decline in the **investment result**, which was EUR 0.4 million lower in 2024 due to lower cash flow (maturing of the traditional life portfolio), resulting in lower interest income. In the non-EU markets, the higher returns were driven by higher interest income. The **return on the investment portfolio** moved in line with the investment performance of the various markets but overall remained at the 2023 level of 2.0%.

The **net insurance finance result** deteriorated, mainly in the non-EU markets, driven by portfolio growth and the resulting increase in interest expense, as well as updated assumptions.

Other net expenses

Other net expenses decreased by EUR 0.2 million as a result of the amended methodology for calculating the insurance service result for the non-EU companies.

Profit before tax

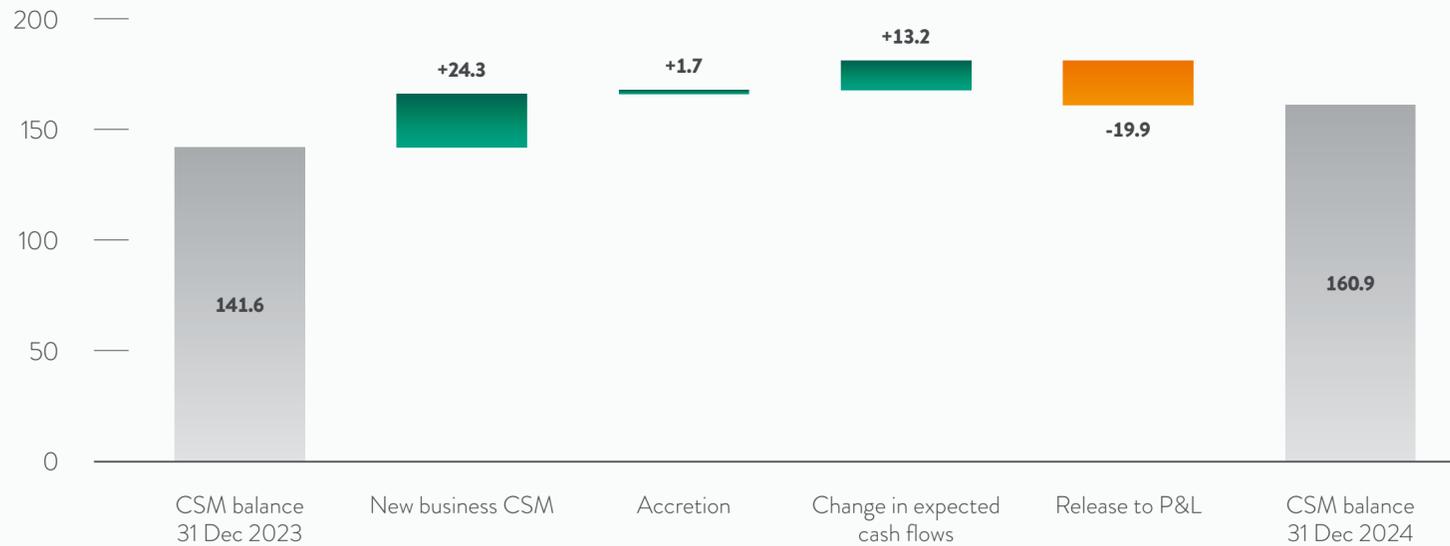
The **pre-tax result** totalled EUR 23.1 million, an improvement of 11.8%, mainly due to a better insurance service result both in the EU and non-EU markets.

Contractual service margin

EUR	31 December 2024	31 December 2023	Change	Index
Contractual service margin (CSM)	160,952,422	141,629,289	19,323,133	113.6
EU	150,395,541	132,599,225	17,796,316	113.4
Non-EU	10,556,880	9,030,064	1,526,816	116.9

The 13.6% increase in the **contractual service margin** was driven by new business, while expected future profits were also higher because of positive developments in the financial markets, which increased the value of unit-linked assets and hence future asset management revenue. The CSM also increased due to additional single-premium payments to existing policies.

► Movement in contractual service margin (€m)



4.7 pp
better
combined
ratio

8.1.2.3 Reinsurance segment⁴⁴

EUR	2024	2023	Change	Index
Gross premiums written	126,840,903	122,966,992	3,873,911	103.2
Insurance revenue	99,346,893	104,029,407	-4,682,514	95.5
Insurance service result	28,001,783	23,442,000	4,559,783	119.5
Finance result	2,064,136	1,581,486	482,651	130.5
Other net expenses	-5,053,001	-4,324,198	-728,804	116.9
Profit before tax	25,012,918	20,699,289	4,313,629	120.8
Combined ratio	76.9%	81.6%	-4.7 pp	-
	31 December 2024	31 December 2023	Change	Index
Contractual service margin	4,667,072	5,455,348	-788,276	85.6

Gross premiums written

Gross written premiums increased by EUR 3.9 million, driven by price increases in global reinsurance markets and organic volume growth.

Insurance service result

EUR	2024	2023	Change	Index
Insurance revenue	99,346,893	104,029,407	-4,682,514	95.5
Insurance service expenses	-59,359,306	-81,494,383	22,135,077	72.8
Claims incurred	-49,131,794	-71,430,181	22,298,387	68.8
Operating expenses	-10,054,083	-10,318,051	263,968	97.4
Onerous contracts	-173,430	253,849	-427,279	-68.3
Reinsurance result	-11,985,804	906,976	-12,892,779	-1321.5
Insurance service result	28,001,783	23,442,000	4,559,783	119.5

44 Unconsolidated data are presented in more detail in section 8.2 "Sava Re".



The **insurance service result** improved by EUR 4.6 million due to better claims experience.

Insurance revenue declined by EUR 4.7 million as a result of a lower adjustment to estimated premiums for previous underwriting years than in the previous year and a change in the premium composition (a higher proportion of proportional contracts than in the previous year).

Insurance service expenses decreased by EUR 22.1 million due to a lighter claims burden, of which claims incurred decreased by EUR 22.3 million. **Operating expenses** decreased by EUR 0.3 million due to acquisition costs.

The **reinsurance result** was lower by EUR 12.9 million. Revenue from reinsurance contracts held decreased by EUR 11.9 million (recoverable income from a major loss event in 2023), and expenses for reinsurance contracts held rose by EUR 1.0 million as a result of higher prices.

Finance result and investment return

EUR	2024	2023	Change	Index
Investment result	8,081,958	5,521,148	2,560,810	146.4
Net insurance finance result	-5,626,381	-5,210,202	-416,179	108.0
Net foreign exchange gains/losses	-391,440	1,270,540	-1,661,980	-30.8
Finance result	2,064,136	1,581,486	482,651	130.5
	2024	2023	Change	Index
Return on investment portfolio	2.9%	2.1%	0.8 pp	-

The **finance result** improved as a result of a better **investment result**, which was higher by EUR 2.6 million in 2024, mainly due to higher interest income. As a result, the **return on the investment portfolio** was also higher, at 2.9%.

The **net insurance finance result** decreased in 2024 due to higher discount rates, reflecting the changed situation in the financial markets.

Other net expenses

Other net expenses rose by EUR 0.7 million, mainly due to higher non-attributable expenses, largely driven by IT development projects.

Profit before tax

Profit before tax increased by EUR 4.3 million as a result of the improved insurance service and investment results.

Combined ratio

	2024	2023	Change
Combined ratio	76.9%	81.6%	-4.7 pp
Loss ratio	61.7%	67.5%	-5.9 pp
Expense ratio	15.2%	14.1%	+1.1 pp

The **combined ratio** was very favourable, even better than in 2023, mainly due to a more favourable loss ratio. The expense ratio deteriorated slightly due to lower insurance revenue.

Contractual service margin

As at 31 December 2024, the contractual service margin totalled EUR 4.7 million. In 2024, the CSM decreased by EUR 0.8 million, or 14.4%.

Asset
management
revenue
+20.8%

8.1.2.4 Pensions and asset management segment

EUR	1-12/2024	1-12/2023	Change	Index
Business volume	27,098,591	22,802,778	4,295,813	118.8
Asset management revenue	23,660,332	19,589,410	4,070,922	120.8
Gross premiums written (annuities)	3,438,259	3,213,368	224,890	107.0
Insurance revenue (annuities)	532,842	421,765	111,077	126.3
Claims incurred (annuities)	-103,362	-85,420	-17,942	121.0
Expenses	-15,866,945	-13,483,703	-2,383,242	117.7
Finance result	919,471	674,344	245,127	136.4
Other	-124,659	399,810	-524,469	-
Profit before tax	9,017,678	7,516,206	1,501,473	120.0
Cost-to-income ratio (CIR)	65.4%	67.2%	-1.8 pp	-
EUR	31 December 2024	31 December 2023	Change	Index
Assets under management	2,125,101,190	1,716,417,279	408,683,910	123.8

Business volume increased by EUR 4.3 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. **Gross annuity premiums** also increased as a result of more policies being written.

Insurance revenue from annuities increased by EUR 0.1 million, driven by portfolio growth as a result of new profitable contracts.

Claims incurred for annuities were slightly higher, in line with growth in the part of the annuity portfolio.

Costs rose by EUR 2.4 million, primarily due to increased fee income as a result of higher assets under management and the impact of inflation. Nevertheless, the **cost-to-income ratio** improved by 1.8 percentage points, driven by strong revenue growth. The cost-to-income ratio is calculated excluding one-off items.

The **finance result** from investments improved by EUR 0.3 million, mainly due to higher interest income. On the other hand, finance expenses for insurance contracts increased by EUR 0.1 million due to higher discount rates. The investment return was also higher, at 2.9%.

Other net income/expenses deteriorated by EUR 0.5 million, mainly due to the impact of one-off events in 2023. These related to the sale of a property and the release of provisions for interest rate guarantees.

Profit before tax was up EUR 1.5 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 408.7 million. The main reasons are the strong return of 11.9% and the high net contributions to the funds. Assets under management increased for all companies in this segment.

► **Performance of funds under management**
(accumulation part, pensions and asset management segment)

EUR	1-12/2024	1-12/2023	Index
Opening balance of fund assets (1 January)	1,716,417,279	1,435,329,886	119.6
Fund inflows	254,288,398	180,188,410	141.1
Fund outflows	-60,000,929	-40,825,727	147.0
Asset transfers	-11,788,444	-15,184,025	77.6
Net investment income on funds	228,988,804	159,016,068	144.0
Entry and exit charges	-2,291,352	-2,150,348	106.6
Exchange differences and fair value reserve	-512,566	43,015	-
Closing balance of fund assets (31 December)	2,125,101,190	1,716,417,279	123.8
Index versus period start	123.8	119.6	

► **Balance of funds under management at period end**
(accumulation part, pensions and asset management segment)

EUR	31 December 2024	31 December 2023
Slovenia	942,984,814	721,200,215
North Macedonia	1,182,116,375	995,217,064
Total	2,125,101,190	1,716,417,279

8.1.2.5 “Other” segment

EUR	2024	2023	Change	Index
Income	9,500,199	8,270,833	1,229,366	114.9
Expenses	11,122,475	8,608,103	2,514,372	129.2
Profit before tax	-1,622,276	-337,270	-1,285,006	-

Revenue grew by EUR 1.2 million, driven by the growth in the business volume of assistance services, which more than offset the lower income from the associate’s profit. Excluding the one-off income from the sale of G2I in 2023, revenue would have grown by a further EUR 0.3 million.

Expenses increased by EUR 2.5 million due to increased business volume of assistance services, an increase in subordinated debt expenses due to the issuance of a subordinated bond and the expenses of two smaller subsidiaries that started operations at the end of 2023 and had their first full year of operations in 2024.

The **pre-tax result** was EUR 1.3 million lower than in the previous year despite the higher profit from assistance services, mainly due to changes in the composition of this operating segment and the issuance of a subordinated bond.

Revenue
+14.9%





8.1.3 Financial position

The following is a discussion of assets and liabilities relevant to an understanding of the Group's financial position and required by law.

EUR	31 December 2024	31 December 2023	Change	Index
Equity	648,560,456	585,663,613	62,896,843	110.7
Subordinated liabilities	125,058,474	74,987,535	50,070,939	166.8
Net insurance contract liabilities*, of which	1,820,525,607	1,641,414,959	179,110,648	110.9
– Contractual service margin (CSM)	175,577,253	155,307,485	20,269,768	113.1
Investment portfolio	1,666,922,163	1,503,282,095	163,640,068	110.9
Intangible assets	65,562,925	65,148,831	414,094	100.6
Total assets	2,885,408,613	2,568,546,136	316,862,477	112.3
Assets under management	2,889,371,944	2,324,952,679	564,419,265	124.3

* Insurance contract liabilities, net of insurance contract assets.

8.1.3.1 Capital and solvency

Equity amounted to EUR 648.6 million, up EUR 62.9 million compared to the end of 2023. The increase in the profit for 2024 and a positive change in other comprehensive income were the main drivers of the overall increase, partially offset by the dividend payment.

Thus, the Group's estimated solvency position as at 31 December 2024 shows that the Group is well capitalised, with a solvency ratio of between 207% and 213% (31 December 2023: 191%). The Group's solvency ratio is thus significantly above the regulatory requirement of 100% and, according to internal criteria, is at the upper end

of the optimal solvency ratio range of 170% to 210%.

8.1.3.2 Subordinated liabilities

Subordinated liabilities totalled EUR 125.1 million. The parent company has issued two subordinated bonds, both of which are listed on the Luxembourg Stock Exchange. The first subordinated bond was issued in October 2019, with a scheduled maturity in 2039 and an early recall option for 7 November 2029. As at 31 December 2024, the market price of the bond was 86.862% and its market value EUR 65,562,596 (31 December 2023: the market price was 77.717% and the market value

EUR 58,702,709). The second subordinated bond was issued in October 2024 and matures in 2029. As at 31 December 2024, the market price of the bond was 99.660% and its market value EUR 50,456,849.

8.1.3.3 Net insurance contract liabilities

Net insurance contract liabilities amounted to EUR 1,820.5 million, an increase of EUR 179.1 million compared to the previous year, due to portfolio growth.

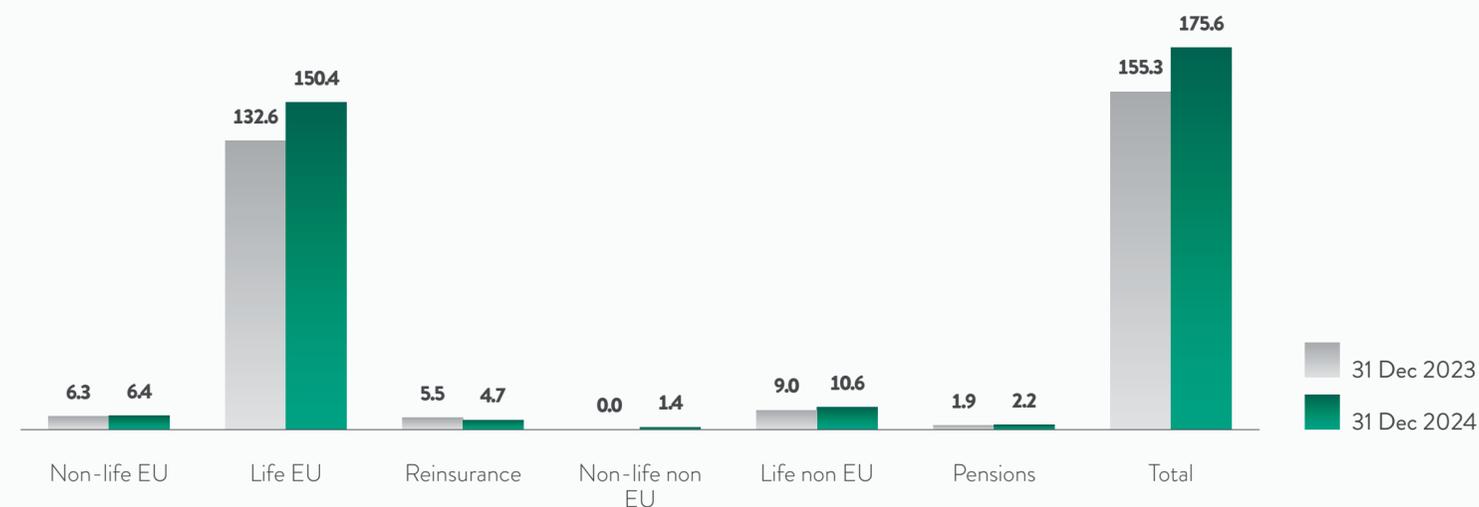
8.1.3.3.1 Contractual service margin

The contractual service margin (CSM) is an

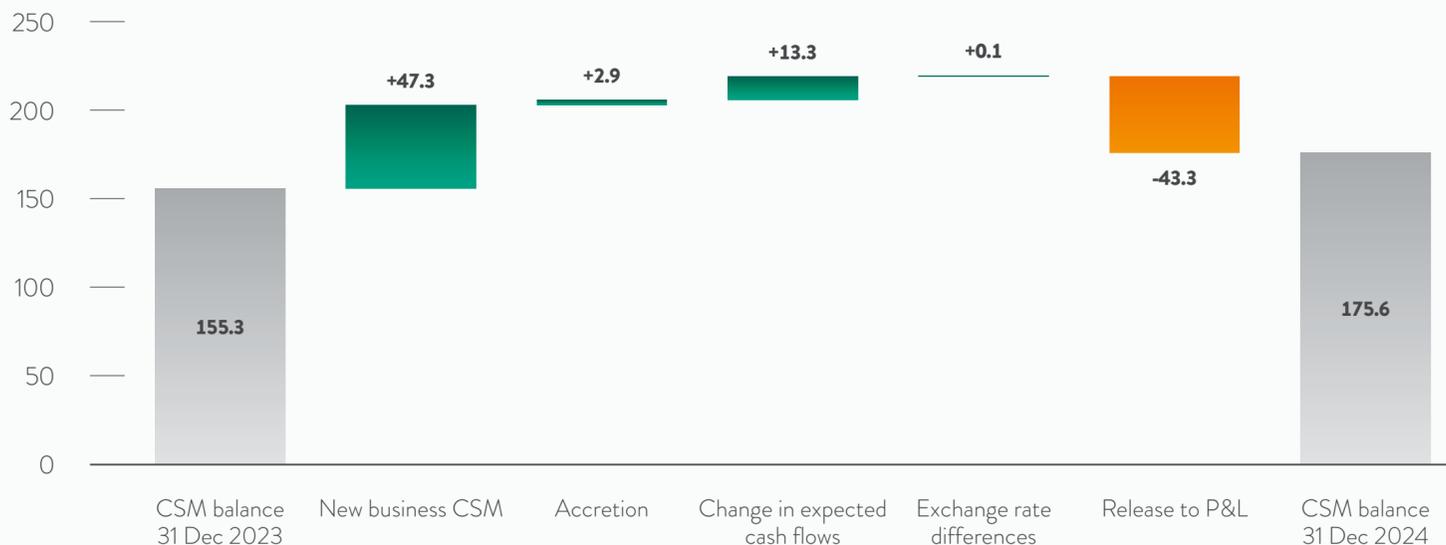
estimate of future profits from insurance contracts that relate to future periods and have not yet been recognised in profit or loss. As at 31 December 2024, it totalled EUR 175.6 million (CSM, net of reinsurance: EUR 168.6 million).

In 2024, the contractual service margin increased by EUR 20.3 million, or 13.1%. In the life business, the increase was EUR 19.3 million, or 13.6%. The increase was driven by new business CSM due to successful new sales, as well as a change in assumptions about future cash flows due to improved financial market conditions and top-up premiums on existing policies.

► Contractual service margin by segment (€m)



► Movement in contractual service margin (€m)



8.1.3.4 Investment portfolio

► Balance and composition of the investment portfolio

EUR	31 December 2024	Share as at 31 December 2024	31 December 2023	Share as at 31 December 2023	Change
Fixed-rate investments	1,453,477,573	87.2%	1,302,427,145	86.6%	151,050,428
Government bonds	922,745,930	55.4%	818,836,368	54.5%	103,909,562
Corporate bonds	503,431,690	30.2%	457,974,606	30.5%	45,457,084
Deposits	27,299,953	1.6%	25,616,171	1.7%	1,683,782
Shares and mutual funds	44,408,674	2.7%	40,318,822	2.7%	4,089,852
Shares	23,464,857	1.4%	21,754,273	1.4%	1,710,584
Mutual funds	20,943,817	1.3%	18,564,549	1.2%	2,379,268
Alternative funds	72,361,306	4.3%	71,228,051	4.7%	1,133,255
Investment property	24,147,256	1.4%	24,890,278	1.7%	-743,022
Cash and cash equivalents	46,243,890	2.8%	39,829,039	2.6%	6,414,851
Investments in associates	25,615,695	1.5%	23,834,619*	1.6%	1,781,076
Other*	667,770	0.0%	754,141	0.1%	-86,371
Total investment portfolio	1,666,922,164	100.0%	1,503,282,095	100.0%	163,640,069

* The "other" item includes loans granted.

The investment portfolio of the Sava Insurance Group increased by EUR 163.6 million, or 10.9%, compared to year-end 2023. The growth was due to the proceeds from the issue of a Sava Re bond, positive cash flow from operating activities and revaluation gains on investments.

Fixed-rate investments accounted for the largest share of the investment portfolio, at 87.2% at the end of 2024. Compared to the end of the previous year, they increased by EUR 151.1 million or 11.6%. The increase is mainly due to the investment of cash flow from operating activities and a bond issue, while the asset allocation by asset class has not changed significantly.

► **Balance and composition of fixed-rate financial investments**

EUR	31 December 2024	Share 31 December 2024	31 December 2023	Share 31 December 2023	Change in share (pp)
Government bonds	922,745,930	63.5%	818,836,368	62.9%	0.6
Corporate and financial bonds	503,431,690	34.6%	457,974,606	35.2%	-0.5
Regular corporate bonds	427,219,544	29.4%	374,986,376	28.8%	0.6
Subordinated bonds	18,994,378	1.3%	30,549,141	2.3%	-1.0
Covered bonds	57,217,768	3.9%	52,439,089	4.0%	-0.1
Deposits	27,299,953	1.9%	25,616,171	2.0%	-0.1
Total	1,453,477,573	100.0%	1,302,427,145	100.0%	

8.1.3.5 Assets under management

EUR	31 December 2024	31 December 2023	Change	Index
Assets held in pension company savings funds	1,382,220,195	1,174,660,423	207,559,773	117.7
Assets under management with fund management company	742,880,994	541,756,857	201,124,137	137.1
Assets held for the benefit of policyholders who bear the investment risk	764,270,755	608,535,399	155,735,356	125.6
Assets under management	2,889,371,944	2,324,952,678	564,419,266	124.3

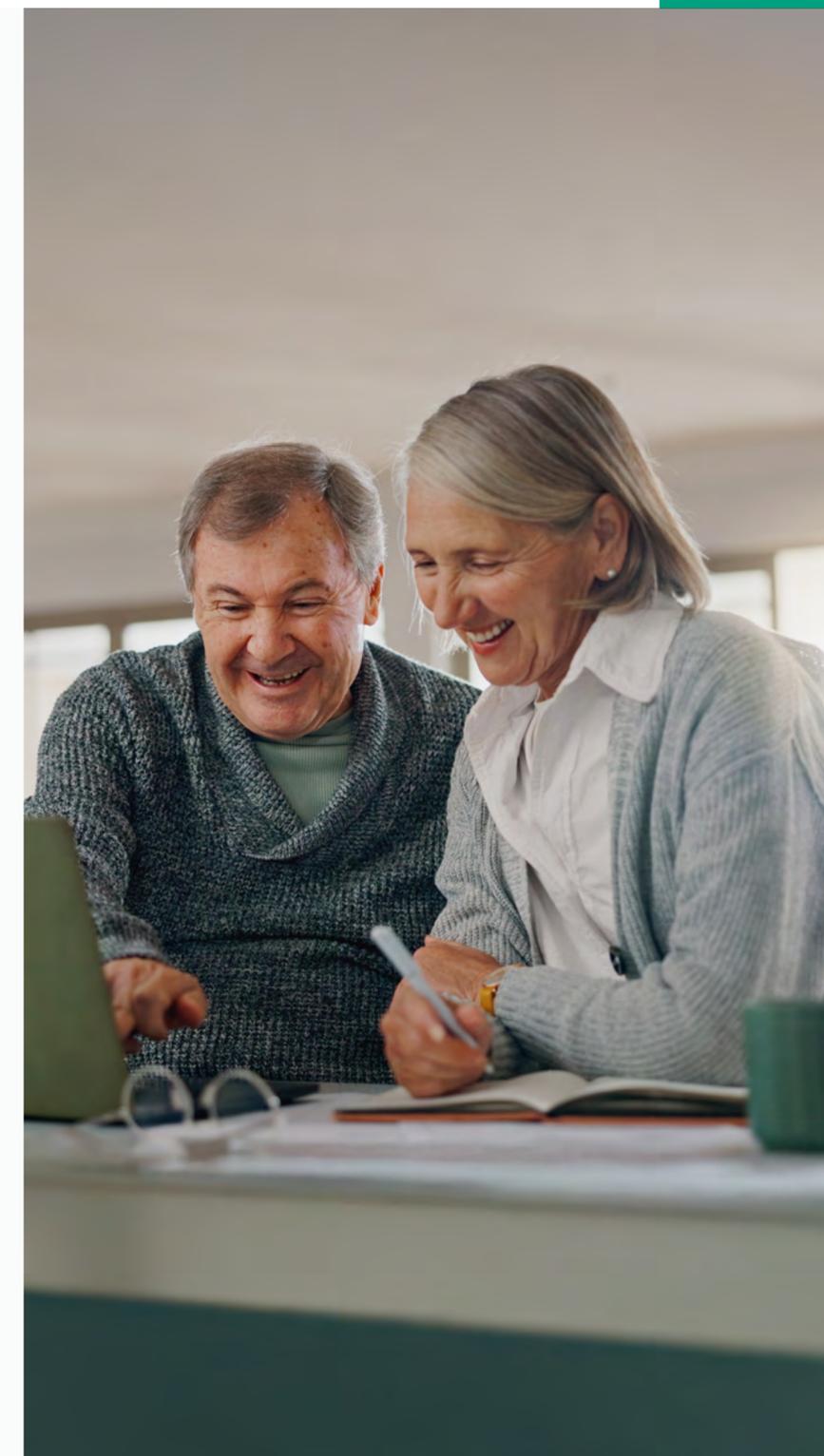
Assets under management amounted to EUR 2,889.4 million, up 24.3%. Growth was driven by both positive net inflows into all three types of funds (pension funds, mutual fund management company funds and unit-linked funds) and by an increase in fund returns due to favourable developments in financial markets.

8.1.3.6 Intangible assets

The Group’s intangible assets comprise goodwill, customer lists and computer software, as shown in section [C.3.7.1 “Intangible assets”](#).

Goodwill and customer lists are assets that Sava Re has acquired through the purchase of subsidiaries to expand its operations. They form the foundation of the Group’s current and future performance, profit generation and value creation.

In addition to personnel and premises, computer software is the Group’s most important asset and is essential to its operations. It is needed for underwriting, claims handling and asset management, as well as for a range of other vital back-office activities (such as accounting, controlling and risk management).



8.1.4 Income statement by operating segment

► Income statement by operating segment

EUR	Non-life, EU		Non-life, non-EU		Life, EU		Life, non-EU		Reinsurance		Pensions and asset management		Other		Total	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Insurance revenue	522,286,220	436,996,472	104,136,059	89,711,654	66,401,607	59,872,919	8,510,017	6,530,594	99,346,893	104,029,407	532,842	421,765	0	0	801,213,638	697,562,811
Insurance service expenses	-456,204,172	-445,956,710	-95,250,896	-83,631,610	-44,778,719	-40,909,530	-6,350,780	-4,820,572	-59,359,306	-81,494,383	-406,141	-312,713	0	0	-662,350,015	-657,125,518
Claims incurred	-323,385,553	-324,341,925	-58,222,741	-52,147,491	-15,023,444	-15,502,210	-2,740,303	-1,966,927	-49,131,794	-71,430,181	-103,362	-85,420	0	0	-448,607,197	-465,474,154
Operating expenses	-135,175,763	-118,758,015	-36,893,712	-31,575,713	-29,050,613	-25,752,177	-3,643,023	-3,047,991	-10,054,083	-10,318,051	-120,073	-113,073	0	0	-214,937,268	-189,565,020
Onerous contracts	2,357,143	-2,856,770	-134,443	91,594	-704,662	344,857	32,546	194,346	-173,430	253,849	-182,706	-114,220	0	0	1,194,450	-2,086,344
Result before reinsurance	66,082,047	-8,960,238	8,885,163	6,080,044	21,622,889	18,963,389	2,159,237	1,710,022	39,987,587	22,535,024	126,700	109,052	0	0	138,863,623	40,437,293
Reinsurance result	-14,233,019	41,486,560	-3,675,270	885,641	-332,338	-238,707	-27,750	0	-11,985,804	906,976	0	0	0	0	-30,254,180	43,040,469
Insurance service result	51,849,028	32,526,322	5,209,893	6,965,685	21,290,551	18,724,682	2,131,487	1,710,022	28,001,783	23,442,000	126,700	109,052	0	0	108,609,443	83,477,762
Investment result	13,058,379	7,882,690	4,219,341	3,094,209	8,322,111	9,103,691	1,317,203	955,738	8,081,958	5,521,148	1,689,313	1,365,801	0	0	36,688,305	27,923,277
Net insurance finance result	-2,629,639	-3,070,764	-589,584	-629,162	-3,340,332	-3,302,541	-625,600	-400,071	-5,626,381	-5,210,202	-769,842	-691,457	0	0	-13,581,379	-13,304,198
Net foreign exchange gains/losses	157,874	-79,847	-20,042	-8,803	-754	-1,520	-9,508	14,640	-391,440	1,270,540	253	-2,505	0	0	-263,618	1,192,505
Finance result	10,586,614	4,732,079	3,609,715	2,456,244	4,981,024	5,799,629	682,095	570,307	2,064,136	1,581,486	919,724	671,839	0	0	22,843,308	15,811,584
Non-insurance revenue	0	0	0	0	0	0	0	0	0	0	23,660,332	19,589,410	7,699,599	5,961,670	31,359,931	25,551,080
Other costs	-17,012,269	-16,349,800	-5,214,942	-6,237,092	-6,299,867	-5,161,413	-789,937	-492,069	-4,326,695	-3,693,151	-15,746,872	-13,370,630	-7,532,504	-5,710,391	-56,923,086	-51,014,545
Income from investments in subsidiaries and associates	0	3,754	0	0	0	0	0	0	1	-1	0	0	1,781,075	2,282,455	1,781,075	2,286,208
Other net income/expenses	2,794,051	4,411,830	2,510,561	2,603,285	671,506	-507,641	394,568	-20,696	-726,307	-631,045	57,794	516,535	-3,570,445	-2,871,004	2,131,728	3,501,264
Profit before tax	48,217,424	25,324,185	6,115,227	5,788,122	20,643,215	18,855,257	2,418,213	1,767,563	25,012,918	20,699,289	9,017,678	7,516,206	-1,622,276	-337,270	109,802,399	79,613,353
Income tax expense															-21,955,857	-14,956,182
Net profit for the period															87,846,542	64,657,171



Adjusted income statement

The income statement, which is used for the review of business operations in the business report, has been adjusted to present certain categories more clearly and to shorten the line items, as shown in the following table.

The following reclassifications have been made:

- Exchange differences on investments and insurance contract liabilities have been reclassified from the investment result and net insurance finance result to net foreign exchange gains.
- Investment income on life insurance policies where policyholders bear the investment risk has been reclassified from the investment result to the net insurance finance result.
- Asset management revenue and income from other Group companies included in net other operating income and expenses are reported together as non-insurance revenue.
- Non-attributable expenses and the operating expenses of non-insurance companies that are part of net other operating income and expenses are together reported as other costs.
- The share of profit or loss of investments accounted for using the equity method and net income and expenses from subsidiaries and associates have been combined and presented under income from investments in subsidiaries and associates.
- Gains or losses on disposal of discontinued operations are included in other net income.

EUR	Income statement			Income statement (adjusted)	
	2024	2023		2024	2023
Insurance revenue	801,213,638	697,562,811	Insurance revenue	801,213,638	697,562,811
Insurance service expenses	-662,350,015	-657,125,518	Insurance service expenses	-662,350,015	-657,125,518
Insurance service result from insurance contracts issued	138,863,623	40,437,293	Result before reinsurance	138,863,623	40,437,293
Revenue from reinsurance contracts held	23,616,154	86,112,246			
Expenses from reinsurance contracts held	-53,870,334	-43,071,777			
Net result from reinsurance contracts held	-30,254,180	43,040,469	Reinsurance result	-30,254,180	43,040,469
Insurance service result	108,609,443	83,477,762	Insurance service result	108,609,443	83,477,762
Net investment result	137,114,030	78,424,741	Investment result	36,688,305	27,923,277
Finance result from insurance contracts	-118,528,642	-62,000,579			
Finance result from reinsurance contracts	4,257,920	-612,578			
Net insurance finance income or expenses	-114,270,722	-62,613,157	Net insurance finance result	-13,581,379	-13,304,198
			Net foreign exchange gains/losses	-263,618	1,192,505
Net insurance and finance result	22,843,308	15,811,584	Finance result	22,843,308	15,811,584
Asset management revenue	23,660,332	19,589,410	Non-insurance revenue	31,359,931	25,551,080
Non-attributable operating expenses	-31,079,973	-29,432,276	Other costs	-56,923,086	-51,014,545
Net impairment losses and reversals of impairment losses on non-financial assets	67,847	231,724			
Finance costs	-3,969,473	-3,114,997			
Share of profit or loss of investments accounted for using equity method	1,781,075	2,169,860	Income from investments in subsidiaries and associates	1,781,075	2,286,208
Net income and expenses from subsidiaries and associates	0	116,348			
Gains or losses on disposal of discontinued operations	440,673	353,684			
Net other operating income and expenses	-12,550,834	-9,589,746	Other net income/expenses	2,131,728	3,501,264
Profit before tax	109,802,399	79,613,353	Profit before tax	109,802,399	79,613,353
Income tax expense	-21,955,857	-14,956,182	Income tax expense	-21,955,857	-14,956,182
Net profit for the period	87,846,542	64,657,171	Net profit for the period	87,846,542	64,657,171



8.2 Sava Re

The Company's growth in gross written premiums reflects the successful expansion of the business. There were positive developments in investing activities, with efficient asset management contributing to an improved finance result. The Company's performance remained stable, as evidenced by a sound combined ratio of 84.6%.

Gross written premiums increased by 7.4% to EUR 231.8 million in 2024.

Gross premiums written

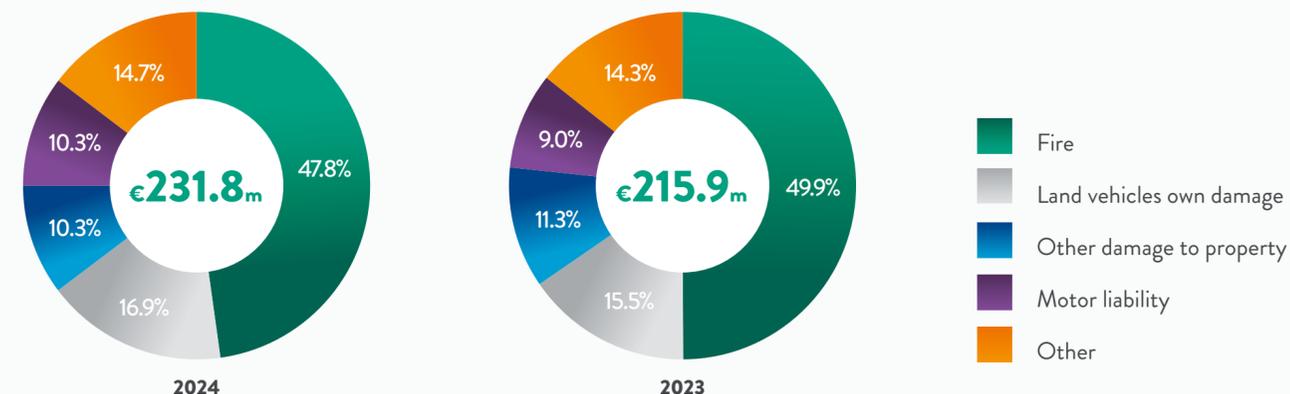
EUR	2024	2023	Change	Index
Non-Group	126,840,903	122,966,992	3,873,911	103.2
Group	104,984,440	92,947,982	12,036,458	112.9
Total	231,825,343	215,914,974	15,910,369	107.4

Non-Group gross premiums written increased by EUR 3.9 million, driven by price increases in global reinsurance markets and organic volume growth.

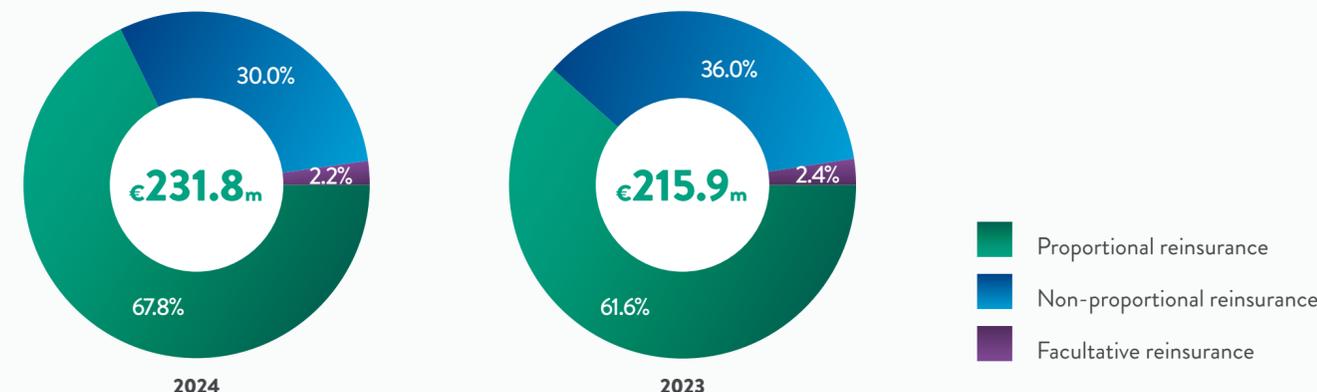
Group gross written premiums increased by EUR 12.0 million (12.9%) as a result of premium growth in the Slovenian market.

Gross written premiums
+7.4%

Gross premiums written by class of insurance



Gross premiums written by form of reinsurance





8.2.1 Income statement

	2024	2023	Change	Index
Insurance revenue	171,664,689	167,804,128	3,860,561	102.3
Insurance service expenses	-115,918,533	-174,490,919	58,572,386	66.4
Claims incurred	-104,032,290	-162,708,296	58,676,006	63.9
Operating expenses	-11,778,640	-12,027,831	249,191	97.9
Onerous contracts	-107,603	245,208	-352,811	-43.9
Result before reinsurance	55,746,156	-6,686,791	62,432,947	-833.7
Reinsurance result	-23,490,709	43,669,145	-67,159,854	-53.8
Insurance service result	32,255,447	36,982,354	-4,726,907	87.2
Investment result	11,301,718	7,827,977	3,473,741	144.4
Net insurance finance result	-6,059,057	-6,815,712	756,655	88.9
Net foreign exchange gains/losses	-416,128	1,293,761	-1,709,889	-32.2
Finance result	4,826,532	2,306,026	2,520,506	209.3
Non-insurance revenue	4,034	0	4,034	-
Other costs	-16,182,385	-13,805,508	-2,376,877	117.2
Net income or expenses from investments in subsidiaries and associates	39,035,925	30,755,010	8,280,915	126.9
Other net income/expenses	-3,616,033	-2,648,673	-967,360	136.5
Profit before tax	56,323,520	53,589,209	2,734,311	105.1
Income tax expense	-4,089,191	-4,114,407	25,216	99.4
Net profit for the period	52,234,330	49,474,802	2,759,528	105.6

	2024	2023	Change
Combined ratio	84.6%	80.8%	+3.8 pp
Loss ratio	74.3%	70.8%	+3.5 pp
Expense ratio	10.2%	10.0%	+0.2 pp
Return on investment portfolio, net of investments in subsidiaries and associates	2.8%	2.2%	+0.6 pp
Return on equity	11.5%	11.6%	-0.1 pp

Insurance service result

Insurance revenue increased by EUR 3.9 million, or 2.3%, driven by growth in the Group reinsurance business.

Insurance service expenses decreased by EUR 58.6 million, mainly as a result of a decrease in claims incurred.

Incurred claims for the Group business declined as a result of less severe loss events than in the previous year, when incurred claims were higher due to summer storms and flooding. In 2024, claims experience for the non-Group reinsurance business was also more favourable year on year.

Operating expenses decreased by EUR 0.2 million in 2024, primarily due to lower acquisition costs for the non-Group business.

The **reinsurance result** reflects the fact that due to the nature of the claims, more reinsurance protection was triggered in 2023 than in 2024, resulting in more claims being borne by reinsurers in both the Group and non-Group business.

This also resulted in a lower **insurance service result**, reflecting not only the performance of the Group business (where the insurance service result was EUR 9.3 million lower) but also the impact of claims ceded to reinsurers and higher reinsurance costs. The insurance service result for the non-Group business increased by EUR 4.6 million as a result of more favourable claims experience.



The **combined ratio** remained favourable at 84.6%, although it deteriorated due to a less favourable loss ratio of the Group business (a different composition of claims that triggered the Group's reinsurance protection to a greater extent in 2023 so that more claims were ceded

to reinsurers, and a change in the reinsurance programme). The non-Group loss ratio improved by 5.9 percentage points. The expense ratio was mainly affected by higher development costs for IT projects.

► **Combined, loss and expense ratios**

	2024	2023	Change
Combined ratio	84.6%	80.8%	+3.8 pp
Loss ratio	74.3%	70.8%	+3.5 pp
Expense ratio	10.2%	10.0%	+0.2 pp

► **Finance result and investment return**

EUR	2024	2023	Change	Index
Investment result	11,301,718	7,827,977	3,473,741	144.4
Net insurance finance result	-6,059,057	-6,815,712	756,655	88.9
Net foreign exchange gains	-416,128	1,293,761	-1,709,889	-32.2
Finance result	4,826,532	2,306,026	2,520,506	209.3

The **finance result** improved on the back of a stronger investment result.

The **investment result** for 2024 totalled EUR 11.3 million, an increase of EUR 3.5 million over the previous year, mainly due to higher interest income, which was EUR 2.9 million higher than in the previous year. The higher interest income

reflects the strong cash flow from operating activities, which was mainly invested in debt securities, with maturing debt securities purchased at lower yields and reinvested at higher yields. The **return on the investment portfolio** was 2.8%, or 6.9%, if the income and expenses from subsidiaries and associates are included.

► **Sava Re investment portfolio investment return and net investment income**

EUR	2024	2023	Change	Index
Investment income	14,294,277	11,074,476	3,219,801	129.1
Investment expenses	-2,992,559	-3,246,498	253,939	92.2
Net investment income*	11,301,718	7,827,977	3,473,740	144.4
Net income and expenses from subsidiaries and associates	39,035,925	30,755,010	8,280,915	126.9
Net investment income on investment portfolio	50,337,642	38,582,988	11,754,655	130.5
	2024	2023	Change	Index
Return on investment portfolio, net of investments in subsidiaries and associates	2.8%	2.2%	+0.6 pp	-
Return on investment portfolio	6.9%	5.6%	+1.3 pp	-

* The investment result is shown in the income statement.



► Sava Re investment portfolio income, expenses, net investment income and return

EUR	2024	2023	Change
Interest income at effective interest rate	7,680,291	4,735,050	2,945,241
Change in fair value of FVTPL investments	1,201,805	1,211,782	-9,977
Dividends from equity investments and income from alternative funds	1,411,460	1,225,978	185,482
Other investment income or expenses	1,008,162	655,168	352,993
Interest income on FVTPL investments	139,055	230,223	-91,169
Gains or losses on disposal of FVTPL investments	4,860	-149,505	154,365
Gains or losses on disposal of other IFRS asset categories	45,016	-120,448	165,465
Movement in expected credit losses (ECL)	96,917	54,426	42,491
Income or expenses from investment property	722,555	647,377	75,178
Other income or expenses	-241	-6,906	6,664
Investment result	11,301,718	7,827,977	3,473,740
Net income and expenses from subsidiaries and associates	39,035,925	30,755,010	8,280,915
Net investment income on investment portfolio	50,337,642	38,582,988	
Return on investment portfolio, net of investments in subsidiaries and associates	2.8%	2.2%	
Return on investment portfolio	6.9%	5.6%	

The result of investments in subsidiaries and associates was EUR 39.0 million, up EUR 8.3 million compared to 2023, due to higher dividends paid by the Group companies. There were no impairments of subsidiaries in 2024.

The **net insurance finance result** improved by 0.8 million, reflecting the changed situation in the financial markets.

Profit for the period

Profit before tax increased by EUR 2.7 million compared to 2023, due to a more favourable investment result and higher dividends from subsidiaries. In line with the increase in profit before tax, the **net profit for the period** also increased, by EUR 2.8 million. **Return on equity** remained at the 2023 level.

8.2.2 Financial position

The following is a discussion of assets and liabilities relevant to an understanding of the Company's financial position and required by law.

EUR	31 December 2024	31 December 2023	Change	Index
Equity	458,952,757	430,897,177	28,055,580	106.5
Subordinated liabilities	125,058,474	74,987,535	50,070,939	166.8
Net insurance contract liabilities*, of which	280,405,660	290,657,379	-10,251,719	96.5
– Contractual service margin (CSM)	9,612,808	9,521,208	91,600	101.0
Investment portfolio	791,951,623	699,468,206	92,483,417	113.2
Intangible assets	6,482,385	4,674,935	1,807,450	138.7
Total assets	879,053,733	813,954,322	65,099,411	108.0

* Insurance contract liabilities, net of insurance contract assets.

8.2.2.1 Equity and solvency

Equity amounted to EUR 459.0 million, up EUR 28.1 million compared to the end of 2023. The increase in the profit for 2024 and a positive change in other comprehensive income were the main reasons for the overall increase, partly decreased by dividend payouts.

Thus, Sava Re's audited solvency position as at 31 December 2024 shows that the Company is well capitalised, with a solvency ratio of 294% (31 December 2023: 289%). The Company thus has a solvency ratio well above the regulatory requirement of 100% and is well capitalised according to its internal criteria, which define an optimal solvency ratio above 200%.



8.2.2.2 Subordinated liabilities

Sava Re had subordinated liabilities of EUR 125.1 million as at 31 December 2024. The Company has issued two subordinated bonds, both of which are listed on the Luxembourg Stock Exchange. The first subordinated bond was issued in October 2019, with a scheduled maturity in 2039 and an early recall option for 7 November 2029. As at 31 December 2024, the market price of the bond was 86.862% and its market value EUR 65,562,596 (31 December 2023: the market price was 77.717% and the market value EUR 58,702,709). The second subordinated bond was issued in October 2024 (maturing in 2029) with the aim of optimising the Sava Insurance Group's capital structure and providing funds for further growth. As at 31 December 2024, the market price of the bond was 99.660% and its market value EUR 50,456,849.

8.2.2.3 Net insurance contract liabilities

Net insurance contract liabilities amounted to EUR 280.4 million, a decrease of EUR 10.2 million compared to the previous year due to higher premium inflows.

8.2.2.3.1 Contractual service margin

The contractual service margin remained approximately the same as in the previous year and amounted to EUR 9.6 million as at 31 December 2024 (contractual service margin, net of reinsurance: EUR 4.7 million).

8.2.2.4 Investment portfolio

The Sava Re investment portfolio totalled EUR 792.0 million as at 31 December 2024 (31 December 2023: EUR 699.5 million).

The investment portfolio of Sava Re increased by EUR 92.5 million, or 13.2%, compared to year-end 2023. The increase was due to the proceeds from Sava Re's subordinated bond issue (EUR 50.0 million), dividends received from subsidiaries (EUR 39.0 million) and positive cash flow from operating activities.

At the end of 2024, fixed-rate investments accounted for the largest share of the investment portfolio, at 51.2%. Compared to the end of 2023, this represents an increase of EUR 86.6 million or 27.2%. The increase is mainly due to the investment of cash flow from operating activities and the bond issue, but a smaller share was also invested in equities and mutual funds.

Last year, Sava Re invested most of its free assets in highly rated bonds, both government bonds and regular corporate and financial bonds. The mix shows a slight shift in favour of corporate bonds, with no increase in credit risk.

► Balance and composition of Sava Re investment portfolio

EUR	31 December 2024	Share as at 31 December 2023	31 December 2023	Share as at 31 December 2023	Change
Fixed-rate investments	405,306,716	51.2%	318,703,128	45.6%	86,603,588
Government bonds	276,117,368	34.9%	229,591,819	32.8%	46,525,549
Corporate and financial bonds	128,166,428	16.2%	88,089,961	12.6%	40,076,467
Deposits	1,022,920	0.1%	1,021,347	0.1%	1,572
Shares and mutual funds	10,531,858	1.3%	7,997,287	1.1%	2,534,570
Shares	3,204,768	0.4%	3,538,972	0.5%	-334,205
Mutual funds	7,327,090	0.9%	4,458,315	0.6%	2,868,775
Alternative funds	25,968,887	3.3%	24,968,877	3.6%	1,000,010
Investment property	7,431,872	0.9%	7,582,168	1.1%	-150,296
Cash and cash equivalents	14,724,094	1.9%	12,260,049	1.8%	2,464,045
Investments in subsidiaries and associates	325,409,606	41.1%	325,241,793	46.5%	167,813
Other*	2,578,592	0.3%	2,714,904	0.4%	-136,313
Total investment portfolio	791,951,623	100.0%	699,468,206	100.0%	92,483,417

* The "other" item includes loans granted.

► **Balance and composition of investment portfolio fixed-rate investments**

EUR	31 December 2024	Share as at 31 December 2024	31 December 2023	Share as at 31 December 2023	Change in share (pp)
Government bonds	276,117,368	68.1%	229,591,819	72.0%	-3.9
Corporate and financial bonds	128,166,428	31.6%	88,089,961	27.6%	4.0
Regular corporate bonds	109,774,659	27.1%	72,416,318	22.7%	4.4
Subordinated bonds	2,006,571	0.5%	4,320,636	1.4%	-0.9
Covered bonds	16,385,198	4.0%	11,353,007	3.6%	0.4
Deposits	1,022,920	0.3%	1,021,347	0.3%	0.0
Total	405,306,716	100.0%	318,703,128	100.0%	-

8.2.2.4.1 Other investments of Sava Re in the insurance industry

In addition to its investments in subsidiaries as at 31 December 2024, Sava Re held investments in other companies in the insurance industry.

► **Other investments of Sava Re in the insurance industry**

	Holding (%) as at 31 December 2024
Slovenia	
Zavarovalnica Triglav d.d.	0.05%
EU and other international	
Bosna Reosiguranje d.d., Sarajevo, Bosnia and Herzegovina	0.51%
Dunav Re a.d.o., Belgrade, Serbia	0.93%

8.2.2.5 Intangible assets

The Company’s intangible assets consist mainly of computer software, as shown in section [C.3.7.1 “Intangible assets”](#).

In addition to personnel and premises, computer software is Sava Re’s most important asset and is essential to its operations. It is needed for underwriting, claims handling and asset management, as well as for a range of other vital back-office activities (such as accounting, controlling and risk management).





9 Human resource management

Information on human resources is presented in the Sava Insurance Group's sustainability report.

Sava
Insurance Group
employs
3,044
people



10 Risk management

We present the risk and capital management systems and the significant risks to which the Sava Insurance Group is exposed. Qualitative and quantitative treatment of risk exposures is presented in section C.3.6 “Risk management”. These areas will also be presented in more detail in the Solvency and Financial Condition Report of Sava Re as at 31 December 2024, which will be posted on Sava Re’s website on 4 April 2025, and the Solvency and Financial Condition Report of the Sava Insurance Group as at 31 December 2024, which will be posted on the Sava Re website on 16 May 2025.

10.1 Risk management system

The Sava Insurance Group’s management is aware that risk management is key to achieving operational and strategic goals and to ensuring the long-term solvency of the Group. For this reason, we are continuously improving our risk management system at both the company and the Group level.

The risk management system is based on the requirements of the Solvency II legislation, but we also take into account the regulatory specificities of non-insurance companies and adapt the risk management system of these companies accordingly, depending on the business activities of each company, the scope of these activities and the risks to which each company is exposed. Best practices from Sava Re’s risk management model and the risk management organisation are also transferred to other Group companies.

The Sava Insurance Group has a risk strategy that defines the Group’s risk appetite and policies covering the overall risk management framework, its own risk and solvency assessments and risk management for each risk category.

We have integrated risk management into all phases of business management. It consists of the following key elements:

- the risk strategy,
- risk management processes as part of the first and second lines of defence,
- the own risk and solvency assessment (ORSA) process.

As part of our systematic approach to risk management, we focus on:

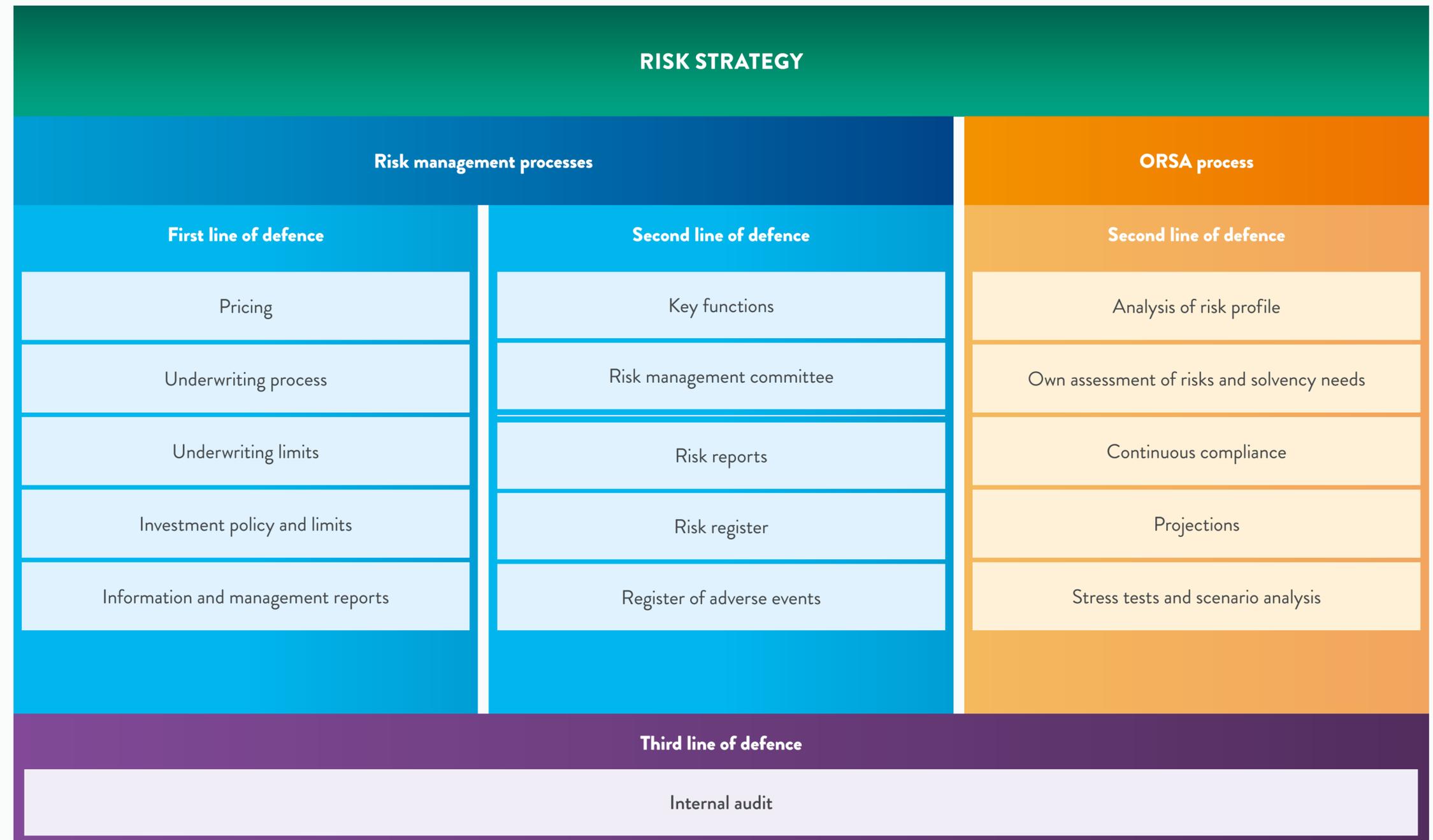
- establishing a clearly expressed risk appetite within the framework of the risk strategy and, on this basis, setting operational limits,
- developing our own risk assessment models and improving ORSA,
- integrating ORSA and the risk strategy into business planning and strategy setting,
- integrating risk management processes into business processes,
- systematically improving the internal control environment, adapting processes to new activities and monitoring the occurrence of adverse events,
- establishing appropriate risk management standards in all Group companies, depending on the scope, nature and complexity of the business and the associated risks.



10.1.1 Organisation of risk management

The efficient functioning of the risk management system is primarily the responsibility of the Sava Re management board and the management board of each individual subsidiary. To ensure effective risk management, the Group uses a three-lines-of-defence model, which clearly segregates responsibilities and tasks among the lines of defence. The first line of defence consists of all organisational units with operational responsibilities. The second line of defence consists of three key functions and the risk management committee, if set up in the company. The third line of defence consists of the internal audit function.

The Group’s risk management system is presented in the following diagram.



The Group's risk management system has been set up on a top-down basis, taking into account the specific characteristics of each of the companies. The management board of each company plays a key role and bears ultimate responsibility for the effectiveness of the risk management processes in place and their alignment with the Group's standards and the applicable laws.

The supervisory board of each company also plays an important role by reviewing and approving all key risk-related documents. A risk committee has been set up within the supervisory board of the parent company to provide relevant expertise and support in the risk management process in the company and in the Group.

Under the second line of defence, the company and the Group have three key functions in place: the actuarial function, risk management function and compliance function. In addition, the Group's large members have a risk management committee in place. Each individual company ensures the independence of the key functions, which are organised as management support services and report directly to the management board.

The risk management function of each individual company is mainly responsible for setting up effective risk management processes and for coordinating risk management processes already in place at the company or Group level. It is involved in identifying, assessing, monitoring, managing and reporting on risks. It is also involved in the preparation of the risk strategy and the setting of risk tolerance limits. The risk management function regularly monitors and reports on risks at all levels. It also provides decision-making support to the management board.

The main tasks of the actuarial function in the risk management system are to provide an opinion on the underwriting policy, to provide an opinion on the adequacy of reinsurance arrangements, and to independently verify and challenge the calculation of liabilities and assets from (re)insurance contracts, including the assumptions, methods and professional judgement used. The actuarial function of each company works in cooperation with the Group's actuarial function.

The main tasks of the compliance function in relation to the risk management system are the identification, management and reporting of non-compliance, including the monitoring of the legal

environment, the analysis of existing processes in relation to their compliance with internal and external regulations and any changes to regulations.

The third line of defence is provided by the internal audit function, which is set up to provide assurance and advice to management on how to add value and improve the efficiency and effectiveness of operations. Internal audit assists the Company in achieving its goals by systematically and methodically assessing the effectiveness and efficiency of the governance, risk management and internal control systems and making recommendations for their improvement. The Company's internal audit function is carried out by an independent organisational unit, the internal audit department (IAD), which reports directly to the management board and is functionally and organisationally separate from other units of the Company. It is organised in accordance with the Slovenian Insurance Act, which guarantees the autonomy and independence of its activities. It reports quarterly to the management board, audit committee and supervisory board on completed audit engagements, the effectiveness and efficiency of control systems, corporate governance,

risk management, identified breaches and irregularities and the status of recommendations. It coordinates the work of the external auditors, cooperates with the regulators and follows up on the recommendations of the internal and external auditors. It also provides consulting services in agreement with the management board, audit committee and supervisory board. Group Internal Audit has been set up across all companies of the Sava Insurance Group. The IAD ensures the continuous development and high quality of internal auditing, transferring its standards and best practices to the internal audit departments of its subsidiaries and providing them with the necessary professional assistance. It is also involved in internal audits of subsidiaries and performs IT audits for all companies. Internal auditing is technologically supported by software that supports the entire internal audit process at the level of the Sava Insurance Group.

In accordance with the Slovenian Insurance Act and under an outsourcing agreement, Sava Re d.d. performs the key function of internal audit for the companies Zavarovalnica Sava d.d., Vita, Živiljenjska Zavarovalnica, d.d., Sava Pokojninska Družba d.d. and Sava Infond, Družba za Upravljanje, d.o.o. for an indefinite period.



10.1.2 Risk and capital management strategies

The Group seeks to operate in compliance with its business strategy and meet its key strategic goals while maintaining an adequate capital level. The risk strategy is prepared in line and in parallel with the strategic plan. The Group has adopted the Sava Insurance Group Risk Strategy for 2023–2027, which defines the risk appetite by operating segment, a set of key indicators and their limits, and a set of operational indicators for ongoing monitoring. Each Group company sets its own risk strategy, risk tolerance limits and operational limits based on the Group’s risk appetite.

The key indicators for monitoring and measuring compliance with risk appetite are:

- the solvency ratio,
- the profitability of the operating segments, including their acceptable level of volatility (tolerance),
- investment and liquidity indicators.

The Group manages its capital to ensure that each Group company has sufficient funds available, on an ongoing basis, to meet its obligations and regulatory capital requirements. The

composition of eligible own funds held to ensure capital adequacy must comply with regulatory requirements.

The solvency ratio is the most important indicator of the risk strategy in relation to capital management. The Group’s solvency requirement is designed to meet regulatory and rating agency requirements, while the Group must hold sufficient surplus capital to cover the potential capital needs of the subsidiaries should a stress scenario materialise for any of them.

10.1.3 Risk management processes

The main risk management processes are identifying, assessing (measuring) and monitoring risks, determining appropriate actions to manage them and reporting on them. Risk management processes are inherently connected with and incorporated into the basic processes conducted at both the company and the Group level. They take place in all three lines of defence of the risk management system and are integrated into the decision-making system so that all important business and strategic decisions are also evaluated from a risk perspective.

Risk identification

As part of the risk identification process, each Group company identifies the risks to which it is exposed. The key risks, which are compiled in each company’s risk register and form the company’s risk profile, are regularly reviewed, and new risks are added as necessary. Risk identification at the Group level is conducted in the same way. Risk identification in the individual Group companies and at the Group level is both a top-down and a bottom-up process. The top-down approach is mainly used for strategic risks, such as reputational risk and regulatory risk, and to identify emerging risks. Bottom-up risk identification takes place in individual organisational units and with risk owners (first line of defence).

Risk identification is essentially ongoing but is particularly important during business planning and for all major projects and business initiatives, such as new product launches, investments in a new asset class, acquisitions and others.

Risk assessment (measurement)

The Group has established a regular process for assessing (measuring) the risks to which each company or the Group is exposed. Risks are measured using both qualitative and quantitative methods, which are constantly being refined.

We use a variety of approaches and models to measure each risk. These vary according to the risk:

- the Solvency II standard formula,
- own risk and solvency assessment (ORSA),
- stress testing and scenario analysis,
- qualitative risk assessment in the risk register,
- various risk measures that facilitate the measurement and monitoring of the current risk profile.

Climate change risks are included in the risk register and periodically assessed alongside other risks. They are linked to the basic risk categories they affect (market, insurance, credit, strategic and operational risks) and are divided into transition and physical risks.

Risk monitoring

We monitor risks at several levels: in each organisational unit, the risk management department, the risk management committee and at the level of the management board, the risk committee of the supervisory board (in Sava Re) and the supervisory board of each Group company. In addition, the risk profile of each Group company is monitored at the Group level with regard to its impact on the Group’s risk profile.



The Company's management board, the risk management committee and specialist staff from different areas are actively involved in the entire ORSA process.

In order to monitor risks and compliance with the risk strategy on an ongoing basis, we have a core set of risk measures for each risk category in each Group company, which allows us to monitor the current risk profile and capital position of each company and the Group. Additionally, we monitor and control the measures taken to manage risk. Adverse events and the implementation of relevant corrective measures to prevent the recurrence of an individual event are also monitored.

Risk management

Risk management takes into account the cost-benefit aspect of each action and any recommendations made by the risk management committee and key functions. If there is a need to adopt a new measure to limit a specific risk, we analyse the measure in the company concerned and take cost effectiveness into account in our decisions.

Each Group company considers the impact of its business strategy on its risk profile and capital position as part of its business planning. When decisions are taken during the year that have a significant impact on the risk profile but were not assessed for risk in the business planning process, the company concerned assesses the impact of these decisions on its own and the Group's risk profile, checks compliance with its risk appetite and takes the necessary action.

Risk reporting

Regular risk reporting is in place in the larger Group companies and at the Group level. Risk owners report to the risk management function on specific risk categories, such as a predefined set of relevant risk measures and additional qualitative information. On this basis, the risk management function, in collaboration with the risk owners, prepares a risk report covering the overall risk profile of each company. The report is discussed at all levels and is shared with the Group's risk management function. Relevant risk information is also monitored at the Group level and reported in the Group's risk report.

10.1.4 Own risk and solvency assessment (ORSA)

ORSA is a process that runs in parallel with business planning. It aims to understand the risk profile and analyse the impact of changes in the risk profile over the next three years on capital adequacy. The analysis takes into account both the standard Solvency II formula and the own risk assessment and impact analysis of various stress tests and scenarios.

In ORSA, we assess all significant measurable and unmeasurable risks that could affect the performance of an individual Group company or the Group as a whole. Sustainability risks, in

particular climate change risks, are also addressed and assessed as the Group and the Company recognise the importance of the impact of climate change on long-term business performance. Therefore, both qualitative and quantitative assessments of climate change risks are included in ORSA.

ORSA is embedded in the decision-making process and ensures that key decisions and business strategy are made in light of the risks and associated capital requirements. The results of ORSA are used to review the alignment of the business strategy with the risk strategy. We have thus established a link between business strategy, the risks taken, and the related capital requirements and capital management.

The Company's management board, the risk management committee and specialist staff from different areas are actively involved in the entire ORSA process.



10.2 Material risks of the Sava Insurance Group

In the Group and its individual companies, all identified risks fall into the following main risk categories: underwriting risks, financial risks (comprising market risk, liquidity risk, credit risk and the risk of failure to achieve guaranteed returns), operational risks and strategic risks.

In addition, the Group and its companies monitor emerging risks that may affect any of the above risk categories. As part of identifying these risks, we also identify and assess sustainability risks, which in the Sava Insurance Group mainly relate to market and underwriting risks. They are discussed in the strategic risks section of this report.

Individual risks are described in detail in the notes to the financial statements of the Sava Insurance Group and Sava Re in section [C.3.6 “Risk management”](#), while the sustainability risks are presented in detail in the sustainability report.

In the following, we describe each risk category and the risks within each category.

10.2.1 Underwriting risks

Underwriting risk arises from insurance transactions, the primary purpose of which is to assume risk from insureds (underwriting) and to perform (re)insurance contracts and transactions that are directly related to (re)insurance transactions. It relates to the risks covered under (re)insurance contracts and related processes and arises from uncertainty as to the occurrence, extent and timing of obligations.

In addition to the risks assumed directly by the Group’s direct insurers, Sava Re assumes underwriting risk from cedants outside the Group (accepted reinsurance). Sava Re retains a portion of the assumed risks (Group and non-Group) and retrocedes the portion that exceeds its own capacity.

Underwriting risks are broadly divided into non-life underwriting risks, life underwriting risks and health underwriting risks (which include accident (re)insurance). The Group and Sava Re are exposed to all three categories of risks.

10.2.1.1 Non-life underwriting risks

Non-life underwriting risks are further subdivided into premium risk, risk of insufficient liabilities and assets from (re)insurance contracts, lapse risk and catastrophe risk.

Premium risk: this is the risk that premiums written are insufficient to meet the obligations arising from (re)insurance contracts. This risk depends on many factors, such as inadequate assessment of market developments, inadequate assessment of claims development, use of inadequate statistics, deliberately insufficient premiums for certain classes of business that are expected to be offset by other classes of business, or inadequate assessment of external macroeconomic factors that may change significantly during the term of a contract; in certain classes of business, there is also inadequate assessment of environmental factors, including climate change. Premium risk includes underwriting process risk, price risk and the risk of unexpected increase in claims.

Given the Group’s portfolio structure, the largest contributors to premium risk include motor vehicle and property (re)insurance (fire and other damage to property, including related business interruption insurance).

The Group seeks to mitigate underwriting process risk by restricting authorisations for mass underwriting, providing additional training to underwriters and agents, by providing understandable, clear and detailed instructions, and setting appropriate underwriting limits that are consistent with the business strategy, the risk strategy and the reinsurance programme. We also pay particular attention to offering products to appropriate target clients (to avoid mis-selling and adverse selection), accepting reinsurance from trusted cedants, and ensuring that appropriate limits are in place for exposure concentrations by geographic location and homogeneous risk groups, thereby maintaining favourable risk diversification.



Risk of insufficient liabilities and assets from (re)insurance contracts: this is the risk that the liabilities and assets from (re)insurance contracts are either (i) insufficient to meet the obligations arising from (re)insurance contracts due to inadequate methods, inappropriate, incomplete and inaccurate data, inefficient procedures and controls or inadequate expert judgement, or (ii) misstated, resulting in unreliable information about the financial position of the company or the Group. This includes the risk of data availability and accuracy, the risk of using inappropriate methods or assumptions, the risk of calculation errors, and the risk that the complexity of the tools used in the process may lead to misleading results. Sustainability risks, including those related to climate change, are also considered when assessing the adequacy of provisions.

As with premium risk, the majority of the risk of insufficient liabilities and assets from (re)insurance contracts arises from the motor and property business, where liabilities and assets from (re) insurance contracts are structurally the largest due to the Group's traditional focus on such business.

The Group manages the risk of insufficient liabilities and assets from (re)insurance contracts through robust processes and effective controls for their calculation under both IFRS and Solvency II regulations. In addition, each year we back-test the adequacy of the (re)insurance contract liabilities and assets established in previous years, which is used to identify any major causes of inadequate (re)insurance contract liabilities and to apply the lessons learned to the setting of these liabilities in the future.

Lapse risk: this is the risk of loss or adverse change in the value of insurance contract liabilities resulting from changes in the level or volatility of lapse rates. The Group and Sava Re are not materially exposed to this type of risk. This risk is mitigated primarily by maintaining good relationships with policyholders and cedants and by closely monitoring market conditions.

Catastrophe risk: this is the risk of a catastrophic event occurring; such events are rare, but their financial impact is too great to be covered by otherwise adequate premiums and provisions alone. Catastrophe risk may materialise in the case of extreme events or a large number of

catastrophic events over a short period. The risk also includes an excessive geographical accumulation of risk. The Group's portfolio is relatively well diversified geographically, with a slightly higher concentration of risks in Slovenia, which is further addressed through the reinsurance programme. This risk is managed by means of a well-designed underwriting process, by controlling risk concentration for products covering larger properties against natural catastrophes and fire, by geographical diversification, and by adequate retrocession protection against natural and man-made catastrophes.

Sustainability and climate change risks are also important in non-life insurance and have recently gained in importance and attention at both the Group and Company level. We carry out qualitative assessments, exposure analyses and longer-term scenario analyses, and we monitor the progress of their modelling. The knowledge gained in this area is then applied to underwriting, setting insurance premiums, determining liabilities and assets from (re)insurance contracts and arranging sufficient reinsurance protection to keep risks within the risk appetite.

Other underwriting risks, such as economic environment risk and policyholder behaviour risk, may be relevant, but their impact is already indirectly reflected in the non-life underwriting risk above.

10.2.1.2 Life underwriting risks

We divide life underwriting risks into biometric risks, life expenses risk and life lapse risk.

Biometric risks: among these, mortality risk, which is the most significant risk for the Group, is the risk that the actual mortality of insured persons will turn out to be higher than that projected in the mortality tables used for premium pricing. It depends on the use of relevant statistics and the identification of insured persons whose health or lifestyle may increase their mortality risk. The procedures used to manage this risk include the consistent application of underwriting protocols, detailing deviations from the normal mortality risk, regular monitoring of exposures and the adequacy of the mortality tables used, and appropriate reinsurance protection.

Life expense risk: this is the risk that the actual cost of servicing life insurance contracts will be higher than that assumed in pricing. The level of risk depends on the use of appropriate statistics and an increase in the actual cost of servicing life insurance contracts. The Group manages the life insurance expense risk by periodically monitoring the expenses incurred in servicing life insurance contracts, monitoring the macroeconomic situation (e.g., inflation) and appropriately planning these expenses for the coming years.

Life lapse risk: this is the risk of a (low or high) increase in lapse rates (rate of early contract termination) due to surrenders, conversions to paid-up status or premium default. The level of risk depends on the use of appropriate statistics, the identification of lapses for various reasons in an underwriting year and the economic situation, which may also affect policyholder behaviour. The level of risk also depends on the competitive insurance products available in the market and the advice provided by insurance intermediaries and financial advisers. The Group manages this risk mainly by monitoring the number and percentage of policy lapses on a quarterly basis, by restricting

surrenders where insurer approval is required and by systematically preventing insurance rearrangements by intermediaries.

Sustainability and climate change risks are also increasingly important in life insurance. They have become more relevant in recent years and can affect life insurance in a number of ways, including an increase in cancellations and surrenders, an increase in biometric risks (especially mortality and morbidity) and other impacts. We therefore take sustainability and climate change factors into account, among others, when setting insurance premiums and making assumptions for the calculation of liabilities and assets from (re) insurance contracts.

Life insurance risks also include other biometric risks (longevity risk and disability and morbidity risk), revision risk and life-catastrophe risk. These risks are minor for the Group and are therefore not discussed in detail.

10.2.1.3 Health underwriting risk

Health underwriting risks are divided into risks arising from health insurance pursued on a similar

technical basis to non-life insurance (NSLT health insurance) and health insurance pursued on a similar technical basis to life insurance (SLT health insurance).

The Group manages NSLT-health underwriting risks using techniques similar to those used in non-life insurance, namely prudent underwriting, control of risk concentrations in accident and health products and appropriate reinsurance protection. SLT health insurance is very similar to life insurance; therefore, the Group manages the risks arising from SLT health insurance using similar techniques as for life insurance.

10.2.2 Financial risks

In their financial operations, individual Group companies are exposed to financial risks arising from their investment and underwriting portfolios relating to market, liquidity, credit risk and the risk of failure to realise guaranteed returns on the life insurance business. Sustainability risks are also important, especially those related to climate change, which can indirectly affect interest rates, credit spreads, property values and more.

10.2.2.1 Market risk

As part of the management of market risk, the Group assesses interest rate risk, investment property risk, equity risk and currency risk.

Interest rate risk: this is the risk that the Group or a company will be exposed to losses resulting from fluctuations in interest rates. When interest rates change, the risk may materialise as a result of a decrease in the value of investments or an increase in liabilities. We try to avoid this by carrying out sensitivity analyses and by matching assets and liabilities, i.e., cash-flow matching.

Investment property risk: this is the risk of a change in the fair value of investment property owned directly or indirectly by the Group or a company. In addition to investment property, real-estate funds are also exposed to this risk.



Equity price risk: this is the risk that the value of investments will decrease due to fluctuations in equity markets. Shares, as well as equity and mixed mutual funds, are exposed to this risk. The Group manages the equity risk by diversifying this part of the investment portfolio across different capital markets and through a limit system that limits overexposure to the equity portfolio.

Currency risk: this is the risk that changes in exchange rates will reduce the value of assets denominated in foreign currencies or increase the value of liabilities denominated in foreign currencies. The Group manages currency risk through the efforts of each company to optimise asset-liability currency matching.

10.2.2.2 Liquidity risk

This is the risk that, owing to unexpected or unexpectedly high obligations, a company will not be able to meet all its financial obligations. The liquidity risk assumed by each Group company is monitored by regularly measuring and monitoring defined liquidity indicators. One of the indicators is the maturity matching of financial assets and liabilities. Liquidity requirements are met by allocating funds to money market instruments

in the percentage consistent with the estimated normal current liquidity requirement. We ensure that we have the funds to cover the estimated liquidity buffer of the EU companies by investing at least 20% of portfolio investments in highly liquid assets.

10.2.2.3 Credit risk

This is the risk that an issuer of securities or other counterparty will default on its obligations. In the context of credit risk, each company and the Group address the excessive concentration of risk in a particular region, industry or issuer. Assets exposed to credit risk include financial investments (deposits, bonds, loans granted, bond and convertible mutual funds, and cash and cash equivalents) and other receivables.

10.2.2.4 Risk of failure to realise guaranteed returns

The Group is exposed to the risk of failing to achieve the guaranteed return, specifically with investment contracts and with traditional and unit-linked life insurance business.

10.2.3 Operational risks

This is the risk of loss arising from inadequate or failed internal processes, human behaviour, systems or external events. To manage operational risks effectively, the Group companies have processes in place to identify, measure, monitor, manage and report on such risks.

10.2.4 Strategic risks

The Group companies and the Group are exposed to various internal and external strategic risks that may have a negative impact on earnings or capital adequacy. Strategic risks also include reputational, project and sustainability risks as well as emerging risks. To prevent these risks from materialising, the Group companies mainly carry out preventive activities and have processes in place to identify, measure, monitor, manage and report on strategic risks to ensure that they are managed effectively.

We also manage strategic risks by continuously monitoring the achievement of short- and long-term goals of the Group companies and the Group, as well as by monitoring upcoming regulatory changes and market developments.





11 Information technology

The IT department is keeping pace with the rapid development of the Group and the changing environment by strengthening its staff and investing in all areas.

In 2024, we took a major step forward in the areas of service request management, IT architecture and IT governance.

We pay particular attention to information security, not only to ensure business continuity and protection against cyberattacks, but also to protect personal data and trade secrets.

Regular exercises to protect against attacks using social engineering techniques have shown that digital technical resilience and staff awareness in this area are improving.

During 2024, we continued to recruit and develop our staff in IT process management, IT operations and IT architecture, thereby increasing our capacity and manageability to provide IT support for the various development activities at the Group level. We continued to conduct our own IT process maturity audits as an ongoing practice, complemented by an increasing number of independent external reviews of operational capabilities, architecture and implementation of system and solution configurations. We use feedback and insights to make improvements, which are then put into operation. Accordingly, we improved our processes for managing development requests, IT architecture, internal controls and risks, and for planning and monitoring IT costs and investments.

In the development of business applications, we maintained existing solutions in line with companies' business and regulatory requirements. We continued the project to replace the core insurance IT solution and launched the core IT solution for reinsurance. At the Group level, we continued to expand our common solutions and the use of a common central data centre.

In the area of business intelligence, we provided regular business support and upgraded existing solutions to meet the ongoing needs of our clients. In line with the 2023–2027 strategy, we embarked on a project to upgrade the data warehouse functionalities at the level of several Group companies.

Infrastructure provided business support and upgraded technical and service capabilities to meet the needs of strategy implementation (introduction of digitalisation and new core insurance solutions). We implemented continuous improvements, optimised the configuration of server and network systems and improved the monitoring of critical services. The system software and hardware infrastructure were upgraded in line with the business plan, depreciation cycle, requirements of day-to-day operations and planned IT development projects, focusing on the architectural planning of the different concepts to ensure timely infrastructure support for all needs in the 2025–2027 period.

In the area of information security, we upgraded the sensors and controls in our 24/7 security operations centre (SOC) and continued to test and deploy new security solutions. We conducted regular exercises to protect against social engineering attacks and trained key personnel on how to respond to a crisis in the event of a cyberattack. We took out cyber insurance at the Group level for the Slovenian part of the Group and started to include the non-Slovenian companies in the coverage.

In terms of business continuity, we carried out all planned prevention and control activities, taking into account the increased use of hybrid work.

We take sustainability into account when planning new investments by reducing the number of applications and centralising the use of shared infrastructure (in-house and cloud). Our business solutions enable hybrid access (remote or from home) for both customers and employees, reducing the need to travel.



12 Appendix to the business report

Appendix A – Glossary of selected terms and calculation methodologies for indicators

Adriatic region. The countries of southeastern Europe along the Adriatic Sea.

Assets under management. Assets of the pension companies' pension funds, the assets of mutual funds managed by the Group's asset management company and the assets of the policyholders who bear the investment risk.

Book value per share. Ratio of total equity to the weighted average number of shares outstanding.

Business volume. Gross premiums written and non-insurance revenue.

Combined ratio. 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.

Contractual Service Margin (CSM). 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.

Cost-to-Income Ratio (CIR). Operating expenses as a percentage of operating revenue and net other income/expenses.

Dividend yield. Ratio of the dividend per share to the rolling 12-month average share price.

Emerging risks. New risks, or risks that have been identified previously but which arise in new or unknown circumstances and the impact of which is not fully understood.

Expense ratio. 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 revenue. 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.

FVTPL (Fair Value Through Profit or Loss) investments. Financial investments measured at fair value through profit or loss.

Gross premiums written. The total premiums from all policies written or renewed during a given period, regardless of what portions have been earned.

Highly liquid assets. Highly liquid investments include L1A assets (ECB methodology), investments in US bonds, investments in sovereign and supranational issuers rated AA+ or better, and cash and cash equivalents.

IBOR (Interbank Offered Rate). An interbank reference interest rate is the average interest rate at which banks borrow money (e.g., LIBOR, EURIBOR).

Investment portfolio. It includes investment property, investments in associates and subsidiaries, financial investments other than unit-linked assets, and cash and cash equivalents other than those related to unit-linked life insurance contracts.

Loss ratio. 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.



Net contractual service margin. Contractual service margin, net of reinsurance.

Net earnings or loss per share. 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.

Net investment income on investment portfolio. The investment result plus the share of the profit or loss of subsidiaries and associates. It is calculated excluding the return on life insurance policies where policyholders bear the investment risk, the impact of foreign exchange differences and the cost of subordinated debt.

NSLT health insurance. Health insurance provided on a technical basis similar to that of non-life insurance.

Own risk and solvency assessment (ORSA). Own assessment of the risks associated with a company's or the Group's business and strategic plan and assessment of the adequacy of own funds to cover them.

Return on equity. Net profit for the period as a percentage of average equity during the period, excluding accumulated other comprehensive income. Annualised returns are shown in the interim reports.

Return on the investment portfolio. The ratio of net investment income on 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 other than unit-linked assets, and cash and cash equivalents other than those related to unit-linked life insurance contracts. The average balance is calculated on the basis of the investment portfolio positions over the last five quarters.

SLT health insurance. Health insurance provided on a technical basis similar to that of life insurance.

Solvency ratio. The ratio of eligible own funds to the solvency capital requirement, expressed as a percentage. A solvency ratio greater than 100% indicates that the company has sufficient resources to meet the solvency capital requirement.

Total shareholder return. The ratio of the difference between the share price at the end and beginning of the period, plus the dividend, to the share price at the beginning of the period.

Ultimate loss. Total amount of loss after all claims have been paid. Prior to final settlement, the estimated ultimate loss includes reported claims and provisions for incurred but not reported (IBNR) claims.



SUSTAINABILITY
REPORT

SUSTAINABILITY IS A COMMITMENT AND A PLEDGE

We have made our sustainability commitments with care and have a robust methodology in place to monitor our sustainability progress.

SUSTAINABILITY REPORT

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STATEMENT OF MANAGEMENT'S RESPONSIBILITY

The management board of Sava Re d.d. hereby approves the Sava Insurance Group's sustainability report for the year ended 31 December 2024 and its appendices. The management board confirms that the sustainability report is compiled in accordance with the applicable Slovenian and EU legislation, including the European Sustainability Reporting Standards (ESRS) and Article 8 of the Taxonomy Regulation. The sustainability report has been prepared using relevant judgements, estimates and assumptions, which apply the methods most suited to the Company and the Group under given circumstances, based on which we can give the below assurances.

The management board members ensure that to the best of their knowledge:

- the sustainability report has been compiled in accordance with the European Sustainability Reporting Standards (ESRS) and Article 8 of the Taxonomy Regulation; and
- it contains a true and fair representation of the environmental, social and governance aspects of the Group.

The sustainability report is based on a double materiality analysis of the Sava Insurance Group.

Marko Jazbec
Chairman of the Management Board

Polona Pirš
Member of the Management Board

Peter Skvarča
Member of the Management Board

David Benedek
Member of the Management Board

Ljubljana, 14 March 2025





1 Auditor's report



Deloitte revizija d.o.o.
Dunajska cesta 165
1000 Ljubljana
Slovenija

Tel: +386 (0) 1 3072 800
Faks: +386 (0) 1 3072 900
www.deloitte.si

Our report below represents the auditor's report that relates solely and exclusively to the official sustainability report, prepared in the XHTML format.

INDEPENDENT LIMITED ASSURANCE REPORT ON THE CONSOLIDATED SUSTAINABILITY REPORT to the shareholders of the Sava Insurance Group

We have conducted a limited assurance engagement on the Consolidated Sustainability Report included in section Sustainability report of the Management Report of Sava Insurance Group (hereafter the "Group") as at December 31, 2024, and for the period from January 1, 2024, to December 31, 2024 (the "Consolidated Sustainability Report").

Identification of Applicable Criteria

The Consolidated Sustainability Report was prepared by the management of the Group in order to satisfy the requirements of 70(c) and 70(č) of the Companies Act (ZGD-1) implementing 29(a) of the EU Directive 2013/34/EU, including:

- Compliance with the European Sustainability Reporting Standards introduced by Commission Delegated Regulation (EU) 2023/2772 of 31 July 2023 supplementing Directive 2013/34/EU of the European Parliament and of the Council as regards sustainability reporting standards ("ESRS"), including that the process carried out by the Group to identify the information reported in the Consolidated Sustainability Report (the "Process") is in accordance with the description set out in note 'IRO-1 – Description of the process to identify and assess material impacts, risks and opportunities' in the 'General information' chapter;
- Compliance of the disclosures in 'Disclosures required by Regulation (EU) 2020/852 on taxonomy and related delegated acts' within 'Environmental information' of the Consolidated Sustainability Report with Article 8 of EU Regulation 2020/852 (the "Taxonomy Regulation"); and
- Compliance with the requirement to prepare the Consolidated Sustainability Report in accordance with Article 58 of ZGD-1 which requires the Group to prepare Consolidated Sustainability Report in single electronic format as defined in Article 3 of Commission Delegated Regulation (EU) 2018/815 of 17 December 2018 supplementing Directive 2004/109/EC of the European Parliament and of the Council with regard to regulatory technical standards on the specification of a single electronic reporting format (the "ESEF Regulation").



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V Sloveniji storitve zagotavlja Deloitte revizija d.o.o. in Deloitte svetovanje d.o.o. (pod skupnim imenom »Deloitte Slovenija«), članici družbe Deloitte Central Europe Holdings Limited. Deloitte Slovenija sodi med vodilne družbe za strokovne storitve v Sloveniji in opravlja storitve revidiranja in dajanja zagotovil, davčnega, poslovnega in finančnega svetovanja, svetovanja na področju tveganj in sorodne storitve, ki jih zagotavlja več kot 150 domačih in tujih strokovnjakov.

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Inherent Limitations in Preparing the Consolidated Sustainability Report

The criteria, nature of the Consolidated Sustainability Report, and absence of long-standing established authoritative guidance, standard applications and reporting practices allow for different, but acceptable, measurement methodologies to be adopted which may result in variances between entities. The adopted measurement methodologies may also impact the comparability of sustainability matters reported by different organizations and from year to year within an organization as methodologies evolve.

In reporting forward looking information in accordance with ESRS, management of the Group is required to prepare the forward-looking information on the basis of disclosed assumptions about events that may occur in the future and possible future actions by the Group. Actual outcome is likely to be different since anticipated events frequently do not occur as expected.

In determining the disclosures in the Consolidated Sustainability Report, management of the Group interprets undefined legal and other terms. Undefined legal and other terms may be interpreted differently, including the legal conformity of their interpretation and, accordingly, are subject to uncertainties.

We draw your attention to the following specific limitations discussed in the Consolidated Sustainability Report:

- Environmental reporting as applied by all companies includes information based on climate-related scenarios that are subject to inherent uncertainty because of incomplete scientific and economic knowledge about the likelihood, timing, or effect of possible future physical and transitional climate-related impacts. For the avoidance of doubt, the scope of our engagement and our responsibilities did not include performing work necessary for any assurance on the reliability, proper compilation, or accuracy of the prospective information.
- Any supply chain emissions metrics listed in the Consolidated Sustainability Report may include information provided by suppliers and third-party sources. Our procedures did not include obtaining assurance over the information provided by suppliers or third parties.
- The Consolidated Sustainability Report may include metrics that are derived from reported events relating to employees and subcontractors. As such, our testing may not identify misstatements relating to completeness, for example in instances where events may have occurred but have not been reported.

Responsibility of the Management Board of the Group

Management of the Group is responsible for designing and implementing a process to identify the information reported in the Consolidated Sustainability Report in accordance with the ESRS and for disclosing this process in note 'IRO-1 – Description of the process to identify and assess material impacts, risks and opportunities' of the Consolidated Sustainability Report. This responsibility includes:

- understanding the context in which the Group's activities and business relationships take place and developing an understanding of its affected stakeholders;
- the identification of the actual and potential impacts (both negative and positive) related to sustainability matters, as well as risks and opportunities that affect, or could reasonably be expected

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- to affect, the entity's financial position, financial performance, cash flows, access to finance or cost of capital over the short-, medium-, or long-term;
- the assessment of the materiality of the identified impacts, risks and opportunities related to sustainability matters by selecting and applying appropriate thresholds; and
- making assumptions that are reasonable in the circumstances.

Management of the Group is further responsible for the preparation of the Consolidated Sustainability Report, in accordance with 70(c) and 70(č) of the ZGD-1 implementing 29(a) of the EU Directive 2013/34/EU, including:

- compliance with the ESRS;
- preparing the disclosures in 'Disclosures required by Regulation (EU) 2020/852 on taxonomy and related delegated acts' of the Consolidated Sustainability Report, in compliance with Article 8 of EU Regulation 2020/852 (the "Taxonomy Regulation");
- designing, implementing and maintaining such internal controls that management determines are necessary to enable the preparation of the Consolidated Sustainability Report that is free from material misstatement, whether due to fraud or error; and
- the selection and application of appropriate sustainability reporting methods and making assumptions and estimates about individual sustainability disclosures that are reasonable in the circumstances.

Management of the Group is also responsible for the preparation of the Consolidated Sustainability Report in line with the technical requirements related to the single electronic format as determined in Article 58 of ZGD-1 and Article 3 of the ESEF Regulation. This responsibility also includes the design, implementation and maintenance of internal controls to enable the preparation of the Consolidated Sustainability Report that is free from material non-compliance with the requirements of Article 58 of ZGD-1 and Article 3 of the ESEF Regulation.

Those charged with governance are responsible for overseeing the Group's sustainability reporting process.

Practitioner's Responsibility

We conducted our limited assurance engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised), Assurance Engagements other than Audits or Reviews of Historical Financial Information ("ISAE 3000 (Revised)").

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Our objectives are to plan and perform the assurance engagement to obtain limited assurance about whether the Consolidated Sustainability Report is free from material misstatement, whether due to fraud or error, and to issue a limited assurance report that includes our conclusion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence decisions of users taken on the basis of the Consolidated Sustainability Report as a whole.

As part of a limited assurance engagement in accordance with ISAE 3000 (Revised) we exercise professional judgment and maintain professional skepticism throughout the engagement.

Our responsibilities in respect of the Consolidated Sustainability Report, in relation to the Process, include:

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- Obtaining an understanding of the Process but not for the purpose of providing a conclusion on the effectiveness of the Process, including the outcome of the Process;
- Designing and performing procedures to evaluate whether the Process is consistent with the Group's description of its Process, as disclosed in note 'IRO-1 – Description of the process to identify and assess material impacts, risks and opportunities'.

Our other responsibilities in respect of the Consolidated Sustainability Report include:

- Obtaining an understanding of the entity's control environment, processes and information systems relevant to the preparation of the Consolidated Sustainability Report but not evaluating the design of particular control activities, obtaining evidence about their implementation or testing their operating effectiveness;
- Identifying disclosures where material misstatements are likely to arise, whether due to fraud or error;
- Designing and performing procedures responsive to disclosures in the Consolidated Sustainability Report where material misstatements are likely to arise. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Assess whether the Consolidated Sustainability Report has been prepared, in all material respects, in the format specified in Article 58 of ZGD-1 and Article 3 of the ESEF Regulation.

Our Independence and Quality Management

We complied with the applicable independence and other ethical requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (the "Code"). The Code is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

We applied International Standard on Quality Management ("ISQM 1"), Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements, and accordingly maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Summary of Work Performed

A limited assurance engagement involves performing procedures to obtain evidence about the Consolidated Sustainability Report.

The nature, timing and extent of procedures selected depend on professional judgement, including the identification of disclosures where material misstatements are likely to arise, whether due to fraud or error, in the Consolidated Sustainability Report.

In conducting our limited assurance engagement, with respect to the Process, we:

- Obtained an understanding of the Process by:
 - performing inquiries to understand the sources of the information used by management (e.g., stakeholder engagement, business plans and strategy documents); and
 - reviewing the Group's internal documentation of its Process; and
- Evaluated whether the evidence obtained from our procedures about the Process implemented by the Group was consistent with the description of the Process set out in note 'IRO-1 – Description of the process to identify and assess material impacts, risks and opportunities'.

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In conducting our limited assurance engagement, with respect to the Consolidated Sustainability Report, we:

- Obtained an understanding of the Group’s reporting processes relevant to the preparation of its Consolidated Sustainability Report by:
 - performing inquiries to understand the Group’s control environment, processes and information systems relevant to the preparation of the Consolidated Sustainability Report;
- Evaluated whether material information identified by the Process is included in the Consolidated Sustainability Report;
- Evaluated whether the structure and the presentation of the Consolidated Sustainability Report is in accordance with the ESRS;
- Performed inquiries of relevant personnel and analytical procedures on selected disclosures in the Consolidated Sustainability Report;
- Performed substantive assurance procedures based on a sample basis on selected disclosures in the Consolidated Sustainability Report;
- Obtained evidence on the methods for developing material estimates and forward-looking information and on how these methods were applied;
- Obtained an understanding of the process to identify taxonomy-eligible and taxonomy-aligned economic activities and the corresponding disclosures in the Consolidated Sustainability Report;
- Evaluated whether the Consolidated Sustainability Report has been prepared in the format specified in Article 58 of ZGD-1 and Article 3 of the ESEF Regulation.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Limited Assurance Conclusion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Consolidated Sustainability Report is not prepared, in all material respects, in accordance with 70(c) and 70(č) of the ZGD-1 implementing 29(a) of the EU Directive 2013/34/EU, including:

- Compliance with the European Sustainability Reporting Standards (ESRS), including that the process carried out by the Group to identify the information reported in the Consolidated Sustainability Report is in accordance with the description set out in note ‘IRO-1 – Description of the process to identify and assess material impacts, risks and opportunities’;
- Compliance of the disclosures in ‘Disclosures required by Regulation (EU) 2020/852 on taxonomy and related delegated acts’ within ‘Environmental information’ of the Consolidated Sustainability Report with Article 8 of Taxonomy Regulation; and
- Compliance with the requirement to prepare the Consolidated Sustainability Report in the format specified in Article 58 of ZGD-1 and Article 3 of the ESEF Regulation.

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Other Matter

Our limited assurance engagement does not extend to information in respect of earlier periods.

DELOITTE REVIZIJA d.o.o.
Dunajska cesta 165
1000 Ljubljana

Barbara Žibret Kralj
Key sustainability partner
Ljubljana, March 14th 2025

For signature please refer to the original Slovenian version.

Ljubljana, March 14th 2025

TRANSLATION ONLY, SLOVENE ORIGINAL PREVAILS

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DELOITTE REVIZIJA D.O.O.
Ljubljana, Slovenija 3



2 General information

ESRS 2 – General disclosures

BP-1 – General basis for the preparation of sustainability statements⁴⁵

The sustainability report covers environmental, social and governance aspects. It is based on a double materiality analysis of the Sava Insurance Group. The Company, as the parent of the Group, reports on sustainability at the consolidated level. In the process, it ensures that all its subsidiaries are covered in a way that allows for the unbiased identification of significant impacts, risks and opportunities. Disclosures in the sustainability report are made for all members of the Group on a consolidated level where possible, and, where this is not possible, for the parent company and its EU-based subsidiaries.

The Sava Insurance Group has prepared its sustainability report on a consolidated basis. The scope of consolidation is the same as in the financial statements.

In our disclosures, we consider both the upstream and downstream parts of the Group's value chain, where, based on the results of the due

diligence and materiality assessment process, we have identified material impacts, risks and opportunities of our own operations concerning specific stakeholder groups in the value chain.

We have not identified any material impacts, risks or opportunities with respect to stakeholders (suppliers) in the upstream value chain. We have extensive impacts on stakeholders in the downstream value chain, particularly from the environmental, social and governance perspective. In the area of governance, we also disclose material risks and opportunities that affect stakeholders in the downstream value chain. We disclose this information in sections ESRS [E1](#), [S3](#), [S4](#) and [G1](#).

In the sustainability report, we have not omitted specific information related to intellectual property, know-how or the outcome of innovation.

The certified auditor only reviews those parts of the business report that are appropriately identified by markups of disclosures in accordance with the European Sustainability Reporting

Standards (ESRS). Disclosures or parts of the business report that are not clearly identified by appropriate reference to the ESRS and those parts of the sustainability report that relate to a period before 1 January 2024 have not been audited. KPI calculations and comparative calculations based on data prior to 2024 have also not been audited.

BP-2 – Disclosures in relation to specific circumstances⁴⁶

In our disclosures, we adhere to the medium- and long-term time horizons defined in the ESRS, except in the topical disclosures in section ESRS [E1](#), where we have specifically defined them based on our strategic documents.

Metrics that include data from the downstream value chain depend on the quality and appropriateness of the information provided by our partners in the value chain. The ability of insurers to collect information about their partners in the value chain depends on the availability of basic data from customers and

investee companies and/or guidelines on acceptable data sources and ways to address data gaps. Downstream value chain coverage will increase over time, as we expect the extent of estimates to decrease over time, and we will mostly have qualitative and quantitative primary data.

Metrics that include data from the downstream value chain and are estimated based on indirect sources relate to investment portfolios. Other data disclosed in the sustainability report are from internal sources.

The Group obtains data from an external ESG data provider, MSCI Inc. This mainly relates to disclosures on the alignment of investments with the EU Taxonomy (Regulation (EU) 2020/852), disclosures related to the SFDR (Regulation (EU) 2019/2088), disclosures related to the carbon footprint of the investment portfolio, and disclosures on excluded sectors as defined in the Group's sustainability investment policy. We use the data for further analysis, the definition of investment strategies, business decision-making and preparation of reports.

⁴⁵ ESRS 2 BP-1 paragraphs 5 (a), 5 (b) i, 5 (b) ii, 5 (c) and 5 (d).

⁴⁶ ESRS 2 BP-2 paragraphs 9 (a), 9 (b), 10 (a), 10 (b), 10 (c), 10 (d) and AR 1 (c).



MSCI’s methodology is available on the MSCI One web portal under ESG Manager. As MSCI updates its databases on an ongoing basis, it informs contracted data users of any updates or changes to documents or methodology.

MSCI obtains data directly from companies (e.g., from annual reports), non-governmental organisations, online publications, and other publications and sources (e.g., RIMES, Bloomberg, Equity Data Science and others).

Based on our analysis of various data providers, we believe that MSCI’s data are among the most reliable in the market.

We believe that the metrics incorporating value chain data used in this report are of appropriate quality. To ensure the highest possible data quality, we will regularly assess the quality of providers and compare data from different providers. We will also consider the guidelines and recommendations from industry organisations and associations or other bodies.

We include disclosures required by other legislation that obliges us to disclose sustainability-related information in the sustainability report. These

include the EU Taxonomy Regulation, which provides a regulatory framework to promote sustainable investment, and the SFDR Regulation, which requires financial market participants to publicly disclose their sustainable governance-related policies (section [ESRS S4](#)). This also requires disclosure of how sustainability risks are integrated into investment decisions and how the company addresses the principal adverse impacts of its investment decisions on sustainability factors.

We also disclose the information required by the Whistleblower Protection Act (section [ESRS G1](#)) and the indicators of the GRI standards ([appendix B – GRI index – unaudited](#)).

To provide comprehensive disclosures and a clear and reader-friendly content structure, we incorporated certain information into the sustainability report by reference (in accordance with section 9.1 “Incorporation by reference” of ESRS 1). A list of this information is provided in the following table.

List of ESRS disclosure requirements or specific data points that are required to be disclosed and incorporated by reference.

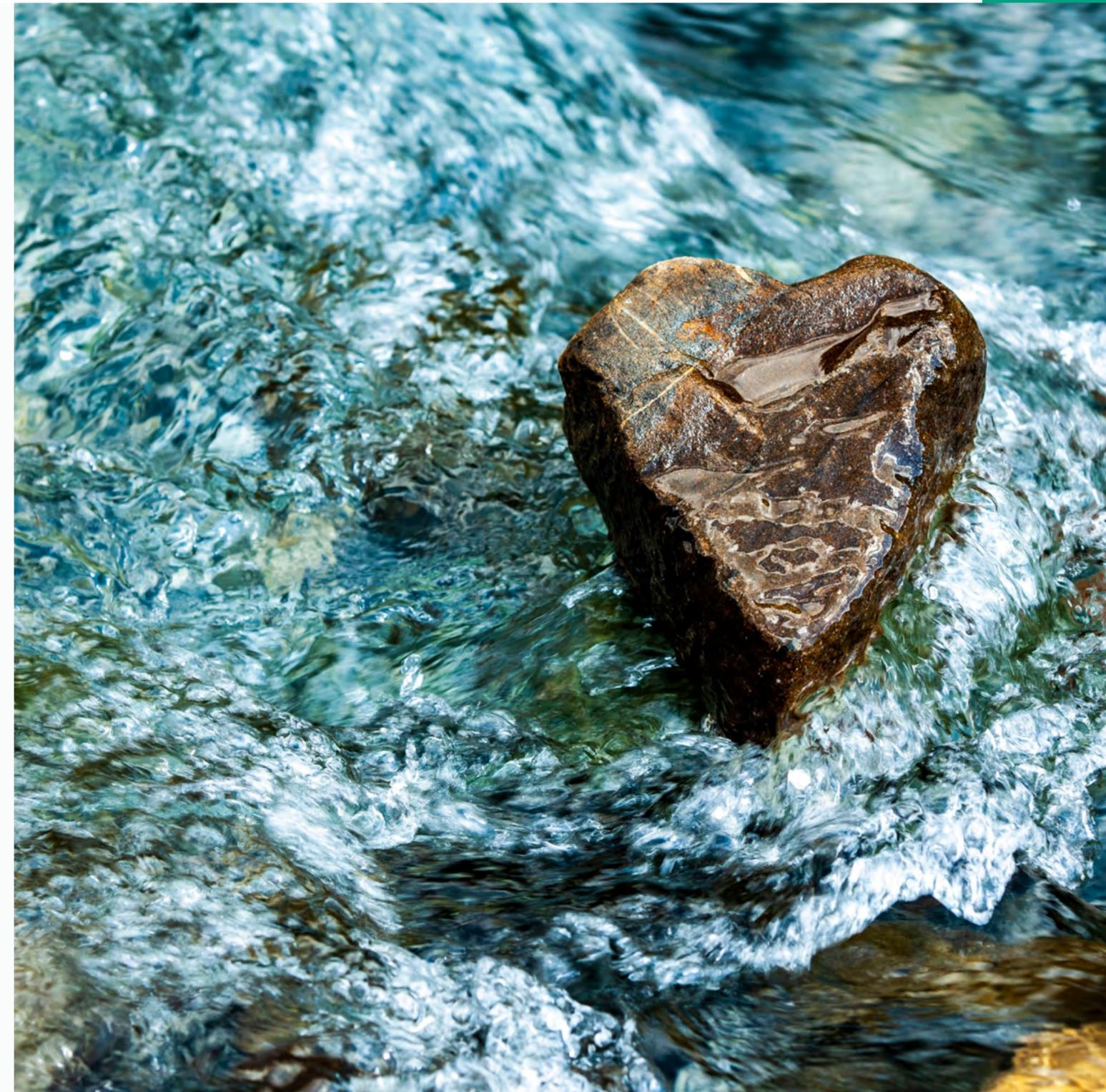
► **List of ESRS disclosure requirements or specific data points that are required to be disclosed and incorporated by reference⁴⁷**

Disclosure requirements and related data points

Disclosures pursuant to Article 8 of Regulation (EU) 2020/852

Disclosures from other legislation

Regulation (EU) 2020/852 and related delegated acts (EU Taxonomy)



47 ESRS 2 BP-2 paragraphs 15 and 16.



Disclosure requirements and related data points	Reference in the report
GOV-1 paragraph 21 (a) – Number of executive and non-executive members	Business report, section A.5.3.4 “Management board”
GOV-1 21 paragraph (b) – Representation of employees and other workers	Business report, section A.5.3.3 “Supervisory board committees”
GOV-1 paragraph 21 (c) – Experience relevant to the sectors, products and geographic locations of the undertaking	Business report, sections A.5.3.3 “Supervisory board committees” and A.5.3.4 “Management board”
GOV-1 paragraph 21 (d) – Percentage by gender and other aspects of diversity that the undertaking considers	Business report, section A.5.3.2 “Supervisory board”
GOV-1 paragraph 21 (e) – Percentage of independent board members	Business report, section A.5.3.3 “Supervisory board committees”
GOV-1 paragraph 22 (a) – Information on the identity of the administrative, management and supervisory bodies or individual(s) within a body responsible for oversight of impacts, risks and opportunities	Business report, sections A.5.3.3 “Supervisory board committees” and A.5.4 “Fit and proper assessment of the members of the management and supervisory boards and of key function holders and other relevant personnel”
GOV-1 paragraph 22 (b) – Disclosure of how each body’s or individual’s responsibilities for impacts, risks and opportunities are reflected in the undertaking’s terms of reference, board mandates and other related policies	Business report, sections A.5.3.2 “Supervisory board” and A.5.4 “Fit and proper assessment of the members of the management and supervisory boards and of key function holders and other relevant personnel”
GOV-1 paragraph 22 (c) – Description of management’s role in the governance processes, controls and procedures used to monitor, manage and oversee impacts, risks and opportunities	Business report, sections A.5.3.4 “Management board” and A.5.4 “Fit and proper assessment of the members of the management and supervisory boards and of key function holders and other relevant personnel”
GOV-1 paragraph 22 (c) i – Description of how oversight of the position is exercised at the level of the management or committee to which the management role is delegated	Business report, section A.5.3 “Bodies of Sava Re”
GOV-1 paragraph 22 (c) ii – information about the reporting lines to the administrative, management and supervisory bodies	Business report, sections A.5.3 “Bodies of Sava Re” and A.5.3.4 “Management board”
GOV-1 paragraph 22 (c) iii – Disclosure of how dedicated controls and procedures are integrated with other internal functions	Business report, section A.5.3 “Bodies of Sava Re”

Disclosure requirements and related data points	Reference in the report
GOV-1 paragraph 22 (d) – Disclosure of how the administrative, management and supervisory bodies and senior executive management oversee the setting of targets related to material impacts, risks and opportunities, and how they monitor progress towards them	Business report, section A.5.3.2 “Supervisory board”
GOV-1 paragraph 23 – Disclosure of how the administrative, management and supervisory bodies determine whether appropriate skills and expertise are available or will be developed to oversee sustainability matters	Business report, section A.5.4 “Fit and proper assessment of the members of the management and supervisory boards and of key function holders and other relevant personnel”
GOV-1 paragraph 23 (a) – Information on sustainability-related expertise that the bodies, as a whole, either directly possess or can leverage	Business report, section A.5.3.3 “Supervisory board committees”
GOV-1 paragraph 23 (b) – Disclosure of how sustainability-related skills and expertise relate to material impacts, risks and opportunities	Business report, section A.5.4 “Fit and proper assessment of the members of the management and supervisory boards and of key function holders and other relevant personnel”
SBM-1 paragraph 40 (a) i – Description of the important groups of products and/or services offered by the undertaking	Business report, section A.2.5 “Profile of the Sava Insurance Group”
SBM-1 paragraph 40 (a) ii – Description of the markets and/or customer groups served by the undertaking	Business report, section A.2.5 “Profile of the Sava Insurance Group”
SBM-1 paragraph 42 – Description of business model	Business report, section A.2.5 “Profile of the Sava Insurance Group”
SBM-1 paragraph 40 (g) – Disclosure of elements of the strategy that relate to or impact sustainability matters	Business report, section A.6.2 “Strategic priorities of the Sava Insurance Group”
SBM-3 paragraph 48 (a) – Description of material impacts, risks and opportunities resulting from the materiality assessment	Financial statements with notes, sections C.3.6.4.3 “Credit risk” and C.3.6.3.1 “Non-life underwriting risks – Catastrophe risk”
E1.SBM-3 paragraph 18 – Type of climate-related risk	Financial statements with notes, sections C.3.6.4.3 “Credit risk” and C.3.6.3.1 “Non-life underwriting risks – Catastrophe risk”
E1.IRO-1 paragraph 20 (b) (AR 11) – Description of material impacts, risks and opportunities resulting from the materiality assessment	Financial statements with notes, section C.3.6.6.1 “Emerging risks”
G1-1 paragraph 10 (g) – Information on the policy for training within the organisation on business conduct	Business report, section A.5.3.3 “Supervisory board committees”



GOV-1 – The role of the administrative, management and supervisory bodies⁴⁸

The disclosures in section [A.5 “Corporate governance statement”](#) enable us to provide information on the composition and diversity of our administrative, management and supervisory bodies. We describe the roles and responsibilities of these bodies in overseeing the process of managing material impacts, risks and opportunities, including the role of management in these processes. We describe the expertise and skills within these bodies related to sustainability matters or access to such expertise and skills.

In section [A.5 “Corporate governance statement”](#), we disclose information about the roles and responsibilities of the administrative, management and supervisory bodies.

GOV-2 – Information provided to and sustainability matters addressed by the undertaking’s administrative, management and supervisory bodies⁴⁹

In section [A.5 “Corporate governance statement”](#), we partially disclose how the administrative, management and supervisory bodies are informed of sustainability matters and how these matters have been addressed during the reporting period. We further elaborate on this in the following sections.

Key function holders and business line managers regularly inform the management board about all material business information affecting the company’s operations and strategic goals. Management board sessions are held on a regular basis, usually weekly. The management board is also briefed on sustainability topics through regular monthly sustainability executive meetings.

At the Group level, we monitor changes in the external environment on a regular basis, usually quarterly, and identify new or increased risks, including those related to sustainability, which may have an impact on operations.

The management board of Sava Re d.d. (the Company or Sava Re) oversees the implementation of the Group’s policy and strategy and the achievement of strategic and operational goals, establishes a system to ensure compliance with sustainability legislation and reports on this to the supervisory board.

At their executive meetings, the administrative bodies have regularly discussed key aspects of sustainability development and business operations, such as information on the material environmental and social impacts and impacts on the Group’s operations, risk management, and the identification of opportunities arising from sustainable business practices. We disclose these topics in more detail in section [ESRS 2 IRO-1](#). In 2024, they closely monitored preparations for sustainability reporting under the new CSRD Directive (Directive (EU) 2022/2464) and ESRS standards.

Ongoing dialogue between the management board and the management and supervisory bodies ensures that impacts, risks and opportunities are comprehensively identified, analysed and addressed in line with the Group’s long-term sustainability goals.

We present the report of the supervisory board in section [A.4 “Report of the supervisory board”](#).

GOV-3 – Integration of sustainability-related performance in incentive schemes⁵⁰

The variable part of the individual-performance-based pay of the members of the management bodies is linked to the achievement of the Group’s long-term strategic goals, which include long-term sustainability goals, key business development goals and risk management goals.

**Responsible
Group governance
is the foundation
of sustainable
business**

⁴⁸ ESRS 2 GOV-1 paragraphs 21 to 23.

⁴⁹ ESRS 2 GOV-2 paragraphs 26 (a), 26 (b), 26 (c) and 26 (c) ii.

⁵⁰ ESRS 2 GOV-3 paragraphs 29, 29 (a) and 29 (b).



GOV-4 – Statement on due diligence⁵¹

In the following table, we disclose the mapping of information on due diligence processes as disclosed in our sustainability report. This is intended to facilitate an understanding of the Group’s due diligence process in relation to sustainability matters.

Core elements of due diligence	Paragraphs in the sustainability report
(a) Embedding due diligence in governance, strategy and business model	ESRS 2 GOV-1 paragraphs 21 to 23 ESRS 2 GOV-2 paragraphs 26 (a) to 26 (c)
(b) Engaging with affected stakeholders in all key steps of the due diligence	ESRS 2 SBM-1 paragraphs 45 to 45 (d) ESRS S1-2 paragraphs 27 to 27 (e) ESRS S3-2 paragraphs 21 to 21 (d) ESRS S3-3 paragraphs 27 (a) to 27 (d) ESRS S4-2 paragraphs 20 to 20 (d) ESRS S4-3 paragraphs 25 (a) to 25 (d) ESRS G1-1 paragraph 10 (c)
(c) Identifying and assessing adverse impacts	ESRS 2 IRO-1 paragraphs 53 (a) to 53 (h) ESRS E1-5 paragraphs 37 to 39 ESRS E1-6 paragraphs 44 to 52 (b) ESRS S1-14 paragraphs 88 (a) to 88 (c) ESRS S4-5 paragraphs 41 to 41 (c) ESRS G1 – Protection of personal data
(d) Taking actions to address those adverse impacts	ESRS E1-3 paragraphs 29 (a) and 29 (b) ESRS E1-4 paragraphs 34 (a) and 34 (b) ESRS S1-5 paragraphs 47 (a) to 47 (c) ESRS S4-3 paragraphs 25 (a) to 25 (d) ESRS G1 – Protection of personal data
(e) Tracking the effectiveness of these efforts and communicating	ESRS 2 SBM-1 paragraphs 45 to 45 (d) ESRS E1-5 paragraphs 37 to 39 ESRS E1-6 paragraphs 44 to 52 (b) ESRS S1-2 paragraphs 27 to 27 (e) ESRS S4-4 paragraphs 31 (d) and 32 (c) ESRS G1 – Protection of personal data

GOV-5 – Risk management and internal controls over sustainability reporting⁵²

We have defined the risk management system and internal controls related to the sustainability reporting process in the Group’s rules on risk management and internal controls for sustainability reporting.

As part of the sustainability reporting process, we systematically carry out a risk assessment. We also perform regular internal controls. The findings of internal controls and risk assessments are regularly reported to the management and supervisory bodies, which use this information to make strategic decisions and set priorities for process improvements.

We are committed to continuously improving our sustainability reporting processes. This includes the gradual digitalisation of reporting processes, the enhancement of existing systems for data collection and analysis, and the regular updating of internal regulations to ensure compliance with the latest standards and legal requirements.



⁵¹ ESRS 2 GOV-4 paragraphs 30, 32 and AR 48
⁵² ESRS 2 GOV-5 paragraphs 36 (a), 36 (b), 36 (c), 36 (d) and 36 (e).



SBM-1 – Strategy, business model and value chain⁵³

We are building a customer-centric, flexible and sustainability-oriented insurance group. The Sava Insurance Group operates in life, non-life, health and pension insurance, asset management and other complementary activities. We are becoming a comprehensive provider for our customers at all stages of their lives. We disclose more details about our services in section [A.2.5 “Profile of the Sava Insurance Group”](#).

We disclose more information on the customers we serve in section [ESRS S4](#).

The number and characteristics of employees is disclosed in section [ESRS S1-6](#).

The Group’s total revenue for 2024 was EUR 832.6 million.

More information on our operations and revenue structure is provided in the business report part.

Sustainability-related goals⁵⁴

Across all key product and service groups, customer categories, geographic areas of operation and stakeholder relationships, we continuously strive to implement the core principles of sustainable development outlined in our Group’s sustainable business policy. We build

long-term corporate social responsibility through continuous dialogue with our stakeholders, supporting global sustainability goals, with a particular focus on climate action, and the good health and well-being of our customers, employees and the wider community.

In pursuing key sustainable development policies, we are guided by:

- the United Nations Sustainable Development Goals (SDGs) and the 2030 Agenda, respectively, with a particular focus on the following goals in our decision-making:
 - goal 3: Good health and well-being – by promoting a healthy lifestyle and well-being for all at all ages. With a special focus on the needs and interests of customers, in particular through the provision of appropriate insurance and financial products, and healthcare and other services, as well as on those of employees and the wider community;
 - goal 13: Climate action – by taking action to combat climate change and its impacts;
- the Paris Agreement and the European Green Deal;
- the international commitments, such as:
 - the United Nations Global Compact (UNGC), which sets out ten principles for responsible corporate governance, covering human rights, labour standards, climate

- change and anti-corruption;
- the United Nations Principles for Responsible Investment (UN PRI), which sets out six principles to guide investors in making responsible investment decisions.

The Sava Insurance Group’s strategic goals, which cover all relevant product and service groups, customer segments, geographical areas and stakeholder relationships, include:

1. following the EU initiative to reduce greenhouse gas emissions by 55% by 2030, thereby reducing carbon intensity,
2. responsible (re)insurance underwriting,
3. pursuing sustainability across the value chain and processes,
4. improving customer satisfaction,
5. ensuring satisfied and committed employees and fostering a strong sustainability culture.

Detailed goals are presented under individual sections ([E1](#), [S1](#), [S3](#), [S4](#) and [G1](#)).

The Sava Insurance Group’s strategic goals focus on integrating sustainability factors into all aspects of our business operations across all markets where we are present. The Group companies already offer innovative and sustainability-oriented products and solutions, thereby increasing their attractiveness to customers, investors and other stakeholders.

The link between our strategic goals and our products and services is evident at multiple levels:

- Reducing the carbon footprint (per employee, per revenue and from investments) across all Group companies, combined with:
 - developing sustainability-focused insurance and reinsurance products,
 - improving business processes and digitalisation, which also makes products and services more accessible to costumers.
- Increasing the share of investments aligned with the EU Taxonomy and the Group’s sustainability investment policy by:
 - developing sustainable investments and financial products that promote environmental and social activities (Article 8 of the SFDR Regulation),
 - limiting investments in industries that the Group does not wish to support, as set out in our exclusion list.
- Monitoring the share of premiums from products that comply with the EU Taxonomy by:
 - developing insurance and reinsurance products for sectors with low environmental impact,
 - developing insurance and reinsurance products that mitigate climate-related and other sustainability risks across all the Group’s insurance companies.

53 ESRS 2 SBM-1 paragraphs 40 (a) i, 40 (a) ii and 40 (b).
 54 ESRS 2 SBM-1 paragraphs 40(e), 40 (f) and 40 (g).



- Health, well-being and corporate culture initiatives, including:
 - expanding the range of health insurance products with additional benefits,
 - implementing prevention and health promotion activities.

Our 2023–2027 strategy addresses key challenges related to or impacting sustainability. These are outlined in section [A.6 “Mission, vision, strategic focus and goals”](#) and in sections on topical standards. Our key focus areas are: customer at the centre ([ESRS S4](#)), business process optimisation ([ESRS G1](#)), sustainability (stakeholder relations, [ESRS 2](#)), IT modernisation ([ESRS G1](#)), employee satisfaction and motivation ([ESRS S1](#)), and growth through acquisitions (linked to long-term stability and profitability, which we disclose in section [ESRS G1](#)). Sustainable operations are a key strategic priority for the Sava Insurance Group.

Related business sectors⁵⁵

The operations of the Sava Insurance Group are closely linked to the following sectors:

- ESRS – insurance business: reinsurance and insurance, including both life and non-life insurance products, constitute the Group’s core business,

- ESRS – capital markets: mutual funds and pensions from an investment and asset management perspective,
- ESRS – other services: mainly assistance services offered either independently or as part of a broader range of insurance products and services.

Business model and value chain⁵⁶

The business model of the Sava Insurance Group is based on providing a comprehensive range of insurance services, including non-life and life insurance, pension products, reinsurance, asset management and assistance services. The Group focuses on risk optimisation and investment management to ensure stability for its customers and investors. For more details, see section [A.2.5 “Profile of the Sava Insurance Group”](#).

The value chain of the Sava Insurance Group encompasses key external stakeholders who contribute to its operations. These include suppliers, distribution partners, (re)insureds, investment partners and end-users of the Group’s products and services. The Group collaborates with various business entities to provide a wide range of services, such as insurance and reinsurance, investment and pension products, and assistance services, thereby creating long-term value for customers.

We have developed an overview of the Group’s operations, business relationships and the framework in which these relationships take place, and an understanding of the Group’s key affected stakeholders.

Activities and business relationships are considered from the perspective of:

- analysis of the company’s business plan, strategy, financial statements and, where appropriate, other information provided to investors;
- the company’s operations, products/services and the geographical location of these operations;
- allocation of the company’s business relationships and value chain in the upstream and downstream supply chain, including the nature and type of business relationships.

We base our input data and approach for collecting, developing and maintaining this input data on the appropriate legal and regulatory framework in which the Group operates; Insurance Europe, the European insurance and reinsurance federation, which also provides professional support in the area of sustainability; analyses of peer companies; existing sector-specific benchmarks and other publications on general megatrends; and academic articles in the

area of sustainability. By engaging in international voluntary commitments (PCAF, PRI), we also participate in the development of methodologies for sustainability reporting and promote transparency and disclosures of sustainable practices.

Outputs and outcomes for stakeholders⁵⁷

The Group paid out EUR 448.6 million in claims in 2024. Sava Re’s share rose by 42.9% in the period from 1 January 2024 to 31 December 2024, and we paid out a gross dividend of EUR 1.75 per share.

Employee and consumer indicators are presented in more detail in sections [ESRS S1](#) and [ESRS S4](#).

55 ESRS 2 SBM-1 paragraph 41.
 56 ESRS 2 SBM-1 paragraphs 42 and 42 (a).
 57 ESRS 2 SBM-1 paragraph 42 (b).

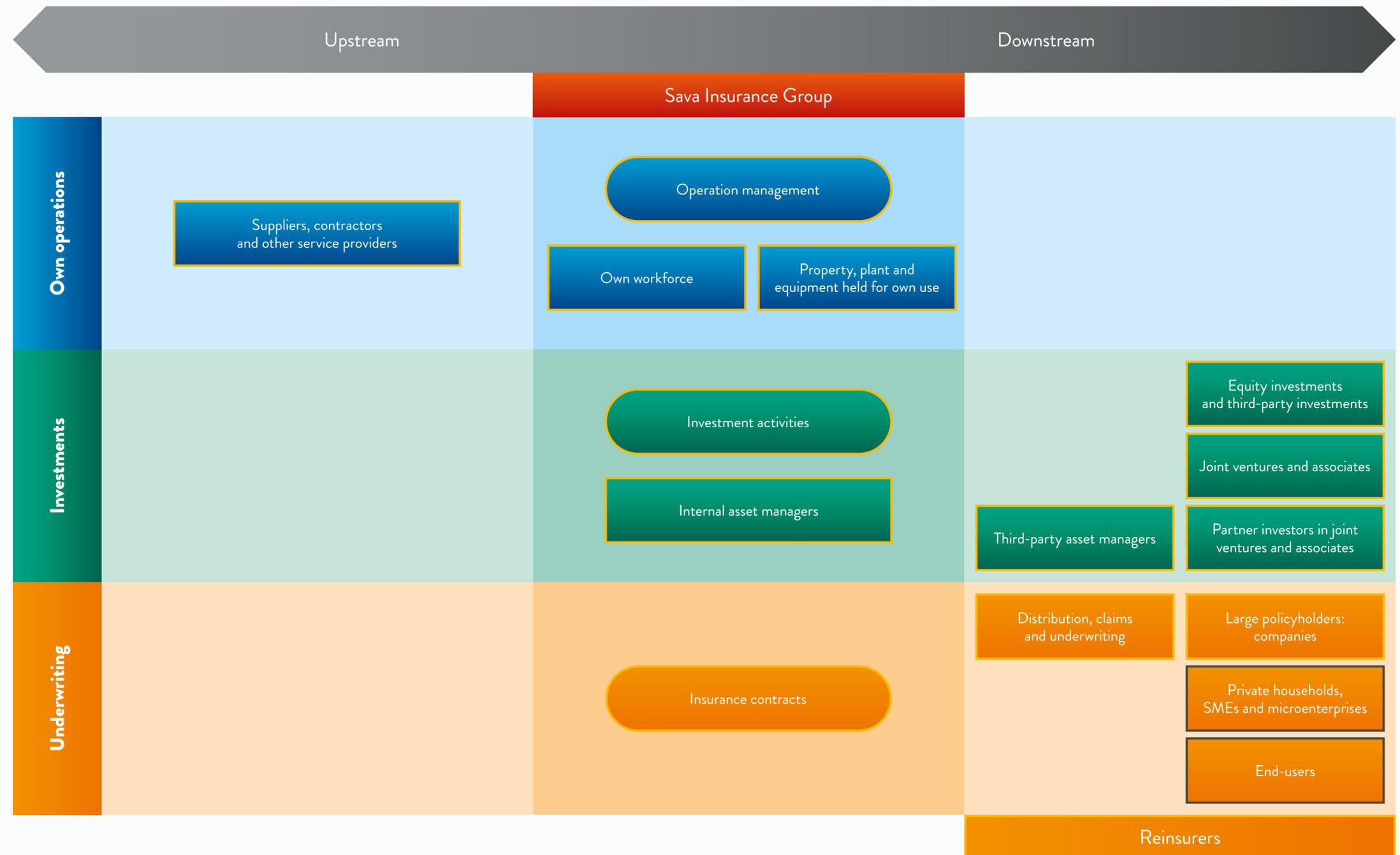


Description of the value chain⁵⁸

The upstream value chain includes our supply chain. We work with many suppliers and partners, including major reinsurance service providers, technology service providers and professional advisers. Our relationships with suppliers and service providers provide our Group companies with the resources and services they need to ensure smooth operations.

As one of the leading insurance groups in the region, we are a key link in the value chain between suppliers and customers. Our primary role is to develop insurance, financial and investment products and assistance services tailored to the needs of individual markets and customer segments. Through appropriate risk management, we ensure efficient operations and create stability for our customers and the economy as a whole.

The downstream value chain comprises our consumers and end-users, as well as other stakeholders who directly or indirectly influence the success and sustainability of our operations. Our Group companies offer a wide range of products and services, giving us a diverse customer base with which to work.





SBM-2 – Interests and views of stakeholders⁵⁹

Stakeholder engagement is an integral part of the Group’s business processes and encompasses a wide range of activities and methods, as detailed in the “Interests and views of stakeholders” table. This table also shows how we understand the interests and views of our key stakeholders in relation to our strategy and business model.

Based on the positions and interests of internal and external stakeholders, we adapt the Group’s business strategy and business model accordingly. To ensure the competitiveness of the business, we continuously adapt to the prevailing conditions in the specific markets where we are present. The changes primarily relate to the digital transformation of processes and products, sustainability aspects of business operations and the development of new products and services (for more details, see section [ESRS S4](#)). We follow the evolution of national and international industry guidelines and standards.

Interests and views of stakeholders

Stakeholder groups	Purpose of stakeholder management	Engagement methods and approaches	Analysis of views	Consideration of stakeholder interests and views	Communicating stakeholder interests to the management and supervisory bodies	Monitoring the effectiveness of efforts and communication (feedback)
Employees	coordinating views, enhancing organisational culture and relationships, reducing turnover, improving health and well-being	annual career development meetings, internal events (conferences, professional training), communication via intranet and email, participation in governance (works council), personal contact, satisfaction and engagement measurement, works council, double materiality analysis	measuring satisfaction and engagement, thinking outside of the box, personal relationships, annual performance appraisal interviews	tailoring training programmes to career plans, adapting working conditions to interests and views, employee benefits (health day, volunteer day, etc.)	briefings at management board sessions, briefings at executive meetings, meetings with employee representatives	improving employee satisfaction indicators
Suppliers	identifying modern and sustainable solutions (services and products), low-carbon products and services, long-term cooperation	calls for applications, invitations to collaborate, questionnaires, meetings, presentations, appropriate remuneration policy, double materiality analysis	sustainability questionnaires, use of external data sources	coordinating business relationships	briefings at management board sessions, briefings at executive meetings	long-term partnerships, business contacts
External sales network	contacting customers, identifying real market needs, exploring new sales channels	personal consultations, regular contacts, conferences, training, double materiality analysis	personal contacts, business meetings, sales trend analysis	harmonising working conditions and tailoring the offer to actual market needs based on market conditions	briefings at management board sessions, briefings at executive meetings	monitoring sales trends, business meetings
Reinsurers	contacting major customers – business-to-business (B2B), identifying market needs	business contacts, international conferences, double materiality analysis	business contacts, trend monitoring	aligning the terms and conditions of business cooperation with market conditions	briefings at management board sessions, briefings at executive meetings	reinsurance portfolio value trends
Consumers/end-users	identifying actual market needs, offering modern sales channels, providing quality products and services, operating in a sustainable way	personal consultations, regular contacts, websites and other digital channels, contact centres, compliments and complaints, satisfaction measurement (surveys), double materiality analysis	satisfaction assessments, register of commendations and complaints	aligning the offering with real market needs based on market conditions	briefings at management board sessions, briefings at executive meetings	customer feedback via sales network or satisfaction measurement, sales trends

59 ESRS 2 SBM-1 paragraphs 45, 45 (a), 45 (a) i, 45 (a) ii, 45 (a) iii, 45 (a) iv, 45 (a) v, 45 (b), 45 (c), 45 (c) i, 45 (c) ii, 45 (c) iii and 45 (d).



Stakeholder groups	Purpose of stakeholder management	Engagement methods and approaches	Analysis of views	Consideration of stakeholder interests and views	Communicating stakeholder interests to the management and supervisory bodies	Monitoring the effectiveness of efforts and communication (feedback)
Owners	conducting business in a responsible and sustainable manner, clearly defining the dividend policy and returns, providing adequate information	regular public announcements (SEOnet), website publications, annual shareholder letter, domestic and international investment conferences, in-depth information on business operations, annual plan and strategic priorities, double materiality analysis	individual meetings, general meetings of shareholders, investment conferences	adapting business operations to market conditions	briefings at the general meeting of shareholders	share price performance
Supervisory bodies	ensuring business transparency and compliance, conducting business in a responsible and sustainable manner, clearly defining the dividend policy and returns, providing adequate information	regular and extraordinary supervisory board and committee sessions	supervisory board sessions, individual meetings	considering and reviewing key topics	briefings at regular and extraordinary supervisory board and committee sessions	long-term performance
Regulators	ensuring business transparency and compliance, conducting business in a responsible and sustainable manner	regular and ad hoc reporting, monitoring of regulatory recommendations	meetings, written communication via email	consistent tracking of changes in legislation, regulatory measures and recommendations	briefings at management board sessions, briefings at executive meetings	regulatory feedback during regular and extraordinary audits
Credit rating agencies	improving or maintaining an appropriate credit rating	annual review		ensuring proper business practices	active cooperation with credit rating agencies, briefings at management board sessions	credit rating
Wider community	addressing open issues, ensuring cooperation, improving safety, supporting the community, specific interests and vulnerable groups	donations, sponsorships, volunteering, preventive activities	analysis of initiatives and open issues	providing support in the form of financial resources, volunteer activities, or other forms of assistance/support	briefings at management board sessions, briefings at executive meetings	corporate/brand reputation monitoring, media monitoring, feedback from (local) communities
Media	informing the general public, strengthening a factual and positive image of the company and the Group, maintaining regular and positive relations	press releases, press conferences, email or other communication channels	media inquiries and initiatives, media briefings on key events	responding appropriately to potential media enquiries and initiatives	active engagement, regular updates on media coverage	monitoring (analysis) of media coverage, regular contacts

We are adapting our strategy by incorporating additional sustainability goals, improving data quality (which enhances the transparency and disclosure of our reporting), driving the digitalisation of processes, and continuously developing products that meet current market and stakeholder needs.

We expect the planned measures and activities to further strengthen relationships with our stakeholders and increase their trust in the Group. Our focus is on improving relationships with our employees, customers and end-users, suppliers, business partners, the wider community and other external stakeholders.

Information on how administrative, management and supervisory bodies are informed of the views and interests of affected stakeholders, particularly with regard to the company's impact on sustainability, is presented in the above table outlining the interests and views of stakeholders.



SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model⁶⁰

Our Group’s operations have the most material impacts on the social environment. For our own workforce, we have identified impacts related to working conditions, equal treatment and opportunities for all, and other work-related rights. We disclose these impacts in section [ESRS S1](#).

For affected communities, we have identified material impacts related to safety and the positive impact of our sponsorships and donations. We disclose these impacts in section [ESRS S3](#).

For consumers and end-users, we have identified impacts related to information, personal safety and social inclusion. We disclose these impacts in section [ESRS S4](#).

We have not identified any material risks and opportunities related to the above impacts that would have a material financial impact on our operations.

In terms of governance, we have identified the following as material impacts: long-term stability and profitability (disclosed in the business report part), corporate culture, innovative products and digital transformation, anti-corruption and anti-bribery matters, supplier relationship management and whistleblower protection. These are disclosed in section [ESRS G1](#), where we also report on risks that we assessed to be financially material (including protection of personal data, operation and robustness of IT systems, and statutory stakeholder notification).

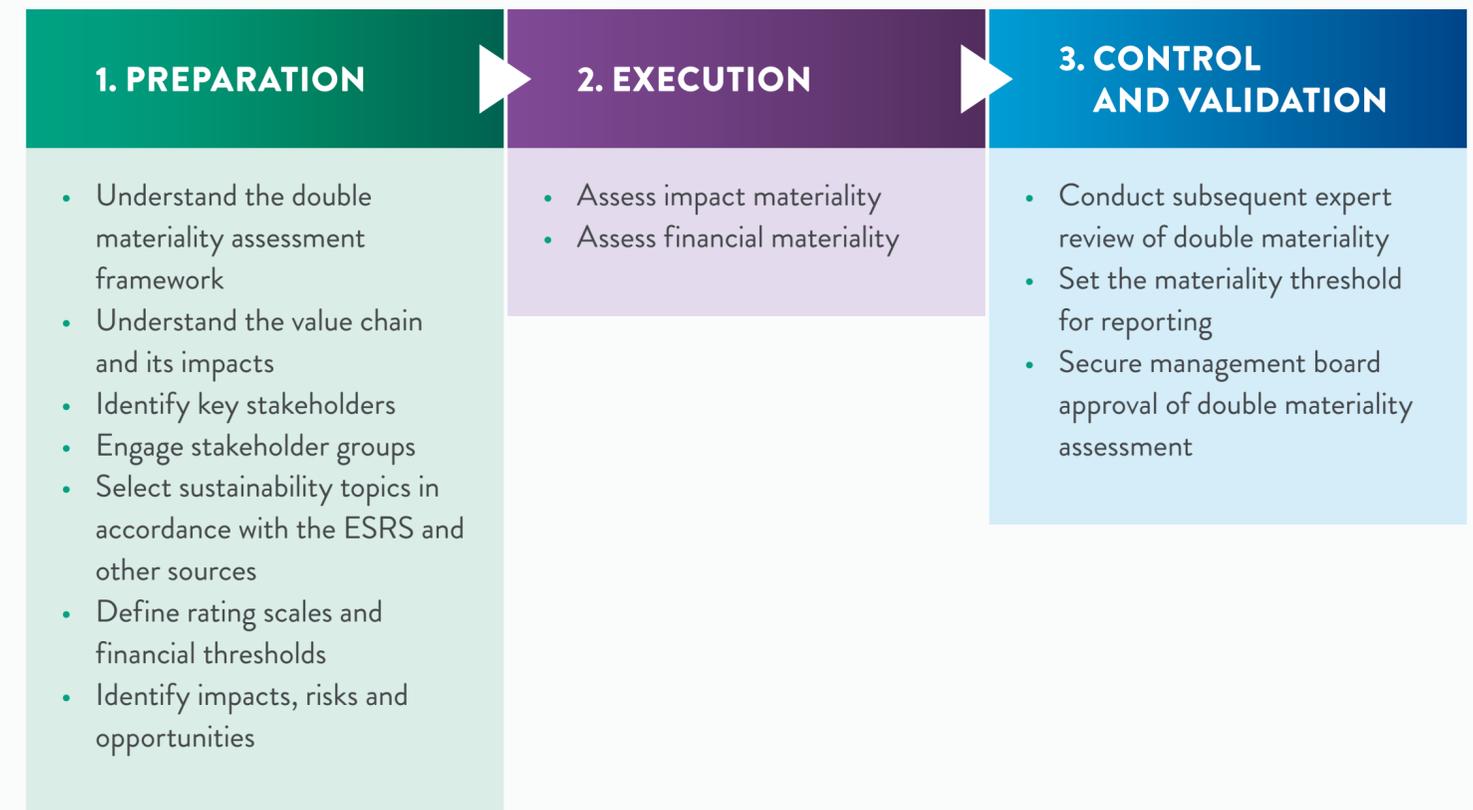
Our operations also have an impact on the environment, particularly in relation to climate change mitigation and renewable energy. Adapting to and mitigating climate change presents both risks and opportunities with a material financial impact on our operations. These are disclosed in section [ESRS E1](#).

In these sections, we disclose the current and expected implications of our material impacts, risks and opportunities on our business model, value chain, strategy and financial position. We have explained how the Group’s material impacts, whether negative or positive, affect people or the environment. We have also described the key actions taken to manage specific material impacts or risks, or to take advantage of specific material opportunities.

IRO-1 – Description of the process to identify and assess material impacts, risks and opportunities⁶¹

We have developed a double materiality assessment methodology within the Group based on the ESRS standards. The methodology includes the identification of material sustainability matters based on the analysis of impacts on people and the environment and the assessment of risks and opportunities as well as financial materiality. The methodology consists of multiple steps, as shown in the diagram.

In identifying impacts, risks and opportunities, we relied on our understanding of our business – both in terms of our business model and our value chain. We identified key stakeholders across the entire value chain, both upstream and downstream, and within our own operations, covering all markets where we are present. We ranked these stakeholders by relevance and developed an engagement plan to include them in the double materiality assessment.



⁶⁰ ESRS 2 SBM-3 paragraph 48.
⁶¹ ESRS 2 IRO-1 paragraph 53 (a).



Impacts⁶²

We have used the list of subtopics defined in the ESRS standards to identify, assess, prioritise and monitor the actual and potential impacts of the Group. We have analysed our own strategic and other corporate documents, which include due diligence processes, and reviewed the relevant legal and regulatory framework in which we operate, analytical and strategic sustainability-related documents from Insurance Europe, the European insurance and reinsurance federation, the SASB sectoral standards, existing sector-specific benchmarks and other publications on general megatrends, as well as academic articles on sustainability in our value chain. We also analysed the sustainability reports of major peer companies. Based on this, we further defined a broader list of potentially material, specific subtopics.

We used a two-tier approach to the impact assessment – identifying expert assessors along the Group’s business lines and consulting with key stakeholders who are materially impacted by our business and/or who themselves have a material impact on us.

Each significant stakeholder group was fully represented, or it was included by a representative sample in the assessment. Details are given in the “Interests and views of stakeholders” table. During the assessment process, we did not identify any significant differences arising from the nature of operations, geographical areas or other factors that could increase the risk of adverse impacts.

The assessment of the Group’s material impacts on people and the environment is based on the impacts that are expected to result from our business operations, the achievement of goals and results stemming from the Group companies’ operations and the impacts across the value chain. The impact assessment scale considers the identified impacts on people and the environment in terms of three time horizons (short, medium and long term) and the business relationships involved (own operations and value chain), namely negative and/or positive and actual and/or potential impacts.

Risks and opportunities⁶³

To identify, assess and prioritise risks and opportunities, we used a list of identified impacts

based on which external environmental factors could present either a risk and/or an opportunity to our Group. In doing so, we considered the relationships between impacts, dependencies, risks and opportunities arising from these. We analysed the Sava Insurance Group’s risk register, in which we have already identified environmental, social and governance risks with financial implications. In addition, we used the list of subtopics that are part of the ESRS standards and other documents that we have previously referred to in the impact assessment process.

Based on this, we have defined a broader list of potential risks and opportunities. A sustainability matter is financially material to the Group if it has, or is reasonably expected to have, a material financial impact.

The financial materiality of a sustainability matter is not limited to issues within the Group’s control. It also includes information on material risks and opportunities related to business relationships that extend beyond the scope of consolidation used in the preparation of the financial statements.

Opportunity assessment is based on operational analysis, cost-benefit assessment and alignment with our sustainability strategy. We integrate the identified opportunities into strategic business plans with the aim of creating greater added value for stakeholders, expanding our operations, improving business performance and increasing business resilience.

In the process of identifying, assessing and managing material impacts, risks and opportunities, we have used various input parameters, including analyses, ratings and rankings from our governance systems, stakeholder insights and assessments, and external expert analyses and assessments within our industry and value chain.

62 ESRS 2 IRO-1 paragraph 53 (b).

63 ESRS 2 IRO-1 paragraphs 53 (c), 53 (d), 53 (e), 53 (f) and 53 (g).



► Double materiality assessment

Subtopic	Impact, risk, opportunity	Actual, potential
Environment E1 Climate change		
Climate change adaptation ⌆ ↓	impact +	actual and potential
Climate change adaptation ⌆ ↓	risk and opportunity + -	potential
Climate change mitigation ⌆ ↓	impact + -	actual and potential actual
Society S1 Own workforce		
Secure employment ⌆	impact +	actual
Working time ⌆	impact +	actual
Adequate wages ⌆	impact +	actual
Social dialogue ⌆	impact +	actual
Freedom of association, the existence of works councils and the information, consultation and participation rights of workers ⌆	impact +	actual
Collective bargaining, including rate of workers covered by collective agreements ⌆	impact +	actual

Subtopic	Impact, risk, opportunity	Actual, potential
Work-life balance ⌆	impact +	actual
Health and safety ⌆	impact + -	actual actual and potential
Gender equality and equal pay for work of equal value ⌆	impact +	actual and potential
Training and skills development ⌆	impact +	actual
Measures against violence and harassment in the workplace ⌆	impact -	actual and potential
Diversity ⌆	impact +	actual
Privacy ⌆	impact + -	actual actual and potential
S3 Affected communities		
Security-related impacts ⌆ ↓	impact +	actual and potential
Security of affected communities (specific) ⌆ ↓	impact +	actual and potential
Donations and sponsorships ⌆ ↓	impact +	actual

Legend:
 + Positive impact, opportunity
 - Negative impact, risk
 ⌆ Own operations
 ↓ Downstream value chain
 ↑ Upstream value chain



Subtopic	Impact, risk, opportunity	Actual, potential
S4 Consumers and end-users		
Privacy 🏠 ↓	impact + -	actual actual and potential
Freedom of expression 🏠 ↓	impact +	actual
Access to (quality) information 🏠 ↓	impact +	actual
Health and safety 🏠 ↓	impact +	actual
Access to products and services 🏠 ↓	impact +	actual
Responsible marketing practices 🏠 ↓	impact +	actual

Legend:

- + Positive impact, opportunity
- Negative impact, risk
- 🏠 Own operations
- ↓ Downstream value chain
- ↑ Upstream value chain

Subtopic	Impact, risk, opportunity	Actual, potential
Governance G1		
Corporate culture 🏠 ↑ ↓	impact +	actual
Protection of whistleblowers 🏠 ↑ ↓	impact +	actual
Management of relationships with suppliers, including payment practices 🏠 ↑	impact +	actual
Corruption and bribery: prevention and detection including training 🏠 ↑ ↓	impact +	actual and potential
Long-term stability and profitability (specific) 🏠 ↑ ↓	impact +	actual and potential
Innovative products and digital transformation (specific) 🏠 ↑ ↓	impact + -	actual actual and potential
Personal data protection 🏠 ↑ ↓	risk and opportunity + -	actual and potential
Operation and robustness of IT systems 🏠 ↑ ↓	risk and opportunity + -	actual and potential
Statutory stakeholder notification 🏠 ↑ ↓	risk and opportunity + -	actual and potential

IRO-2 – Disclosure Requirements in ESRS covered by the sustainability report⁶⁴

A list of disclosure requirements that have been met in preparing the sustainability report, based on the materiality assessment results, including the sections of the sustainability report where the related disclosures can be found, is presented in [appendix A – ESRS index](#).

The disclosures required by Regulation (EU) 2020/852 and related delegated acts are presented in section [3 “Environmental Information”](#).

The material information required to be disclosed concerning material impacts, risks and opportunities has been determined based on the requirements of ESRS 2 – General Disclosures and the ESRS topical standards. We have provided additional disclosures specific to our Group if a material sustainability matter is either not covered by the ESRS standards or not sufficiently detailed within them. The information disclosed is included where, in our double materiality assessment, we have determined that it is material from one or more of the following perspectives: whether the information is significant in relation to the matter it is intended to present or clarify, or whether the information can meet the decision-making needs of users, including primary users of general-purpose financial reporting and/or users primarily interested in impact-related information about our Group.



3 Environmental information

Disclosures pursuant to Article 8 of Regulation (EU) 2020/852 (Taxonomy Regulation)

In 2020, Regulation (EU) 2020/852 was adopted as the regulatory framework for promoting sustainable investments (EU Taxonomy). The regulation aims to promote transparency of sustainability disclosures for financial market participants and the rest of the business community. The EU Taxonomy is a classification system that helps companies and investors identify “environmentally sustainable” economic activities and make sustainable investment decisions. Environmentally sustainable activities are those that make a significant contribution to at least one of the EU’s six environmental goals, without significantly harming the other five, are carried out in compliance with minimum safeguards and meet technical screening criteria. An economic activity that meets the above requirements is considered to be Taxonomy-aligned.

The EU’s environmental goals are:

- climate change mitigation,
- climate change adaptation,
- the sustainable use and protection of water and marine resources,
- the transition to a circular economy,
- pollution prevention and control,
- the protection and restoration of biodiversity and ecosystems.

KPIs of insurance and reinsurance undertakings, as defined in annexes X and XII to the Delegated Regulation (EU) 2021/2178 – EU Taxonomy, are disclosed below.





Disclosures – non-life insurance and reinsurance

► Annex X – Template: The underwriting KPI for non-life insurance and reinsurance undertakings

Economic activities	Substantial contribution to climate change adaptation			DNSH (Do No Significant Harm)					
	Absolute premiums, year t	Proportion of premiums, year t	Proportion of premiums, year t – 1	Climate change mitigation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Minimum safeguards
	Currency	%	%	yes/no	yes/no	yes/no	yes/no	yes/no	yes/no
A.1 Non-life insurance and reinsurance underwriting Taxonomy-aligned activities (environmentally sustainable)	38,956,756	4.91%	69.54%	yes	yes	yes	yes	yes	yes
A.1.1 Of which reinsured	13,088,490	1.65%	3.98%	yes	yes	yes	yes	yes	yes
A.1.2 Of which stemming from reinsurance activity	0	0.00%	9.07%	yes	yes	yes	yes	yes	yes
A.1.2.1 Of which reinsured (retrocession)	0	0.00%	1.67%	yes	yes	yes	yes	yes	yes
A.2 Non-life insurance and reinsurance underwriting Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)	479,935,991	60.55%	0.60%						
B. Non-life insurance and reinsurance underwriting Taxonomy-non-eligible activities	273,764,558	34.54%	29.86%						
Total (A.1 + A.2 + B)	792,657,305	100.00%	100.00%						

Values for 2023 (t – 1) are not audited. The indicator is calculated on the basis of gross written premiums.



► Taxonomy-aligned non-life insurance activities*

EUR	Gross premiums written	
	2024	Share
Medical expense insurance	0	0.00%
Income protection insurance	0	0.00%
Workers' compensation insurance	0	0.00%
Motor vehicle liability insurance	0	0.00%
Other motor vehicle insurance	0	0.00%
Marine, aviation and transport insurance	0	0.00%
Fire and other damage to property insurance	38,040,401	4.80%
Assistance	916,354	0.12%
Total (1-8)	38,956,756	4.92%
Other non-life	753,700,550	95.08%
Total non-life	792,657,305	100.00%
Life insurance	206,661,737	
Total	999,319,043	

* The baselines for compliance with the technical screening criteria set out in Commission Delegated Regulation (EU) 2021/2139 of 4 June 2021 and the methodology for calculating compliance have been updated for 2024 in line with the positions on the conditions for compliance with (all) the technical screening criteria set out in chapter 10 of that Regulation.



Disclosures – investments

► Annex X – Template: The proportion of the insurance or reinsurance undertaking’s investments that are directed at funding, or are associated with, Taxonomy-aligned activities in relation to total investments

The proportion of the insurance or reinsurance undertaking’s investments that are directed at funding, or are associated with, Taxonomy-aligned activities in relation to total investments		
1.	The weighted average value of all the investments of insurance or reinsurance undertakings that are directed at funding, or are associated with Taxonomy-aligned economic activities relative to the value of total assets covered by the KPI , with following weights for investments in undertakings per below: Turnover-based: 2.63% Capital expenditures-based: 4.51%	The weighted average value of all the investments of insurance or reinsurance undertakings that are directed at funding, or are associated with Taxonomy-aligned economic activities, with following weights for investments in undertakings per below: Turnover-based: EUR 39,738,092.04 Capital expenditures-based: EUR 68,070,754.42
2.	The percentage of assets covered by the KPI relative to total investments of insurance or reinsurance undertakings (total AuM). Excluding investments in sovereign entities. Coverage ratio: 98.33%	The monetary value of assets covered by the KPI. Excluding investments in sovereign entities. Coverage EUR 1,508,802,041.98
Additional, complementary disclosures: breakdown of denominator of the KPI		
3.	The percentage of derivatives relative to total assets covered by the KPI: 0.00%	The value in monetary amounts of derivatives: EUR 213.43
4.	The proportion of exposures to financial and non-financial undertakings not subject to Articles 19a and 29a of Directive 2013/34/EU over total assets covered by the KPI: For non-financial undertakings: 3.00% For financial undertakings: 0.27%	Value of exposures to financial and non-financial undertakings not subject to Articles 19a and 29a of Directive 2013/34/EU : For non-financial undertakings: EUR 45,266,575.97 For financial undertakings: EUR 4,003,690.27
5.	The proportion of exposures to financial and non-financial undertakings from non-EU countries not subject to Articles 19a and 29a of Directive 2013/34/EU over total assets covered by the KPI: For non-financial undertakings: 0.45% For financial undertakings: 0.00%	Value of exposures to financial and non-financial undertakings from non-EU countries not subject to Articles 19a and 29a of Directive 2013/34/EU : For non-financial undertakings: EUR 6,795,814.60 For financial undertakings: EUR 0.00
6.	The proportion of exposures to financial and non-financial undertakings subject to Articles 19a and 29a of Directive 2013/34/EU over total assets covered by the KPI: For non-financial undertakings: 10.84% For financial undertakings: 0.87%	Value of exposures to financial and non-financial undertakings subject to Articles 19a and 29a of Directive 2013/34/EU : For non-financial undertakings: EUR 163,517,511.58 For financial undertakings: EUR 13,118,086.37
7.	The proportion of exposures to other counterparties and assets over total assets covered by the KPI: 84.58%	Value of exposures to other counterparties and assets : EUR 1,276,100,149.76
8.	The proportion of the insurance or reinsurance undertaking’s investments other than investments held in respect of life insurance contracts where the investment risk is borne by the policy holders , that are directed at funding, or are associated with, Taxonomy-aligned economic activities: 53.67%	Value of insurance or reinsurance undertaking’s investments other than investments held in respect of life insurance contracts where the investment risk is borne by the policy holders , that are directed at funding, or are associated with, Taxonomy-aligned economic activities: EUR 809,801,064.94
9.	The value of all the investments that are funding economic activities that are not Taxonomy-eligible relative to the value of total assets covered by the KPI: Turnover-based: 89.10% Capital expenditures-based: 87.81%	Value of all the investments that are funding economic activities that are not Taxonomy-eligible : Turnover-based: EUR 1,344,303,300.51 Capital expenditures-based: EUR 1,324,950,411.30
10.	The value of all the investments that are funding Taxonomy-eligible economic activities, but not Taxonomy-aligned relative to the value of total assets covered by the KPI : Turnover-based: 6.32% Capital expenditures-based: 5.75%	Value of all the investments that are funding Taxonomy-eligible economic activities, but not Taxonomy-aligned : Turnover-based: EUR 95,307,594.82 Capital expenditures-based: EUR 86,743,785.67
Additional, complementary disclosures: breakdown of numerator of the KPI		
11.	The proportion of Taxonomy-aligned exposures to financial and non-financial undertakings subject to Articles 19a and 29a of Directive 2013/34/EU over total assets covered by the KPI: For non-financial undertakings: Turnover-based: 1.96% Capital expenditures-based: 3.48% For financial undertakings: Turnover-based: 0.01% Capital expenditures-based: 0.01%	Value of Taxonomy-aligned exposures to financial and non-financial undertakings subject to Articles 19a and 29a of Directive 2013/34/EU : For non-financial undertakings: Turnover-based: EUR 29,543,672.34 Capital expenditures-based: EUR 52,532,621.27 For financial undertakings: Turnover-based: EUR 119,339.77 Capital expenditures-based: EUR 177,916.86
12.	The proportion of the insurance or reinsurance undertaking’s investments other than investments held in respect of life insurance contracts where the investment risk is borne by the policy holders , that are directed at funding, or are associated with, Taxonomy-aligned economic activities: Turnover-based: 16.83% Capital expenditures-based: 15.51%	Value of insurance or reinsurance undertaking’s investments other than investments held in respect of life insurance contracts where the investment risk is borne by the policy holders , that are directed at funding, or are associated with, Taxonomy-aligned economic activities: Turnover-based: EUR 6,688,515.19 Capital expenditures-based: EUR 10,558,363.15
13.	The proportion of Taxonomy-aligned exposures to other counterparties and assets over total assets covered by the KPI: Turnover-based: 0.67% Capital expenditures-based: 1.02%	Value of Taxonomy-aligned exposures to other counterparties and assets over total assets covered by the KPI: Turnover-based: EUR 10,075,079.92 Capital expenditures-based: EUR 15,360,216.29
Breakdown of the numerator of the KPI per environmental goals		
Taxonomy-aligned activities – provided “do-not-significant-harm” (DNSH) and social safeguards positive assessment		
(1) Climate change mitigation	Turnover: 71.85% Capital expenditures: 74.47%	Transitional activities: 3.89% (Turnover) 3.06% (CapEx) Enabling activities: 46.20% (Turnover) 35.68% (CapEx)
(2) Climate change adaptation	Turnover: 0.74% Capital expenditures: 8.18%	Enabling activities: 0.64% (Turnover) 2.88% (CapEx)
(3) The sustainable use and protection of water and marine resources	Turnover: 0.05% Capital expenditures: 0.09%	Enabling activities: 0.03% (Turnover) 0.08% (CapEx)
(4) The transition to a circular economy	Turnover: 0.75% Capital expenditures: 0.11%	Enabling activities: 0.49% (Turnover) 0.09% (CapEx)
(5) Pollution prevention and control	Turnover: 0.13% Capital expenditures: 0.02%	Enabling activities: 0.00% (Turnover) 0.00% (CapEx)
(6) The protection and restoration of biodiversity and ecosystems	Turnover: 0.00% Capital expenditures: 0.00%	Enabling activities: 0.00% (Turnover) 0.00% (CapEx)



Annex XII – Template 1

Template 1: Nuclear energy and fossil gas related activities		
Row	Nuclear energy related activities	
1.	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	yes
2.	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	yes
3.	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	yes
Fossil gas related activities		
4.	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	yes
5.	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	yes
6.	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	yes

Consolidated key performance indicators

Category	Revenue 2024	Percentage (A)	KPI turnover based (B)	KPI CapEx based (C)	KPI turnover based weighted (A*B)	KPI CapEx based weighted (A*C)
Asset management	24,193,174	2.49%	0.00%	0.00%	0.00%	0.00%
Investments	137,114,030	14.14%	2.63%	4.51%	0.37%	0.64%
Non-life insurance and reinsurance	725,769,172	74.85%	4.92%	4.92%	3.68%	3.68%
Life insurance	74,911,624	7.73%	0.00%	0.00%	0.00%	0.00%
Other	7,699,599	0.79%	0.00%	0.00%	0.00%	0.00%
Total	969,687,599	100.00%			4.05%	4.32%



Annex XI

Qualitative disclosures for insurance and reinsurance undertakings

General description of the approach to sustainable business operations

The Sava Insurance Group strives to integrate sustainability factors into its business strategy, products and investment decisions. Our business activities support the goals of the EU Taxonomy, particularly regarding climate change mitigation. We regularly monitor the exposure of our investment portfolio to environmental risks through an investment exclusion list, as defined in our sustainability investment policy, which identifies industries in which the Group does not wish to invest, thereby pursuing the goal of climate change mitigation and achieving ESG criteria. We have implemented internal processes to assess the impacts of insured risks on climate change and, in line with the Group's sustainable development strategy, we are promoting an increase in the share of ESG investments, which is growing year on year.

In accordance with Article 8 of the Taxonomy

Regulation, companies subject to this Article must disclose the proportion of exposure to EU Taxonomy-aligned economic activities for the financial year 2024, together with other sustainability-related investment information, which the Group follows, as shown in the tables above in accordance with the Delegated Taxonomy Regulations.

The product acceptability analysis has been carried out at the level of all Group insurance companies, while the compliance assessment has so far only been based on our largest portfolio, that of Zavarovalnica Sava. In this regard, we have begun to systematically integrate sustainability principles into the design of our insurance products, and we manage the integration of sustainability factors into insurance products through the assessment of such sustainability factors and the implementation of solutions that follow the technical screening criteria. The first selection of products according to the Taxonomy-aligned assessment consisted of a motor liability insurance product and a home insurance product. The nature of the first of these products follows

the rule of the driver's liability for damage incurred by third parties in an event, so we consider that the technical criterion relating to the modelling of the product in relation to climate change is rather uncharacteristic of this product. Therefore, we did not focus our activities on assessing the potential impact of climate change on motor liability insurance (see the "Restrictions" section for more details). Instead, assessing the compliance of home insurance products was considered more relevant and appropriate. Based on analyses and the ability to apply all technical criteria to individual products, home insurance is the only product that has been recognised as being in line with the Taxonomy.

Our strategy includes the gradual reduction of exposure to carbon-intensive sectors and the promotion of products that support the transition to a low-carbon economy. We assess the alignment of our operations with the EU Taxonomy based on internal analyses and external standards. In calculating the EU Taxonomy key performance indicators for investments, we have used data from the external provider, MSCI

Inc., while for insurance products we have used data obtained directly from subsidiaries and the strategic planning and controlling department.

One of the main challenges in implementing the EU Taxonomy is the availability and quality of data required to assess the compliance of our products. In the future, we plan to improve our reporting and stakeholder engagement processes to obtain more accurate data on the sustainability impacts of our activities, and we expect to see the development and standardisation of (international) practices in this area, as we have not yet seen any detailed standardisation of positions and interpretations of product and underwriting regulations regarding the Taxonomy that take into account the specifics of the (re)insurance business. For investments, our main challenge is low data coverage, while for insurance products, we are addressing the challenges mainly through product upgrades to meet the technical screening criteria, thereby increasing the proportion of alignment.



Alignment with the EU Taxonomy

The content and presentation of the information that companies are required to disclose on environmentally sustainable economic activities and the methodology for fulfilling these disclosure obligations are set out in Delegated Regulation (EU) 2021/2178 (the Disclosures Delegated Regulation). In this respect, the Group discloses below one of its key performance indicators, the proportion of EU Taxonomy-aligned investments, which is the weighted average of the value of all investments aligned with the EU Taxonomy over the so-called covered assets. The covered assets consist of the following items in the statement of financial position: financial investments and investment property. However, exposures to central governments, central banks and supranational issuers and cash are excluded from the covered assets in accordance with Article 7 of the Disclosures Delegated Regulation. The covered assets relate to portfolios covering non-life insurance liabilities, traditional life insurance liabilities, life insurance liabilities where the investment risk is borne by the policyholders and the company's own funds. In 2024, the assets covered amounted to 98.33% of the total amount of assets under management. For investments in mutual funds, exchange-traded funds (ETFs)

and alternative funds (infrastructure funds, real-estate funds and private debt funds), the Group implemented a look-through approach to ensure that the EU Taxonomy alignment is calculated for each investment in these funds. The look-through approach was applied to level 1 investments. The alignment of investments with the EU Taxonomy in 2024, based on revenue, was 2.63% of the assets covered, or EUR 39.7 million. Meanwhile, the alignment of investments with the EU Taxonomy in 2024, based on capital expenditure, was 4.51% of the assets covered or EUR 68.1 million. The proportion of investments where the investment risk is borne by the policyholders that are directed at funding, or are associated with, Taxonomy-aligned economic activities, amounted to 53.67% or EUR 809,801,064.94 million in 2024. This KPI has been calculated by subtracting from the total portfolio considered in the EU Taxonomy the investments intended to cover the liabilities of policyholders who bear the investment risks (equity mutual funds, bond mutual funds, mixed mutual funds, money market funds, other mutual funds, convertible mutual funds, real-estate funds and infrastructure funds). Information on the alignment of investments with the EU Taxonomy for the financial year 2024 was obtained from the external data provider, MSCI

Inc., which collects data directly from companies. In October 2024, the Sava Insurance Group switched from its previous ESG data provider, Moody's Analytics, to MSCI Inc. The report includes the latest available data from MSCI Inc.

The disclosures arising from annex XII to the Delegated Regulation on EU Taxonomy were made in this year's report only for template 1 of annex XII – Nuclear energy and fossil gas related activities. The Group did not identify this area as material and does not consider this industry to be crucial to the conduct of its core business. The Group plans to make disclosures for all five templates from annex XII to the Delegated Regulation on the EU Taxonomy in its next annual report.

With regard to the alignment of non-life products with the Taxonomy, we highlight home insurance, where (in contrast to motor insurance) the assessment of the product's link to climate change was much more relevant and the fulfilment of the criteria and the use of modelling techniques more meaningful, as mentioned above. In view of the above, the conclusion on the alignment of home insurance with the Taxonomy was all the more reasonable. In its assessment and

design processes for the home insurance (Dom) product, the insurance company takes into account the risks associated with climate change, which we disclose in this annual report in line with the requirements of the EU Taxonomy. These risk monitoring processes are present in a number of areas (notably development, claims and actuarial), particularly through the adjustment of risk assessment models, which are then used to determine premiums. We analyse both our own historical data on weather events and data from meteorological agencies to track forecasts of future climate risks such as floods, storms, hail and landslides. In this context, it is important to note that we have integrated the assessment of sustainability elements into our non-life product oversight and governance (POG) framework, taking into account the requirements of compliance with the EU Taxonomy, with a focus on the coverage of climate-related perils, while each underwriting process is also based on an individual assessment of the requirements and needs of our customers. Given the design of the home insurance (Dom) product, which is primarily aimed at insuring the property of individuals, we do not yet offer certain coverages (e.g. business continuity) that are primarily aimed at insuring legal entities.



Restrictions

The low percentage of alignment is due to the discrepancy between the investments included in the numerator and denominator of the KPI. The numerator, unlike the denominator, does not include exposures to companies not subject to the requirements of Articles 19a and 29a of Directive 2013/34/EU (the Accounting Directive) and exposures to derivatives, but consequently includes a smaller number of investments than the denominator. The calculation is also limited by the low coverage of the investment portfolio with data on the companies' alignment with the EU Taxonomy. The limited database of companies for which the external provider provides data is one of the reasons for this. In addition to large companies that are already subject to Taxonomy-alignment reporting, the investment portfolio also includes small and medium-sized companies that are not yet subject to such reporting. In addition, a significant part of the investment portfolio consists of non-EU companies, for which data are not yet available from the external data provider. The Group did not assess the alignment

with the EU Taxonomy for the investment property portfolio, the value of which, in relation to the total portfolio, is not significant. In view of the above, it is reasonable to expect that data coverage will improve as regulatory requirements are extended to more companies and information on the alignment of investments with the EU Taxonomy becomes more relevant. In the area of insurance products, in addition to the aforementioned process improvements related to the fulfilment of technical screening criteria for products in general, challenges remain in particular in obtaining data related to the principle of 'do no significant harm' (DNSH). In premium rating systems, the categories related to fossil fuels do not contain data exclusively related to fossil fuels but also cover other risk categories (e.g., the transport of hazardous substances). Therefore, we also relied on official databases (Statistical Office of the Republic of Slovenia) to collect data and based the compliance with the category or condition on these databases.

Other restrictions relate to the motor liability insurance product. It should be noted that, due to the baselines outlined for this product in the section [“General description of the approach to sustainable business operations”](#), the claims process does not capture data or indirect circumstances of events (related to climate change-driven causes). As a result, the insurance company does not conduct such analyses in this context. Therefore, although we believe that the alignment of the product could be built without applying the technical criterion of modelling the product, we have decided to hold off on this approach for the time being and focus only on eligibility. For this purpose, we used public records (data from the Slovenian police) on the circumstances of road traffic accidents, in which “accompanying circumstances” can also be linked to the effects of weather phenomena on the occurrence of traffic accidents. Since the insurance company does not yet have precise data on the relationship between the premium structure and the specific climate-related peril in the case of motor liability insurance (as

opposed to casco insurance, where the effect of weather phenomena on the occurrence of a traffic accident is much more relevant and is systematically monitored by the company), the assessments of the eligibility of the motor liability insurance product were based on an external source. According to this source, 24.57% of road traffic accidents were related to weather phenomena, which was also the basis for the assessment of the motor liability insurance product's eligibility. A review of the data reveals a low exposure to controversial weapons, which arises only from investments intended to cover the liabilities to policyholders who bear the investment risks. The exposure is less than 0.2% and is therefore classified as immaterial by the Group. The Group has a zero-tolerance policy for investment portfolios that it manages itself, and no exposure to controversial weapons was detected on these investments.

We also promote sustainability aspects by offering sustainable unit-linked life insurance products, which are mostly based on excluding or limiting exposure to controversial activities.



ESRS E1 – Climate change

GOV-3 – Integration of sustainability-related performance in incentive schemes⁶⁵

The management of climate-related impacts is one of the strategic priorities of the management board. The way in which climate-related considerations are taken into account in the remuneration of members of the administrative, management and supervisory bodies is disclosed in section [ESRS 2 GOV-3](#).

E1-1 – Transition plan for climate change mitigation⁶⁶

In the Sustainable Development Strategy of the Sava Insurance Group for 2023–2027, we have defined key goals for a successful transition to a climate-neutral economy in line with limiting global warming to 1.5°C as set out in the Paris Agreement. We have committed to reducing our scope 1 and 2 greenhouse gas emissions from our own operations by 55% by 2030 and to reducing the carbon footprint of our investment portfolio. This commitment also includes a target to increase the proportion of sustainable investments to at least 20% of the portfolio by 2027, compared with 2022, and to decarbonise the investment portfolio.

In line with the sustainability strategy, we adopted a transition plan for climate change mitigation in 2024, covering the period up to 2030, which was approved by the management board in early 2025. The plan sets out actions to mitigate climate change by reducing greenhouse gas emissions and considering excluded sectors in both the insurance and investment portfolios. As the Group does not have any greenhouse gas emissions associated with its key assets and products, they are not discussed further in this report.

The key document that outlines the Group's approach to integrating environmental, social and governance (ESG) factors into investing activities and managing sustainability risks in such investing activities is the Group's sustainability investment policy. This policy was first adopted in June 2021. The Group aims to decarbonise the investment portfolio by limiting the sectors in which investments can be made (so-called excluded sectors). Even before the initial adoption of the sustainability investment policy and the exclusion criteria, the Group had taken a more balanced approach to its investment portfolios, divesting most of its investments in the thermal coal production sector where a significant part of revenues exceeds 10%.

The Group also supports sustainability and the green transition by investing in debt securities issued to finance environmental projects (so-called green bonds) and sustainability bonds, which are intended to finance the issuers' green and social sustainability targets and are issued by most governments and local authorities. As at 31 December 2024, the Group's ESG investments represented 23.6% of its total assets, exceeding the Group's strategic sustainability target of 20% ESG investments in its investment portfolio.

The Group will continue to actively pursue such investments in the future.

We disclose the specific targets and progress achieved in section [ESRS E1-4](#).

SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model⁶⁷

The strategic management of the Sava Insurance Group includes identifying material impacts, risks and opportunities and incorporating them into our strategy and business model.

By introducing new (re)insurance products and services related to climate change adaptation, we positively impact customers and end-users of our products and services.

The carbon footprint of our operations has a negative impact on the environment; however, due to the nature of our operations, this impact is relatively small. In line with our business strategy, we are implementing measures and activities to reduce our carbon footprint. In Group companies, we are gradually transitioning to renewable energy sources, implementing energy efficiency measures in our operations, optimising business travel, reducing paper consumption, etc. In the long term, we aim to reduce our carbon footprint throughout the value chain through our investment and (re)insurance portfolios. A positive impact on climate change mitigation is achieved through the development of insurance products for e-mobility, solar panels and renewable energy production. In the medium and long term, we will also have a positive impact on the environment through investments in renewable energy production, which will benefit the entire value chain.

We have identified both risks and opportunities that have a material financial impact on our operations in the area of climate change adaptation and mitigation.

⁶⁵ ESRS E1.GOV-3 paragraph 13.

⁶⁶ ESRS E1-1 paragraphs 14, 16 (a), 16 (b), 16 (d), 16 (h), 16 (i), 16 (j), 17, and E1-4 paragraphs 34 (e) and 34 (f).

⁶⁷ ESRS E1.SBM-3 paragraphs 18, 19 (a), 19 (b), AR 7 (b), 19 (a), 19 (b) and 19 (c), and E1-4 paragraph AR 30 (c).



Across all operating segments, we consider the following physical risks to be material:

- the risk of widening credit spreads on government bonds of countries exposed to the physical effects of climate change,
- the risk of declining property values due to natural catastrophes,
- the risk of increased costs and/or business interruption due to natural catastrophes affecting the assets of Group companies.

The concentration of risk in our investment portfolio is low due to its strong diversification, which we expect to maintain in the future. For more information on the sectoral and geographical diversification of the Group's investment portfolio, see section [C.3.6.4.3 "Credit risk"](#).

We see financial opportunities primarily in investing in sustainable projects and assets that support the green transition.

In non-life (re)insurance, the main physical risks are:

- the risk of an increase in the number and/or severity of non-life (re)insurance claims due to natural catastrophes,
- the risk of reduced availability and/or high prices of reinsurance protection due to the increasing frequency and severity of natural catastrophes,

- the risk of loss of income and poor diversification due to non-life (re)insurance underwriting restrictions.

These risks are primarily concentrated in Slovenia, with some exposure in the former Yugoslav countries where several Group companies operate. Our reinsurance operations are global, with limited exposure to individual regions. For more information on the insurance portfolio's exposure, see section [C.3.6.3.1 "Non-life underwriting risks"](#).

In this operating segment, we see opportunities to introduce new innovative (re)insurance products and services, raise customer awareness and provide assistance services.

Climate change mitigation across all operating segments includes the risk of a decrease in the value of investments in companies and countries that have a negative impact on climate change, and the risk of higher interest rates due to economic instability resulting from an inadequate or delayed transition to a green economy. The concentration of risk is low due to the well-diversified investment portfolio and the implementation of a sustainability investment policy.

Climate change mitigation in the non-life (re) insurance segment presents the following transition risks with material financial implications:

- the risk of an inadequate non-life underwriting strategy and/or rules that do not take sufficient account of climate change,
- the risk of insufficient insurance premiums for new products covering green technologies,
- the risk of deteriorating credit ratings of reinsurance partners due to their inadequate adaptation to climate change.

At the same time, we see opportunities in this operating segment, such as developing new innovative (re)insurance products and services, fostering innovation and adaptation among customers and business partners, and exploring new business cooperation models. Material financial opportunities include reducing the Group's carbon footprint and managing sustainable investments in line with international guidelines. Through our strategy and business model, we seek to ensure that the positive impact of financial and environmental opportunities outweighs the potential negative impact of risks that may materialise.

Effects of material impacts, risks and opportunities on the business model, value chain, strategy and decision-making

The Group is already experiencing the effects of climate change, particularly in non-life (re)insurance. During the transition period, we anticipate potential impacts on the investment portfolio. To ensure a timely response, the Sava Insurance Group and its companies are incorporating these changes into their business plans. We do not foresee any changes to our business model, but we are implementing the necessary measures and adjustments within individual operating segments. In non-life insurance, we have already adjusted premiums, coverage and terms to ensure adequate coverage for customers and sufficient premiums to cover losses from natural catastrophes.

With an innovative approach to product development, we are tailoring our offering to market needs and raising consumer awareness about health and property protection.

Through insurance, the Group has a positive impact on people, for example, by providing non-life insurance cover against natural catastrophes.



Financial effects of material risks and opportunities

In recent years, the Sava Insurance Group has experienced the impact of climate change on certain non-life insurance products as both the frequency and severity of natural catastrophes have increased.

In 2023, Slovenia was affected by large-scale flooding characterised by prolonged and intense rainfall. In 2024, a major hailstorm was among major loss events. Multi-year trends indicate an increase in the volume of hailstorms, which cause greater property damage.

The Group ensures that its insurance companies adapt their product and service offering by identifying environmental (stakeholder) changes in a timely manner, adapting to new legislation and aligning with new sustainability strategies.

Expected financial effects of material risks and opportunities on financial position, financial performance and cash flows

We expect the frequency and severity of natural catastrophes to increase in the future, which is reflected in our business plan. Group companies will monitor developments and ensure appropriate diversification of insurance portfolios. In response to changing conditions, we will

maintain appropriate reinsurance and retrocession protection and analyse the impact of climate risks. There may also be some future financial impact on the investment portfolio from both transition and physical risks. We will mitigate these impacts through portfolio diversification and a sustainability investment policy.

Resilience of strategy and business model

The resilience of the business model to various climate risks is tested through our annual own risk and solvency assessment (ORSA). For all business lines significantly affected by climate risks, ORSA includes analyses to assess key exposures and the effect of different climate scenarios. ORSA includes both qualitative and quantitative assessments of climate change risks. The qualitative assessment covers the likelihood and severity of these risks over the long term. Our ORSA risk assessment showed that the most significant impacts of climate change on the Group and its companies are likely to be in non-life insurance and the investment portfolio. We therefore conducted additional analyses of physical and transition risk exposures in these areas.

Based on the risk assessments, we developed three scenarios for the ORSA resilience analysis using the shared socioeconomic pathways (SSP) scenarios defined by the Intergovernmental Panel on Climate Change (IPCC). These scenarios incorporate greenhouse gas emission projections together with socio-economic global change assumptions up to 2100.

We have analysed the following scenarios:

- The medium-term transition climate scenario SSP1-1.9, which is consistent with limiting the global average temperature increase to 1.5°C (with at least a 50% probability) and achieving climate neutrality by 2050 (Net Zero 2050). In this scenario, we have analysed the transition risks of the investment portfolio.
- The medium-term climate scenario SSP2-4.5, or the delayed transition scenario, which assumes that greenhouse gas emissions continue to rise slowly at first and then decline in the middle and towards the end of the 21st century, but remain relatively high. In this scenario, in addition to the transition risk in the investment portfolio, we have also analysed the materialisation of physical risks in the insurance portfolio.
- The long-term climate scenario SSP5-8.5, which assumes little success in limiting emissions and takes into account current

policies (no future change), predicts that emissions will increase rapidly in the 21st century, leading to high physical risks (hot house world). In this scenario, we have analysed the impact of physical risks from climate change on the investment and insurance portfolios.

For non-life insurance, we used these scenarios to assess the impact of an increase in the number and severity of natural catastrophes in the medium and long term. The medium-term period covers the years 2030 to 2050, and the long-term period 2071 to 2100. In assessing the impact of physical risks in the medium- and long-term climate scenario, we considered events such as hailstorms and floods that our materiality analysis identified as having the most significant impact on the geographical area in which the Group operates.

The analysis of the climate scenarios showed that each scenario could have a material impact on the financial results in a given year, while the Group's solvency, and hence its business model, remain resilient even if these scenarios materialise.

The Group's actions to adapt to the identified impacts of climate change are set out in section [ESRS 2 SBM-3](#).



IRO-1 – Description of the processes to identify and assess material climate-related impacts, risks and opportunities⁶⁸

We disclose the procedures for identifying and assessing material impacts, risks and opportunities in section [ESRS 2 IRO-1](#).

The assessment and identification of physical risks throughout the value chain that could have a material impact on the Group's operations and business results are carried out as part of ORSA and the assessment of emerging risks, which we describe in section [C.3.6.6.1 "Emerging risks"](#). In identifying material climate risks, we have also considered EIOPA's proposal on defining climate risks⁶⁹. A materiality analysis was carried out as part of ORSA to assess the materiality of individual climate risks. This analysis, which is detailed in section [ESRS 2 SBM-3](#), served as the basis for defining scenario analyses, which we use to assess risks that could have a material financial impact on the Group's operations in the future. For the scenario analysis, we relied on EIOPA's guidance⁷⁰ on scenario implementation in relation to climate change. The scenario analysis assesses

the impact on both the insurance and investment portfolios, helping us to assess risks that may have a financial impact on these parts of the value chain. The scenario analysis also includes a high emissions scenario and a scenario that considers the global average temperature increase to a maximum of 1.5°C. For more details, see section [ESRS 2 SBM-3](#) in the resilience analysis of the strategy and business model.

In the scenario analysis, we consider the geographical exposures that are most relevant to the Group. Therefore, when assessing physical risks, assuming an increase in the frequency of natural catastrophes, we calculate the impact for Slovenia and several other countries in which the Group operates.

We qualitatively assess risks over the next ten years in the risk register, where physical and transition risks are assessed separately. In the short term, we monitor climate risks by tracking loss events and their subsequent financial impact on insurance portfolios and investment valuations.

Based on these analyses and the potential future impact of climate change, the Group is identifying business opportunities across various lines of business.

E1-2 – Policies related to climate change mitigation and adaptation⁷¹

The Group manages the impact of its companies on climate change through its sustainable development strategy, sustainable business policy, guidelines for responsible underwriting of environmental, social and governance risks in non-life insurance, and sustainability investment policy.

The sustainability investment policy provides guidelines for the investment portfolios of Group companies, with the exception of portfolios where policyholders' benefits are linked to movements in the net asset value per unit (NAVPU) of the investment funds of the policyholders' choice and investments covering liabilities under investment contracts of Sava Pokojninska Družba and Sava Penzisko Društvo.

These guidelines restrict investments in industries such as alcohol, tobacco, adult entertainment, gambling, thermal coal production, shale oil, military industries and the production of controversial weapons. By implementing these policies, the Group is reducing its carbon footprint and making a positive contribution to the environment, society and stakeholders.

The Group has adopted the UN Principles for Responsible Investment and is a signatory to the UN Global Compact, which promotes responsible business practices in the areas of human rights, labour, the environment and anti-corruption. As part of the investment process, the Group monitors potential violations of the UNGC and OECD principles and actively works to integrate these principles into the investment process.

The Group supports the collective efforts of the global investment community to develop common standards for incorporating environmental, social and governance considerations into investment decisions. When making investment decisions, we focus primarily on risks related to greenhouse gas emissions and social risks.

Sava Re, as the parent company of the Group, has entered into an agreement with a data provider to provide data on the principal adverse impacts (PAIs) of the assets managed by Group companies. Currently, the Group addresses PAIs through exclusions as defined in its sustainability investment policy.

⁶⁸ ESRS E1.IRO-1 paragraphs AR 8 (b), 20 (a), 20 (b), 20 (c), AR 11 (a), AR 11 (b), AR 11 (c), AR 11 (d), 21, AR 12 (a), AR 12 (b), AR 12 (c), AR 12 (d), 21 and AR 15.

⁶⁹ EIOPA – Opinion on the supervision of the use of climate change risk scenarios in ORSA, https://www.eiopa.europa.eu/document/download/f984b53b-3549-49a4-9beb-7fe5057ecd94_en?filename=Opinion%20on%20climate%20change%20risk%20scenarios%20in%20ORSA.pdf.

⁷⁰ EIOPA – Application guidance on climate change materiality assessments and climate change scenarios in ORSA, https://www.eiopa.europa.eu/publications/application-guidance-climate-change-materiality-assessments-and-climate-change-scenarios-orsa_en.

⁷¹ ESRS E1-2 paragraphs 24 and 25.



At the Group level, climate-related issues are managed by the office of the management board and of compliance, the insurance, sales and Group governance business centre, the financial operations and financial investment management business centre and the risk management and asset-liability management department. Depending on their organisational structure and the materiality of climate-related impacts, individual Group companies may engage external experts in climate risk management and participate in national and international industry associations. In addition, funds are allocated for education, training and other measures aimed at increasing positive climate impacts.

Climate-related targets are defined in the Group’s sustainable development strategy for 2030, while subsidiaries are responsible for implementing and achieving these targets in line with the Group’s strategic priorities.

E1-3 – Actions and resources in relation to climate change policies⁷²

To implement climate change policies and strategy, the Group has adopted actions in six key areas, which are detailed in the transition plan for climate change mitigation.

Actions to reduce the carbon footprint of its own operations include electricity supply, energy efficiency in buildings, property consolidation and use of space optimisation, sustainable mobility and employee behaviour. The company provides the necessary financial and other resources for all planned actions.

Actions to reduce the carbon footprint of the investment portfolio (scope 3 emissions) are based on the sustainability investment policy.

In the area of responsible (re)insurance underwriting, Sava Re, on behalf of the Sava Insurance Group, has joined the Partnership for Carbon Accounting Financials (PCAF), an organisation committed to aligning the financial industry with the goals of the Paris Agreement. We have used a simplified methodology to calculate the carbon footprint of the investment portfolio for 2024. The calculations are based solely on data and the MSCI methodology derived from the SFDR Regulation. We will seek to improve the methodology for future reporting periods.

E1-4 – Targets related to climate change mitigation and adaptation⁷³

For scope 1 and 2 emissions, our carbon footprint per employee, calculated using the location-based method, was 1.15 tonnes. This represents a reduction of 21% compared to the baseline year (2022: 1.47 tonnes) (unaudited).

This reduction is mainly due to the transition to renewable electricity sources and lower total consumption of electricity and heat.

Greenhouse gas emissions of the Sava Insurance Group⁷⁴

► Emission reductions in 2024 compared to baseline 2022 – absolute value (unaudited)

tCO ₂ e	2024
Reduction of total GHG emissions*	-557,921.13
Reduction of scope 1 GHG emissions	218.85
Reduction of scope 2 GHG emissions – location-based method	429.26
Reduction of scope 2 GHG emissions – market-based method	589.89
Reduction of scope 3 GHG emissions*	-558,569.24

* A negative value indicates an increase in GHG emissions.

► Emission reductions in 2024 compared to baseline 2022 – percentage (unaudited)

As % of total	2024
Reduction of total GHG emissions*	-13,632.15
Reduction of scope 1 GHG emissions	17.41
Reduction of scope 2 GHG emissions – location-based method	15.79
Reduction of scope 2 GHG emissions – market-based method	20.00
Reduction of scope 3 GHG emissions*	-377,386.15

* A negative value indicates an increase in GHG emissions.

72 ESRS E1-3 paragraphs 28, 29 (a), 29 (b) and 29 (c).

73 ESRS E1-4 paragraphs 32 and 33.

74 ESRS E1-4 paragraphs 34 (a) and 34 (b).



The increase in the carbon footprint is mainly due to the expansion of the scope of emissions categories measured and included in scope 3. Together, these additional categories account for 99% of all emissions measured.

The key performance indicators and targets that our Group monitors in relation to climate change mitigation and adaptation include:

- reducing scope 1 and 2 greenhouse gas emissions at the Group level in terms of number of employees and consolidated revenue, with a target of 55% reduction per employee and per consolidated revenue by 2030 compared to 2022;
- reducing greenhouse gas emissions in the investment portfolio, with a target of a 10% annual reduction compared to 2022.

We also monitor and assess:

- the share of (re)insurance premiums that follow the principle of ‘do no significant harm’;
- the share of premiums aligned with the EU Taxonomy;
- the share of ESG investments in the consolidated portfolio;
- the alignment of investments with the sustainability investment policy;
- the share of investments aligned with the EU Taxonomy;
- the number of financial products that comply with Articles 8 and 9 of the SFDR Regulation.

Climate change is one of the greatest challenges our world is facing, and reducing global greenhouse gas emissions is one of the most important goals in mitigating climate change.

E1-5 – Energy consumption and mix⁷⁵

Unit of measurement	Unit	2024
Total energy consumption related to own operations	kWh	10,352,446.99
Total energy consumption from fossil sources	kWh	9,268,797.55
Total energy consumption from renewable sources	kWh	1,083,649.44
Total energy consumption from nuclear sources	kWh	n/a
Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources	kWh	794,250.90
Consumption of self-generated non-fuel renewable energy	kWh	289,398.54
Consumption from coal fuel and coal products	t	0.00
Fuel consumption from crude oil and petroleum products	l	335,080.25
Fuel consumption from natural gas	kWh	790,204.25
Consumption of purchased or acquired electricity, heat, steam, or cooling from fossil sources	kWh	9,268,797.55
Production of renewable energy	kWh	338,863.43

Renewable energy is produced at two locations of Zavarovalnica Sava in Maribor – Ulica Eve Lovše 7 and Zagrebška Cesta 83, where solar power plants are installed.

► Energy consumption and mix in shares

As % of total	2024
Share of renewable sources in total energy consumption	10.47
Share of fossil sources in total energy consumption	89.53

Carbon footprint

-21%

(in scopes 1 and 2 compared to 2022)

75 ESRS E1-5 paragraphs 37, 37 (a), 37 (c), 37 (c) ii, 37 (c) iii, AR 34, 38 (a), 38 (b), 38 (c), 38 (e) and 39.



E1-6 – Gross scopes 1, 2, 3 and total GHG emissions⁷⁶

Greenhouse gas emissions⁷⁷

tCO ₂ e	2024
Gross scope 1 GHG emissions	1,038.11
Direct emissions from stationary combustion – heating	194.36
Direct emissions from stationary combustion – diesel for power generators	1.44
Direct emissions from mobile combustion – fuels	837.11
Process emissions	0.00
Fugitive emissions from HVAC and refrigeration systems	5.19
Gross scope 2 GHG emissions – location-based method	2,288.70
Indirect emissions – electricity use	1,492.30
Indirect emissions – thermal energy use	796.40
Gross scope 2 GHG emissions – market-based method	2,360.09
Indirect emissions – electricity use	1,563.69
Indirect emissions – thermal energy use	796.40

tCO ₂ e	2024
Gross scope 3 GHG emissions	558,717.25
Purchased goods and services – water	2.71
Purchased goods and services – paper	49.77
Waste management – waste water	3.29
Business travel – cars owned by others	81.62
Business travel – taxi	1.37
Business travel – local shuttle services	0.15
Business travel – bus	0.09
Business travel – rail	0.03
Business travel – air	189.73
Employee commuting – motorcycle	8.69
Employee commuting – bus	138.59
Employee commuting – rail	14.95
Employee commuting – tram	2.23
Employee commuting – car	1,137.74
Upstream leased assets	73.12
Downstream leased assets – electricity	342.20
Downstream leased assets – heating	353.30
Financed emissions – investment portfolio	556,317.66
Total GHG emissions – location-based method	562,044.06
Total GHG emissions – market-based method	562,115.45

Our goal
-55% emissions
 by 2030
 (compared to 2022)

⁷⁶ ESRS E1-6 paragraphs 47, AR 39 (b), AR 42 (c), 46 (h) and 46 (i).
⁷⁷ ESRS E1-6 paragraphs 44, 48 (b), 49 (b), 52 (b), 51, AR 41, AR 45 (d) and AR 45 (e).



Greenhouse gas emission⁷⁸

As % of total	2024
Percentage of scope 1 GHG emissions from regulated emission trading schemes	0.00
Percentage of contractual instruments, scope 2 GHG emissions (location-based method)	11.14

The calculation of scope 2 greenhouse gas emissions is based on green electricity purchase agreements.

The Group does not generate any biogenic CO₂ emissions from the combustion or biodegradation of biomass (0 t CO₂).

The organisational boundaries of the carbon footprint calculation include all 15 companies of the Sava Insurance Group and their subsidiaries operating in 253 locations.

The carbon footprint calculation includes:

- direct emissions from the use of fossil fuels for space heating and electricity generators, fuel combustion in vehicles owned or controlled by the company and fugitive refrigerant gases (scope 1 emissions);
- indirect emissions from the consumption of electricity and district heating (scope 2 emissions);
- indirect emissions from paper and water purchases, waste water management, business travel with vehicles not owned or managed by the company, employee commuting, leased assets

(including electricity and heating consumption at leased locations) and financed emissions – investment portfolio (scope 3 emissions).

The Sava Insurance Group’s carbon footprint calculation for 2024 follows the GHG Protocol and is prepared in accordance with the proposed approach for carbon footprint calculation. Scope 2 emissions from purchased electricity and district heating are calculated using both the location-based and market-based methods.

For the first time, the 2024 carbon footprint calculation includes employee commuting, investment portfolio emissions and leased locations not used for own operations.

Details are presented in the report [Calculation of the Sava Insurance Group’s Carbon Footprint for 2024](#), approved by the management board of Sava Re. The report also provides details on currently excluded categories of greenhouse gas emissions. The main reason for excluding specific categories is the unavailability or poor quality of data.

Emissions intensity⁷⁹

The emissions intensity is calculated based on the Group’s total revenue, as shown in section [ESRS 2 SBM-1](#).

tCO ₂ e per EUR million	2024
Emissions intensity – location-based method	5.5
Emissions intensity – market-based method	5.6

The calculation of the investment portfolio’s carbon footprint includes government bonds.

tCO ₂ e per EUR million of GDP	2024
Emissions intensity for government bonds	290.83

Financed emissions

The calculations are based solely on the MSCI methodology derived from the SFDR Regulation, specifically two PAI indicators measuring greenhouse gas emissions (for companies) and greenhouse gas emissions intensity for countries. In the calculation shown (scopes 1, 2 and 3), we have taken into account all the Group’s investments. Government bonds, property, and cash and cash equivalents are excluded. Of the data analysed, 85% of the data for scope 1 were reported, while 13% were estimated by MSCI. For scope 2, 83% of the data were reported, while 14% of the data were estimated by MSCI. For scope 3, 97% of the data were estimated by MSCI, and no reported data were available.

We calculate and report the greenhouse gas emissions intensity of the countries in which we invest. In the calculation of the emissions intensity for government bonds, 86% of the data were

reported, while the data estimated by MSCI were not used in the calculations.

The Group uses a simplified method to calculate the carbon footprint of financed emissions. The calculations are based solely on the MSCI methodology derived from the SFDR Regulation. We have used last quarter data for 2024. We will seek to improve the methodology for future reporting periods. The Group does not currently use the PCAF data quality score for greenhouse gas emissions. Instead, we rely solely on the quality, accuracy and valuation of the data provided by an external data provider, MSCI Inc. In our analysis of greenhouse gas emissions, we have considered the Group’s total consolidated portfolio and investments where the investment risk is borne by the policyholders (unit-linked), using a look-through approach).

⁷⁸ ESRS E1-6 paragraphs 23 (b) and AR 45 (d).
⁷⁹ ESRS E1-6 AR 53.



4 Social information

ESRS S1 – Own workforce

SBM-2 – Interests and views of stakeholders

The Group’s own workforce consists of individuals who have signed an employment contract with one of the Group companies. As there are no unemployed individuals in the Group, the sustainability report focuses only on the Group employees and does not report on the non-employee workers in the Group’s own workforce.

At the Sava Insurance Group, we have set five priorities for our human resource strategy for the 2023–2027 strategy period:

- **Attracting and retaining the best talent.** We are committed to justifying the trust of our employees and taking care of the image and reputation of the Sava Insurance Group in the labour market..
- **Developmental orientation.** We continuously

identify and develop the potential of our employees.

- **Performance management.** We enable the development of a high-performance culture in which successful employees are supported and rewarded, can advance and are effectively managed.
- **Sustainable working.** We promote a values-based culture with a focus on diversity, inclusion, well-being and sustainable business.
- **Digitalisation and optimisation.** We adapt the organisation, processes, positions and ways of working towards the future of business.

As part of our sustainability work, we are building a culture that focuses on diversity, equality, inclusion, employee well-being and the prevention of discrimination and psychosocial risks.

By adopting sustainability guidelines, we focus on the long-term responsible management of our

employees, the development of the Group and the creation of a socially responsible community. We encourage individuals and groups to take part in socially responsible projects and activities. We are building a reputation as a trusted employer, modernising our recruitment methods and ensuring a quality employee experience to attract and retain the best talent.

Our sustainability guidelines support the long-term success of the Group, the satisfaction of our employees and our responsibility to the wider community and the environment in which we operate.

We recognise our employees as a key stakeholder group whose interests, views and rights are fundamental to our business. All Group companies ensure that the interests and rights of our employees are integrated into strategic decisions and business processes.





SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model⁸⁰

The strategic directions and policies apply equally to all employees of all Group companies.

The Group considers all its employees under the own workforce category, regardless of the type or duration of their contract. Most employees work on permanent contracts. The Group's own workforce is not exposed to any material risk of harm, nor does it operate in industries that have material negative impacts. We also do not identify workplaces where employees would be exposed to a higher material risk. A systematic approach ensures safe working conditions for all.

As a result, we do not identify material risks and opportunities arising from impacts on specific groups of employees. Group companies focus their activities on promoting equal opportunities and preventing discrimination for all employees.

We have a number of initiatives in place to improve working conditions and foster positive interactions among the Group's employees. In 2024, our human resource management was focused on the following goals and activities:

1. **Digitalisation and process optimisation**, which included a comprehensive review and improvement of HR processes, including:
 - **analysing and planning** – review of existing HR processes and IT support, market analysis and selection of a new IT system to support HR processes in the Group companies,
 - **introducing a new IT system for human resource management** – the implementation project is progressing according to the project plan. Key milestones include the successful set-up and launch of the project, the completion of the roll-out of the HR administration modules and the preparation for the implementation of the broader HR processes and priority integrations.
2. **Strengthening employee satisfaction and engagement**, including the following key activities:
 - **measuring** the organisational climate, employee satisfaction and engagement,
 - **analysing results** – the data collected was thoroughly analysed to identify key areas for improvement,
 - **developing action plans** – based on our analysis, we have developed concrete action plans to improve working conditions, boost motivation and improve overall employee satisfaction.

3. **Establishing ESRS-compliant reporting** and defining key performance indicators for human resource management, which are regularly monitored and adjusted to achieve the goals set.
4. **Developing a competency model** to identify potential and support employee development. We are currently in the process of developing a Group-wide generic competency model.
5. **Promoting health and well-being**, including the running of workshops and programmes to manage stress and promote healthy lifestyles.
6. **Promoting sustainable practices and raising employee awareness** of the importance of sustainability through training programmes, workshops, information on sustainability issues, corporate volunteering and other sustainability programmes.
7. **Reviewing and updating Sava Insurance Group's policies** to ensure continuous adaptation to market changes and to ensure alignment with the strategic goals and business requirements of the Group as a whole.

The Group has not identified any material risks in the area of human resource management. One potential risk is a shortage of suitably qualified professionals, so the Group has established

links with the labour market and universities to develop potential employees at the level of individual companies and according to the needs of the local market. We also continually strive to implement activities that contribute to a positive working environment and employee well-being: we promote a culture of sustainability, protect employee rights and have zero tolerance for misconduct.

S1-1 – Policies related to own workforce⁸¹

The Group has put in place the following policies with regard to the human resource management:

- Remuneration Policy of the Sava Insurance Group,
- Fit and Proper Policy for Relevant Persons of the Sava Insurance Group,
- Human Resource Development and Succession Planning Policy of the Sava Insurance Group.

The **remuneration policy** aims to establish a remuneration system that is competitive and efficient, as well as transparent and internally fair. The key principles of the policy incorporate the main principles of ethical and sustainable practices and operations.

⁸⁰ ESRS S1 SMB-3 paragraphs 14, 14 (a), 14 (b), 14 (c), 14 (d), 15 and 16, S1-1 paragraphs 22 and 24 (c), and S1-4 paragraph 38 (c).
⁸¹ ESRS S1-1 paragraph 19, S1-2 paragraph 27 (d).



The aims of this remuneration policy are:

- clear and transparent governance,
- reliable and efficient risk management,
- compliance with regulatory requirements and principles of sound management,
- monitoring of and adapting to market trends and practices,
- sustainable pay for sustainable performance,
- employee motivation and retention.

In line with our policy, we have designed a remuneration package that includes a base salary, variable pay and additional financial and non-financial benefits. The types and level of potential additional benefits and incentives are laid down in the companies' internal regulations. The basic and variable parts of the remuneration are properly balanced in order to encourage sound and efficient work and appropriate risk management.

Group companies observe the following guidelines when designing remuneration systems and schemes:

- designing of a balanced remuneration structure,
- establishing a direct link between pay and performance,
- adopting a multi-annual approach to performance evaluation and aligning variable pay with sustainable business performance over time,

- ensuring that the incentive system remains consistent with its mechanisms, organisational processes and the activities and behaviours being rewarded.

The **fit and proper policy** ensures that persons who effectively manage and supervise the company or who hold key or important positions meet the requirements set out in applicable law and the policy. These requirements include:

- **fitness:** they have the appropriate professional qualifications, knowledge and experience for the sound and prudent conduct of business,
- **propriety:** they are of good repute and act with a high degree of integrity.

The policy ensures continued compliance with standards of responsible management and oversight.

The **human resource development and succession planning policy** sets the foundations and guidelines for the planning and implementation of all forms of personal and professional human resources development and succession planning in all Group companies.

The aims of the policy are to:

- continually encourage the regular acquisition of new knowledge, skills and competencies to do the work effectively,

- continually identify and develop the potential of our employees,
- ensure succession planning for key roles in each company and the Group.

Human rights⁸²

The Group strictly respects and protects internationally proclaimed human rights and fundamental freedoms. We require our business partners to do the same. We have a zero-tolerance approach to illegal and unethical behaviour and violence in the workplace.

Ensuring the integrity and protection of the personal dignity of employees and other persons involved in the work and business processes of the companies is one of the Group's key priorities.

Every employee has the right to equal treatment, dignity and personal integrity in the workplace.

The inviolability and protection of the personal dignity of individuals is ensured by mechanisms and actions that provide for a clear, transparent, rapid and pre-defined process for detecting and sanctioning misconduct. At the Group level, we have an independent external arbitration body that operates according to key principles such as independent decision-making, professionalism, autonomy, decision-making outside the Group and strict confidentiality of both whistleblowers and infringers.

We have procedures for reporting and addressing violations, including protecting the identity of whistleblowers and sanctioning retaliation, as detailed in section [ESRS G1-1](#).

We have reaffirmed our commitment to human rights and sustainable development by joining the United Nations Global Compact (UNGC).

We provide appropriate working conditions and equipment for our employees. In accordance with applicable legislation, we regularly refer employees for health checks and periodic training in occupational health and safety.

All principles, commitments and core values are further defined in the Policy on Ensuring the Inviolability of the Person and Protection of Personal Dignity in the Sava Insurance Group, which is described in more detail in section [ESRS G1-1](#).



S1-2 – Processes for engaging with own workforce and workers’ representatives about impacts⁸³

The Group has various mechanisms in place to engage with employees, and we strive for open communication and close collaboration. We keep our staff regularly informed of all major issues by email and have an internal employee portal (intranet) where we publish important news.

Some Group companies have organised trade unions, works councils and employee representatives. Through them, we actively promote open social dialogue. The management and professional services of the companies provide the trade unions, employee representatives and works councils with all relevant data, information and facts about the work, business and development of the company that have an impact on the financial and social situation of the employees.

In companies where there is a works council and/or a trade union, employee representatives meet regularly with management to discuss proposals for improvements and actions in the area of cooperation with the employees. Annual performance assessment interviews and surveys are used to allow structured discussion and develop actions to improve conditions for employees.

S1-3 – Processes to remediate negative impacts and channels for own workforce to raise concerns⁸⁴

The process for protecting the personal integrity of individuals, in particular sexual integrity, is conducted outside the companies with a view to independent and impartial decision-making and with the aim of building trust in the mechanism and preventing internal abuse. The procedural rules are governed by the Act on the Procedure for Dealing with Violations of the Rights to Inviolability of the Person and Personal Dignity in the Sava Insurance Group (the Act).

The channels for raising concerns are described in detail in section [ESRS G1-1](#).

The reporting procedure is managed by an arbitration body, which makes decisions in ad hoc panels of three members. The members of the arbitration panel are appointed from among the nine permanent members drawn from the legal and other professions (psychology, psychiatry, social work, medicine, etc.). Each panel is composed of at least two legal experts, one of whom is the chairperson, who are to ensure legal certainty, due process and a high level of professionalism for the outcome of the proceedings. The procedure for the functioning of the arbitration body is set out in more detail in the Act. The Act is designed to ensure transparency and clarity in the procedures for reporting violations.

An independent body dealing with the reports prepares a comprehensive factual and legal justification for further action and proposes specific measures (immediate protection of the victim, request to the infringer to immediately cease the violation, discussion with the infringer, referral of the infringer to an interview with a relevant professional, formal notice to the infringer in accordance with the applicable legislation, issuance of a formal notice or initiation of proceedings for ordinary or extraordinary termination of the employment contract in accordance with the law, etc.).

The Act is published on the Group’s intranet, together with other internal regulations adopted and important information, which employees are made aware of when they start working for one of the Group companies. This information (acts and internal regulations), along with other relevant news, is available to employees at all times. Any changes to the internal rules and regulations are communicated to employees through newsletters and monthly updates.

The Group has measures in place to protect whistleblowers, in particular by:

- protecting the identity of the whistleblower,
- sanctioning attempts to identify the whistleblower,
- sanctioning retaliation.

Any employee, posted worker, student, pupil, apprentice or third party (customer, visitor, family member and others) can make a report. Reports must be submitted in writing by email.

S1-4 – Taking action on material impacts on own workforce, and approaches to managing material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions⁸⁵

Based on the business strategy, the Group’s human resource departments prepare an annual recruitment plan, which is approved by the companies’ management boards. This plan defines the key actions to be taken in relation to the Group’s own workforce. The Group has a system of internal controls, as part of which we maintain a risk register. The purpose of the risk register is to assess the operational risks arising from failures in the implementation of internal processes or from inappropriate behaviour by employees.

Adverse events are recorded monthly and are supported by IT. This enables those responsible to record and manage adverse events.

The internal control system is based on five key elements:

- **Internal control environment:** the system is based on professionalism, ethical values and a vision of leadership. Through its policies, management influences target-setting, risk assessment, control activities, communication systems and monitoring.

⁸³ ESRS S1-2 paragraphs 27, 27 (a), 27 (b), 27 (c) and 27(d), S1-4 paragraph 38 (d), and S1-5 paragraph 47 (c).

⁸⁴ ESRS S1-3 paragraphs 32 (a), 32 (b), 32 (c), 32 (d), 32 (e) and 33.

⁸⁵ ESRS S1-4 paragraphs 37, 38 (a), 38 (b), 38 (c), 39, 40 (a), 40 (b), 41 and 43.



- **Risk identification and assessment:** the system allows for the continuous identification and analysis of risks that could affect the achievement of goals, and for the ongoing adaptation to new business, regulatory and market changes.
- **Control activities:** procedures to ensure that risk management activities are properly implemented are embedded in all key business processes.
- **Keeping employees informed:** timely and reliable information enables employees to perform their jobs effectively and manage risk. Communication channels provide access to internal policies and procedures.
- **Supervision activities:** ongoing monitoring and evaluation of the system, including periodic reviews, internal audits and ongoing adjustments where necessary.

We act in accordance with the guidelines of relevant institutions and ensure that the system of internal controls supports efficient, compliant and secure operations.

We invest in the continuous training and development of our employees, which we believe is key to achieving our strategic goals. Training programmes are tailored to the needs of individuals, supporting their professional development and contributing to the innovation and competitiveness of each company.

We also strive to create an inclusive work environment that values diversity and encourages collaboration among employees. This contributes to a better understanding of customer needs and improves the company's flexibility and responsiveness to market changes.

By integrating the interests, views and rights of our own workforce into our strategy and business model, we reinforce our commitment to sustainable development and long-term success while contributing to employee satisfaction and motivation.

We focus on developing a culture of sustainability through professional development programmes, promoting diversity, inclusion and mentoring programmes, and recruiting young talent and scholarship students.

We actively integrate the principles of sustainable development, respect for human rights and strengthening social responsibility into our business practices, reducing the risk of negative impacts on our own workforce. Policies in this area are described in more detail in section [ESRS S1-1](#).

All Group companies have human resource departments in place to manage material impacts or employ people who carry out the human resources function. Depending on the organisation of each company, external experts in the fields of human resource management, psychology, law

and medicine may also be involved. Funding is also provided for the implementation of training and employee health and well-being programmes and other actions to increase positive impacts on employees.

S1-5 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities⁸⁶

Targets related to own employees are defined at the level of individual companies and are not consolidated. At the Group level, the human resource management function is responsible for monitoring and managing the key performance indicators.

The most important key performance indicators that we monitor in the Group are related to engagement with our own employees:

- the number of employees on long-term sick leave, with a view to reducing or at least not increasing it,
- the number of employees participating in promotional activities (such as the health day), with the aim of maintaining or increasing this number,
- the number of awareness-raising activities to prevent discrimination and psychosocial risks,

- with a view to preventing such risks,
- employee satisfaction and engagement, which measures the organisation's internal potential, employee satisfaction and engagement,
- promoting a culture of sustainability, measured by employee participation in organised corporate volunteering activities, with the aim of maintaining engagement levels,
- training hours per employee, with a view of maintaining or increasing the number of hours,
- staff turnover, with the aim of maintaining staff numbers at current levels.

In terms of employee engagement, the Group also monitors:

- the ratio of men to women in a company's governance bodies,
- the ratio of men to women at the B-1 level (and B-2 level in large companies),
- the ratio of men to women in management – the management board / board of directors plus the first management level and the supervisory boards of the Group.

We actively involve the Group's employees and their representatives in the goal-setting phase.

The results are generally published in annual reports, and some results are also communicated to employees through internal communication channels, such as the intranet and email, to ensure that all employees are involved and that reporting is transparent.



S1-6 – Characteristics of the undertaking’s employees⁸⁷

The Sava Insurance Group recruited new staff in 2024. The recruitment process is based on timely identification of needs, careful planning and the recruitment of qualified and motivated workers. We integrate employees into the workplace through induction and training.

In 2024, we recruited new staff due to increased workload, internal transfers, departures and maternity leave. Within the Group, sales and IT were the main areas where new employees were recruited. The recruitment approach described above is aimed at long-term success and effective adaptation to the needs of individual companies and the Group.

► Number of employees in the Sava Insurance Group

Year	2024		2023	
	Number	As % of total	Number	As % of total
Women	1,825	60.0	1,803	59.9
Men	1,219	40.0	1,206	40.1
Total	3,044	100.0	3,009	100.0

► Number of employees in the Sava Insurance Group by country

Year	2024	
	Number	As % of total
Slovenia	1,430	47
Croatia	186	6
Serbia	603	20
Kosovo	290	10
North Macedonia	274	9
Montenegro	261	9
Total	3,044	100.0

► Average number of employees in the Sava Insurance Group in 2024

Year	2024
Month	Number
January	3,007
February	3,011
March	3,020
April	3,021
May	3,009
June	2,996
July	3,012
August	3,011
September	3,017
October	3,032
November	3,048
December	3,044
Average number of employees in 2024	3,019

► Average full-time-equivalent in the Group in 2024

Year	2024
Month	Number
January	2,907.2
February	2,904.0
March	2,890.8
April	2,881.2
May	2,881.4
June	2,869.3
July	2,877.7
August	2,860.8
September	2,873.5
October	2,883.2
November	2,901.1
December	2,892.9
Average number of FTEs in 2024	2,885.3

87 ESRS S1-6 paragraphs 50 (a), 50 (b), 50 (c), 50 (d), 50 (d) i, 50 (d) ii and 51.



► Full-time equivalent on last day of year

Year	2024	
	Number	As % of total
Women	1,696	58.6
Men	1,197	41.4
Total	2,892.9	100.0

The following is an overview of some characteristics of Sava Insurance Group employees.

► Number of Group employees by type of contract on last day of year

Year	2024			
	Permanent contracts		Temporary contracts	
	Number	As % of total	Number	As % of total
Men	991	32.6	240	7.9
Women	1,481	48.7	332	10.9
Total	2,472	81.2	572	18.8

► Number of Group employees by type of employment relationship on last day of year

Year	2024			
	Full-time		Part-time	
Type of employment relationship	Number	As % of total	Number	As % of total
Men	1,096	36.0	123	4.0
Women	1,537	50.5	288	9.5
Total	2,633	86.5	411	13.5

At the Group level, the turnover rate has decreased compared to the previous year and stands at 16.2%.

Year	2024	2023	Difference
	Number	Number	
Number of employees who left	492	506	-14.0
Number of employees as at last day of year	3,044	2,944	100.0
Employee turnover rate (%)	16.2	17.2	-1.0

► Formula for calculating turnover:

$$\text{Employee turnover rate (\%)} = \frac{\text{* Number of staff who left during the year}}{\text{** Total number of employees as at last day of year}} \times 100$$



S1-8 – Collective bargaining coverage and social dialogue⁸⁸

Social dialogue is organised in different ways across the Group, reflecting the specificities of each country and its legal framework. We recognise that good quality social dialogue is the cornerstone for creating a supportive and inclusive working environment, and we encourage regular, open and constructive communication at all levels.

To strengthen the bond between management and employees, we organise team-building activities that contribute to closer cooperation, better relationships and greater employee loyalty. At the Group level, we organise sports games to bring together employees from all Group companies. The aim of the event is to promote team spirit, strengthen mutual relationships and build closer ties between colleagues from different backgrounds.

► Group employees covered by collective bargaining agreements on last day of year

Year	2024	
	Number	As % of total
Employees covered by the collective bargaining agreement	2,151	70.7
Employees not covered by the collective bargaining agreement	893	29.3
Total	3,044	100.0

The Group has various forms of association that enable employees to participate and protect their rights. Seven companies have at least one of the forms of association listed:

- trade unions: in companies with trade unions, employees can voluntarily join a trade union to represent their interests, campaign for better working conditions, wages and other employee rights, and bargain collectively with the company’s management;
- works council: the works council is a body that enables employees to participate directly in decision-making on important company matters that affect them;
- employee representatives: the role of employee representatives is to represent the interests of employees, protect their rights and promote good working conditions; they act impartially, protect confidential information and safeguard employee interests.

These forms of association give employees a voice in shaping their working conditions and securing their rights. In companies where legislation or the size of the company does not yet require an association, we organise various meetings for employees to provide them with key information about the business, to involve them in discussions and to take their views into account in business decisions.



S1-9 – Diversity metrics⁸⁹

The Group has put in place a comprehensive system of procedures and policies to promote diversity, eliminate discrimination and ensure equal opportunities for all employees. In 2024, Zavarovalnica Vita became a signatory of the diversity charter and received the “Include.All” award from the Managers’ Association of Slovenia. This underlines its commitment to promoting diversity and creating an inclusive work environment, in line with the values of the entire Sava Insurance Group.

► Members of management body by gender

Year	2024		2023	
	Number	As % of total	Number	As % of total
Number of men	34	68.0	36	72.0
Number of women	16	32.0	14	28.0
Total	50	100.0	50	100.0

► Employees at management levels 1 and 2 by gender

Year	2024		2023	
	Number	As % of total	Number	As % of total
Number of men at management levels 1 and 2	146	57.7	153	56.0
Number of women at management levels 1 and 2	107	42.3	120	44.0
Total	253	100.0	273	100.0

The age structure shows that the largest group of employees is between 31 and 50.

► Employees by age group on last day of year

Year	2024			
	Women	Men	Total	
Age group	Number	Number	Number	As % of total
Up to 30 years	241	117	358	12.0
From 31 to 50	1,104	748	1,852	61.0
51 years and over	477	357	834	27.0
Total	1,822	1,222	3,044	100.0

S1-10 – Adequate wages⁹⁰

All Sava Insurance Group employees are paid more than the national minimum wage required by law.

Year	2024	
	Number	As % of total
Employees paid less than the minimum wage	0	0.0
Employees paid more than the minimum wage	3,044	100.0
Total	3,044	100.0

S1-12 – Persons with disabilities⁹¹

► Number of persons with disabilities employed by gender on last day of year in Group

Year	2024	
	Number	As % of total
Women	23	1.3
Men	15	1.2
Total	38	2.5

⁸⁹ ESRS S1-9 paragraphs 66 (a) and 66 (b), and AR 71.

⁹⁰ ESRS S1-10 paragraphs 69 and 70.

⁹¹ ESRS S1-12 paragraphs 79 and 80, and AR 76.



S1-13 – Training and skills development metrics⁹²

At the Sava Insurance Group, we are aware of the importance of monitoring the progress of our employees and providing them with feedback through regular annual performance appraisal interviews. Most companies conduct annual performance appraisal interviews, at least for employees up to the B-1 level.

Performance appraisal interviews are held in an open and constructive spirit, focusing on the following key aspects:

- reviewing achievements and potential challenges,
- agreeing on the goals for the next period,
- identifying training or additional support needs,
- obtaining feedback from employees on their satisfaction and suggestions for improvement.

Employees are actively involved in the process of setting the company’s goals. Annual performance appraisal interviews provide an opportunity to gain a deeper insight into long-term goals, support employee development, monitor the achievement of goals and suggest improvements based on the results achieved.

We provide professional and personal development opportunities for our employees by:

- engaging in work and projects in a culturally diverse international environment,
- promoting and integrating a wide range of training and development programmes that are relevant to the needs of the workplace and the business, taking into account the individual’s personal and career development,
- designing e-learning programmes and

selecting the most appropriate platform to make e-learning effective and accessible to all employees,

- encouraging intergenerational cooperation between young talent and experienced employees,
- identifying promising professional and managerial talent and involving them in targeted development programmes.

We promote the development and transfer of knowledge and skills throughout the Sava Insurance Group. To this end, we organise professional meetings of all companies in the form of events or professional conferences to share experiences, knowledge, results and plans. In 2024, we organised internal conferences for the managers in charge of data protection, compliance, human resources, procurement, sustainability, internal audit, information technology, actuarial and risk management, sales

and Group governance, finance, controlling and accounting.

We also held an international Group strategy conference, bringing together senior management and other key employees from across the Group. The main objective was to address current issues, challenges and opportunities.

For the second year in a row, Zavarovalnica Sava received the Top Investor in Education certificate, awarded by Planet GV to organisations that systematically invest in the development and training of their employees. It also won the title of Styria’s (northeast Slovenia) Employer of the Year 2023. They impressed the jury with their innovative programmes, socially responsible practices and comprehensive approach to employee development, health and well-being, which also reflects the wider practices of the Sava Insurance Group.

► Employees involved in annual performance appraisal interviews in the Group

Year	2024	
	Number of participants	Share of participants (%)
Women	847	27.8
Men	835	27.4
Total	1,682	55.3

► Average number of hours of employee education/training in current year

Year	2024			
	Number of participants	Hours of training/ education	Average hours per participant	Average hours per employee
Women	1,325	36,205	27.3	19.8
Men	908	25,806	28.4	21.2
Total	2,233	62,011		

92 ESRS S1-13 paragraphs 83 (a), 83 (b) and 84.



S1-14 – Health and safety metrics⁹³

At the Sava Insurance Group, we ensure the health and safety of our employees through a variety of actions that promote a healthy lifestyle, physical health, work-life balance and safe work. We take all the necessary actions for occupational safety, health and fire protection, as required by law and internal regulations. We provide our employees with pre-recruitment and periodic occupational health assessments, as well as to new and periodic training in occupational safety, health and fire protection.

In 2024, most companies offered employees the opportunity to participate in so-called health days, which included collective and sporting events (such as hiking, cycling and skiing), lectures (on healthy eating, stress management and healthy living) or similar individual activities of their choice.

Throughout the year, the company also offers employees the opportunity to participate in various sports activities (volleyball, basketball and tennis), take short active breaks or participate in individual sports activities (yoga, gymnastics and fitness) at a reduced cost. Some companies also offer their employees healthy snacks or fruit at work.

The Slovenia-based companies also offer employee assistance programmes (EAP) and similar support.

The following provides information on the involvement of employees in the health and safety management system in accordance with legal requirements and/or recognised standards and guidelines, as well as information on work-related injuries and absenteeism.

► Employees covered by the health and safety management system in accordance with legal requirements and/or recognised standards or guidelines

Year	2024	
	Number	As % of total
Employees covered by the health and safety management system	3,044	100.0
Employees not covered by the health and safety management system	0	0.0
Total	3,044	100.0

► Work-related injuries

Year	2024
Injuries	Number
Number of injuries in the workplace	8
Number of fatalities as a result of work-related injuries	0
Total	8

► Absenteeism rate

Year	2024	2023	Difference
	Number	Number	
Number of working days lost	25,988	28,576	-2,588.6
Average number of employees	3,019	2,988	30.8
Number of working days per year	6,887	5,064	1,823.0
Absenteeism rate (%)	0.12	0.19	

► Formula for calculating absenteeism:

$$\text{Absenteeism rate (\%)} = \frac{\text{* Number of working days lost (all employees) per year}}{\text{** Average number of employees} \times \text{total number of working days per year}} \times 100$$

* Number of working days lost = number of working days lost due to diseases/illness, injuries at and away from work, occupational diseases, care, function of guardian, etc.

** Average number of employees = (number of employees_{31 January} + ... + number of employees_{31 December}) / 12



S1-15 – Work-life balance metrics⁹⁴

At the Sava Insurance Group, we are committed to promoting work-life balance, improving employees’ mental and physical health, reducing stress and preventing burnout.

Our work-life balance activities include:

- clearly defined working hours,
- flexible working,
- health days,
- teambuilding events,

- measuring internal potential, employee satisfaction and employee engagement,
- delivering mental health programmes and training,
- raising awareness of the right to disconnect,
- training for managers to ensure that the right to disconnect is respected.

All employees are entitled to take family-related leave in accordance with collective agreements and internal company rules.

Year	2024	
	Number	As % of total
Employees on family-related leave		
Women	247	13.5
Men	127	10.4
Total	374	24.0



94 ESRS S1-15 paragraphs 93 (a), 93 (b) and 94.



S1-16 – Remuneration metrics (pay gap and total remuneration)⁹⁵

At the Sava Insurance Group, we strive for gender balance at all levels of management and provide equal opportunities for advancement. We select our staff on the basis of professionalism and competence and without regard to gender, race, religion or nationality.

The base salary of women is the same as the base salary of men in all employee categories. The pay gap at the Group level is 20.1, calculated using the following formula:

$$\text{Pay gap} = \frac{(\text{Average gross hourly pay of male employees minus the average gross hourly pay of female employees})}{\text{Average gross hourly pay of male employees}} \times 100$$

To calculate the annual total remuneration ratio, we took into account all employees in the Group.

The following formula was used to calculate the ratio:

$$\text{Annual total remuneration ratio} = \frac{\text{Annual total remuneration of the highest-paid individual}}{\text{median annual total remuneration for all employees (excluding the highest-paid individual)}}$$

► Annual total remuneration ratio in the Group

Gender	Annual total remuneration ratio
Men	5.0
Women	4.9

S1-17 – Incidents, complaints and severe human rights impacts⁹⁶

In order to prevent bullying and harassment in the workplace, the Sava Insurance Group has the necessary mechanisms in place to ensure that an employee who believes he or she is a victim of such acts can be adequately protected. The Group had no human rights incidents related to its own workforce. In 2024, one employee concern was submitted to external arbitration body at the Group level..

Year	2024
	Number
Number of incidents of discrimination	0
Number of complaints filed through channels for employees to raise concerns	1
Number of severe human rights incidents involving employees	0
Total	1

► Total amount of fines, penalties and compensation for damages as a result of incidents and complaints

Year	2024
	Amount (EUR)
Total amount of fines, penalties and compensation for damages as a result of serious human rights issues and incidents related to employees	0
Total	0.0

⁹⁵ ESRS S1-16 paragraphs 97 (a), 97 (b) and 97 (c).
⁹⁶ ESRS S1-17 paragraphs 103 (a), 103 (b), 103 (c), 104 (a) and 104 (b).



ESRS S3 – Affected communities

SBM-2 – Interests and views of stakeholders⁹⁷

At the Sava Insurance Group, we monitor the interests and views of local people and communities in a variety of ways and try to integrate them into our business process in a meaningful way that is consistent with the goals of the company.

- **In most cases, we receive offers of cooperation directly or indirectly (through our employees) from interested stakeholders via publicly available email or postal addresses,** which we then consider.
- **The Sava Insurance Group also conducts its own screening of local community interests** in cases where we identify opportunities that can have a direct positive impact on enhancing or strengthening our reputation in the (local) environment and our employer brand. These opportunities are mainly related to socially responsible activities and projects, such as corporate volunteering and cooperation with educational institutions.

Many partnerships are long-term – companies enter into long-term contracts or agree to renew them on an annual basis.

Our primary objective is to improve safety and quality of life, either through financial contributions or other forms of engagement with the local community. Through the partnerships with communities, the Group companies primarily pursue interests, such as:

- higher levels of safety and prevention, loss prevention (prevention activities),
- improving conditions for the development of sport, culture and talent (sponsorship, donations and volunteering),
- promoting sport as a good way to improve health and well-being (partnerships with local sports associations),
- improving the living conditions of vulnerable groups in the local community (fundraising campaigns, donations and volunteering),
- restoring the natural environment (reforestation and landscaping),
- education, awareness and skills development (financial literacy and capital market development),
- youth development, support for young talent and science development (scholarships),
- intergenerational cooperation,
- improving animal welfare (zoos and sanctuaries),
- co-creating sustainability communities (environment and society).

We are continuously expanding and adapting our community partnerships to meet the needs of the local environment.

SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model⁹⁸

In the area of material impacts on affected communities, we did not identify any negative impacts, but we did identify some positive impacts.

Through the Group’s slogan, “Among Good People”, we communicate the increasing collaboration between Group companies and, more importantly, our focus on people as an overarching value and key approach. We work with communities at a national level in all markets, with a particular focus on communities in local areas where we have a physical presence, as this is where we can best and most easily identify the needs and potential of individual groups. It also provides opportunities to promote the company as a responsible employer and to attract local talent.

All Group companies have a strong positive impact on various stakeholders in the communities in which we operate, creating

jobs and ensuring the financial stability of our employees. We also support community development through our involvement in sports, the arts, education, prevention and volunteering. We support vulnerable and marginalised groups through donations and charitable activities. We also promote sustainable development, care for the natural environment and infrastructure development.

We place a strong emphasis on safety, increasing awareness of the importance of safety through preventive activities, raising awareness of the importance and appropriateness of insurance cover and investment opportunities, contributing to improving the overall safety of people and property through preventive measures and partnerships, contributing to road safety and raising awareness of safety issues.

As the largest company in the Group, Zavarovalnica Sava carries out the largest volume of activities related to community support projects. Most of these are long-term sponsorship and donation programmes. The company’s commitment to the community is also demonstrated by its long-term support of projects such as the Call of Loneliness (Klic osamljenosti) and You’ve Got It! (Maš to!), which raise awareness of the importance of mental health.

⁹⁷ ESRS 2 SBM-2 paragraph 45 (b), ESRS S3-1 paragraph 16 (b), and ESRS S3-2 paragraph 21 (a).
⁹⁸ ESRS 2 SBM-3 paragraph 48, and ESRS S3 paragraphs 9, 9 (a), 9 (b), 9 (c), 9 (d), 10 and 11.



Zavarovalnica Sava continues to develop the SavaFit incentive programme to encourage its policyholders and the wider community to spend their leisure time actively. It offers a pay-as-you-live discount on insurance premiums and additional benefits from selected partners to encourage policyholders to be more physically active. SavaFit is also used as a platform for charity programmes involving policyholders.

The Group companies are also receiving awards and recognition for their work in engaging with affected communities, confirming our positive impact on affected communities. It is worth mentioning Zavarovalnica Sava's TOP Investor in Education certificate and the award for the You've Got It! (Maš To!) project for the best content and innovation.

A key function of insurance companies is to bear risk and provide the insured with an adequate (desired) level of security. Through the Group's prevention activities, we also encourage stakeholders to identify various risks and thus contribute to the protection of health, life and property.

We also see opportunities:

- networking through projects, sponsorships, donations, volunteer initiatives and prevention campaigns,
- raising awareness and educating the wider

community on sustainable development and best sustainable practices,

- improving technical performance by investing in preventive activities,
- investing in projects to implement preventive measures, protect against the effects of climate change and improve safety.

All Group companies have community involvement plans that include activities to improve the local environment and projects to help vulnerable groups such as children, the elderly and people with disabilities. These mainly take the form of sponsorship, donations and volunteering.

S3-1 – Policies related to affected communities⁹⁹

Group companies regulate their engagement with communities through a code of ethics and a communications policy and/or a sponsorship and donations policy.

The code of ethics is a guide for companies to act in accordance with our Never Alone promise, the Group's mission, vision and culture. Through the code of ethics, the Group companies have committed themselves to, among other things, sustainability and respect for human rights. The Group does not fund political parties,

organisations that promote racial, sexual, religious or other forms of discrimination, or projects that are offensive or ethically or morally questionable. Our donations and prevention funds are primarily used for health, social welfare, ecology, scientific development, education and protection of life (disaster relief). The code also states that sponsorship must be proportionate to the economic purpose.

The sponsorship and donations policy sets out the procedures and rules for companies to plan the costs of donations and sponsorship, make donations, allocate sponsorship funds, ensure the traceability and monitoring of donation and sponsorship agreements and report on donations and sponsorship. We recognise that by investing in sponsorship and donations, we can strengthen our brand while supporting the development of the local environment.

We communicate our sponsorship and donation activities primarily through our web portals and social media.

The larger Group companies also have a communications strategy in place to ensure consistent and coordinated communication with stakeholders and target audiences. A communications strategy can have a positive impact on building trust and is important in differentiating the Group from its competitors,

as well as helping to build reputation and targeted brand positioning.

Group companies determine annually the financial volume of resources to be allocated to prevention activities. In the insurance companies, the allocation and use of funds for prevention activities is governed by internal rules.

Human rights¹⁰⁰

The main human rights commitments related to working with local communities include promoting equality, improving education and access to basic necessities, and social inclusion of vulnerable groups.

All Group companies engage with communities in an ethical manner, ensuring an equal dialogue and providing feedback. Community representatives have available the means to complain in the event of potential violations of their rights, and all complaints are handled in accordance with the corporate approach (as described in section [ESRS G1-1](#)).

Our policies are also aligned with international human rights principles, such as:

- the UN Guiding Principles on Business and Human Rights,
- the OECD Guidelines for Multinational Enterprises,
- the international Sustainable Development Goals (SDGs).

99 ESRS S3-1 paragraphs 14 and 16 (a).
100 ESRS S3-1 paragraphs 16, 16 (c) and 17.



We have not identified any cases of non-compliance by Group companies with the UN Guiding Principles on Business and Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work or the OECD Guidelines for Multinational Enterprises involving affected communities.

S3-2 – Processes for engaging with affected communities about impacts¹⁰¹

At the Sava Insurance Group, we are in favour of long-term partnership programmes because our ongoing support enables the long-term development of the programmes we support, thus achieving better results for both parties. At the same time, we are open to new partnerships and are ready to submit proposals for cooperation to interested community representatives.

Regular dialogue with affected communities enables us to understand their interests and views and to integrate them into our activities in a meaningful way. We disclose our approach in this area in section [ESRS 2 SBM-2](#).

The companies support communities continuously throughout the year, with more intensive campaigns at certain times of the year. For the projects in which the companies are involved, we monitor both the impact and the success of the project.

At the Group level, the community engagement area is managed by the office of the management board and of compliance. Each company has two designated people, one responsible for managing the area and the other responsible for overseeing it, depending on how the company is organised. However, in most cases, the area is covered by communications, marketing or public relations.

To assess the success of engagement with affected communities, we regularly monitor projects at all stages of the engagement. Depending on the nature of the engagement, feedback on the success of the project may include:

- feedback from the communities and organisations supported,
- any coverage in the media or other information channels,
- internal analysis of the results achieved,
- monitoring of project implementation.

S3-3 – Processes to remediate negative impacts and channels for affected communities to raise concerns¹⁰²

At the Sava Insurance Group, we strive to continuously improve the quality of our work, including in the area of community engagement. We are aware that in the course of our business, situations may arise where our actions or decisions differ from the expectations of external stakeholders. To this end, the companies have various communication channels in place through which concerns or complaints can be raised.

As the majority of our activities have a positive impact on the communities in which we operate, the Group companies have not identified any instances where community representatives have sought to raise concerns about negative impacts. Therefore, there are no specific mechanisms in place to address the concerns of affected communities, but channels are available to communicate them. In such cases, companies would address the concerns and protection of individuals in the process in the same way as they would address complaints from consumers and end-users ([ESRS S4-3](#)) or concerns from other affected stakeholders ([ESRS G1-1](#)).

S3-4 – Taking action on material impacts on affected communities, and approaches to managing material risks and pursuing material opportunities related to affected communities, and effectiveness of those actions¹⁰³

Although the Sava Insurance Group has not identified any direct negative impact on communities as a result of its activities, we closely monitor the substance of our community involvement.

We also strengthen our role in the community by working with schools and colleges, and through financial education for young people and presentations on careers in the areas we cover. We also participate in careers fairs and, depending on the activity, with schools and colleges covering professions that are also relevant to us in terms of potential recruitment. We are aware of our responsibility to develop our professional workforce and are therefore strengthening our role as an attractive potential employer.

In the area of prevention, we are particularly concerned with supporting the most vulnerable groups in society, and some of our projects are aimed at improving the quality of life for animals and preserving the natural environment.

¹⁰¹ ESRS S3-2 paragraphs 21 (a), 21 (b), 21 (c) and 21 (d).

¹⁰² ESRS S3-3 paragraphs 27 (a), 27 (b), 27 (c) and 27 (d).

¹⁰³ ESRS S3-4 paragraphs 32 (a), 32 (b), 32 (c), 32 (d), 33 (a), 33 (b), 33 (c), 34 (b), 35, 36 and 38.



Sponsorships and donations

In the communities where we operate, we are committed to community development in the areas of sport, culture, infrastructure improvement, education and skills development, particularly financial literacy. At the Group level, we sponsor the ABA basketball league and the ACH Volley Ljubljana volleyball club. The Group has also joined the Green Heart of Carst project, which aims to reforest the Slovenian Carst forests affected by forest fires. In addition, the Group companies allocate available resources and actively implement projects to support communities, in line with their financial plans, opportunities and market needs.

Prevention projects

A key focus is to raise awareness among policyholders and the wider community of the importance of asset protection, health protection, and fire and road traffic safety. Through prevention activities, we aim to prevent and reduce the number of claims while raising awareness of the importance and appropriateness of insurance coverage and investment opportunities.

Our insurance companies set up special funds for such projects in accordance with local legislation.

In the area of prevention, the insurance companies of the Sava Insurance Group focus mainly on:

- health protection (physical and mental health),
- road safety (in Slovenia in cooperation with the national automobile association AMZS, otherwise with local organisations working in this area),
- fire safety (cooperation with fire brigades),
- hail protection and other actions to protect property.

In order to prevent and eliminate risks to insured property and persons directly related to the insurance business, the Group's insurance companies participate directly or in partnership in the financing of programmes with a preventive content or preventive purpose. Forms of such cooperation include:

- making available own staff and funds directly with insured persons,
- financing of prevention programmes outside the insurance company,
- making financial contributions to preventive investments or investments that help reduce losses.

Corporate volunteering – Heart for the World

The Heart for the World initiative is a volunteering programme that engages employees in a wide range of community activities. The programme focuses on helping vulnerable groups, improving animal welfare, preserving and revitalising the natural environment, health education and other social issues.

In 2024, a total of 6,574 hours of corporate volunteering was provided in collaboration with employees of Group companies.

Commitment to external initiatives

We participate in initiatives that promote ethical conduct and sustainable business practices. We comply with the fundamental standard of professional business conduct as set out in the Insurance Code of the Slovenian Insurance Association. We follow the recommendations of the Ljubljana Stock Exchange for listed companies on disclosure of information and have signed the Slovenian Corporate Integrity Guidelines. At Sava Re, we follow the Slovenian Corporate Governance Code for Listed Companies as a reference code for corporate governance.

Membership in associations

All Group companies are active in national and local associations and take a proactive role in the development of their industry and other social developments.

We regularly monitor and evaluate the implementation of actions in a variety of ways, depending on the nature of the action, by:

- keeping records of funds in each category of sponsorship and donation,
- tracking media coverage and announcements through other channels,
- keeping a record of the hours of corporate volunteering by employees,
- tracking the number of scholarship students employed in our companies,
- tracking feedback from the communities and organisations we support (not measurable),
- conducting an internal analysis of the results achieved.

We communicate regularly with affected communities and have not identified any negative impacts based on the responses to date. In the event of potential negative impacts, we follow the approach described in sections [ESRS S3-4](#) and [S3-3](#).

We describe our approach to managing risks and identifying opportunities in section [ESRS 2 SBM-3](#). On this basis, we implement the actions described in section [S3-4](#).



We follow the policies set out in section [S3-1](#) when planning activities and projects to engage with affected communities to ensure that our practices do not cause material negative impacts.

To date, we have not been involved in any serious human rights issues or adverse events relating to affected communities.

The following is a breakdown of the financial resources we committed to sponsorships, donations and prevention activities in 2024.

► **Sponsorships and donations by substance**

EUR	2024	2023	Index
Charity	294,812	47,420	621.7
Arts	162,685	137,731	118.1
Sports	2,203,151	2,922,675	75.4
Education, training	128,456	67,981	189.0
Science	1,400	500	280.0
Social care	11,249	7,600	148.0
Disability	4,600	2,693	170.8
Health	24,664	40,226	61.3
Other	649,846	522,829	124.3
Total	3,480,863	3,749,655	92.8

► **Resources allocated to prevention**

EUR	2024	2023	Index
Zavarovalnica Sava	679,322	507,979	133.7
Sava Osiguranje (MNE)	205,500	134,371	152.9
Sava Neživotno Osiguranje (SRB)	209,099	65,580	318.8
Total giving back to the community	1,093,921	707,930	154.5

S3-5 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities¹⁰⁴

The main objectives of the Group companies are to promote social responsibility and to enhance brand awareness and reputation in the local environment.

On this basis, our goals in terms of promoting positive impacts on affected communities are not aimed at measuring specific outcomes but are focused on:

- carrying out activities in line with the annual financial plan in the areas of donations, sponsorship and prevention,
- maintaining the same level of volunteer activities as in the previous year,
- strengthening the reputation of the Sava Insurance Group as a respected partner of the local community.

ZWe do not have specific metrics to track and monitor our goals in relation to the affected communities, except for measuring the reputation of Zavarovalnica Sava in Slovenia (brand reputation monitoring survey) and keeping records of investments in sponsorship, donations and prevention activities. Indirectly, the effectiveness of our activities in the affected communities

is monitored against targets and metrics set in relation to other stakeholders, mainly consumers and end-users, who are also mostly stakeholders in affected communities. These targets and metrics include, for example, customer satisfaction, market share by geographic location, building a company’s profile as a good employer, monitoring media coverage and social media posts.

We engage in regular dialogue with affected communities to identify their interests and views, which are then taken into account in the achievement of our goals. Our cooperation with them is described in section [ESRS 2 SBM-2](#).

Sector-specific topics

In the double materiality assessment, we have identified the safety of affected communities and donations and sponsorship as sector-specific topics. We have included information on these topics in the core generic standard disclosures and therefore do not disclose them again.



104 ESRS S3-5 paragraphs 41, 42 (a), 42 (b) and 42 (c), and MDR-T paragraph 81 (b) ii.



ESRS S4 – Consumers and end-users

SBM-2 – Interests and views of stakeholders¹⁰⁵

At the Sava Insurance Group, we put our customers at the centre of everything we do. We also disclose how we take into account the interests and views of our consumers and end-users in our strategy and business model in section [ESRS 2 SBM-2](#).

In companies regulated by the European Union and carrying on insurance and reinsurance activities within the Group, we regularly assess compliance with sustainability factors as part of the approval process for new or renewed insurance products and services in the following areas:

- non-life and health insurance,
- life insurance,
- pension insurance.

All insurance policies have sustainability factors that are published on the insurer's website for customers to see.

The Group companies carry out one or more of the following activities in the course of their business:

1 Non-life insurance

Non-life insurance products are designed to provide individuals, families and businesses with comprehensive protection against a wide range of risks, as well as financial security and peace of mind in everyday life.

A Personal sector

The Group's insurers offer a wide range of non-life insurance products tailored to the different needs of individuals and families.

B Commercial sector

Our commercial insurance products offer businesses protection against the financial risks associated with their operations. With flexible products, we offer our customers the insurance they need to protect their property, liability and employees. Our flexibility allows us to develop tailored solutions in response to economic changes and emerging trends.

When underwriting non-life insurance, the Group companies follow guidelines for the responsible underwriting of environmental, social and governance risks. This allows us to monitor the profile of policyholders from a sustainability risk perspective during due diligence. As a result, the

Group's insurers may decline coverage for certain policyholders if the insured interest is identified as a high or immediate risk.

2 Life insurance

The Group's insurance companies offer a wide range of life insurance products, including term insurance, endowment insurance and flexible combinations of insurance products with an investment component. The product range also includes life insurance policies where the policyholder bears the investment risk. Policyholders can choose from among a range of investment funds and potentially achieve higher returns while bearing the investment risk themselves. Policies are designed to provide financial security for families, to accumulate savings for future use or to meet the specific needs of individuals at different stages in their lives. The product development and control process includes actions and procedures that take sustainability factors into account. Before purchasing a policy, the customer completes a needs and requirements questionnaire, which provides us with an insight into the customer's sustainability orientation.

The savings under a unit-linked life insurance policy are linked to the performance of the

selected funds. Customers of Zavarovalnica Sava and Zavarovalnica Vita can also choose funds that promote environmental and social characteristics but do not have ESG goals as a core objective, which are considered Article 8 funds under the SFDR Regulation. The promotion of environmental and social characteristics in the context of unit-linked life insurance is linked to the choice of at least one fund promoting environmental and social characteristics at the time the policy is taken out or during the policy term, or to the share of these funds in the premium or in the assets under the policy during the policy term.

3 Reinsurance

At Sava Re, we are building a globally diversified reinsurance portfolio.

Guidelines for the responsible underwriting of environmental, social and governance risks are also taken into account in the reinsurance business. Based on these guidelines, we monitor exposure to ESG criteria when accepting reinsurance business, especially for non-Group facultative business.

In the non-Group treaty reinsurance, we seek reinsurance opportunities that have a positive impact on sustainability.



4 Asset management

The Group's asset management company manages client assets in 19 Infond sub-funds, 12 of which are considered Article 8 funds under the SFDR Regulation. This means that they promote environmental and social characteristics. The other seven sub-funds do not invest in industries considered to be harmful.

5 Pension insurance

We offer a comprehensive range of supplementary pension products in the EU markets, as well as mandatory and voluntary pension fund management activities outside the EU.

6 Assistance services

We complement our core insurance business with assistance services, providing motor, home, travel and other assistance services to our policyholders. The EU-based insurers offer health insurance with assistance services to help policyholders book and organise treatment in the event of an illness or injury.

SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model¹⁰⁶

The insurance and investment industry is intrinsically linked to the dynamic changes in society and the economy and therefore requires constant adaptation. Our business strategy is based on understanding the needs of different groups of consumers and end-users, protecting their rights and responding to environmental, technological, demographic and regulatory changes. The primary purpose of insurance is to provide security and financial protection to policyholders in case of unforeseen events.

Material impacts that may pose risks to consumers and end-users include climate change adaptation and mitigation, policyholder privacy issues and the associated vulnerability to potential cyberattacks. In response and in line with our strategy and business model, we offer products linked to climate change adaptation, we work to reduce our carbon footprint over the long term, we have a strong consumer privacy policy and good security systems in place, and we train and sensitise our employees to handle our customers' personal data as securely as possible. We also continually invest in improving IT processes,

the control environment and the availability of products and services.

In addition to activities related to the development of sustainability elements in products, we focused in 2024 on the implementation of new legal requirements in the area of sustainable business, including ensuring a higher level of data quality, preparing internal bases and formalising rules in this area. In line with the existing criteria for defining sustainability factors, insurers in markets regulated by EU legislation have started activities to adapt and update the documents related to the assessment of sustainability elements in individual products.

We also follow the responsible market practice of not abusing the vulnerable position of the insured. In this case, we take an even more prudent approach and disclose all material information.

In the non-life segment, insurance products with a particularly strong social component are personal accident and health insurance.

Negative impacts¹⁰⁷

There may be material negative impacts on the privacy of policyholders. We collect a large amount of personal data in the course of underwriting insurance policies, making investments or engaging in other forms of

business relationships with consumers, and we also process and use this data for reporting and disclosure purposes, particularly in the personal lines of business, where the majority of the Group's business is written. We recognise the broader societal implications of potentially irresponsible management of personal data, especially given the development of artificial intelligence, smart devices and other modern digital technologies. To minimise any negative impact, and in line with the Group's commitment to high ethical standards, we pay particular attention to the protection of personal data in conjunction with ensuring cybersecurity, going beyond the minimum requirements of the law (for more information, see section [ESRS G1 "Protection of personal data"](#)).

Positive impacts¹⁰⁸

Our products and services have a positive impact on our consumers and end-users in many ways.

All companies have complaint mechanisms in place to ensure freedom of expression. At the Group level, we maintain a register of complaints and, in addition to the Group's guidelines and rules, the companies have internal rules, procedures and instructions for receiving and resolving complaints, all in accordance with applicable law.

¹⁰⁶ ESRS 2 SBM-3 paragraph 48.

¹⁰⁷ ESRS 2 SBM-3 paragraph 10 (b).

¹⁰⁸ ESRS 2 SBM-3 paragraphs 10 (c) and 10 (d).



We provide consumers and end-users with access to quality information relevant to their decision-making. In the area of unit-linked insurance and the underlying investment options (funds), we provide access to sustainability-related information in accordance with the SFDR Regulation. We are committed to the financial education of our customers and develop advanced digital solutions that provide users easy and fast access to information – anytime, anywhere. The Slovenia-based companies use the SavaNet personal portal, which makes it easier for users to access information and manage insurance services. There is also a call centre staffed by trained advisers.

Consumer health and safety are fundamental elements of most of our products and services. We play an important role in promoting healthy habits among our insureds through appropriately designed offers (e.g., the SavaFit incentive programme). Health and life insurance products increase the possibility of taking care of one's health and security in case of unforeseen events or illness. In Slovenia and North Macedonia, we are expanding our activities in the area of hospital and healthcare services. We provide financial security for our policyholders with a wide range of non-life insurance products. We are also adding a security element to our assistance services.

Our activities with consumers and end-users are based on responsible marketing practices, where we take a responsible approach to marketing and advertising, adhering to the principles of clear, transparent and accountable communication. Within our Group companies, we promote transparency and clear communication of product terms, rights and obligations. We promote financial inclusion and protect consumers and vulnerable groups by introducing simple and accessible insurance products. We have established a net promoter score (NPS) system to measure customer satisfaction and invest in green technologies and sustainable projects that have a long-term positive impact on community well-being.

Certain insurance products are tailored to specific customer segments, such as the protection of children. These include pre-school and school accident insurance, supplementary accident insurance and unit-linked scholarship policies. Life insurance is also an important protection for children and is taken out to provide financial security for dependants in the event of death. The companies' assistance segment also offers tailor-made services for children.

We disclose the material risks and opportunities arising from the impact on consumers and end-users in sections [ESRS G1 “Protection of personal data”](#) and [ESRS G1 “Statutory stakeholders notification”](#), under the “Impacts, risks and opportunities” subsection.

S4-1 – Consumer and end-user policies¹⁰⁹

All Group companies have adopted rules, protocols or instructions to manage our service delivery processes, which are essential to ensure quality and hence customer satisfaction. They cover underwriting, claims handling, recourse procedures and complaints handling. Our engagement with consumers and end-users is governed by documents adopted at the Group level:

- the Group's business strategy,
- the Group's sustainable development strategy for 2023–2027,
- the Group's sustainable business policy,
- guidelines for responsible underwriting of environmental, social and governance risks in non-life insurance.

On an individual basis, depending on their business and applicable local laws or regulations, the companies have adopted additional internal strategies, policies and rules for considering sustainability factors, managing consumer processes, distributing insurance products, implementing after-sales processes and managing investments.

The heads of each business function in the parent company draft proposals for Group policies or guidelines, and the final decision on these proposals is taken by the parent company's management board (in certain cases the approval of the supervisory board is required). The policies or guidelines thus drafted serve as reference documents for the formulation of policies or guidelines in the subsidiaries. The subsidiary's management or supervisory bodies, as part of their responsibilities for implementing the Group's policies and guidelines, consider any necessary amendments to adapt to local law or any other necessary adaptations and, in accordance with the procedures set out in the Group's policies and guidelines, determine their own amendments to such policies and guidelines and ensure that the subsidiary's amendments do not violate any applicable laws, regulations or prudential rules.



Human rights¹¹⁰

The Group companies strive to respect all fundamental human rights, such as privacy, non-discrimination, physical accessibility, access to information, personal safety, inclusion of vulnerable groups, and protection of personal data and others, in the conduct of their non-life, life and pension insurance, asset management and assistance services businesses. Through the implementation of our product oversight and governance (POG) policy, we ensure that our products are consistent with our customers' interests, sustainability goals and international standards. We pay particular attention to inclusive practices and accessibility for diverse customer groups.

We also ensure respect for the human rights of consumers and end-users, who are individuals, by adhering to the Group's policy on the responsible underwriting of environmental, social and governance risks in non-life insurance, by implementing a sustainability investment policy for life insurance and unit-linked products, and by implementing internal rules on respect for privacy and the protection of personal data.

On an individual basis, depending on the nature of their business and applicable local laws or regulations, some Group companies have adopted additional internal strategies, policies and rules

relating to the integration of sustainability factors, the management of customer processes, the distribution of insurance products, the implementation of after-sales processes and the management of investments. We disclose our approach to consumer and end-user engagement in section [ESRS S4-2](#).

We have strengthened our commitment to human rights by joining the UN Global Compact and focusing on the UN Global Sustainable Development Goals. The Group's policies are aligned with international standards such as the UN Guiding Principles on Business and Human Rights, the OECD Guidelines for Multinational Enterprises and data protection legislation. We are committed to transparency and compliance in all markets in which we operate.

Remediation¹¹¹

The Group's insurers assess the potential impacts on customers' privacy, personal security and social inclusion as part of the product development process. Any potential risk of violating the rights of individuals is managed in accordance with the Group's code of ethics, the Group's policy on ensuring the inviolability of the person and protection of personal dignity and other internal policies governing the conduct of companies and employees in relation to consumers and end-users.

The insurance ombudsman is responsible for protecting the interests of policyholders and ensuring fair and transparent business operations in Slovenia and strives to achieve fair solutions for the benefit of policyholders.

We did not identify any violations or non-compliance with the UN Guiding Principles on Business and Human Rights in the Group companies' dealings with consumers and end-users.

S4-2 – Processes for engaging with consumers and end-users about impacts¹¹²

The Group companies have organised and opened up a number of distribution channels to consumers in order to meet different market needs as efficiently as possible, depending on the type of product and consumer group. In addition, we regularly monitor consumer and end-user satisfaction in a variety of ways, and based on the feedback, we adjust our products and services as necessary and build long-term relationships with our customers.

We engage with consumers and end-users mainly directly, through a variety of communication channels that enable two-way communication:

- personal contact at the company's headquarters or offices,
- written communication (email or traditional mail),
- telephone contact / call centre,
- internal network of in-house insurance agents,
- external network of insurance agents, agencies, banks as distribution channels and other contractual partners,
- external network of insurance intermediaries (agents),
- social networks,
- corporate websites and other digital platforms such as mobile applications, which, in addition to their function as distribution channels, provide comprehensive support to our customers.

We also communicate with consumers and end-users in a one-way manner by providing documentation (electronically or by post), legally required communications and information, sales and promotional material, or informative or educational content.

We engage with consumers and end-users at all key stages, such as the development of new products and services, sales activities, contractual relationships and after-sales activities, with particular emphasis on services during the claims-handling phase.

¹¹⁰ ESRS S4-1 paragraphs 16, 16 (a) and 16 (b).
¹¹¹ ESRS S4-1 paragraph 16 (c).
¹¹² ESRS S4-2 paragraphs 20, 20 (a), 20 (b), 20 (c), 20 (d), 21 and 26.



At Zavarovalnica Sava, we have also developed a “design thinking” approach where new product concepts are based on ongoing validation and feedback from target groups. Similarly, insurers in other markets conduct pre-launch product testing to assess alignment with the needs of the target market.

The head of the insurance, sales and Group governance business centre is responsible for developing and supporting the development of the relevant business function at the subsidiary level, whose role is to engage with consumers and end-users. His work is overseen by the parent company’s management board. The responsibility for implementing the activities and ensuring that they are adequately funded lies with the management board of each company.

The effectiveness of the cooperation is measured through metrics such as net promoter score (NPS), customer satisfaction score (CSAT) and customer effort score (CES). Data are collected through call centres, online platforms and regular surveys.

Insurance companies also use specific market approaches, including target market needs assessments, to develop tailored products for children or other specific target groups, such as those based on age or other categories.

We have processes in place in the major Group companies to keep up to date with customer feedback, enabling us to be immediately aware of customer opinions and take proactive action.

S4-3 – Processes to remediate negative impacts and channels for consumers and end-users to raise concerns¹¹³

In dealing with complaints from policyholders and other beneficiaries of insurance policies, each Group company follows its rules and procedures for handling complaints, which are in line with local law and the guidelines of the European Insurance and Occupational Pensions Authority (EIOPA). In addition to the applicable law and implementing regulations in the area, the Group’s asset management company also complies with the guidelines of the European Securities and Markets Authority (ESMA).

In accordance with the Group’s governance rules, Sava Re keeps a record of complaints made regarding the conduct of its subsidiaries. After a complaint has been investigated, it is submitted to the relevant subsidiary for resolution. Sava Re’s Group governance department maintains an internal online register of such complaints.

In 2024, five complaints were lodged against two companies domiciled outside the EU. All complaints were referred to the two companies concerned for resolution in accordance with a protocol.

The Group companies have established a number of channels through which customers can express their concerns, dissatisfaction and complaints. This information is collected through the sales network, the call centre, email, the website, the complaints and grievance management system or other channels. Customers can also submit their concerns or complaints at the companies’ headquarters and business offices by telephone or post. Consumers may also lodge complaints anonymously.

Consumers and end-users are informed of the available complaints procedures at the time of the conclusion of the contract, in the contract documents, on the website and in other information material.

All subsidiaries also have internal rules, prescribed procedures and instructions in place for monitoring and handling complaints in accordance with applicable laws. Details are provided in section [ESRS S4-4](#).

S4-4 – Taking action on material impacts on consumers and end-users, and approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions¹¹⁴

In our dealings with consumers and end-users, we work in a variety of ways to prevent and address potentially material negative impacts on their privacy. The Group companies consistently follow the requirements of the General Data Protection Regulation (GDPR) and local data protection laws to ensure consumer privacy, as described in sections [G1 “Protection of personal data”](#) and [G1 “Operation and robustness of IT systems and cyber intrusions”](#).

113 ESRS S4-3 paragraphs 25 (a), 25 (b), 25 (c) and 25 (d).
114 ESRS S4-4 paragraphs 30, 31 (a), 31 (b), 31 (c), 31 (d), 32 (a), 32 (b), 32 (c) and 33 (a).



We pay particular attention to responsible marketing practices to build trusting, long-term relationships with consumers and end-users and to positively influence their choices. We promote responsible marketing practices through actions such as:

- regular training of distribution network staff and all employees (face-to-face or distance training, visits to points of sale, marketing materials and other information and guidance),
- availability during normal working hours – in person, by telephone, through electronic media, website and call centres,
- clearly defined content that sales representatives must disclose to customers when concluding contracts (both before and after the conclusion of a contract),
- full public presentation of products and services on company websites,
- the publication of frequently asked questions and answers on company websites,
- the promotion of sustainability and attention to the sustainability aspect of products (guidelines for responsible underwriting of sustainability risks and sustainability investment policies),
- the development of loyalty programmes and personalised insurance products tailored to the specific needs of consumers and making products and services more accessible (and affordable).

The effectiveness of the actions taken is verified by measuring consumer response to the actions taken. Our approach to assessing effectiveness in relation to consumers and end-users is explained in section [ESRS S4-2](#).

The Group seeks to minimise any actual or potential negative impacts on consumers. To achieve this, we have a number of processes in place to identify potential negative impacts and, where necessary, to identify and implement measures to reduce or eliminate them. These processes include complaint analysis, input from internal audit, feedback from the distribution network and guidance from regulators.

The handling of consumer complaints is systematic throughout the Group and is carried out in accordance with internal complaints handling rules, which govern the handling of all complaints received and internal observations. The Group companies maintain complaint records that document communications with consumers.

Complaints about more serious breaches by larger companies are handled by a multi-member panel to ensure impartiality and thoroughness. A customer can submit a complaint without having to comply with format requirements, which is more convenient. In addition, the customers of Slovenian insurers can initiate a mediation or out-

of-court consumer dispute resolution with the Slovenian Insurance Association. In other markets, insurers protect consumer rights in accordance with local laws.

Criteria used by the complaints committee:

- compliance with legal requirements (legislation, insurance code and EIOPA or ESMA guidelines),
- principles of impartiality and good business practice,
- internal rules and policies to protect consumer rights and avoid conflicts of interest.

Where we identify material negative impacts on consumers or end-users, we investigate the situation thoroughly to develop a remedial action plan. Depending on the nature of the negative impact, an action plan is developed that includes key actions and goals, metrics and timelines for implementing the actions. We review whether the implementation of the actions is effective and whether the goals are being met using various metrics defined in section [S4-2](#).

We report on our approach to ensuring that remediation procedures are in place in the event of material negative impacts on consumers and end-users in section [ESRS S4-3](#).

The Group companies have a strong interest in ensuring that our consumers are satisfied with the quality of the products and services we provide, including the treatment of consumers, the protection of privacy and the provision of adequate insurance cover and/or investment returns. Negative consumer experiences can lead to loss of trust, reputation and sales, while positive experiences strengthen long-term relationships and increase market share. We therefore have a number of measures in place to mitigate consumer and end-user privacy risks.

The effectiveness of these measures in practice is primarily reflected in customer loyalty, increased sales and shareholder value, consumer and end-user satisfaction, and regulatory compliance.

In line with the nature of their business and market practices, the Group companies have developed a number of positive incentives that offer significant opportunities in relation to consumers and end-users.



Actions for positive incentives¹¹⁵

New products: in response to the growing need for affordable and quality healthcare and financial security in retirement, as well as to demographic changes and increasing life expectancy, the Group companies are developing health and pension products that include advanced services such as coverage for scientific treatments or various assistance services related to consumers' health and medical needs. This type of product offering can help ensure that consumers have financial security in retirement and adequate protection in the event of a claim. An appropriate insurance proposal also strengthens consumer confidence in the Sava Insurance Group's reliability, which contributes to its reputation.

Protecting children and vulnerable groups: the Group companies are committed to the inclusion of vulnerable groups and to strengthening social inclusion in general. To improve the accessibility of insurance products, we are introducing specific insurance products that protect children and adapting existing products to make them suitable for vulnerable groups.

Strengthening the range of products with a sustainability element: in line with the Group's sustainability strategy, we are expanding our range of products and services that promote sustainable practices. Across all sectors, we are developing a

range of products and services that meet modern needs and support environmental and social goals. We are encouraging our insurance customers to improve road traffic safety and fire safety for property and reward more sustainable practices. This gives consumers the opportunity to actively contribute to their sustainability commitments through the use of modern products while strengthening the market offering and raising awareness of the wider societal impacts of climate change. The Group's sustainable products and services are used to raise the Group's profile as a socially responsible community partner.

Digitalisation: customer expectations and demand for simpler, faster and paperless services are increasing. The Group companies are therefore introducing new digital solutions and online platforms (e.g., SavaNet) for claims reporting, underwriting, remote damage assessment, access to claim status information and resolution of other consumer queries. This also reduces the administrative burden, improves the user experience and increases the transparency of processes. As a result, customers have greater insight into the status of their claims.

An innovative approach to product development: we involve all employees in the process of finding ideas for innovation – through innovation support systems and training. Employees can make

suggestions to improve processes. We provide training in the use of digital solutions and artificial intelligence to train and empower employees in the use of new technologies. We also provide training for our external partners involved in our sales processes.

Communication and optimisation: the Group recognises the need to develop multi-channel access, not only for underwriting and claims reporting but also for providing information on other products and special customer benefits. To this end, we are developing new digital solutions in our businesses to improve the quality of communication between the Group companies and their customers. In addition, we are raising customer awareness of the potential benefits of becoming a long-term partner of the Group.

Loyalty rebates: to reinforce the positive relationship with customers who have been long-term partners of Group companies, we are developing loyalty rebate schemes and strengthening our bundled service offerings. Insurance companies typically offer package and volume discounts to customers for a larger number of policies, a longer period of cover or coverage for a group of people. This helps increase customer satisfaction and the long-term stability of the business.

Zavarovalnica Sava has developed the SavaFit bonus scheme to encourage its policyholders to spend their leisure time actively. To encourage more physical activity, we offer a pay-as-you-live payment scheme and additional benefits from selected partners. The scheme is also used as a platform for charitable activities involving policyholders.

We are seeking an open and transparent relationship with consumers. In the process of developing and monitoring insurance products, we ensure that both the development of new insurance products, or the redesign or modification of existing ones, and the distribution of such products take due account of the goals, interests and characteristics of the target market, including sustainability goals. This process also ensures that conflicts of interest and negative impacts of marketing practices on consumers are avoided. We monitor our marketing practices for compliance with legislation, internal policies and rules, and ethical principles, and respond quickly to complaints, with zero tolerance for greenwashing and human rights abuses.

We allocate financial, human and other resources to carry out the business activities defined in our strategic plan. The allocation of resources is derived from the companies' annual business plans, which set out the planned activities and the financial means to implement the planned actions.



S4-5 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities¹¹⁶

In the area of customer privacy, our overarching goal is to have zero valid claims of privacy violations or misuse of data. This is in line with the Group’s code of ethics, the Group’s policy on ensuring the inviolability of the person and protection of personal dignity and the internal rules on respect for privacy and the protection of personal data.

The Group companies are constantly working to communicate effectively and professionally with customers and to ensure that the highest possible level of customer satisfaction is achieved while minimising the potential for any abuse of privacy. One of the ways in which we have begun to do this in 2024 is by gradually implementing a Group-level customer relationship management system for use in our call centres, with the aim of:

- improving data structuring and insight into our customer relationships,
- increasing efficiency and automating processes,
- improving customer satisfaction and the experience of those who use our products and services.

We monitor key performance indicators to achieve our strategic goals for consumers and end-users. Goals are set at the level of the Group companies and are not consolidated at the Group level. Each company sets its goals according to its own customer group and the specificities of the national market where it operates. At the Group level, the insurance, sales and Group governance business centre is responsible for monitoring key performance indicators.

The most important key performance indicators we monitor in the Group relate to consumers and end-users:

- the proportion of customers who have given their consent to communicate electronically, with the aim of increasing this proportion of customers,
- the proportion of claims reported online, with a view to increasing online reporting,
- the number of policies taken out online (or by email) – paperless business,
- the proportion of consumers who have made a complaint, with the aim of reducing the proportion of complaints,
- the average number of policies per customer, with a view to increasing the average number of policies per customer,
- customer satisfaction, or the adequacy of processes to meet customer expectations, with the aim of maintaining or improving the customer satisfaction measurement score.

We set our consumer and end-user targets based on trends or benchmarks in our industry and by measuring customer satisfaction using internationally comparable methods. We also incorporate customer feedback into our target setting, which we receive through the various channels established to communicate with consumers and end-users, depending on how the business is organised. When setting targets, we take care to ensure that all our targets are consistent with legal requirements.

The Group companies regularly train their employees and external partners on appropriate customer contact.

To monitor and improve customer satisfaction, we carry out regular checks at various touch points. All the Group companies use a standard metric, the net promoter score, which allows us to make comparisons across the Group and the industry. However, in the larger Group companies we also use other common metrics, such as customer satisfaction and customer effort scores, to monitor customer experience.

We analyse all customer responses received and use the information gathered to address any weaknesses, improve the customer experience in the future and set or improve targets.

As part of our normal business operations, we also monitor customer response to new developments. Where customer feedback leads to product improvements, this reflects the effectiveness of the cooperation.

The sales and commercial performance of products is verified by measuring sales and claims performance.

We measure the effectiveness of our services through metrics such as:

- the number of complaints submitted,
- the number of complaints resolved,
- the speed with which complaints are resolved,
- monitoring satisfaction scores (NPS method),
- customer churn, including comparisons with previous periods.

This reduces the risk of customer dissatisfaction and poor service while creating sales opportunities.

We use customer satisfaction surveys and other customer communication channels to incorporate our findings into the improvement of existing products and services or the development of new ones.



5 Governance information

ESRS G1 – Business conduct

GOV-1 – The role of the administrative, supervisory and management bodies

We disclose the role of the administrative, supervisory and management bodies in section [A.5 “Corporate governance statement”](#).

IRO-1 – Description of the process to identify and assess material impacts, risks and opportunities

We disclose the procedures for identifying and assessing material impacts, risks and opportunities in section [ESRS 2 IRO-1](#).

G1-1 – Business conduct policies and corporate culture¹¹⁷

At Sava Re and the companies of the Sava Insurance Group, we have established a corporate culture that we continuously develop, promote and assess. We have also defined standards of business conduct.

The basic documents governing business conduct and corporate culture include:

- the Group’s code of ethics, which regulates the values and principles of ethical and business conduct,
- the policy on ensuring the inviolability of the person and protection of personal dignity in the Group,
- the diversity policy, which governs gender and age balance in the management and supervisory boards (applicable only to Sava Re),
- the rules on conflict of interest management, which aims to mitigate and manage conflicts of interest that may arise in the course of performing duties and tasks within the company (applicable only to Sava Re),
- the policy on establishing an internal reporting procedure, adopted in accordance with the applicable legislation on whistleblower protection,
- the Group’s and Sava Re’s compliance policy,
- the Group’s fit and proper policy for relevant persons.

We have fraud prevention and detection systems in place in all Group companies.

In addition to the aforementioned documents developed within the Group, we also adhere to established guidelines and codes:

- the Group’s insurance companies comply with the provisions of the adopted insurance code to ensure business development, professional underwriting and professional conduct,
- by signing the corporate integrity guidelines, Sava Re has committed itself to creating a work environment based on a culture of corporate integrity, zero tolerance for illegal and unethical conduct by its employees, and compliance with legislation, rules and values while maintaining high ethical standards,
- at Sava Re we comply with the corporate governance code for listed companies.

Sava Re and our Group companies pay special attention to the following areas:

- anti-corruption conduct, in accordance with the corporate integrity guidelines and the Group’s procurement policy,
- personal data protection, where Sava Re has set up a support function for privacy and personal data protection and adopted a Group privacy and personal data protection policy,

- cybersecurity, through continuous strengthening of internal system controls with information and organisational solutions, as well as training and education of employees in information security,
- human rights, where, in line with the Group’s sustainable business policy, we ensure respect for human rights in accordance with international conventions and applicable legislation. Our commitment to human rights, labour standards, climate change and anti-corruption is further reinforced by our membership in the UNGC.

Key documents governing corporate culture and standards of business conduct also include measures to promote and assess such conduct.

117 ESRS G1-1 paragraphs 9, 10 (a), 10 (c), 10 (e), 10 (h), ESRS S1-1 paragraph 24 (b), and S1-2 paragraph AR 24 (c).



The values and principles of ethical conduct are defined in the **Group's code of ethics**, which was also adopted by the Group's subsidiaries. The general principles of the code of ethics are the Group's core values, which are binding on all our employees and include, among others, business compliance, protection of reputation, respect for the dignity and integrity of the individual, protection of trade secrets and other confidential information, honest and fair business practices, respect for market rules, professionalism and care for employees, equal information to all shareholders, transparency and integrity of information, avoidance of conflicts of interest, sustainability orientation and respect for human rights.

Employees who become aware of violations of the code of ethics or other binding rules must report them to the compliance function holder. The compliance function reviews each report and investigates any alleged irregularities. Each Group member takes appropriate action against any person who violates the code, depending on the seriousness of the violation. In accordance with the Group's and Sava Re's compliance policy, the compliance function holder in each Group company holds a position that ensures independence, sufficient authority and necessary powers. The independence of the compliance function from other key and business functions is ensured by the senior management of each company.

The compliance function holder of each company prepares annual and semi-annual (periodic) reports on the adequacy of controls implemented to manage compliance risks. These reports include a summary of any instances of non-compliance reviewed, any material adverse events or irregularities, their consequences and the actions taken. The compliance function holders in Group companies report periodically to the management and supervisory bodies or, where applicable, to the audit or other supervisory board committees and, in specific cases, also to sectoral committees and local regulators, in accordance with the national legislative framework and the internal regulations of each company. The periodic reports from subsidiaries are also shared with the Group compliance function holder.

No violations of the code of ethics were observed in 2024.

Directive (EU) 2019/1937 of the European Parliament and of the Council of 23 October 2019 on the protection of persons who report breaches of Union law was transposed into Slovenian law with the adoption of the Slovenian Reporting Persons Protection Act (ZZPri), which entered into force on 22 February 2023.

At Sava Re and other Group subsidiaries that are subject to the provisions of ZZPri, we fully comply with all sectoral regulatory requirements. We have put in place appropriate mechanisms within

the Group to ensure that employees are properly encouraged to safely raise any concerns they may have about possible misconduct in the workplace. We have a vested interest in ensuring that all reports are thoroughly investigated and that violations are remedied while ensuring that a system is in place to protect employees from retaliation.

The internal reporting procedure for violations is set out in the policy for establishing the internal reporting procedure under ZZPri.

In most of our subsidiaries, we have already integrated the Group's internal regulations into their operations, while in some this has been done only partially or in different ways due to different local legislation (e.g., North Macedonia and Montenegro).

At Sava Re, we have appointed a confidential adviser and a deputy confidential adviser to receive and handle reports. The confidential adviser works independently and is not subject to any instructions or policies in any particular case, as defined in the policy. The confidential adviser at Sava Re is an executive employee within the meaning of the Slovenian Employment Relationships Act and holds the key compliance function at the Group level.

We have established a secure and confidential reporting procedure. Employees can make reports in writing to the confidential adviser's email address, by post to the Company's address, or verbally by calling the confidential adviser's telephone number

or meeting him or her in person. Violations may also be reported anonymously without disclosing personal data.

In accordance with the policy, the confidential adviser reviews and processes each report following the prescribed procedure. He or she advises the whistleblowers, informs them of the reporting procedures and provides assistance in case of retaliation. If the confidential adviser determines that the report is substantiated, he or she takes all necessary steps to stop the violation. If the confidential adviser is not authorised to take such action, he or she notifies the responsible organisational unit and makes recommendations for corrective action.

The confidential adviser provides written reports to the company's management board on handled cases and prepares an annual statistical report on the previous year's reported cases.

The confidential adviser may consult an advisory group to support him or her when assessing and handling reports. This group consists of experienced professionals who are not employed within the Sava Insurance Group. The advisory group is organised and operates in a manner and according to a procedure that ensures that it is independent and separate from the management board of any company in the Sava Insurance Group. The advisory group submits an annual statistical report on its activities to the management board.



The confidential advisers in each Group company have the opportunity to receive training to improve their expertise and understanding of whistleblowing procedures.

Sava Re's confidential adviser participated in training sessions during the preparation of ZZPri, where proposed legislative amendments and employer obligations regarding whistleblower protection were discussed. In addition, the confidential adviser attended the European Institute of Compliance and Ethics (EICE) conference, where the challenges of implementing ZZPri in companies were addressed. The confidential adviser also develops his or her knowledge independently through professional materials and by following current sources and research on the subject. Such continuous development ensures that the confidential adviser is able to effectively deal with reports of irregularities and protect whistleblowers in accordance with sectoral legislation and internal rules.

Sava Re employees were informed of the adoption of the policy and the rules. Both internal regulations were presented to them in a webinar, a recording of which is available to them on the Company's intranet.

Beyond the whistleblower reporting procedures at Sava Re, we adhere to the principles and policies

of the rules on the management of conflicts of interest and the policy on ensuring the inviolability of the person and the protection of personal dignity.

The **rules on the management of conflicts of interest** aim to mitigate the effects of conflicts of interest and manage conflicts of interest that may arise in the performance of the duties and tasks of individuals in the Company by establishing and implementing procedures and measures to be applied when a conflict of interest arises. If a person subject to the disclosure requirements fails to disclose a conflict of interest, the compliance function initiates a review of the circumstances and, if necessary, provides opinions, recommendations or policies on the specific case or in general. If the review process reveals that damage has been done to the company, the compliance function prepares a report for the management board. According to the policy, any violation of its provisions is considered a breach of employment or contractual obligations, while an intentional violation or a violation due to gross negligence is considered a serious breach of employment or contractual obligations and constitutes the basis for extraordinary dismissal of the employment relationship. For more information, see section [A.5 "Corporate governance statement"](#).

In 2023, we established a **policy on ensuring the inviolability of the person and the protection of personal dignity** at the Group level. Under this policy, we are committed to ensuring equal treatment irrespective of nationality, race or ethnic origin, national and social origin, gender, colour, medical condition, disability, religion or belief, age, sexual orientation, marital status, trade union membership, financial standing or any other personal circumstances. Ensuring the inviolability and protection of the personal dignity of employees and others involved in work and business processes is one of the Group's key priorities, and we strive to provide and maintain a safe workplace in which no one is subjected to violence (in particular sexual violence) or harassment, discrimination and bullying. The inviolability of the person and protection of personal dignity are guaranteed by mechanisms and measures that provide for a clear, transparent, swift and predefined procedure for detecting and sanctioning undesirable conduct, independent decision-making, professionalism, autonomy and independence of the arbitration body, decision-making at a level outside the Group, and the strictly protected principle of confidentiality for whistleblowers and infringers.

Every employee has the right to equal treatment, dignity and personal integrity in the workplace. The act on the procedure for dealing with

violations of the rights to inviolability of the person and personal dignity in the Group establishes a protocol for identifying and resolving such risks. In 2024, we have initiated two proceedings for violations of inviolability of the person and personal dignity within the Group. By the end of 2024, these proceedings were still pending. There were no other reports of bullying, harassment or other forms of workplace violence in 2024.

We are committed to the highest standards of ethical business conduct and compliance. As part of our efforts to prevent corruption and bribery, we identify specific functions and activities where potential risks are higher. These include functions with direct contact with external customers and partners, functions responsible for selecting external service providers and suppliers or managing the companies' or Group's financial assets, and functions that manage the Group's assets and resources.

We actively seek to prevent corruption and bribery through training programmes, the establishment of clear procedures, codes of conduct for employees and reporting procedures for violations. We have also put in place internal control systems, such as audits, compliance reviews, adherence to the four-eyes principle and similar mechanisms.



G1-2 – Management of relationships with suppliers¹¹⁸

Supplier relationships within the Sava Insurance Group are governed by the Procurement Policy of the Sava Insurance Group (the procurement policy) and the General Terms and Conditions of Business Cooperation with the Sava Insurance Group (the general terms and conditions).

At the Group level, there are no specific rules in place to prevent late payments. At Sava Re and its subsidiaries, we generally fulfil our obligations in accordance with the agreed payment terms, ensuring support for suppliers through long-term contracts and regular payments.

In 2024, there were no proceedings against any Group company for late payments.

As part of our procurement policy, we regularly monitor key suppliers and assess supplier relationships, from both a business risk and sustainability perspective. Key suppliers are those who have a material impact on the company's business and, because they are embedded in the company's business processes, cannot be replaced at short notice in the event of operational difficulties. These suppliers include information technology (IT) service providers.

For IT services, supplier monitoring is established in accordance with the requirements of Regulation

(EU) 2022/2554 of the European Parliament and of the Council of 14 December 2022 on digital operational resilience for the financial sector and amending Regulations (EC) No 1060/2009, (EU) No 648/2012, (EU) No 600/2014, (EU) No 909/2014 and (EU) 2016/1011 (the DORA Regulation). We are currently developing internal rules and procedures for monitoring and managing third-party risks related to IT procurement and IT-related goods and services.

We also review the sustainable practices and dimensions of our suppliers. The sustainability questionnaire is sent to all existing and new suppliers whose estimated annual turnover with any Group company exceeds EUR 5,000, including VAT. These are providers of goods and services in a competitive market, insurance intermediaries, loss adjustment service providers and assistance service providers. We do not include in the collection of responses to the sustainability questionnaire entities that are not providers of goods and services in a competitive market, i.e., state authorities, autonomous local authorities, public service providers, public authority holders, concessionaires (e.g., utility services) and others that provide goods and services to the organisation under public law (e.g., fees, costs of administrative procedures, etc.).

When selecting suppliers based on the questionnaire, we assess the following social and environmental criteria:

- Regular and timely fulfilment of obligations under employment contracts and other contracts with workers working for them in other forms of employment, in accordance with legal and contractual deadlines.
- Provision of a healthy and safe working environment for employees and workers working for them in other forms of employment in accordance with legal requirements.
- Implementation of measures to protect employees and other workers working for them in other forms of employment from verbal, physical and sexual harassment and other acts against their dignity.
- Compliance with national laws and regulations in their countries of operation, as well as international human rights instruments (particularly on prohibition of child labour, forced labour, undeclared work and discrimination).
- Adherence to environmental regulations in all countries in which they operate.
- Regular and timely fulfilment of payment and tax obligations.

If a supplier fails to meet the minimum sustainability requirements, the Group companies have the right to withdraw from the procurement process or terminate an existing contract by unilateral declaration and without notice.

G1-3 – Prevention and detection of corruption and bribery¹¹⁹

We have a zero-tolerance policy in the Sava Insurance Group towards all forms of bribery and corruption, which applies to all employees of the Group and our customers and business partners. In accordance with the provisions of the corporate integrity guidelines, the Group's procurement policy and internal regulations of the Slovenia-based Group members, all contracts establishing legal relations must include an anti-corruption clause, general terms and conditions of business cooperation, which are communicated to suppliers, and provisions on confidential data and personal data protection. Anti-corruption provisions are also part of the Group's code of ethics.

Sava Re's rules on the management of conflicts of interest set out procedures and rules relating to receiving gifts, entertainment and hospitality. This approach helps us to mitigate the risk of unfounded allegations and the spread of distrust regarding the integrity of employees in the performance of their duties.

Group employees have access to reporting mechanisms for corruption and bribery as described in section [ESRS G1-1](#) (reporting procedures for violations of the code of ethics, whistleblower protection procedures, etc.).

¹¹⁸ ESRS G1-2 paragraphs 14, 15 (a) and 15 (b).
¹¹⁹ ESRS G1-3 paragraphs 18 (a), 20, 21 (a), 21 (b) and 21 (c).



No cases of corruption were detected within the Group in 2024.

We inform employees of the adopted internal regulations through various channels, including intranet postings and monthly updates on recent developments. Each employee is also briefed on these policies when he or she joins a Group company.

We inform our customers and business partners of these policies through a variety of means, including our website, contractual agreements and face-to-face consultations. Suppliers are specifically made aware of the anti-corruption clause when signing the contract.

All employees and persons holding office at Sava Re are required to familiarise themselves with the rules on conflict of interest management and sign a conflict of interest avoidance statement upon assuming their position or function. Through this statement, they undertake to avoid situations that could lead to conflicts of interest and affect their impartiality in performing their duties or making decisions, and to immediately disclose in writing any circumstances related to their duties or functions where a conflict of interest with Sava Re or the Sava Insurance Group is foreseeable. This obligation remains valid throughout the duration of their employment contract or function at Sava Re.

The rules are available to all employees at all times through internal communication channels. We do not organise regular training for members of management and supervisory bodies on the prevention and detection of corruption and bribery.

The rules on conflict of interest management (applicable to Sava Re) prohibit persons subject to the disclosure requirement from accepting gifts or other benefits in connection with the performance of their duties or functions, with the exception of symbolic or promotional gifts of small value (the threshold is defined in the rules). Under no circumstances is the acceptance of a gift permitted if its giving or acceptance constitutes a criminal offence, is prohibited by law or related regulations, involves cash, securities, gift certificates, vouchers, gift tokens or precious metals, or has the appearance of influencing the recipient's impartial performance of duties or functions within the company. Employees must disclose gifts that exceed the threshold defined in the rules or are otherwise prohibited by completing a gift disclosure form. The rules also include a protocol for handling gifts received, which outlines the procedure for handing over gifts to the company.

G1-4 – Confirmed incident of corruption or bribery¹²⁰

In 2024, Sava Re and its subsidiaries were neither convicted nor fined for violations of legislation related to corruption and bribery. At Sava Re, we strive to comply with all applicable regulations and ethical standards in the fight against corruption.

As there were no confirmed incidents of corruption or bribery during the reporting period, it was not necessary to implement measures to address violations of anti-corruption and anti-bribery procedures and standards.

G1-5 – Political influence and lobbying activities¹²¹

In accordance with the adopted code of ethics and the rules on sponsorship, Sava Re and other Group companies do not finance political parties. Our activities are limited exclusively to professional engagement within industry associations, and we do not participate in political campaigns, influencing or lobbying. Therefore, the function of overseeing political influence and lobbying activities has not been delegated to members of the administrative, management or supervisory bodies in the Group companies.

G1-6 – Payment practices¹²²

As payment terms are agreed upon in each procurement process in accordance with the general terms and conditions, there is no need for standard payment terms. The timing of payments is recorded in each company's accounting system but is not monitored at the Group level.

Sava Re and its subsidiaries are not involved in any pending litigation for late payment.

Our code of ethics sets out our values and principles for the entire Group

¹²⁰ ESRS G1-4 paragraphs 24 (a) and 24 (b).

¹²¹ ESRS G1-5 paragraphs 29 (a) and 29 (b).

¹²² ESRS G1-6 paragraphs 33 (a), 33 (b), 33 (c) and 33 (d).



Sector-specific topics

G1 – Operation and robustness of IT systems and cyber intrusions

Governance

We have identified the effective operation of the IT system, which enables the execution of our business processes and protection against cybersecurity breaches as one of the Group’s key areas in our industry, closely linked to the large volume of our customers’ data.

The strategic management of IT systems is the responsibility of the IT steering committee (ITSC), which ensures a comprehensive overview of strategy implementation and interim tactical-level decisions through collaboration with the relevant committees responsible for IT architecture and security and the committee responsible for projects and business processes.

The steering committee has been established to:

- align IT development with other business areas within the Group by coordinating ICT and IT projects / development tasks,
- ensure that the IT strategy is developed and implemented in line with the Group’s business goals,

- coordinate decision-making on the development and use of human and financial IT resources within the Group,
- monitor IT risks effectively (as part of a line IT process) within the Group,
- guide the development and allocation of resources based on strategic directions and decide on the distribution of resources between different areas within the Group.

Information security is managed at two levels:

1. The Group has established the function of chief information security officer (CISO), who holds primary responsibility for the strategic management of information security and reports to the management board. CISO leads the overall security framework and works with key stakeholders such as IT departments, internal audit, risk management, compliance, privacy and personal data protection, and legal affairs.
2. A cyber resilience team has been established within the IT department, with primary responsibility for operational management and execution of day-to-day security operations, including monitoring and management of security systems, incident response and implementation of security policies.

The management boards and senior management of the Group companies are responsible for adopting, overseeing and directing the information security strategy in line with the Group’s vision, business goals and EU regulations.

At the operational and execution level, tasks are carried out by the relevant IT departments in collaboration with content owners, project teams and specialists responsible for implementing IT-related developments. In addition, we have established an internal audit function that continuously assesses IT operations and governance.

Strategy and business model

In 2023, we adopted a new strategy of the Sava Insurance Group and a set of execution plans for the 2023–2027 period. We have two key objectives in optimising the Group’s business processes – to speed up and to simplify customer service and internal processes. This will also help us achieve cost efficiency, which will play a more important role in the next strategy period than in the past, given the changed macroeconomic environment.

To achieve strategic goals in specific areas, we are replacing certain business solutions on a large scale, which involves a thorough review of processes and the identification of opportunities for improvement. Going forward, processes will be restructured and, where necessary, the organisation will be adapted to the new processes. Particular attention is given to IT security and enhancements of technological, process and organisational capabilities in this area.

As part of this effort, we have developed an information security strategy for the Group as a subset of the IT strategy. This strategy defines six key operational goals that will serve as the foundation for achieving the overarching goal of establishing a high level of cybersecurity resilience.

We continue our practice of conducting IT process maturity audits, combined with independent external peer reviews of operational performance, architecture and implementation of system and solution configurations. We use the feedback to plan upgrades and improvements to the IT processes we use.



Impacts, risks and opportunities

Due to continuous changes and innovations in IT architecture, the Group operates in a dynamic and evolving environment that requires us to continuously adapt the IT security procedures and business continuity measures. The ability to respond in this way must be ensured regardless of the scale and scope of changes introduced in response to business needs.

While we do not have a material direct impact on the resilience of IT systems in our industry, we do identify key risks and opportunities.

We have identified the following risks across all major operating segments:

- the risk of reduced functionality or system failure due to a cyberattack,
- the risk of data loss due to IT system malfunction or failure,
- the risk of security vulnerabilities or deficiencies in IT systems,
- the risk of security vulnerabilities or deficiencies in external service providers,
- the risk of unauthorised disclosure of confidential information,
- the risk associated with the increased use of cloud services and the introduction of new digital solutions.

Our EU-based companies are most exposed to these risks, as this is where our largest operating segments are concentrated. These risks affect the entire value chain.

We have identified several opportunities in this segment, including the development of process support, the use of advanced technologies, the transfer of best practices within the Group, the education, training and development of employees, the sales networks and the encouragement of stakeholders to adopt digitalised products and services.

Effects of material impacts, risks and opportunities on the business model, value chain, strategy and decision-making

The operation and robustness of IT systems is critical for delivering services to our customers and executing all back-office processes in Group companies. We provide efficient underwriting of policies, claims handling and other services to our customers while maintaining the security of their databases. Given that our services rely on ICT technologies, a robust IT system is essential to the functioning of our companies. The Group also places great importance on selecting appropriate service providers responsible for the security of the network and ICT solutions provided to us.

The most important aspect of IT system operation and robustness is security, as vulnerabilities leading to cyberattacks can arise in several areas, as shown by the identified risks. Due to digitalisation, these risks are already material in the short term and will become even more so in the medium and long term with the emergence of new technologies and artificial intelligence. Cybersecurity has therefore been one of the Group’s key strategic priorities for several years, and we integrate it into business and strategic planning. Actions implemented in this area include the operation of an information security committee, the development of a cyber incident response plan, the integration of a multi-factor user authentication system and the establishment of a database protection system. As of 2025, the DORA Regulation came into effect, introducing new network and information security requirements for financial institutions.

Key opportunities in the area of cybersecurity and IT system functionality include the training and development of employees and the sales network, thereby improving protection against external cyber intrusions. The development of appropriate process support and the use of advanced technologies will further strengthen resilience and spread best practices across the Group.

Financial effects of material risks and opportunities

In 2024, there were no negative financial impacts on the Group’s financial results from these risks. By implementing appropriate measures, we ensure the seamless operation of IT systems and maintain a high level of cybersecurity.

We increase efficiency at the Group level and mitigate operational risks by further automating and optimising business processes.

Expected financial effects of material risks and opportunities on financial position, financial performance and cash flows

The potential financial effects may materialise in the medium term in the event of a cyber incident or other business disruption. As a result, the Group will continue to invest in upgrading IT systems to strengthen security and resilience.

We increase efficiency at the Group level and mitigate operational risks by further automating and optimising business processes.

Resilience of strategy and business model

In recent years, we have made significant investments in developing IT systems and enhancing security at the Group level, thereby increasing resilience to potential cyber incidents and other IT system operational issues. This also improves the customer experience.



Policies

The overarching policy is the Sava Insurance Group’s business strategy, which defines information technology as one of the six key pillars of the Group’s strategic development. Our focus areas include:

- business solutions and data warehouse: we are gradually replacing core business information solutions, expanding capacity and improving processes;
- IT processes and organisation: we plan to establish a competence centre, upgrade the IT environment at the Group level and recruit new IT personnel;
- infrastructure: we will improve the internal cloud infrastructure and integrate it more closely with external cloud services;
- security: we will strengthen crisis response procedures in IT security while continuing to invest in organisational and technical safeguards.

Our other IT and cybersecurity policies include:

- **Information security policy of Sava Re**, which aims to ensure business continuity and minimise business losses by preventing and mitigating the effects of security incidents. The information system is of immeasurable

value to the Company, and the confidentiality, integrity and availability of information are critical to achieving the Company’s competitive advantage, efficiency and reputation. The purpose of information security is to enable us to fulfil our mission and achieve our goals by setting up an information security management system to ensure:

- **availability:** information or services are accessible whenever needed,
- **integrity:** information remains unchanged from its original form during processing, transmission or storage,
- **confidentiality:** information is accessible only to authorised recipients.

An appropriate level of security awareness and a culture of information protection should be fostered in all employees of the Company. All employees are required to comply with relevant sectoral legislation, standards, policies and internal rules related to information security.

- **General security policies of Sava Re**, which include provisions on:
 - proper use of all IT resources,
 - management of IT resources,
 - electronic business operations,
 - protection of equipment and IT resources.

These rules apply to all employees and other users of IT resources.

As part of the Sava Insurance Group’s business strategy, we also adopted the following two operational plans:

- cyber incident response plan,
- business continuity plan.

We regularly update our policies on the operation of IT systems to reflect the latest guidelines and best practices. We have also improved our operational plans for implementing our strategy for 2024–2025 in the areas of IT development, security, and infrastructure. Independent security testing and security system analyses are carried out on a regular basis.

Actions

We are continuously taking a number of actions to implement our strategic priorities and policies in IT systems and cybersecurity:

- We have set up an IT steering committee (ITSC) at the Group level. For more information, see the governance subsection.
- We focus on establishing and enforcing technical and organisational standards that ensure the consistent and effective use of

modern technologies. This approach aims to standardise the use of technology, improve compliance with best practices and ensure higher levels of security, reliability and efficiency in the operation of IT systems.

- We are implementing and expanding the IT service management (ITSM) platform as the core IT governance process and database, with automation and artificial intelligence capabilities to address internal IT efficiency.
- We update our security policies on a regular basis (once a year).
- We continuously raise awareness of key security policies and best practices for the secure use of IT across all Group companies.
- We have technical security controls and proactive safeguards (detection mechanisms and response procedures) in place).

In connection with the IT system upgrade, which is being implemented based on the feedback from the process maturity audit, we have undertaken activities in 2024 to replace the core reinsurance, non-life, life and HR solutions. In 2024, we have paid particular attention to IT architectural planning, with an expansion of both internal and external resources dedicated to this area.



In terms of IT infrastructure and security, we are upgrading systems and expanding cloud computing capabilities to meet business needs.

In addition, organisational and procedural improvements have been introduced to support IT-related committees, improving integration with supporting processes for more effective decision-making at all levels. The companies have adequate resources for all the actions planned.

Goals

Our primary objective with regard to the operation and robustness of IT systems and cyber intrusions is to ensure operational IT support for the uninterrupted conduct of core business and a stable, robust IT environment that is resilient to cyber intrusions, enabling rapid and effective recovery and maximum protection of personal data for all our stakeholders. Accordingly, we provide appropriate IT infrastructure, security and support for the development and enhancement of business applications. Particular emphasis is placed on optimising business processes to improve the end-customer experience.

We regularly evaluate the effectiveness of the actions implemented against defined targets. Our strategic goal for information security is a high level of cyber resilience. This underpins our strategic operational goals, which include:

- establishing coordination of cybersecurity implementation across the Group,
- improving the robustness of infrastructure security and the resilience of key IT infrastructure,
- expanding technical cybersecurity defences,
- improving incident response procedures,
- developing information security training programmes for employees across the Group,
- establishing partnerships with external partners in the area of cybersecurity defence.

We are developing key performance indicators to measure effectiveness in achieving all operational goals. In addition, performance indicators have already been introduced in the IT systems processes, such as:

- cybersecurity protection ratio,
- implementation of the annual staff establishment plan,
- execution of contingency plans: in accordance with regulatory requirements, we regularly carry out mandatory business continuity tests, supported by additional internal business continuity tests.

All key performance indicators are measured at the level of individual companies and are not aggregated to the Group level.

G1 – Innovative products and digital transformation

Governance

We monitor social developments and follow current trends at the Group level, with the aim of becoming a long-term partner for its customers in the area of insurance, financial and assistance services. We are developing our offering in terms of both content and accessibility, with the aim of providing customers with a high level of accessibility across multiple channels. To improve the customer experience, we are continuously investing in innovation and digital transformation of our products and services.

The area of innovative products for the entire Group is managed by Sava Re’s insurance, sales and Group governance business centre, while oversight of this area is carried out by the Company’s management board. The area of digital transformation is managed by both the business centre and the IT department working together.

Strategy and business model

Our innovative products and digital transformation strategy is based on proactively developing innovative solutions, automating processes and improving responsiveness to market changes. We focus on improving customer experience, sustainability and automation. We support digital transformation by introducing

new technologies, automating processes, collaborating with verified external partners, and implementing environmentally friendly solutions that are paperless and readily available. Market trends are monitored through research, surveys and workshops, including regular stakeholder engagement. We make decisions based on data from internal analyses and external market research.

Our key strategic goals in this area are:

- **Digital transformation of products**
The digitalisation of processes and the gradual adoption of advanced technologies, such as the use of geographic information system (GIS) data and the automation of underwriting processes, enable insurers to improve risk management. This allows us to segment and tailor our products to the specific needs of our customers.
- **Development of new products linked to sustainability-related market changes**
In response to sustainability-related market changes, we develop new products and services, which we build on with innovative services or sustainable solutions, as described in more detail in section [ESRS S4](#).
- **Innovative approach to product development**
Group companies are adapting to market needs with new approaches, including modular product structures, in order to offer more flexible insurance products.



We use innovative product development methods where internal sales teams, either independently or in collaboration with external stakeholders, identify current customer needs and preferences and, based on feedback, continuously update the offering and adapt insurance products accordingly.

Impacts, risks and opportunities

Through innovation in sustainable solutions and digitalisation, we are creating new opportunities for growth while supporting the adoption of green technologies and the development of digital solutions. In the area of sustainable products, we have introduced insurance for electric vehicles, photovoltaic power plants and energy storage systems, and enabled investments in sustainable funds. This strengthens our customer support and ensures flexible solutions in line with modern trends.

By providing additional customer support, we mitigate risks such as a lack of understanding of new technologies. Our aim is to enhance the competitiveness and reliability of our services based on a sustainable and innovative approach.

Within the Group, we are expanding our portfolio of digitally accessible products. By integrating products and services through portals, call centres and communication channels, we ensure a 360-degree customer view. Group companies

use data analytics and predictive models to improve service quality. We recognise that digitalisation increases the risk of vulnerability to cyberattacks and the possibility that new digital products and services may not be adequately integrated with existing systems or may not fully support key business functions, which could affect operational reliability. For this reason, our companies are continuously improving internal and customer processes through the use of advanced IT technology to ensure secure, fast and information-rich communication with consumers. It is also important that consumers and employees understand the complexity of new technologies. We address this through tailored solutions, training and support.

Despite these challenges, digital transformation offers many opportunities for the Group. The development of advanced solutions for customer support and the optimisation of internal processes, as well as investments in employee training in new technologies, strengthen the Group's resilience. By supporting sustainable development, we facilitate the transition to environmentally friendly business practices and thus increase our attractiveness to sustainability-oriented customers. In addition, the introduction of innovative digital and sustainable solutions provides access to specific market segments and further strengthens the Group's market position.

Policies

All Group companies follow the policy of focusing on the development of innovative digital solutions and processes, adapting to specific market needs and expectations and local legislation.

Policies aimed at the development of insurance products and processes, innovative approaches and the digitalisation of operations are either embedded in the internal rules of each subsidiary or reflected in the Group's predefined strategic goals. These internal regulations are independently adopted and implemented by the respective business line managers in each subsidiary. In this way, the policy direction is effectively translated into practice.

Actions

Actions are implemented in three segments linked to key strategic goals: digital transformation of products, development of new products linked to sustainability-related market changes and an innovative approach to product development.

We present these actions in section [ESRS S4-4](#).

Digitalisation measures are being implemented across all business services in all Group companies and for all markets. Digitalisation projects follow the strategic plans for the 2023–2027 period. Each company implements its digital services step by step, based on financial capabilities, market needs or expectations, and the portfolio

of products and services offered. Our goal is for all Group companies to be recognised in their respective markets for a high-quality and extensive range of digital solutions, enabling customers to access fast, efficient and always-available services and to communicate securely with the companies.

To improve the quality of service, enhance the customer experience and thus increase customer satisfaction, Zavarovalnica Sava is introducing a questionnaire for reporting changes to an insured building prior to policy renewal. This will contribute to more accurate risk management and appropriate coverage. The companies have adequate resources for all the actions planned.

Goals

Our goals focus on increasing the number of electronic insurance policies written, expanding the use of e-assistance, improving customer satisfaction with digital solutions and increasing the share of sustainable products.

In the area of e-mobility, Zavarovalnica Sava aims to increase its presence and market share, striving to meet customer expectations and follow industry development trends through innovative approaches.

The key performance indicators we measure in this area are set out in section [ESRS S4-5](#).



G1 – Protection of personal data

Governance

Responsible handling of personal data is the duty of every employee. At the Group level, the management board of the parent company has appointed the holder of the supporting business function for privacy and personal data protection in the Group. In the directly controlled Group companies, the senior management has appointed a data protection officer (DPO) who reports directly to the senior management of that company and to the holder of the Group’s supporting business function. Oversight is provided by the DPO and internal audit. The risks of personal data breaches are included in the operational risk register.

Strategy and business model

Personal data protection is deeply embedded in all our business processes and development priorities for the 2023–2027 period. Therefore, in all activities involving the personal data of our employees, business partners, consumers and end-users, we act in compliance with the law, handle personal data with care and implement solutions to make the systemic environment as secure as possible for data protection.

Impacts, risks and opportunities

We have identified risks of personal data breaches in all major operating segments, both in EU and non-EU countries. Due to regulatory requirements, the highest exposure is in EU-based companies. This risk also affects the downstream value chain.

The provision of life and pension insurance services, assistance services, a large part of non-life insurance and asset management is intrinsically linked to the processing of individuals’ personal data, which affects individuals and poses risks to their rights, as well as financial and reputational risks to the Group.

We also recognise opportunities in this area, such as the development of process support, the use of advanced technology, the transfer of best practices across the Group and the training of employees to mitigate risks and capitalise on opportunities.

Effects of material impacts, risks and opportunities on the business model, value chain, strategy and decision-making

Due to extensive regulation, particularly in the EU, and the need to maintain a proper relationship with internal and external stakeholders whose personal data we process, the protection of personal data is already a very important issue

and will remain so in the medium and long term. Personal data protection is important both for our own operations and internal stakeholders (e.g., employees) as well as for customers who use our services (downstream value chain). It affects strong stakeholder relationships and, in the long term, our reputation, which is why we pay particular attention to this area. In today’s environment, characterised by the extensive use of new technologies, digitalisation and artificial intelligence, data protection is becoming an increasingly complex task and is crucial to the Group’s business model. We therefore regularly address this area in various aspects of business strategy development.

We recognise that there are significant long-term financial benefits to be gained from the proper management of this business segment. As a result, we continue to work with all employees and provide appropriate support in our business processes to ensure adequate data protection at all times.

Financial effects of material risks and opportunities

In 2024, we did not experience any adverse financial effects in the Sava Insurance Group related to the protection of personal data. By implementing appropriate measures, we ensure

responsible handling of personal data in the Group.

The development of process support and the use of advanced technologies are part of the Company’s regular activities to ensure compliance within the EU markets, allowing other Group companies to efficiently transfer best practices into their operations, thereby increasing their competitive advantage in their respective markets.

Expected financial effects of material risks and opportunities on financial position, financial performance and cash flows

This risk remains relevant in the medium and long term, and the Group will continue to focus on it as it can affect relationships with customers, employees and other stakeholders whose data we store and process. In addition, breaches can have material financial impacts due to the high potential fines.

By continuously developing process support and deploying advanced technologies, we will ensure compliance with personal data protection legislation, thereby maintaining and increasing consumers’ trust, upholding a strong reputation and building resilience. We expect these efforts to deliver positive financial impacts that exceed the investment in development.

**Resilience of strategy and business model**

Through all measures implemented within the Group, we seek to minimise the likelihood of breaches as much as possible. The Group invests in new technologies, implements internal controls and audit trails in IT systems, and trains employees. Designated data protection officers are appointed in EU-based companies and at the Group level, where a designated data protection business function is in place. The Group has also implemented privacy and personal data protection policies, security policies and data protection rules in its companies. Going forward, the Group companies will continue to improve processes and systems to mitigate this risk and thus further enhance the Group's resilience.

Policies

At the Group level, we have adopted a policy on privacy and personal data protection and area-specific internal regulations of the parent company and individual subsidiaries. The policy defines the Group's principles of personal data protection (qualitative objectives) and reporting criteria (metrics).

Actions

To ensure diligent and effective protection of personal data, we implement various actions, including risk assessments (quarterly, annually and as needed), record keeping (regularly), reporting (semi-annually, annually), integration of measures into IT and process solutions (regularly and as needed), organisational actions (regularly and as needed), mandatory employee training (bi-annually and as needed), contractual commitments from external partners (regularly) and transparency towards individuals (regularly). The companies have adequate resources for all the actions planned.

Goals

At the Group level, our overarching personal data protection goal is zero personal data breaches.

The personal data protection metrics we monitor include the number of breaches, the number of proceedings before supervisory authorities, the number of requests received from individuals and the resources allocated to the activities of data protection officers.

G1 – Statutory stakeholder notification**Governance**

Information is provided in section [A.3.1 “Responsibility to investors”](#) and in section [ESRS S4](#).

Information to customers in pre-contractual disclosures in the distribution of financial products

In accordance with the SFDR Regulation, the Group's financial service providers give detailed information on investment decisions and their impact on sustainability. This information is made available to customers on company websites and through pre-contractual and contractual disclosures on financial products.

Information to customers about sustainability factors in insurance products

In accordance with legislation, the Group's insurance companies operating in relevant markets (Slovenia and Croatia) consider sustainability factors and goals in their processes of developing or approving an insurance product and determining its target market, distribution, management and control. These insurance companies regularly publish documents on their websites detailing the sustainability factors of their products.

Strategy and business model

The primary interest of stakeholders is to ensure compliance with legal requirements and to receive accurate and timely information that affects their rights and obligations. Such communication helps to build trust and maintain good relationships between insurance companies and their customers.

Investors

The Group's overarching goal in its statutory notification of stakeholders is to establish an open channel of communication with investors. We aim to increase the recognition of the true value of the Sava Re and Sava Insurance Group brands, thereby improving the understanding of investment in Sava Re shares. In 2024, we continued our efforts to improve the liquidity of the share. Our responsibility to investors is reflected in our cooperation and in setting up a two-way relationship using various communication tools.

In 2024, we reached out to investors through investor and analyst conferences, webcasts held by the Ljubljana Stock Exchange, a press conference to announce unaudited results, a letter to shareholders, an invitation to the general meeting of shareholders, an e-mail newsletter and through similar means. We also sponsored the Ljubljana Stock Exchange's capital market development and financial literacy project.



We also use our official website, in particular the Investors section, to ensure that investors, shareholders and other members of the financial community receive the same information in a timely manner.

Investor relations at Sava Re are managed by the office of the management board and of compliance.

Consumers

Customers of insurance companies receive written communication of all legally required information related to insurance products and other important updates on the insurers' operations and offerings. The Group's insurance companies are committed to maximising the use of digital communication channels, enabling customers to track their insurance status, access necessary information and manage their data. We follow environmental guidelines that reduce paper consumption and mitigate negative environmental impacts. The use of digital communication channels also makes it easier and faster for customers to access important information.

Customers of the Group's insurance companies receive annual updates on their insurance product benefits, as required by applicable regulations and insurance policy terms and conditions, depending on the type of insurance products offered.

Impacts, risks and opportunities

We have identified reputational risk for the Group in all major operating segments in the event of non-transparent or inadequate reporting. Our EU-based companies are most exposed to this risk, as this is where our largest operating segments are located. This risk also affects the downstream value chain. Other risks include potential delays and errors or ineffective communication and unforeseen legislative changes. These factors can have a negative impact on customer satisfaction and business compliance.

At the same time, we see numerous opportunities in this area, such as increasing trust among customers, business partners, investors and other stakeholders, promoting sustainable practices among stakeholders in the value chain, increasing transparency of sustainable practices, improving process optimisation and digitalising communication. Regulatory reporting requirements also provide opportunities for developing insurance products that support corporate compliance with applicable legislation, such as sustainability risk insurance or cybersecurity insurance. By ensuring compliance with regulatory reporting requirements, we strengthen the trust of stakeholders, particularly investors, regulators, customers and employees, who have access to transparent financial and sustainability information about the Group and its subsidiaries.

In the coming years, stakeholder awareness of sustainability issues will continue to grow, accompanied by increased demands for transparent disclosure of each company's sustainable business operations. This may have a material impact on the reputation of the Sava Insurance Group and, as a result, indirect financial effects that could affect specific operating segments in the long term.

Through transparent and timely reporting on our sustainable operations, which goes beyond regulatory requirements, we maintain a high level of trust with investors, consumers and other key stakeholders.

Financial effects of material risks and opportunities

In 2024, there were no material adverse financial effects related to statutory notification of stakeholders. The Group invests in developing best reporting practices by participating in voluntary international initiatives and publishing reports. This strengthens the Group's reputation and encourages the adoption of sustainable practices by key stakeholders and the wider business community.

In the medium to long term, increased stakeholder expectations or regulatory changes may result in direct and indirect financial effects.

The Group is committed to ensuring transparent reporting to stakeholders on the sustainability aspects of its operations, recognising the importance of stakeholder communication, and proactively managing the associated risks to the greatest extent possible. To this end, we have established internal controls in Group companies. We also monitor the development of voluntary reporting frameworks and participate in international organisations and initiatives.

Goals

We aim to maintain a high level of compliance with regulations in our reporting to stakeholders. Our communication and information approach ensures the appropriate and timely dissemination of all key information.

Group companies take consistent action to ensure the highest standards, as described in the subsection on strategy and business model.

The Group's insurance companies aim to achieve 100% compliance with regulatory reporting requirements and to increase the use of digital communication channels.

Measures of success in digitalising reporting processes, developing innovative approaches and improving the customer experience include customer response tracking, notification delivery times and improvements in customer satisfaction indices.



G1 – Long-term stability and profitability

The Sava Insurance Group pursues a policy of long-term stability and profitability of its operations. We have no negative impact in this area, but do have several positive one, since our approach of putting long-term prospects before short-term results ensures a stable business environment for employees, security and reliable protection for the insured, and a stable and fair return for investors in the long term. In this way, we connect our sustainability goals, as defined in our sustainability strategy, to our financial statements.

The long-term stability policy covers the growth and development of the Group in terms of its employees, which includes new job opportunities, career development opportunities and increased financial security for employees. Long-term stability provides an opportunity for business cooperation with suppliers and compliance with payment deadlines. We also ensure long-term stability by investing in the improvement of all processes, increased quality of our products and services, and by ensuring adequate profitability

and (re)insurance cover, which is reflected in a stable market share, high customer satisfaction and healthy financial statements. We ensure long-term financial stability and profitability through a diversified portfolio of insurance and reinsurance services in different markets and an investment portfolio focused on safe and profitable investments, taking into account sustainability guidelines. We adapt our business model to this policy, which is reflected in our business strategy.

Key areas where we are taking action to ensure stability and profitability include engagement with employees and customers, and investments in digitalisation to improve accessibility, quality and security of services, as detailed in sections [ESRS S1](#), [ESRS S4](#) and [G1 – Sector-specific topics](#). Long-term stability and profitability are measured by both non-financial (employee training and satisfaction, market share, customer satisfaction, etc.) and financial metrics and indicators.

The Group’s stability and profitability are also confirmed by our financial results, as we have recorded an increase in revenue and profit in recent years. The existing business model and management approach create a solid foundation for further growth and the expectation of strong profitability in the future.

The long-term stability of the system is also ensured by the high solvency ratio, which was 191% at the end of 2023 and is estimated to be even higher in 2024, as the Group and the parent company generated a profit in 2024, while Sava Re issued an additional EUR 50.0 million of subordinated debt, which is included in the solvency calculation.

Our strategic direction, plans and achievements are presented in more detail in the business report part, while the Group’s key performance indicators are presented in more detail in the notes to the financial statements.

EUR	2022	2023	2024
Insurance revenue and non-insurance revenue	630,392,310	723,113,891	832,573,569
Net profit or loss for the period	46,923,441	64,657,171	87,846,542

6 Sustainability performance indicators of the Sava Insurance Group and Sava Re

► Select Sava Insurance Group sustainability performance indicators

Environmental aspect	2024	2022	Index 2024/2022
CO ₂ e emissions per employee (tonnes) – scope 1 and 2 (location-based method)	1.15	1.47	78.2
	2024	2023	Index 2024/2023
Number of paperless claims reported	300,120	243,106	123.5
Percentage of ESG-integrated investments as at 31 December	23.6%	16.9%	139.6
Social aspect	2024	2023	Index 2024/2023
Percentage of employees involved in annual performance appraisal interviews	55.3%	47.9%	115.4
Women as a percentage of all employees as at 31 December	60.0%	59.9%	100.2
Employee turnover rate	16.2%	17.1%	94.7
Number of injuries in the workplace	8	8	100.0
Average hours of training per employee	20.5	22.5	91.1
Heart for the World – corporate volunteering (hours)	6,574	5,114	128.5
Governance aspect	2024	2023	Index 2024/2023
Percentage of women in management positions	32.0	28.0%	114.3
Percentage of women on Group companies' supervisory boards	20.0	19.7%	101.5
Business volume (EUR)	1,035,134,973	910,113,382	113.7

We compare CO₂ emissions to 2022, our baseline year for monitoring the strategic decarbonisation target.

The carbon footprint data for 2022 and 2023 are verified but are not subject to audit as part of this year's audit process, and may differ from the publicly available data in the 2022 and 2023 annual reports. The data for 2022 and 2024 cover all locations where Group companies conduct their business operations.

► Select Sava Re sustainability performance indicators

Environmental aspect	2024	2022	Index 2024/2022
CO ₂ e emissions per employee (tonnes) – scope 1 and 2 (location-based method)	1.02	1.31	77.9
Annual electricity consumption per employee (kWh)	1,296	1,485	87.3
Social aspect	2024	2023	Index 2024/2023
Percentage of employees involved in annual performance appraisal interviews	90.5%	86.3%	104.9
Women as a percentage of all employees as at 31 December	64.9%	63.1%	102.9
Employee turnover rate	4.2%	6.1%	68.9
Number of injuries in the workplace	2	0	
Average hours of training per employee	22.0	26.8	82.1
Governance aspect	2024	2023	Index 2024/2023
Percentage of women in management positions	25%	25%	100.0
Percentage of women on supervisory boards	16.67%	17%	98.1
Percentage of independent members on Sava Re's supervisory board	100%	100%	100.0

We compare CO₂ emissions to 2022, our baseline year for monitoring the strategic decarbonisation target.

The carbon footprint data for 2022 and 2023 are verified but are not subject to audit as part of this year's audit process, and may differ from the publicly available data in the 2023 and 2022 annual reports.



7 Appendices to the sustainability report

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Appendix B – GRI index

The GRI index is unaudited.

GRI 1 used	GRI 1: Foundation 2021		Appendix B – GRI index	
GRI 1: Foundation 2021	GRI 1-07 Publication of GRI list			
GRI 2: General disclosures	The organisation and its reporting practices			
	GRI 2-1	Organisational details	A.2.1, A.2.5, A.2.6, A.2.7	Sava Insurance Group and Sava Re
	GRI 2-2	Entities included in the organisation's sustainability reporting	A.2.5, A.2.6, A.2.7, B.ESRS 2, C.3	Sava Insurance Group
	GRI 2-3	Reporting period, frequency and contact point	A.2.7, B.ESRS 2	Sava Insurance Group
	GRI 2-4	Restatements of information	B.ESRS 2	Sava Insurance Group
	GRI 2-5	External assurance	B.1, C.1	/
	Activities and workers			
	GRI 2-6	Activities, value chain and other business relationships	A.2.5, A.2.7, A.2.8, B.ESRS 2	Sava Insurance Group
	Governance			
	GRI 2-9	Governance structure and composition	A.2.7, A.5, B.ESRS 2	Sava Insurance Group
	GRI 2-10	Nomination and selection of the highest governance body	A.4	Sava Re
	GRI 2-12	Role of the highest governance body in overseeing the management of impacts	A.5.3, B.ESRS 2	Sava Insurance Group
	GRI 2-13	Delegation of responsibility for managing impacts	A.5.3, B.ESRS 2	Sava Insurance Group
	GRI 2-14	Role of the highest governance body in overseeing the management of impacts	A.5.3, B.ESRS 2	Sava Insurance Group
	GRI 2-15	Conflict of interest	ESRS G1-3	Sava Insurance Group
	GRI 2-16	Mechanisms for managing internal and external risks	A.10, B.ESRS 2, C.3.6	Sava Insurance Group and Sava Re
	GRI 2-17	Collective knowledge of the highest governance body	A.5.3, B.ESRS 2	Sava Insurance Group and Sava Re
	GRI 2-18	Evaluation of the performance of the highest governance body	A.5.4, B.ESRS 2	Sava Insurance Group
	GRI 2-19	Remuneration policies	B.ESRS 2 GOV-3	Sava Insurance Group
	GRI 2-20	Process to determine remuneration	A.5.3	Sava Re
	Strategy, policies and practices			
	GRI 2-22	Statement on sustainable development strategy	B.ESRS 2	Sava Insurance Group
	GRI 2-23	Policy commitments	A.5, A.6.1, A.10, B.ESRS 2	Sava Insurance Group
	GRI 2-24	Corporate culture and values	A.6, B.ESRS 2	Sava Insurance Group
	GRI 2-27	Reducing the negative impact of the operations on the environment	B.ESRS 2 in B.ESRS E1	Sava Insurance Group
	GRI 2-28	Membership in associations	B.ESRS G1	Sava Insurance Group and Sava Re
	Approach to stakeholder engagement			
	GRI 2-29	Approach to stakeholder engagement	A.3, B.ESRS 2	Sava Insurance Group
	GRI 2-30	Collective bargaining agreements	B.ESRS S1-8	Sava Insurance Group
GRI 3: Material Topics 2021	Disclosures on material topics			
	GRI 3-3	Management of material topics	A.5, A.10, B.ESRS 2, C.3.5	Sava Insurance Group
	GRI 3-1	Process to determine material topics	B.ESRS 2	Sava Insurance Group
	GRI 3-2	List of material topics	B.ESRS 2	Sava Insurance Group
ECONOMIC IMPACTS				
GRI 201: Economic performance	GRI 3-3	Management of material topics	A.6.4, A.8	Sava Insurance Group
	201-01	Direct economic value generated	A.8.1	Sava Insurance Group
	201-02	Financial implications and other risks and opportunities due to climate change	B.ESRS E1.SBM-3, C.3.6.3.1, C.3.6.4.3	Sava Insurance Group
	201-04	Donations and sponsorships	B.ESRS S3	Sava Insurance Group
GRI 202: Market presence	GRI 3-3	Management of material topics	B.ESRS S1	Sava Insurance Group
	202-01	Creating direct employment opportunities	B.ESRS S1-6	Sava Insurance Group
GRI 203: Indirect economic impacts	GRI 3-3	Management of material topics	B.ESRS S3	Sava Insurance Group
	203-01	Infrastructure investments and services supported	B.ESRS S3	Sava Insurance Group
GRI 205: Prevention of corruption	GRI 3-3	Management of material topics	B.ESRS G1	Sava Insurance Group
	205-01	Operations assessed for risks related to corruption	B.ESRS G1-1	Sava Insurance Group
	205-02	Anti-corruption training	B.ESRS G1-3	Sava Insurance Group
	205-03	Confirmed incidents of corruption and actions taken	B.ESRS G1-4	Sava Insurance Group
ENVIRONMENTAL STANDARDS				
GRI 302: Energy	GRI 3-3	Management of material topics	B.ESRS E1-2, E1-3	Sava Insurance Group
	302-01	Energy consumption within the organisation	B.ESRS E1-5	Sava Insurance Group
GRI 305: Emissions	GRI 3-3	Management of material topics	B.ESRS E1-3	Sava Insurance Group
	305-01	Direct GHG emissions	B.ESRS E1-4, E1-6	Sava Insurance Group
	305-02	Indirect GHG emissions	B.ESRS E1-4, E1-6	Sava Insurance Group
	305-03	Other indirect GHG emissions	B.ESRS E1-4, E1-6	Sava Insurance Group
GRI 308: Supplier environmental assessment	308-01	Suppliers that were screened using environmental criteria	B.ESRS G1-2	Sava Insurance Group

GRI 1 used	GRI 1: Foundation 2021				
SOCIAL IMPACTS					
GRI 2 and GRI 3: Recruitment	GRI 3-3	Management of material topics	B.ESRS S1 SBM-3, S1-1, S1-2	Sava Insurance Group	
	401-02	Work-related injuries	B.ESRS S1-14	Sava Insurance Group	
	2-7	Recruitment, staffing levels	B.ESRS S1-6	Sava Insurance Group	
	2-21	Responsibility for ethical practices	B.ESRS S1-16	Sava Insurance Group	
	2-23	Respect for human rights of employees	B.ESRS S1-1	Sava Insurance Group	
	2-24	Implementation of organisation's commitments with and through its relationships with employees; training that the organisation provides on implementing the commitments	B.ESRS S1-4	Sava Insurance Group	
	2-29	The organisation's commitment to provide for, or cooperate in, the remediation of adverse impacts in the employee area	B.ESRS S1-1	Sava Insurance Group	
	2-25	The organisation's approach to identifying and addressing complaints, including grievance mechanisms	B.ESRS S1-1, S1-3, S1-17	Sava Insurance Group	
	2-12	Description of the governance bodies' engagement with employees in the organisation's due diligence and other processes to identify the organisation's impacts	B.ESRS S1-2	Sava Insurance Group	
	2-26	Mechanisms for raising concerns regarding employees	B.ESRS S1-3	Sava Insurance Group	
	2-30	Collective bargaining	B.ESRS S1-8	Sava Insurance Group	
	2-27	Collective bargaining agreements	B.ESRS S1-17	Sava Insurance Group	
	GRI 202	202-1	Adequate wages	B.ESRS S1-10	Sava Insurance Group
	GRI 401: Recruitment	GRI 3-3	Management of material topics	B.ESRS S1 SBM-3	Sava Insurance Group
		401-1	Employee turnover	B.ESRS S1-6	Sava Insurance Group
		401-3	Work-life balance	B.ESRS S1-15	Sava Insurance Group
GRI 403: Health and safety at work	GRI 3-3	Management of material topics	B.ESRS S1 SBM-3	Sava Insurance Group	
	403-01	Occupational health and safety management system	B.ESRS S1-1	Sava Insurance Group	
	403-02	Hazard identification, risk assessment and incident investigation for employees	B.ESRS S1-3	Sava Insurance Group	
	403-08	Occupational health and safety programmes for employees	B.ESRS S1-14	Sava Insurance Group	
	403-09	The work-related hazards that pose a risk of injury, including measures	B.ESRS S1-4, S1-14	Sava Insurance Group	
	403-10	The work-related hazards that pose a risk of ill health, including measures	B.ESRS S1-4, S1-14	Sava Insurance Group	
GRI 404: Education and training	GRI 3-3	Management of material topics	B.ESRS 2 SBM-3	Sava Insurance Group	
	404-01	Employee training and development	B.ESRS S1-13	Sava Insurance Group	
	404-03	Performance and career development reviews	B.ESRS S1-13	Sava Insurance Group	
GRI 405: Diversity and equal opportunities	GRI 3-3	Management of material topics	B.ESRS SBM-3	Sava Insurance Group	
	405-01	Employee characteristics	B.ESRS S1-6, S1-9	Sava Insurance Group	
	405-1	Persons with disabilities	B.ESRS S1-12	Sava Insurance Group	
	405-02	Remuneration metrics, ratio of basic salary of women to men	B.ESRS S1-16	Sava Insurance Group	
GRI 406	GRI 3-3	Management of material topics	B.ESRS SBM-3	Sava Insurance Group	
	406-01	Discrimination	B.ESRS S1-17	Sava Insurance Group	
Local communities	GRI 3-3	Management of material topics	B.ESRS S3	Sava Insurance Group	
	GRI 2-23	Respect for human rights of community representatives	B.ESRS S3-1	Sava Insurance Group	
	GRI 2-25	Processes to remediate negative impacts	B.ESRS S3-1, S3-3, S3-4	Sava Insurance Group	
	GRI 2-26	Grievance mechanisms for local communities	B.ESRS S3-3	Sava Insurance Group	
	GRI 2-29	Approach to local community engagement	B.ESRS S3-2	Sava Insurance Group	
	203-02	Significant indirect economic impacts on local communities	B.ESRS S3-4	Sava Insurance Group	
GRI 413: Local communities	413-01	Operations with local community engagement, impact assessments, and development programs	B.ESRS S3 SBM-3	Sava Insurance Group	
	413-02	Operations with negative impacts on local communities	B.ESRS S3 SBM-3 (not identified)	Sava Insurance Group	
Consumers and end-users	GRI 3-3	Management of material topics	B.ESRS S4	Sava Insurance Group	
	2-23	Respect for human rights of customers	B.ESRS S4-1	Sava Insurance Group	
	2-29	The organisation's commitment to provide for, or cooperate in, the remediation of adverse impacts in the customer area	B.ESRS S4-1, S4-2	Sava Insurance Group	
	2-25	The organisation's approach to identifying and addressing customer complaints, including grievance mechanisms	B.ESRS S4-1, S4-3, S4-4	Sava Insurance Group	
	2-12	Role of the highest governance body in overseeing and managing sustainability topics in relation to customers	B.ESRS S4-2	Sava Insurance Group	
	2-26	Grievance mechanisms	B.ESRS S4-3	Sava Insurance Group	
GRI 417: Marketing and labelling	417-01	Requirements for product and service information and labelling	B.ESRS S4-2	Sava Insurance Group	
GRI 418: Consumer privacy and data protection	418-01	Complaints concerning customer privacy and personal data protection	B.ESRS S4-3, G1 – Protection of personal data	Sava Insurance Group	
GOVERNANCE IMPACTS					
GRI 2 and GRI 3	GRI 3-3	Management of material topics	B.ESRS G1	Sava Insurance Group	
	2-9	Organisational structure	B.ESRS G1-5	Sava Insurance Group	
	2-16	Corporate governance and responsibility for sustainability	B.ESRS G1-1	Sava Insurance Group	
	2-23	Methods and extent of control over the organisation	B.ESRS G1-1	Sava Insurance Group	
	2-24	Relations with stakeholders	B.ESRS G1-1	Sava Insurance Group	
	2-26	Grievance and feedback mechanisms	B.ESRS G1-1	Sava Insurance Group	
	2-27	Compliance with laws and regulations	B.ESRS G1-4	Sava Insurance Group	
	GRI 204: Procurement practices	204-01	Proportion of spending on local suppliers	B.ESRS G1 (proportion not disclosed)	Sava Insurance Group
GRI 205: Corruption	205-1	Anti-corruption in the company	B.ESRS G1-3	Sava Insurance Group	
	205-2	Anti-corruption procedures	B.ESRS G1-3	Sava Insurance Group	
GRI 308: Suppliers' environmental impacts	308-1	Screening of suppliers for environmental impacts	B.ESRS G1-2	Sava Insurance Group	
GRI 401: Suppliers' social impacts	414-1	Screening of suppliers for social impacts	B.ESRS G1-2	Sava Insurance Group	
GRI 415: Contributions to political parties	405-01	Contributions to political parties	B.ESRS G1-5	Sava Insurance Group	



FINANCIAL STATEMENTS WITH NOTES

EXPLORING PERSPECTIVES

We explore multiple perspectives and directions for sustainability action to capture as many solutions and opportunities as possible along the way.

FINANCIAL STATEMENTS WITH NOTES

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STATEMENT OF MANAGEMENT'S RESPONSIBILITY

The management board of Sava Re d.d. hereby approves the financial statements of the Sava Insurance Group and Sava Re for the year ended 31 December 2024, and the accompanying appendices to the financial statements, accounting policies and notes to the financial statements. The management board confirms that the financial statements, including the notes, have been prepared on a going concern basis regarding the operations of the Company and the Group and that they comply with Slovenian law and the International Financial Reporting Standards as adopted by the EU. The financial statements have been prepared using relevant judgements, estimates and assumptions, including actuarial judgements, which apply the methods most suited to the Company and the Group under given circumstances, based on which we can give the below assurances.

The management board members ensure that to the best of their knowledge:

- the financial statements and the accompanying notes have been drawn up in accordance with the reporting principles adopted by the Company and the Group and give a true and fair view of the assets and liabilities, financial position, profit and loss of the Company and the Group;
- the business report includes a fair presentation of the development and results of operations of the Company and the Group, and their financial position, including a description of the significant risks and opportunities that Sava Re and the Sava Insurance Group are exposed to.

Furthermore, the management board is responsible for keeping appropriate records that at all times present, in understandable detail, the financial position of the Company and the Group, for adopting appropriate measures to protect assets, and for preventing and detecting fraud and other irregularities.

The tax authorities may, at any time within five years of the end of the year in which the tax was assessed, review the operations of the Company, which could result in additional tax obligations, default interest or penalties related to corporate income tax or other taxes or levies. The Company's management board is not aware of any circumstances that may give rise to any such significant liability.

Marko Jazbec
Chairman of the Management Board

Polona Pirš
Member of the Management Board

Peter Skvarča
Member of the Management Board

David Benedek
Member of the Management Board

Ljubljana, 14 March 2025



1 Auditor's report



Deloitte revizija d.o.o.
Dunajska cesta 165
1000 Ljubljana
Slovenia
VAT ID: SI62560085
Tel: +386 (0) 1 3072 800
Fax: +386 (0) 1 3072 900
www.deloitte.si

The report below represents the auditor's report that relates solely and exclusively to the official annual report prepared in accordance with ESEF, in the XHTML format.

INDEPENDENT AUDITOR'S REPORT to the shareholders of Pozavarovalnica Sava, d.d.

Report on the audit of the separate and consolidated financial statements

Opinion

We have audited the separate financial statements of the company Pozavarovalnica Sava, d.d. (hereinafter 'the Company') and consolidated financial statements of the company Pozavarovalnica Sava, d.d. and its subsidiaries (hereinafter 'the Group'), which comprise the separate and the consolidated statement of financial position as at 31 December 2024, and the separate and consolidated income statement, separate and consolidated statement of other comprehensive income, separate and consolidated statement of changes in equity, separate and consolidated cash flow statement for the year then ended, and notes to the separate and consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying separate and consolidated financial statements present fairly, in all material respects, the financial position of the Company and the Group as at 31 December 2024, and their financial performance and their cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the EU (hereinafter 'IFRS').

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing and Regulation (EU) 537/2014 of the European Parliament and of the Council, dated 16 April 2014, on specific requirements regarding statutory audit of public-interest entities (EU Regulation). Our responsibilities under those rules are further described in the Auditor's Responsibilities for the Audit of the Separate and Consolidated Financial Statements section of our report. We are independent of the Company and the Group in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) of the International Ethics Standards Board for Accountants (IESBA Code) and other ethical requirements that are relevant to our audit of the separate and consolidated financial statements in Slovenia, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



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Deloitte revizija d.o.o. - The company is registered with the Ljubljana District Court, registration no. 1647105 - VAT ID SI62560085 - Nominal capital EUR 74,214.30.

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Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the separate and consolidated financial statements of the year ended 31 December 2024. These matters were addressed in the context of our audit of the separate and consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Valuation of liabilities from insurance and reinsurance contracts and insurance and reinsurance revenues for the Company and the Group	
Key Audit Matter	How our audit addressed the key audit matter
Accounting policies for description of key assumptions, methodologies and models used in the calculation of liabilities and revenues from insurance and reinsurance contracts are presented in Note 3.4 Significant accounting policies, under point 3.4.20 Insurance contracts. For other related disclosures please see 3.7.9 to 3.7.15.	To address the risks associated with the valuation of liabilities from insurance and reinsurance contracts and insurance and reinsurance revenues identified as a key audit matter, we designed audit procedures that enabled us to obtain sufficient appropriate audit evidence for our conclusion on that matter. Namely, we performed the following audit procedures with the use of our own information technology ("IT") experts and actuarial experts:
International Financial Reporting Standard 17 – Insurance Contracts ('IFRS 17'), requires insurance and reinsurance contracts, that meet the scoping criteria of the standard, to be valued using the Building Block Approach ('BBA'), the Variable Fee Approach ('VFA'), or the Premium Allocation Approach ('PAA') all of which are used by the Company and the Group. The measurement of liabilities from insurance and reinsurance contracts, as well as insurance and reinsurance revenues, comprises the present value of expected future cash flows, including financial and non-financial risks, with particular focus on the expected margin (so-called contractual service margin 'CSM'), which will be recognized during the period of contractual coverage.	<p><u>Evaluation of internal controls</u></p> <ul style="list-style-type: none"> Gaining an understanding of the control environment and internal controls designed by the Management in the process of calculating liabilities from insurance and reinsurance contracts and insurance and reinsurance revenues, including the applications and information technology tool used; Assessing the adequacy of the design and verifying the implementation of the identified internal controls relevant to the process of valuation of liabilities from insurance and reinsurance contracts and insurance and reinsurance revenues; Testing the operating effectiveness of identified relevant internal controls on valuation of liabilities from insurance and reinsurance contracts and insurance and reinsurance revenues.
Insurance liabilities as at 31 December 2024, amount to 286,075,675 EUR (31 December 2023: 295,752,723 EUR) for the Company's and 1,831,367,970 EUR (31 December 2023: 1,651,022,247 EUR) for the Group. Reinsurance liabilities as at 31 December 2024, amount to 2,192,025 EUR (31 December 2023: 446,848 EUR) for the Company and 3,983,205 EUR (31 December 2023: 1,642,043 EUR) for the Group. Insurance revenues for the year ended 31 December 2024, amount to EUR 171,664,689 (31 December 2023: EUR 167,804,126) for the	

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<p>Company and EUR 801,213,638 (31 December 2023: EUR 697,562,811) for the Group.</p> <p>Reinsurance revenues for the year ended 31 December 2024, amount to EUR 14,702,386 (31 December 2023: EUR 73,904,850) for the Company and EUR 23,616,154 (31 December 2023: EUR 86,112,246) for the Group.</p> <p>Valuation of liabilities from insurance and reinsurance contracts and insurance and reinsurance revenues involves significant management judgment when developing and using input data and assumptions in the actuarial calculation models, dependent on the management's assumptions about past, future, internal and external variables, the change of which can result in a significant impact on the value of these liabilities. There is also a high degree of complexity due to the numerous assumptions and actuarial valuation models applied. Some of the key assumptions include risk adjustment, estimates of the return on investment, interest rates, costs, mortality, longevity, withdrawal assumptions, damage quotas and cost quotas and contractual service margin recognition.</p> <p>Given the pervasive complexities related to the requirements of IFRS 17, we consider the valuation of liabilities from insurance and reinsurance contracts and insurance and reinsurance revenues as a key audit matter for our audit of the financial statements of year 2024.</p>	<p><u>Testing of actuarial models</u></p> <ul style="list-style-type: none"> • Testing the reliability and accuracy of actuarial models used for the valuation of liabilities from insurance and reinsurance contracts and insurance and reinsurance revenues; • Verification of the mathematical calculations, logic, and appropriateness of model inputs within the information technology tool used; • Review and evaluating reasonableness of projected cash flows and the reasonableness of accepted assumptions and set scenarios in the context of the experience of the Company, the Group and the industry and specific features of insurance and reinsurance products; • Verification of consistency in the actuarial models applied across various groups of insurance and reinsurance contracts within the portfolios. <p><u>Assessment of management assumptions</u></p> <ul style="list-style-type: none"> • Challenging the appropriateness of key technical accounting decisions, judgments, assumptions and elections made in determining the estimate against the requirements of the standard; • Reviewing sensitivity analyses to assess the impact of changes in key assumptions on the valuation of liabilities from insurance and reinsurance contracts, emphasizing the contractual service margin. <p><u>Testing of disclosures in the financial statements</u></p> <ul style="list-style-type: none"> • Evaluating the completeness and accuracy of the disclosures in the notes to the financial statements with respect to the requirements of IFRS 17.
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Valuation of financial investments in subsidiaries in separate financial statements	
Key Audit Matter	How our audit addressed the key audit matter
Disclosures related to financial investments of subsidiaries are included in note 3.4 Significant accounting policies, under point 3.4.12 Investments in subsidiaries and associates and under point 3.7.6 Investments in subsidiaries and associates.	
<p>Investments in subsidiaries as at 31 December 2024 equal 305,834,606 EUR (2023: 305,666,793 EUR) in the separate financial statements and are measured at cost less any impairments. The management assesses indications of impairment of such investments at least on an annual basis and performs impairment testing as necessary. These procedures require management judgement.</p> <p>Professional judgement and application of subjective assumptions made by the management are necessary in order to assess indications of impairment.</p> <p>Investments in subsidiaries are subject to significant judgements and estimates. Due to that and because of the significance of the account balances in the separate statement of financial position, we have considered investments in subsidiaries as a key audit matter.</p>	<p>We have assessed the management's treatment of indications of impairment of investments in subsidiaries in the separate financial statements. The emphasis of our audit procedures was on assessing and testing the key assumptions that the management applied to define indications of impairment and to assess impairments.</p> <p>Our procedures included the following:</p> <ul style="list-style-type: none"> • Checking and comparing the net assets of an individual subsidiary with the value of the investment in the separate financial statements as at 31 December 2024; • Assessing the assumptions applied to calculate discount rates and their recalculation; • Reviewing the projected future cash flows used by the Company to carry out impairment tests; • Comparing the projected cash flows, including the assumptions related to revenue growth rates and operating margins, against historical performance to test the accuracy of previous management estimates, and checking other assumptions and estimates included in the judgements; • Verifying the adequacy of disclosures in the separate financial statements. <p>An auditor's expert took part in our procedures.</p>

Other information

Management is responsible for the other information. The other information comprises the information, included in Annual report, other than the separate and consolidated financial statements and our auditor's report thereon. We obtained other information before the date of the auditor's report, except for the report of the supervisory board, which will be available later.

Our opinion on the separate and consolidated financial statements does not cover the other information and we express no assurance thereon.

In connection with our audit of the separate and consolidated financial statements, our responsibility is to read the other information and, in doing so, assess whether the other information is materially

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inconsistent with the separate and consolidated financial statements, legal requirements, except those related to sustainability report which was subject of separate limited assurance report, or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If based on our work performed we conclude that other information include material misstatement we need to report such circumstances. In relation to this and based on our procedures performed, we report that:

- Other information is, in all material respects, consistent with the audited separate and consolidated financial statements;
- Other information, except sustainability report on which we issued separate limited assurance report dated 14 March 2025, is prepared in compliance with applicable law or regulation; and
- Based on our knowledge and understanding of the Company and the Group and their environment obtained in the audit, we did not identify any material misstatement of fact related to the other information.

Responsibilities of Management and Those Charged with Governance for the Separate and Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the separate and consolidated financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of separate and consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the separate and consolidated financial statements of the Company and the Group, management is responsible for assessing their ability to continue as a going concern, disclosing matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company and the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's and the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Separate and Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the separate and consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these separate and consolidated financial statements.

As part of an audit in accordance with International Standards on Auditing, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the separate and consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's and the Group's internal controls.

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- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's and the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the separate and consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company or the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the separate and consolidated financial statements, including the disclosures, and whether the separate and consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, action taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the separate and consolidated financial statements of the current period, and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

Report on the requirements of the Regulation (EU) No 537/2014 of the European Parliament and of the Council (Regulation EU 537/2014)

Confirmation to the Audit Committee

We confirm that our audit opinion on the separate and consolidated financial statements expressed herein is consistent with the additional report to the Audit Committee in accordance with Article 11 of Regulation (EU) No. 537/2014 of the European Parliament and the Council.

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Prohibited Services

We confirm that no services referred to in the Article 5(1) of Regulation (EU) No. 537/2014 of the European Parliament and the Council were provided and that the audit company fulfilled independence requirements.

Other services performed by the audit company

There are no services, in addition to the statutory audit, which the audit company provided to the Company and its controlled undertakings, and which have not been disclosed in the Annual Report.

Appointment of the Auditor and responsible certified auditor

Deloitte revizija d.o.o. was appointed as the statutory auditor of the Company and the Group on General Shareholders' Meeting held on 23 June 2022, while the president of the Supervisory Board signed the audit contract on 15 July 2022. The audit contracts was signed for three years. Our total uninterrupted engagement as statutory auditors has lasted since 15 July 2022.

Engagement partner responsible for the audit on behalf of Deloitte revizija d.o.o. is Barbara Žibret Kralj.

Auditor's Report on Compliance of Financial Statements in Electronic Form with the Commission Delegated Regulation (EU) No. 2019/815 on European Single Electronic Format (ESEF)

We undertook a reasonable assurance engagement on whether the separate and consolidated financial statements of the Company and the Group for the year ended 31 December, 2024 (hereinafter 'audited separate and consolidated financial statements') are prepared taking into consideration the Commission Delegated Regulation (EU) 2019/815 of 17 December 2018 supplementing Directive 2004/109/EC of the European Parliament and of the Council with regard to regulatory technical standards on the specification of a single electronic reporting format, valid for the year 2024 (hereinafter 'Delegated Regulation').

Responsibilities of Management and Those Charged with Governance

Management is responsible for the preparation and correct presentation of audited separate and consolidated financial statements in electronic form in accordance with the requirements of the Delegated Regulation and for such internal control as determined necessary by the management, to enable the preparation of separate and consolidated financial statements in electronic form that are free from material misstatement, whether due to fraud or error.

Those charged with governance are responsible for overseeing the preparation of audited separate and consolidated financial statements in electronic form in accordance with the requirements of the Delegated Regulation.

Auditor's Responsibility

Our responsibility is to carry out a reasonable assurance engagement and to express the conclusion on whether the audited separate and consolidated financial statements in electronic form are prepared in accordance with the requirements of the Delegated Regulation. We conducted our reasonable assurance engagement in accordance with the International Standard on Assurance Engagements 3000 (Revised) – Assurance Engagements Other than Audits or Reviews of Historical Financial Information (ISAE 3000) published by the International Auditing and Assurance Standards Board. This standard requires that we plan and perform the engagement to obtain reasonable assurance for providing a conclusion.

We have conducted the engagement in compliance with independence and ethical requirements as provided by the Regulation EU No. 537/2014 and IESBA Code. The code is based on the principles of integrity, objectivity, professional competence and due diligence, confidentiality and professional conduct. We are in compliance with the International Standard on Quality Management (ISQM 1) and accordingly maintain an overall quality management system, including documented policies and procedures regarding

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compliance with ethical requirements, professional standards and applicable legal and statutory requirements.

Summary of Work Performed

Within the scope of the work performed, we have carried out the following audit procedures:

- we have identified and assessed the risk of material non-compliance of audited separate and consolidated financial statements misstatement with the requirements of the Delegated Regulation;
- we have obtained understanding of the internal control processes considered important for our reasonable assurance engagement in order to design appropriate procedures in given circumstances, however, not with the purpose of expressing an opinion on the effectiveness of internal control;
- we have assessed whether the audited separate and consolidated financial statements satisfy the conditions of Delegated Regulations, valid on the reporting date;
 - we have obtained reasonable assurance that the audited separate and consolidated financial statements of the issuer are presented in the electronic XHTML format;
 - we have obtained reasonable assurance that the values and disclosures in the audited consolidated financial statements in the electronic XHTML format are tagged correctly and in the Inline XBRL technology (iXBRL), so that their machine reading can ensure complete and correct information that is included in the audited consolidated financial statements.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Conclusion

In our opinion, based on the procedures performed and the evidence obtained we believe that the audited separate and consolidated financial statements of the Company and the Group for the year ended 31 December 2024, are in all material respects prepared in accordance with the requirements of the Delegated Regulation.

DELOITTE REVIZIJA d.o.o.
Dunajska cesta 165
1000 Ljubljana

Barbara Žibret Kralj
Certified auditor

For signature please refer to the original Slovenian version.

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DELOITTE REVIZIJA D.O.O.
Ljubljana, Slovenija 3

Ljubljana, 14 March 2025

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2 Financial statements

The financial statements of the Sava Insurance Group and Sava Re d.d for 2024.

2.1 Statement of financial position

EUR	Note	Sava Insurance Group		Sava Re	
		31 December 2024	31 December 2023	31 December 2024	31 December 2023
ASSETS					
Intangible assets and goodwill	3.7.1	65,562,925	65,148,831	6,482,385	4,674,935
Property, plant and equipment	3.7.2	58,730,561	59,686,798	2,550,365	2,675,158
Investment property	3.7.5	24,147,256	24,890,278	7,431,872	7,582,168
Right-of-use assets	3.7.3	10,794,664	8,573,398	254,940	277,158
Investments in subsidiaries	3.7.6	0	0	305,834,606	305,666,793
Investments in associates and joint ventures	3.7.6	25,615,695	23,834,620	19,575,000	19,575,000
– Investments in associates accounted for using equity method		25,615,695	23,834,620	0	0
– Investments in associates measured at cost		0	0	19,575,000	19,575,000
Deferred tax assets	3.7.4	4,429,192	6,584,400	4,155,469	5,087,420
Financial investments measured at	3.7.7	2,329,080,204	2,012,532,633	444,386,051	354,384,196
– Fair value through other comprehensive income		1,438,662,572	1,276,147,045	400,200,967	311,285,620
– Amortised cost		75,722,712	76,303,166	5,677,769	5,811,776
– Fair value through profit or loss		814,694,920	660,082,422	38,507,315	37,286,800
Investment contract assets	3.7.8	201,171,005	180,628,137	0	0
Insurance contract assets	3.7.9	10,842,363	9,607,288	5,670,015	5,095,344
Reinsurance contract assets	3.7.9	77,518,752	107,481,560	65,962,107	95,762,621
Current tax assets	3.7.17	2,168,191	444,616	671,315	0
Trade and other receivables	3.7.17	16,714,805	14,271,358	360,778	198,366
Non-current assets held for sale	3.7.20	1,225,892	259,649	0	0
Cash and cash equivalents	3.7.19	52,349,765	50,559,964	14,724,094	12,260,049
Other assets	3.7.18	5,057,343	4,042,606	994,736	715,114
Total assets		2,885,408,613	2,568,546,136	879,053,733	813,954,322
LIABILITIES					
Subordinated liabilities	3.7.30	125,058,474	74,987,535	125,058,474	74,987,535
Deferred tax liabilities	3.7.4	3,445,418	3,436,591	0	0
Insurance contract liabilities	3.7.9	1,831,367,970	1,651,022,247	286,075,675	295,752,723
Reinsurance contract liabilities	3.7.9	3,983,205	1,642,043	2,192,025	446,848
Investment contract liabilities	3.7.8	200,954,895	180,437,695	0	0
Provisions	3.7.31	8,582,417	8,074,255	474,263	419,660
Lease liability	3.7.3	11,136,702	8,844,737	260,617	280,366
Other financial liabilities	3.7.32	431,656	737,085	0	0
Current tax liabilities	3.7.33	1,471,324	9,930,830	0	6,319,991
Other liabilities	3.7.34	50,416,096	43,769,505	6,039,922	4,850,021
Total liabilities		2,236,848,157	1,982,882,523	420,100,976	383,057,144
EQUITY					
Share capital	3.7.21	71,856,376	71,856,376	71,856,376	71,856,376
Capital reserves	3.7.22	42,490,942	42,702,320	54,239,757	54,239,757
Profit reserves	3.7.23	308,021,790	281,693,666	308,076,624	281,959,459
Treasury shares	3.7.24	-24,938,709	-24,938,709	-24,938,709	-24,938,709
Accumulated other comprehensive income	3.7.25	-25,735,420	-28,195,652	-6,824,097	-9,766,315
Retained earnings	3.7.27	217,470,401	205,041,879	30,425,642	32,809,209
Net profit or loss for the period	3.7.26	61,511,032	39,702,056	26,117,164	24,737,401
Foreign currency translation reserve	3.7.28	-2,965,039	-3,049,094	0	0
Equity attributable to owners of the controlling company		647,711,373	584,812,842	458,952,757	430,897,178
Non-controlling interests in equity	3.7.29	849,083	850,771	0	0
Total equity		648,560,456	585,663,613	458,952,757	430,897,178
Total liabilities and equity		2,885,408,613	2,568,546,136	879,053,733	813,954,322

The notes to the financial statements in sections [3.4](#) to [3.9](#) form an integral part of these financial statements and should be read in conjunction with them.

2.2 Income statement

EUR	Note	Sava Insurance Group		Sava Re	
		1-12/2024	1-12/2023	1-12/2024	1-12/2023
Insurance revenue	3.7.36	801,213,638	697,562,811	171,664,689	167,804,126
Insurance service expenses	3.7.36	-662,350,015	-657,125,518	-115,918,533	-174,490,918
Insurance service result from insurance contracts issued		138,863,623	40,437,293	55,746,156	-6,686,792
Revenue from reinsurance contracts held	3.7.37	23,616,154	86,112,246	14,702,386	73,904,850
Expenses from reinsurance contracts held	3.7.37	-53,870,334	-43,071,777	-38,193,095	-30,235,703
Net result from reinsurance contracts held		-30,254,180	43,040,469	-23,490,709	43,669,147
Insurance service result		108,609,443	83,477,762	32,255,447	36,982,355
Interest income	3.7.38	27,602,417	21,119,902	7,680,291	4,735,050
Dividend income	3.7.38	1,053,524	1,099,061	140,821	217,967
Income or expenses from financial investments measured at FVTPL	3.7.38	100,737,461	58,342,472	1,201,805	1,211,782
Gains and losses arising from the derecognition of financial investments measured at FVOCI	3.7.38	131,649	-821,329	45,016	-120,448
Gains and losses arising from the derecognition of financial investments measured at amortised cost	3.7.38	28,104	0	0	0
Net impairment losses and reversals of impairment losses on financial investments	3.7.38	582,566	343,794	96,917	54,426
Net other investment income or expenses	3.7.38	6,978,309	-1,659,159	3,102,402	-3,754,391
Net investment result		137,114,030	78,424,741	12,267,252	2,344,386
Finance result from insurance contracts	3.7.16	-118,528,642	-62,000,579	-11,250,891	736,264
Finance result from reinsurance contracts	3.7.16	4,257,920	-612,578	3,810,171	-774,623
Net insurance finance income or expenses		-114,270,722	-62,613,157	-7,440,720	-38,359
Net insurance and finance result		22,843,308	15,811,584	4,826,532	2,306,027
Asset management revenue	3.7.39	23,660,332	19,589,410	4,034	0
Non-attributable operating expenses	3.7.40	-31,079,973	-29,432,276	-16,182,385	-13,805,508
Net impairment losses and reversals of impairment losses on non-financial assets		67,847	231,724	0	0
Finance costs	3.7.30	-3,969,473	-3,114,997	-3,577,180	-2,882,998
Share of profit or loss of investments accounted for using equity method	3.7.6	1,781,075	2,169,860	0	0
Net income and expenses from subsidiaries and associates	3.7.41	0	116,348	39,035,925	30,755,010
Gains or losses on disposal of discontinued operations	3.7.20	440,673	353,684	0	0
Net other operating income and expenses	3.7.42	-12,550,833	-9,589,746	-38,853	234,323
Profit or loss before tax		109,802,399	79,613,353	56,323,520	53,589,209
Income tax expense	3.7.43	-21,955,857	-14,956,182	-4,089,191	-4,114,407
Net profit or loss for the period		87,846,542	64,657,171	52,234,329	49,474,802
Net profit or loss attributable to non-controlling interests		190,817	192,367	0	0
Net profit or loss attributable to owners of the controlling company	3.7.26	87,655,725	64,464,804	52,234,329	49,474,802
Earnings per share (basic and diluted)	3.7.26	5,66	4,16		

The notes to the financial statements in sections [3.4](#) to [3.9](#) form an integral part of these financial statements and should be read in conjunction with them.



2.3 Statement of other comprehensive income

EUR	Note	Sava Insurance Group		Sava Re	
		1-12/2024	1-12/2023	1-12/2024	1-12/2023
PROFIT OR LOSS FOR THE PERIOD, NET OF TAX		87,846,542	64,657,171	52,234,329	49,474,802
OTHER COMPREHENSIVE INCOME, NET OF TAX	3.7.25	2,542,395	17,146,991	2,942,218	4,530,414
a) Items that will not be reclassified subsequently to profit or loss		1,933,742	818,871	-12,298	26,439
Net gains or losses on investments in equity instruments at FVOCI		1,983,179	1,042,213	0	0
Other items that will not be reclassified subsequently to profit or loss	3.7.30	-47,313	-196,565	-12,298	27,063
Tax on items that will not be reclassified subsequently to profit or loss	3.7.41	-2,124	-26,777	0	-624
b) Items that may be reclassified subsequently to profit or loss		608,653	16,328,120	2,954,516	4,503,975
Finance income or expenses from insurance contracts	3.7.16	-21,201,880	-33,063,968	-2,801,470	-6,255,975
Finance income or expenses from reinsurance contracts	3.7.16	1,623,603	1,378,743	1,649,433	1,304,240
Fair value gain or loss on investments in debt instruments measured at FVTOCI	3.7.7	23,578,124	50,742,502	4,939,878	9,952,809
Tax on items that may be reclassified subsequently to profit or loss	3.7.41	-3,475,539	-2,935,470	-833,325	-497,099
Net gains or losses from translation of financial statements		84,345	206,313	0	0
COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAX		90,388,937	81,804,162	55,176,547	54,005,216
Comprehensive income attributable to owners of the controlling company		90,199,818	81,614,473	55,176,547	54,005,216
Comprehensive income attributable to non-controlling interests		189,119	189,689	0	0

The notes to the financial statements in sections [3.4](#) to [3.9](#) form an integral part of these financial statements and should be read in conjunction with them.

2.4 Cash flow statement

EUR	Note	Sava Insurance Group		Sava Re		
		1-12/2024	1-12/2023	1-12/2024	1-12/2023	
A.						
	Cash flows from operating activities					
a)	Items of the income statement		-9,324,780	7,726,211	11,757,228	16,384,524
	Net profit or loss for the period	3.7.26	87,846,542	64,657,171	52,234,329	49,474,802
	Adjustments for:		-97,171,322	-56,930,960	-40,477,101	-33,090,278
	– Depreciation and amortisation expense		10,102,851	9,990,892	809,017	738,774
	– Depreciation of right-of-use assets	3.7.3	2,730,145	1,716,035	108,365	82,608
	– Finance expenses		48,603,234	53,158,033	6,332,694	5,903,268
	– Finance income		-178,971,924	-130,692,979	-52,089,680	-40,894,811
	– Gains or losses on the disposal of property, plant and equipment assets		283,604	-855,957	-28,489	-28,323
	– Gains or losses of investments accounted for using equity method	3.7.6	-1,781,075	-2,169,860	0	0
	– Gains or losses on the disposal of subsidiaries and associates	3.7.6	0	-116,348	0	-112,595
	– Gains or losses on disposal of discontinued operations		-576,175	46,651	0	0
	– Increase or decrease in provisions		543,619	-122,242	134,148	106,404
	– Net exchange differences		-61,458	-2,841,367	167,653	-3,000,010
	– Income tax expense	3.7.43	21,955,857	14,956,182	4,089,191	4,114,407
b)	Changes in operating cash flow items		163,800,654	90,618,113	8,088,261	-11,218,791
	Net change in insurance and reinsurance contracts		190,326,951	100,504,161	19,107,825	-10,313,260
	Change in other receivables and other assets		-24,130,787	-17,184,956	-61,536	1,586,660
	Change in other liabilities		31,060,755	20,055,151	18,146	-2,147,977
	Corporate income tax paid		-33,456,265	-12,756,243	-10,976,174	-344,214
c)	Net cash from/used in operating activities (a + b)		154,475,874	98,344,324	19,845,489	5,165,733
B.						
	Cash flows from investing activities					
a)	Cash receipts from investing activities		581,457,980	373,072,106	180,264,334	134,050,429
	Interest received classified as investing activities		23,121,365	20,214,734	5,370,837	4,030,654
	Cash receipts from dividends and participation in the profit of others		929,262	399,271	39,176,746	30,860,382
	Proceeds from sale of property, plant and equipment assets		549,048	4,150,446	68,798	42,155
	Proceeds from disposal of non-current assets held for sale		461,445	885,018	0	0
	Proceeds from disposal of financial investments		556,396,860	347,422,637	135,647,953	99,117,238
	Proceeds from disposal of subsidiaries and other companies	3.7.6	0	112,596	0	112,595
	Proceeds from repayment of loans to subsidiaries		0	0	850,000	0
	Other proceeds from disposal of financial investments		556,396,860	347,310,041	134,797,953	99,004,643
b)	Cash disbursements in investing activities		-747,597,713	-486,542,321	-216,912,674	-123,198,731
	Purchase of intangible assets		-5,190,147	-4,683,220	-2,191,569	-967,769
	Purchase of property, plant and equipment		-7,235,399	-4,885,865	-190,119	-363,031
	Purchase of investment property		-3,535	-2,612,918	0	-10,045
	Purchase of financial investments		-735,168,632	-474,360,318	-214,530,986	-121,857,886
	Purchase of subsidiaries or other companies		-167,813	-1,993,500	-167,813	-1,993,500
	Disbursement for loans to subsidiaries		0	0	-850,000	0
	Other disbursements to acquire financial investments		-735,000,819	-472,366,818	-213,513,173	-119,864,386
c)	Net cash from/used in investing activities (a + b)		-166,139,733	-113,470,215	-36,648,340	10,851,698
C.						
	Cash flows from financing activities					
a)	Cash receipts from financing activities		51,435,970	2,633,769	49,313,661	0
	Proceeds from paid-in capital		0	263,999	0	0
	Proceeds from borrowing		51,435,970	2,369,770	49,313,661	0
b)	Cash disbursements in financing activities		-37,982,310	-30,171,545	-30,046,765	-27,683,411
	Interest paid		-3,204,617	-3,051,818	-2,819,902	-2,807,331
	Repayments of loans and borrowings		-2,431,103	-2,188,659	0	0
	Repayments of lease liabilities		-5,022,110	0	-105,895	-79,765
	Dividends and other profit participations paid	3.7.27	-27,324,480	-24,931,068	-27,120,968	-24,796,315
c)	Net cash from/used in financing activities (a + b)		13,453,660	-27,537,776	19,266,896	-27,683,411
C2.						
	Closing balance of cash and cash equivalents		52,349,765	50,559,964	14,724,094	12,260,049
x)	Increase or decrease in cash and cash equivalents for the period (Ac + Bc + Cc)		1,789,801	-42,663,667	2,464,045	-11,665,980
y)	Opening balance of cash and cash equivalents	3.7.19	50,559,964	93,223,631	12,260,049	23,926,029

The notes to the financial statements in sections [3.4](#) to [3.9](#) form an integral part of these financial statements and should be read in conjunction with them.

2.5 Statement of changes in equity for 2024

Sava Insurance Group

EUR	Share capital	Capital reserves	Profit reserves				Accumulated other comprehensive income	Retained earnings	Net profit or loss for the period	Foreign currency translation reserve	Equity attributable to owners of the controlling company	Non-controlling interests in equity	Total
			Legal reserves and reserves provided for in the articles of association	Capital redemption reserve	Treasury shares	Other profit reserves							
Closing balance in previous financial year	71,856,376	42,702,320	12,176,144	24,938,709	-24,938,709	244,578,813	-28,195,652	205,041,879	39,702,056	-3,049,094	584,812,842	850,771	585,663,613
Equity (start of period)	71,856,376	42,702,320	12,176,144	24,938,709	-24,938,709	244,578,813	-28,195,652	205,041,879	39,702,056	-3,049,094	584,812,842	850,771	585,663,613
Comprehensive income for the period, net of tax	0	0	0	0	0	0	2,460,038	0	87,655,725	84,055	90,199,818	189,119	90,388,937
Net profit or loss for the period	0	0	0	0	0	0	0	0	87,655,725	0	87,655,725	190,817	87,846,542
Other comprehensive income	0	0	0	0	0	0	2,460,038	0	0	84,055	2,544,093	-1,698	2,542,395
Dividends paid	0	0	0	0	0	0	0	-27,171,948	0	0	-27,171,948	-152,532	-27,324,480
Allocation of net profit to profit reserve	0	0	34,082	0	0	26,294,042	0	-183,431	-26,144,693	0	0	0	0
Settlement of previous years' losses	0	-83,363	0	0	0	0	0	83,363	0	0	0	0	0
Transfer of profit	0	0	0	0	0	0	0	39,702,056	-39,702,056	0	0	0	0
Acquisition of non-controlling interests	0	-128,015	0	0	0	0	0	-1,518	0	0	-129,533	-38,275	-167,808
Other	0	0	0	0	0	0	194	0	0	0	194	0	194
Equity (end of period)	71,856,376	42,490,942	12,210,226	24,938,709	-24,938,709	270,872,855	-25,735,420	217,470,401	61,511,032	-2,965,039	647,711,373	849,083	648,560,456

Sava Re

EUR	Share capital	Capital reserves	Profit reserves				Accumulated other comprehensive income	Retained earnings	Net profit or loss for the period	Equity attributable to owners of the controlling company	Total
			Legal reserves and reserves provided for in the articles of association	Capital redemption reserve	Treasury shares	Other profit reserves					
Closing balance in previous financial year	71.856.376	54.239.757	14.986.525	24.938.709	-24.938.709	242.034.225	-9.766.315	32.809.209	24.737.401	430.897.178	430.897.178
Equity (start of period)	71.856.376	54.239.757	14.986.525	24.938.709	-24.938.709	242.034.225	-9.766.315	32.809.209	24.737.401	430.897.178	430.897.178
Comprehensive income for the period, net of tax	0	0	0	0	0	0	2.942.218	0	52.234.329	55.176.547	55.176.547
Net profit or loss for the period	0	0	0	0	0	0	0	0	52.234.329	52.234.329	52.234.329
Other comprehensive income	0	0	0	0	0	0	2.942.218	0	0	2.942.218	2.942.218
Dividends paid	0	0	0	0	0	0	0	-27.120.968	0	-27.120.968	-27.120.968
Allocation of net profit to profit reserve	0	0	0	0	0	26.117.165	0	0	-26.117.165	0	0
Transfer of profit	0	0	0	0	0	0	0	24.737.401	-24.737.401	0	0
Equity (end of period)	71.856.376	54.239.757	14.986.525	24.938.709	-24.938.709	268.151.390	-6.824.097	30.425.642	26.117.164	458.952.757	458.952.757

The notes to the financial statements in sections [3.4](#) to [3.9](#) form an integral part of these financial statements and should be read in conjunction with them.

2.6 Statement of changes in equity for 2023

Sava Insurance Group													
EUR	Share capital	Capital reserves	Profit reserves				Accumulated other comprehensive income	Retained earnings	Net profit or loss for the period	Foreign currency translation reserve	Equity attributable to owners of the controlling company	Non-controlling interests in equity	Total
			Legal reserves and reserves provided for in the articles of association	Capital redemption reserve	Treasury shares	Other profit reserves							
Closing balance in previous financial year	71,856,376	42,702,320	12,150,797	24,938,709	-24,938,709	219,856,085	-45,138,332	214,047,218	18,712,745	-3,256,083	530,931,126	532,551	531,463,677
Equity (start of period)	71,856,376	42,702,320	12,150,797	24,938,709	-24,938,709	219,856,085	-45,138,332	214,047,218	18,712,745	-3,256,083	530,931,126	532,551	531,463,677
Comprehensive income for the period, net of tax	0	0	0	0	0	0	16,942,680	0	64,464,804	206,989	81,614,473	189,689	81,804,162
Net profit or loss for the period	0	0	0	0	0	0	0	0	64,464,804	0	64,464,804	192,367	64,657,171
Other comprehensive income	0	0	0	0	0	0	16,942,680	0	0	206,989	17,149,669	-2,678	17,146,991
Dividends paid	0	0	0	0	0	0	0	-24,795,600	0	0	-24,795,600	-135,468	-24,931,068
Allocation of net profit to profit reserve	0	0	25,347	0	0	24,722,728	0	14,673	-24,762,748	0	0	0	0
Transfer of profit	0	0	0	0	0	0	0	18,712,745	-18,712,745	0	0	0	0
Acquisition and disposal of subsidiary	0	0	0	0	0	0	0	0	0	0	0	263,999	263,999
Other	0	0	0	0	0	0	0	-2,937,157	0	0	-2,937,157	0	-2,937,157
Equity (end of period)	71,856,376	42,702,320	12,176,144	24,938,709	-24,938,709	244,578,813	-28,195,652	205,041,879	39,702,056	-3,049,094	584,812,842	850,771	585,663,613

Sava Re												
EUR	Share capital	Capital reserves	Profit reserves				Accumulated other comprehensive income	Retained earnings	Net profit or loss for the period	Equity attributable to owners of the controlling company	Total	
			Legal reserves and reserves provided for in the articles of association	Capital redemption reserve	Treasury shares	Other profit reserves						
Closing balance in previous financial year	71,856,376	54,239,757	14,986,525	24,938,709	-24,938,709	217,296,824	-14,296,729	24,225,388	33,367,515	401,675,656	401,675,656	
Equity (start of period)	71,856,376	54,239,757	14,986,525	24,938,709	-24,938,709	217,296,824	-14,296,729	24,225,388	33,367,515	401,675,656	401,675,656	
Comprehensive income for the period, net of tax	0	0	0	0	0	0	4,530,414	0	49,474,802	54,005,216	54,005,216	
Net profit or loss for the period	0	0	0	0	0	0	0	0	49,474,802	49,474,802	49,474,802	
Other comprehensive income	0	0	0	0	0	0	4,530,414	0	0	4,530,414	4,530,414	
Dividends paid	0	0	0	0	0	0	0	-24,796,314	0	-24,796,314	-24,796,314	
Allocation of net profit to profit reserve	0	0	0	0	0	24,737,401	0	0	-24,737,401	0	0	
Transfer of profit	0	0	0	0	0	0	0	33,367,515	-33,367,515	0	0	
Other	0	0	0	0	0	0	0	12,620	0	12,620	12,620	
Equity (end of period)	71,856,376	54,239,757	14,986,525	24,938,709	-24,938,709	242,034,225	-9,766,315	32,809,209	24,737,401	430,897,178	430,897,178	

The notes to the financial statements in sections 3.4 to 3.9 form an integral part of these financial statements and should be read in conjunction with them.



3 Notes to the financial statements

3.1 Basic details

Reporting company

Sava Re d.d. (hereinafter also the Company) is the parent of the Sava Insurance Group (hereinafter also the Group). The Company was established under the Foundations of the Life and Non-Life Insurance System Act, and was entered in the company register kept by the Ljubljana Basic Court, Ljubljana Unit (now Ljubljana District Court), on 10 December 1990. Its legal predecessor, Pozavarovalna Skupnost Sava, was established in 1977.

The Group transacts reinsurance business (12.3% of the business volume), non-life insurance business (64.8% of the business volume), life insurance business (19.6% of the business volume), pension business and asset management (2.6% of the business volume) and other non-insurance business (0.7% of the business volume).¹²⁴

The number of staff employed by the Group on the last day of 2024 was 2,892.9 (31 December 2023: 2,744.8 employees), calculated on a full-time equivalent basis. The number of full-time employees according to the different criteria is presented in section [B.ESRS S1 – “Own workforce”](#).

As at 31 December 2024, the Company employed 148.3 people (31 December 2023: 144.1 employees), calculated on a full-time equivalent basis. The number of full-time employees according to the different criteria is presented in section [B.ESRS S1 – “Own workforce”](#).

The bodies of the Company are the general meeting, the supervisory board and the management board.

The Company’s largest shareholders are Slovenian Sovereign Holding (Slovenski državni holding) and the Republic of Slovenia (which is the founder and sole shareholder of Slovenian Sovereign Holding), which together hold 31.6% of the shares. InterCapital Securities Ltd. holds 19.2% of the shares in a fiduciary account. The largest ultimate beneficial owners of the shares registered in the mentioned fiduciary account are Croatia Osiguranje d.d. and Adris Grupa d.d., which, according to the information available on 6 May 2024, hold a total of 3,278,049 POSR shares.

Business address of the controlling company	Dunajska cesta 56, Ljubljana, Slovenia
Name of reporting entity	Pozavarovalnica Sava, d.d. (Sava Reinsurance Company d.d., Sava Re d.d.)
Legal form of entity	delniška družba (public limited company)
Domicile of entity	Slovenia
Address of entity’s registered office	Slovenia
Country of incorporation	Slovenia
Principal place of business	Slovenia
Description of nature of entity’s operations and principal activities	reinsurance
Name of parent entity	Pozavarovalnica Sava, d.d. (Sava Reinsurance Company d.d., Sava Re d.d.)
Name of ultimate parent of group	Pozavarovalnica Sava, d.d. (Sava Reinsurance Company d.d., Sava Re d.d.)
Explanation of change in name of reporting entity or other means of identification from end of preceding reporting period	no change in 2024
Description of nature of financial statements	financial statements of the Sava Insurance Group and Sava Re d.d for 2024
Date of end of reporting period	31 December 2024
Period covered by financial statements	1 January 2024 – 31 December 2024
Description of presentation currency	euro
Level of rounding used in financial statements	rounded to the nearest whole number



The table “Ten largest shareholders and the list of holders of qualified holdings pursuant to the Takeovers Act as at 31 December 2024” (section [A.3 “Shareholders and share trading”](#)) is followed by an additional note on the share of voting rights in Sava Re (section [A.3 “Shareholders and share trading”](#)).

It is the responsibility of the Company’s management board to prepare the annual report and authorise it for issue to the supervisory board. The audited annual report is then approved by the Company’s supervisory board. If the annual report is not approved by the supervisory board, or if the management and supervisory boards leave the decision about its approval (authorisation for issue) to the general meeting of shareholders, the general meeting also decides on the approval (authorisation for issue) of the annual report.

The general meeting has the power to amend the annual report after it has been approved by the Company’s management board; however, it must be re-audited by the external auditor within two weeks after its approval by the general meeting.

3.2 Business combinations and overview of Group companies

Changes in 2024

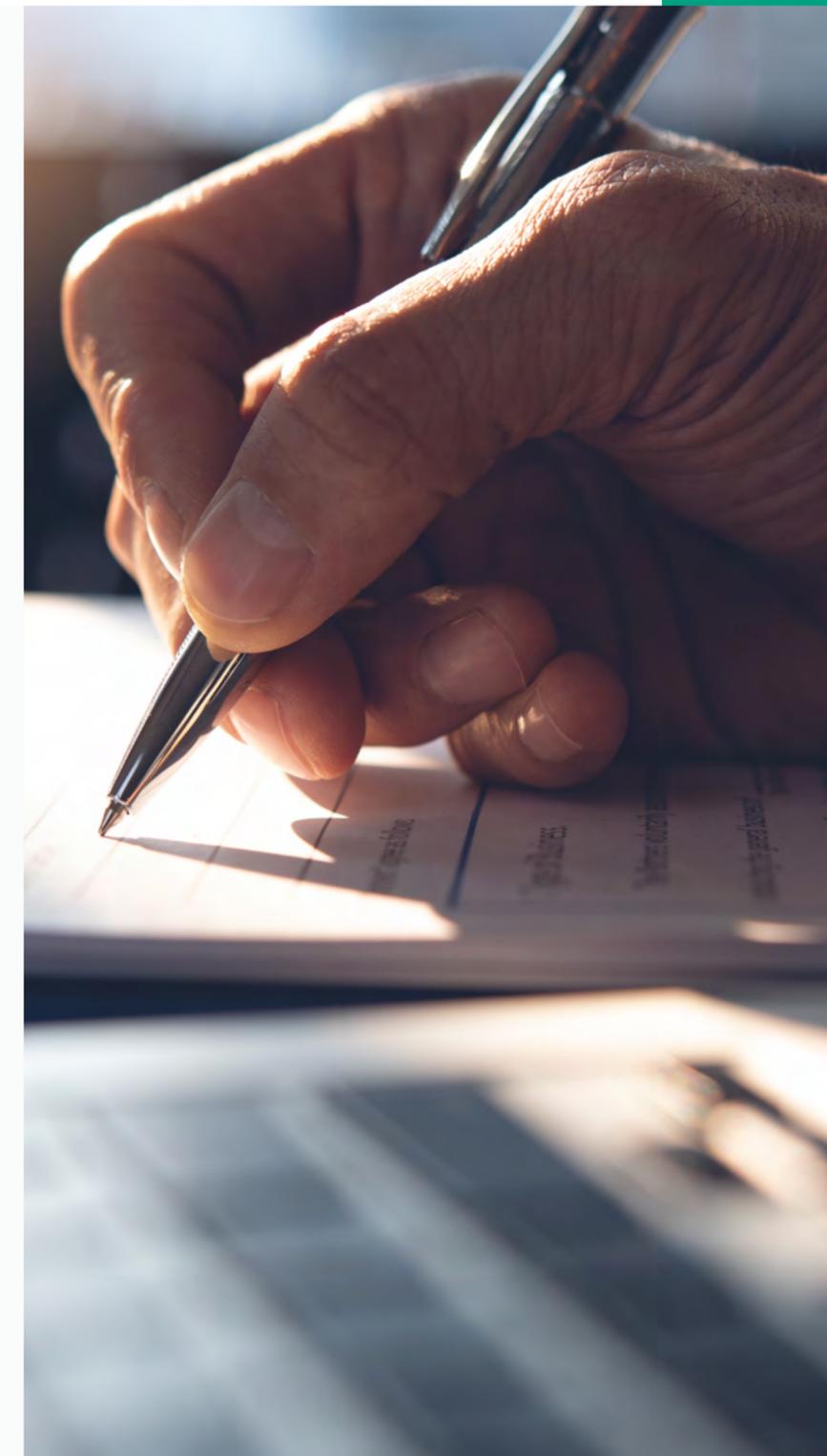
On 22 February 2024, Sava Re signed a contract to acquire a 2.5% stake in TBS Team 24. Upon completion of the transaction on 27 February 2024, Sava Re held a 90% stake in the company.

Changes in 2023

In April 2023, Sava Re finalised the sale of its ownership interest in G2I, an associated company marketing online motor policies. The effect of the sale on the consolidated financial statements was a gain of EUR 112,594.

In August 2023, Sava Re established Vita S Holding d.o.o., based in Skopje, North Macedonia, in which it holds an 80% stake. As at 31 December 2023, the balance of the investment was EUR 1,056,000. The company was established to provide a platform for Sava Re to develop healthcare services in North Macedonia. The date of first-time inclusion of the company in the financial statements is 30 September 2023.

In December, the company SO Poslovno Savjetovanje d.o.o. ceased trading. The company was summarily wound up and struck off the register of companies on 22 December 2023. As from the strike off, the company has not been included in the consolidated financial statements. The exclusion of the company had no impact on the consolidated financial statements.





► Subsidiaries as at 31 December 2024

EUR	Activity	Country of incorporation	Assets	Liabilities	Equity as at 31 December 2024	Profit or loss for 2024	Total income	Share of voting rights (%)
Zavarovalnica Sava	insurance	Slovenia	1,147,983,808	864,324,223	283,659,584	47,834,593	639,537,037	100.00%
Sava Neživotno Osiguranje (SRB)	insurance	Serbia	44,406,416	32,228,162	12,178,254	394,228	50,688,171	100.00%
Illyria	insurance	Kosovo	30,645,967	18,814,240	11,831,727	1,431,733	20,471,397	100.00%
Sava Osiguruvanje (MKD)	insurance	North Macedonia	27,625,593	18,659,424	8,966,169	512,067	25,775,105	93.86%
Sava Osiguranje (MNE)	insurance	Montenegro	34,525,822	21,380,329	13,145,494	2,474,402	23,174,997	100.00%
Illyria Life	insurance	Kosovo	19,902,527	12,382,167	7,520,360	1,197,426	3,714,670	100.00%
Sava Životno Osiguranje (SRB)	insurance	Serbia	19,133,633	11,169,327	7,964,305	761,160	6,515,847	100.00%
Sava Car (MNE)	technical testing and analysis	Montenegro	1,552,538	907,324	645,214	88,632	1,012,338	100.00%
ZM Svetovanje	insurance agency	Slovenia	139,242	106,412	32,830	-69,130	827,980	100.00%
Asistim (former Ornatus KC)	call centre	Slovenia	145,264	66,820	78,444	20,170	745,297	100.00%
Sava Agent	insurance agency	Montenegro	2,202,907	1,918,771	284,136	141,139	901,834	100.00%
Sava Station	technical testing and analysis	North Macedonia	457,942	35,018	422,924	80,576	224,968	93.86%
Sava Pokojninska	pension fund	Slovenia	238,774,531	230,481,254	8,293,277	550,560	3,563,770	100.00%
TBS Team 24	provision of assistance services	Slovenia	6,334,973	4,481,878	1,853,095	1,838,853	28,381,610	90.00%
Sava Penzisko Društvo	pension fund management	North Macedonia	14,421,455	960,524	13,460,931	2,709,618	6,866,496	100.00%
Sava Infond	fund management activities	Slovenia	14,142,574	2,570,289	11,572,285	5,151,090	16,917,984	100.00%
Vita	insurance	Slovenia	832,034,472	761,333,067	70,701,405	8,434,451	37,304,913	100.00%
Sava Car (SRB)	technical testing and analysis	Serbia	51,035	7,891	43,144	6,682	227,588	100.00%
ASP (SRB)	computer programming	Serbia	291,233	9,982	281,252	60,499	882,824	100.00%
Vita S Holding (MKD)	non-specialised wholesale trade	North Macedonia	2,373,649	1,207,554	1,166,096	-141,582	0	80.00%

► Subsidiaries as at 31 December 2023

EUR	Activity	Country of incorporation	Assets	Liabilities	Equity as at 31 December 2023	Profit or loss for 2023	Total income	Share of voting rights (%)
Zavarovalnica Sava	insurance	Slovenia	1,070,662,541	822,568,735	248,093,806	26,313,921	590,454,064	100.00%
Sava Neživotno Osiguranje (SRB)	insurance	Serbia	36,984,172	24,941,666	12,042,506	1,177,260	43,994,910	100.00%
Illyria	insurance	Kosovo	27,071,632	16,550,901	10,520,731	1,025,462	18,836,128	100.00%
Sava Osiguruvanje (MKD)	insurance	North Macedonia	24,383,956	15,850,119	8,533,837	-40,791	22,129,006	93.86%
Sava Osiguranje (MNE)	insurance	Montenegro	32,096,784	19,774,812	12,321,972	3,585,668	21,627,386	100.00%
Illyria Life	insurance	Kosovo	18,144,263	11,204,276	6,939,987	1,074,443	2,989,118	100.00%
Sava Životno Osiguranje (SRB)	insurance	Serbia	16,083,286	8,693,789	7,389,497	640,302	4,901,309	100.00%
Sava Car (MNE)	technical testing and analysis	Montenegro	1,692,500	898,736	793,764	64,878	1,004,399	100.00%
ZM Svetovanje	insurance agency	Slovenia	194,125	86,286	107,839	-24,251	769,117	100.00%
Asistim (former Ornatus KC)	call centre	Slovenia	108,529	50,256	58,273	13,730	611,660	100.00%
Sava Agent	insurance agency	Montenegro	2,195,357	1,842,616	352,741	150,720	899,415	100.00%
Sava Station	technical testing and analysis	North Macedonia	383,778	41,260	342,518	116,353	258,370	93.86%
Sava Pokojninska	pension fund	Slovenia	215,013,455	206,735,828	8,277,627	506,936	3,339,857	100.00%
TBS Team 24	provision of assistance services	Slovenia	5,986,410	4,455,392	1,531,018	1,516,776	23,041,366	87.50%
Sava Penzisko Društvo	pension fund management	North Macedonia	12,907,901	602,331	12,305,570	2,247,309	5,923,762	100.00%
Sava Infond	fund management activities	Slovenia	11,338,888	1,926,327	9,412,561	4,144,562	13,248,955	100.00%
Vita	insurance	Slovenia	724,798,357	648,173,670	76,624,687	8,980,780	33,121,987	100.00%
Sava Car (SRB)	technical testing and analysis	Serbia	52,352	16,036	36,316	-45,646	202,756	100.00%
ASP (SRB)	computer programming	Serbia	306,636	82,122	224,514	86,564	287,881	100.00%
Vita S Holding (MKD)	non-specialised wholesale trade	North Macedonia	1,307,325	234	1,307,091	-10,941	0	80.00%

If the new companies had been part of the Group since 1 January 2023, total revenue and net profit for 2023 would have totalled EUR 788,480,228 and EUR 51,591,512, respectively.



► Overview of companies with non-controlling interests

EUR, except percentages	Sava Osiguruvanje		Sava Station		TBS Team 24		S Vita Holding	
	2024	2023	2024	2023	2024	2023	2024	2023
Non-controlling interest as % of equity	6.14%	6.14%	6.14%	6.14%	10.00%	12.50%	20.00%	20.00%
Proportion of non-controlling interest voting rights, in %	0.915%	0.915%	0.915%	0.915%	12.50%	12.50%	20.00%	20.00%
Statement of profit or loss and other comprehensive income								
Income	25,775,105	22,129,006	224,968	258,370	28,381,610	23,041,366	0	0
Net profit for the year	512,067	-40,791	80,576	116,353	1,838,853	1,516,776	-141,582	-10,941
– Of which non-controlling interest	31,424	-2,503	4,945	7,140	183,885	189,597	-28,316	-2,188
Other comprehensive income	96,694	283,570	254	13,919	0	49,087	0	263,606
– Of which non-controlling interest	5,934	17,402	16	854	0	6,136	0	52,721
Total comprehensive income	608,761	242,779	80,830	130,272	1,838,853	1,565,863	-141,582	252,665
– Of which non-controlling interest	37,358	14,899	4,960	7,994	183,885	195,733	-28,316	50,533
Dividends to non-controlling interests	13,060	14,630	0	0	37,919	120,124	0	0
Statement of financial position								
Assets	27,625,593	24,383,956	457,942	383,778	6,334,973	5,986,410	2,373,649	1,307,325
Liabilities	18,659,424	15,850,119	35,018	41,260	4,481,878	4,455,392	1,207,554	234
Equity	8,966,169	8,533,837	422,924	342,518	1,853,095	1,531,018	1,166,096	1,307,091

3.3 Consolidation principles

The parent company prepared both separate and consolidated financial statements as at 31 December 2024.

The consolidated financial statements of the Sava Insurance Group include Sava Re as the parent company and all companies directly or indirectly controlled by Sava Re. It controls a company if and only if it has all the following elements:

- power over the company (directs the relevant activities that significantly affect the company's returns),
- exposure, or rights, to variable returns from its involvement with the company, and
- the ability to use its power over the company to affect the amount of its returns.

The Group's consolidated financial statements also include associate companies in which the members of the Sava Insurance Group (parent and subsidiaries) hold, directly or indirectly, between 20% and 50% of all voting rights. If they hold less than 20%, they can still have significant influence, provided such influence can be demonstrated.

All subsidiaries in the Sava Insurance Group are fully consolidated. The Group does not apply the exemption to exclude any of its companies from full consolidation. Interests in associates and joint ventures are accounted for in the consolidated financial statements using the equity method.

The financial year of the Group is the same as the calendar year.

Subsidiaries are fully consolidated as of the date of obtaining control and are deconsolidated as of the date that such control is lost.

Subsidiaries that manage pension funds (except Slovenia-based Sava Pokojninska Družba) and management companies that manage the funds' assets are consolidated without the funds as under law such fund assets are separate from the assets of the company that manages them. Accordingly, these funds are not included in the consolidated financial statements.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. Subsequently, goodwill is measured at cost less any impairment losses. The non-controlling interest is measured at the current proportionate share of the equity interests in the acquiree's recognised net assets.

When acquiring a non-controlling interest in a subsidiary (when the Group already holds a controlling interest), the carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. The Group recognises any difference between the amount by which the non-controlling interests are adjusted, and the fair value of the consideration paid directly in equity, and attributes it to the owners of the parent. The difference between cost and the carrying amount of the non-controlling interest is accounted for in equity under capital reserves.

Profits earned and losses made by subsidiaries are included in the Group's income statement. Intra-Group transactions (receivables and liabilities, expenses and income between the consolidated companies) have been eliminated.

All companies within the Group apply uniform accounting policies. If the accounting policies of a subsidiary differ from the accounting policies applied by the Group, appropriate adjustments are made to the financial statements of such subsidiary prior to the compilation of the consolidated financial statements to ensure compliance with the accounting policies of the Group.



3.4 Significant accounting policies

Significant accounting policies applied in the preparation of the consolidated and separate financial statements are set out below. In 2024, the Group applied the same accounting policies as in 2023.

Statement of compliance

The consolidated and separate financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB), and interpretations of the International Financial Reporting Interpretations Committee (IFRIC), as adopted by the European Union. They have also been prepared in accordance with applicable Slovenian legislation (the Companies Act – ZGD-1). The “Sava Insurance Group financial control rules” lay down accounting policies that must be followed by subsidiaries when reporting for consolidation purposes. The “Rules on accounting and accounting policies of Sava Re d.d.” set down in detail the accounting policies of the Company.

Interested parties can obtain information on the financial condition and results of operations of the Sava Insurance Group by consulting the annual report. Annual reports are available on Sava Re’s website and at its registered office.

In selecting and applying accounting policies, as well as in preparing the financial statements, the management board of the parent company aims at providing understandable, relevant, reliable and comparable accounting information.

The Company’s management board approved the audited financial statements on 14 March 2025.

3.4.1 Measurement basis

The financial statements have been prepared based on the going-concern assumption, which is further described in section [3.6.1.4 “Risk assessment and going concern assumption”](#).

The financial statements have been prepared on the historic cost basis, except for financial assets, including policyholder assets, which are valued on both the fair value and amortised cost basis.

3.4.2 Presentation currency, translation of transactions and items

The financial statements are presented in euros (EUR) without cents. For ease of presentation, some figures in the notes to the financial statements are rounded to million euro. The euro is the functional and presentation currency of Sava Re. The financial statements of the subsidiaries that have a functional currency different from the presentation currency are translated into euros as described below. Rounding of values may result in insignificant differences in the table totals.

All balances as at 31 December 2024 whose original value is in a foreign currency have been translated into euro at the rates of the European Central Bank (ECB) reference rate list published by the Bank of Slovenia as at 31 December 2024. Amounts in the income statements have been translated using the average exchange rate. Balances as at 31 December 2023 and 31 December 2024 have been translated at the applicable daily or monthly ECB exchange rate

for each currency. If the Bank of Slovenia does not publish the exchange rate for a particular currency, the exchange rate published on Bloomberg is used. Foreign exchange differences arising on settlement of transactions and on translation of monetary assets and liabilities are recognised in the income statement. Exchange rate differences associated with non-monetary items, such as equity securities carried at fair value through profit or loss, are also recognised in the income statement, while exchange rate differences associated with equity securities classified as available for sale are recognised in the fair value reserve. Since equity items in the statement of financial position as at 31 December 2024 are translated using the exchange rates of the ECB on that day and since interim movements are translated using the average exchange rates of the ECB, any differences arising therefrom are disclosed in the equity item translation reserve.

In the consolidated financial statements, exchange rate differences resulting from the translation of a net investment in a foreign subsidiary are recognised in the equity item translation reserve.



In measuring insurance contracts under IFRS 17, an individual group of insurance contracts that generates cash flows in a foreign currency, including the contractual service margin, is treated as a monetary item. The Company and the Group have endorsed the single currency denomination approach, which means that a single currency is determined for the calculation of the contractual service margin based on the prevailing currency of cash flows. The dominant or principal currency for a contract may be determined in the underwriting process or may be determined on the basis of the prevailing cash flows of the contracts included in a group of contracts, for example, portfolios of contracts from specific foreign markets.

3.4.3 Use of major accounting estimates, sources of uncertainty

Assumptions and other sources of uncertainty relate to estimates that require management to make complex, subjective and comprehensive judgements. The most important areas that involve significant management judgement are presented below.

- The source of uncertainty and significant risk in the measurement of insurance and reinsurance contracts is discussed in section [3.4.20.7 “Measurement of \(re\)insurance contracts issued”](#):

- Estimates of future cash flows are based on deterministic forecasting models.
- The adjustment of the expected cash flows for the time value of money and the financial risks associated with those cash flows is calculated using current discount rates determined using a bottom-up approach.
- The Group and the Company use deterministic and stochastic models to calculate value at risk and tail value at risk, when calculating risk adjustments for non-financial risk.
- The need for impairment of goodwill is assessed using the accounting policy under section [3.4.6 “Goodwill”](#) and note [3.7.1](#).
- The method for determining the need for impairment of investments in subsidiaries and associates is set out in accounting policy [3.4.12 “Investments in subsidiaries and associates”](#) and in note [3.7.6](#).
- Financial investments, investment contract assets and assets held for the benefit of policyholders who bear the investment risk: The classification, recognition, measurement and derecognition, impairment of investments and fair value measurement are based on the accounting policy set out in section [3.4.13 “Financial investments”](#). Movement in investments and their classification are shown in note [3.7.7](#), whereas the related income and expenses are shown in note [3.7.37](#).

Other areas of management judgement:

- The determination of the fair value of land and buildings for the purpose of impairment testing is disclosed in section [3.4.7](#).
- The determination of the fair value of investment property for the purpose of impairment testing is disclosed in section [3.4.11](#), and the fair value of investment property is disclosed in note [3.7.35](#).
- Intangible assets are tested for impairment at least annually. If there is any indication of impairment, the recoverable amount of the intangible asset is reviewed.
- Deferred tax assets and liabilities are recognised if Group entities plan to realise a profit in their medium-term projections. For details, see section [3.4.10](#); deferred tax assets and liabilities are presented in note [3.7.4](#).
- Receivables are impaired in line with the accounting policy set out in section [3.4.15 “Receivables”](#).
- The actuarial assumptions used in the calculation of employee benefits for severance pay upon retirement and jubilee benefits are described in section [3.4.21 “Other provisions”](#), and the sensitivity analysis of the assumptions used is presented in note [3.7.31 “Other provisions”](#).
- The valuation of non-current assets held for sale is set out in section [3.4.9](#).

3.4.4 Cash flow statement

The cash flow statement has been prepared using the indirect method. The cash flow statement has been prepared as the sum of all cash flows of all Group companies less any intra-Group cash flows. Cash flows from operating activities have been prepared based on data from the 2024 statement of financial position and income statement, with appropriate adjustments for items that do not constitute cash flows. Cash flows from financing and investing activities are shown based on actual receipts and disbursements. Items relating to changes in net current assets are shown net.

3.4.5 Intangible assets

Intangible assets, except goodwill, are stated at cost, including any expenses directly attributable to preparing them for their intended use, less accumulated amortisation and any impairment losses. Amortisation is calculated for each item separately, on a straight-line basis. Intangible assets are first amortised upon their availability for use.



Intangible assets include computer software and software-related licences (which typically have a useful life of between 5 and 7 years). In case of recognition of a specific intangible asset (such as a customer list or contractual customer relationships), the useful life is determined for each such asset separately.

Intangible assets are tested for impairment at least annually. If there is any indication of impairment, the recoverable amount of the intangible asset is reviewed. The recoverable amount is the net value in use estimated using future cash flows. Value in use is determined based on management's assessment.

If the recoverable amount exceeds or is equal to the carrying amount, the asset is not impaired. An impairment loss is recognised if the carrying amount of an asset exceeds its recoverable amount.

3.4.6 Goodwill

Goodwill arises on the acquisition of subsidiaries. In acquisitions, goodwill relates to the excess of the cost of the business combination over the acquirer's interest in the fair value of the identifiable assets, liabilities and contingent liabilities of the acquired company. If the excess is negative (a gain on a bargain purchase), it is recognised directly in the income statement. The recoverable amount of the cash-generating unit so calculated is compared against its carrying amount, including goodwill belonging to such unit. The recoverable amount of an asset or cash-generating unit is the higher of its fair value less costs of disposal and value in use. Goodwill is not amortised.

Method of calculating value in use

Value in use for each cash-generating unit is calculated using the discounted cash flow method (DCF method). The starting point for the calculation is the detailed business plans of each acquired company representing a cash-generating unit and the estimate of the long-term results achievable. Value in use is determined by reference to free cash flows discounted at an appropriate discount rate.

The discount rate is determined as the cost of equity (COE), using the capital asset pricing model (CAPM). It is based on the interest rate on risk-free securities, equity risk premium, and insurance business prospects applying the beta factor. Added is a country risk premium and a size premium.

The elements of the discount rate have been taken from:

- The risk-free rate of return is based on the yield to maturity of 30-year German government bonds (source: Bloomberg).
- The equity risk premium has been taken from the publication of KPMG "Equity market risk premium," Research Summary, December 2024.
- Tax rates included in the discount rate calculation are the applicable tax rates in individual countries where companies operate.
- Beta for individual industries has been calculated with reference to comparable companies of the same industry of MSCI Small Cap Europe (source: Bloomberg).
- The country risk premiums have been calculated as the difference between the yield to maturity of German long-term government bonds and a comparable local bond issued (source: Bloomberg).
- Size premium: CRSP Deciles Study, Duff & Phelps, December 2023.

The bases for the testing of value in use are prepared in several phases: In phase one, the Company prepares five-year projections of performance results for each company as part of the regular planning process unified Group-wide. These strategic plans are approved by the parent company and confirmed by the relevant governance body. For insurance, pension and mutual fund management companies, it is additionally assessed whether the capital required for an insurance company to operate under local regulations would be fully engaged.

Premium growth and profitability was planned for foreign insurance companies in five-year projections in view of the low insurance penetration rates. Insurance penetration is expected to increase markedly due to the expected convergence of their countries' macroeconomic indicators towards levels common in western European countries. Western Balkan markets, which have a relatively low penetration rate, are expected to see a faster growth in gross premiums than in expected GDP.

The profitability of pension companies is expected to grow, driven by increased contributions to pension funds as the result of demographic trends and at relatively fixed operating costs.



To estimate the residual value used in the calculation of the estimated value of equity, the calculation considers normalised cash flow in the last year of the forecast made using the Gordon growth model. The valuations used a long-term growth rate (g) of the risk-free rate of return (2.6%) to estimate the residual value beyond the projection period.

A cash-generating unit consists of an individual company. Movement in goodwill is discussed in detail in section [3.7.1](#).

Goodwill of associate companies is included in their respective carrying amount. Any impairment losses on their goodwill are treated as impairment losses on investments in associate companies.

Section [3.7.1](#) sets out the main assumptions for cash flow projections with a calculation of value in use.

3.4.7 Property, plant and equipment

Items of property, plant and equipment are initially recognised at cost, including cost directly attributable to the acquisition of the asset. Subsequently, the cost model is applied: assets are carried at cost, less accumulated depreciation and any impairment losses.

Items of property, plant and equipment are first depreciated upon their availability for use. Depreciation is calculated for each item separately, on a straight-line basis. Depreciation rates are determined so as to allow the cost of property, plant and equipment assets to be allocated over their estimated useful lives.

An assessment is made annually to determine whether there is any indication of impairment. If any such indication exists, an estimate of the recoverable amount of the asset is made. The recoverable amount is the higher of the value in use and fair value less costs to sell. If the recoverable amount exceeds or is equal to the carrying amount, the asset is not impaired. Value in use is assessed in terms of a cash-generating unit, with a company as a whole constituting a cash-generating unit.

► Depreciation rates of property, plant and equipment assets

Depreciation group	Rate
Land	0.0%
Buildings	1.3–2.0%
Transportation means	15.5–20.0%
Computer equipment	33.33%
Office and other furniture	10.0–12.5%
Other equipment	6.7–20.0%

Gains and losses on the disposal of items of property, plant and equipment, calculated as the difference between sales proceeds and carrying amounts, are included in profit or loss. The costs of property, plant and equipment maintenance and repairs are recognised in profit or loss as incurred.

The cost of major repairs and replacement of part of an item of property, plant and equipment is recognised in the carrying amount of the asset, if it is probable that future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. Replaced parts are derecognised.

Investments in property, plant and equipment assets that increase future economic benefits are recognised in their carrying amount.

3.4.8 Right-of-use assets and lease liability

At inception of a contract, an assessment is made whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Group reassesses whether a contract is, or contains, a lease only if the terms and conditions of the contract are changed.

At the commencement date of the lease, an asset acquired under a lease is recognised as a right-of-use asset and a lease liability. Short-term leases (of up to 12 months) and low-value leases (the cost of an asset is less than EUR 5,000) are exempt from recognition as right-of-use assets and lease liabilities. Short-term and low-value leases are treated by the Group companies as lease expenses, which are recognised in the income statement and classified within operating activities in the cash flow statement.

Right-of-use assets are measured applying a cost model. On initial recognition at the commencement date of the lease, the cost of a right-of-use asset comprises the amount of the initial measurement of the lease liability, any lease payments made at or before the commencement date of the lease, any initial direct costs incurred by the lessee, and an estimate of the costs to be incurred by the lessee in dismantling and removing the underlying asset. On subsequent measurement, the initial cost of a right-of-use asset is reduced by any accumulated depreciation and any accumulated impairment losses and adjusted for any remeasurement of the lease liability.

Right-of-use assets are depreciated on a straight-line basis over the lease term. If, by the end of the lease term, the lease transfers the ownership of the underlying asset to the lessee, or if the value of the right-of-use asset reflects that the lessee will exercise a purchase option, the lessee depreciates the right-of-use asset from the commencement date until the end of the useful life of the underlying asset. Otherwise, the lessee depreciates the right-of-use asset from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

At the commencement date, the Group measures the lease liability at the present value

of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the lessee uses the lessee's incremental borrowing rate. After initial recognition, the lease liability is measured by increasing the carrying amount to reflect interest on the lease liability and by reducing the carrying amount to reflect the lease payments made. Right-of-use assets and lease liability are recognised net of taxes.

The lessee's incremental borrowing rate is the rate of interest that a lessee would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The incremental borrowing rate is determined based on the yield to maturity of unsecured bonds given the credit rating of Sava Re and the maturity profile (1–30 years). To this is added a country risk premium as the difference between the credit rating of each country and that of Sava Re, which already includes the country risk of Slovenia.

The lease term is the non-cancellable period for which a lessee has the right to use an underlying asset. The lease term includes periods covered by an option to extend the lease, if the lessee is reasonably certain to exercise that option, and

periods covered by an option to terminate the lease, if the lessee is reasonably certain not to exercise that option.

For leases of indefinite duration and leases with an extension option, the lease term is either contractually fixed or estimated based on the Group's past experience and strategic priorities.

Right-of-use assets and lease liability are presented as two separate line items in the statement of financial position. In the income statement, the depreciation charge is a component of operating expenses or expenses, whereas interest expense is a component of finance costs. In the statement of cash flows, cash payments for the principal portion of the lease liability are classified within financing activities, and cash payments for the interest portion within operating activities.

A lease modification is deemed a separate lease only if it involves the addition of the right to use one or more underlying assets at a price that would apply if the additional asset were leased on a stand-alone basis. The existing liability is remeasured by taking into account the new level of the consideration for the lease, when the new asset is added, the total consideration is spread evenly over all the related underlying assets, taking into account the new lease term, and remeasuring the lease liability using the

new discount rate in effect at the time of the modification.

On the other side, an adjustment is made to the right-of-use asset based on the difference between the remeasured liability and the liability before the modification. If the carrying amount of the latter is zero and there is a further reduction in the measurement of the lease liability, any remaining amount of the remeasurement is recognised in profit or loss.

3.4.9 Non-current assets held for sale

A non-current asset is classified as held for sale if its carrying amount will be recovered principally through a sale transaction rather than through continuing use. For this to be the case, its sale must be highly probable, and it must be available for immediate sale in its present condition. There must be a management commitment to sell the asset, and the sale should be completed within one year. Such assets are measured at the lower of the assets' carrying amount or fair value less costs to sell. Non-current assets are tested for impairment at least annually. If there is any indication of impairment, the recoverable amount of the non-current asset is reviewed.

3.4.10 Deferred tax assets and liabilities

Deferred tax assets and liabilities are amounts of income taxes expected to be recoverable or payable, respectively, in future periods depending on taxable temporary differences. Temporary differences are differences between the carrying amount of an asset or liability in the statement of financial position and its tax base.

Deferred tax assets and liabilities are established from:

- temporary non-deductible impairment losses on investments in portfolio securities,
- established allowances for receivables,
- unused tax losses,
- provisions for employees and actuarial gains/losses resulting from their calculation,
- revaluation of investments to fair value,
- the effect of changes in interest rates on the calculation of insurance and reinsurance liabilities.

Deferred tax liabilities are created for fair value adjustments and on initial recognition of intangible assets (customer lists or contractual relationships with customers) on acquisition of a new company. For Group companies that have not yet adopted IFRS 17 and IFRS 9 by 31 December 2024, deferred tax liabilities have been recognised.

Deferred tax assets and liabilities of a Group company are offset only if they relate to income taxes levied by the same taxation authority and the company has a legally enforceable right to set off current tax assets against current tax liabilities. In the consolidated financial statements, deferred tax assets and liabilities are offset depending on the jurisdiction.

A deferred tax asset is recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be utilised.

3.4.11 Investment property

Investment property comprises assets not used directly for carrying out business activities but held to earn rent or to realise capital gains at disposal. Investment property is accounted for using the cost model and straight-line depreciation. Investment property is depreciated at the rate of 1.3–2.0%. The basis for calculating the depreciation rate is the estimated useful life. All leases where the Group companies act as lessors are cancellable operating leases. Lease payments (rentals) received are recognised as income on a straight-line basis over the lease term. A cash-generating unit consists of an individual property. An assessment is made annually as

to whether there is an indication of impairment of investment property. If any such indication exists, an estimate of the recoverable amount of the asset is made. The recoverable amount is the higher of the value in use and the net selling price less costs to sell. If the recoverable amount exceeds or is equal to the carrying amount, the asset is not impaired.

3.4.12 Investments in subsidiaries and associates

Investments in subsidiaries are measured at cost, less any impairment losses. Subsidiaries are entities in which the Company holds more than 50% of voting rights and which the Company controls, i.e. has the power to control their financial and operating policies so as to obtain benefits from their activities. Subsidiaries are included in the consolidated financial statements using the full consolidation method.

Associates are entities in which the Company holds between 20% and 50% of voting rights or over which the Company has significant influence. Associates are accounted for using the equity method.

Impairment

Impairment testing in Group companies and associates is carried out at least on an annual basis. Pursuant to IAS 36, the controlling company, when reviewing whether there are indications that an asset may be impaired, considers external (changes in market or legal environment, interest rates, elements of the discount rate, capitalisation) as well as internal sources of information (business volume, manner of use of asset, actual versus budgeted performance results, decline in expected cash flows and such like).

If impairment is necessary, an impairment test is carried out for each individual investment by calculating the recoverable amount of the cash-generating unit based on the value in use. Cash flow projections used in these calculations are based on the business plans approved by the management for the period until and including 2028. The discount rate used is based on market rates adjusted to reflect company-specific risks. The recoverable amount of each cash-generating unit so calculated was compared to its carrying amount.



Main assumptions for cash flow projections with calculations of value in use

Discounted cash flow projections are based on the Group companies’ business plans covering a 5-year period (business plans for individual companies for the period 2025–2029).

Growth in premiums earned by insurance companies reflects the growth expected in their insurance markets, as well as the characteristics of their portfolios (a small share of non-motor business). In all their markets, insurance penetration is relatively low. However, insurance penetration is expected to increase due to the expected convergence of their countries’ macroeconomic indicators towards EU levels. Social inflation is also expected to rise, i.e. claims made against insurance companies are expected to become more frequent and higher. Costs are expected to lag slightly behind premiums owing to expected business process optimisation in subsidiaries. Business process optimisation will thus contribute to the growth in net profits.

Growth in pension companies’ revenues is due to increased contributions to pension funds as a result of demographic trends, at relatively fixed operating costs, which may lead to greater profitability.

The discount rate is determined as the cost of equity (COE), using the capital asset pricing model (CAPM). It is based on the risk-free interest rate and equity premium, as well as prospects for the relevant business. Added is a country risk premium and a size premium.

Assessments as to whether there is any indication of impairment of investments in subsidiaries are made using the same model as for goodwill. For more information on the assumptions, see section [3.4.6 "Goodwill"](#).

3.4.13 Financial investments

Financial investments and financial liabilities are classified, recognised and measured in accordance with IFRS 9 “Financial Instruments”, as further described as follows.

3.4.13.1 Classification

In accordance with IFRS 9, the Group and the Company classify financial assets on the basis of both their business models for managing the financial assets and the contractual cash flow characteristics of their financial asset. On initial recognition, a financial asset is classified into one of the following measurement categories:

- at amortised cost (AC),
- at fair value through other comprehensive income (FVOCI), and
- at fair value through profit or loss (FVTPL).

The business model for managing financial assets reflects the management of a group of financial assets to achieve certain objectives. The management of such a group of financial assets is based on:

- the nature of the company’s liabilities supported by any investment portfolio;
- how the performance of a business model and the financial assets held within that business model are evaluated and reported to the key management personnel;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way in which those risks are managed; and
- how managers of the business are compensated.

The business model is determined based on a consideration of the main factors mentioned above that influence the purpose of achieving the asset management objectives.

The following business models are defined:

- a business model whose objective is to hold assets in order to collect contractual cash flows (the hold-to-collect model),

- a business model whose objective is to both collect contractual cash flows and sell financial assets (the hold-to-collect-and-sell model),
- other business models.

For the purpose of classifying financial assets in terms of their contractual cash flow characteristics (the SPPI test), the principal amount represents the fair value of the financial asset at initial recognition. For the purpose of classifying financial assets in terms of their contractual cash flow characteristics (the SPPI test), interest consists of consideration for the time value of money, for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs, as well as a profit margin.

A financial asset is measured **at amortised cost (AC)** if both of the following conditions are met:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows, and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.



A financial asset is measured **at fair value through other comprehensive income (FVOCI)** if both of the following conditions are met:

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets, and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A financial asset is measured **at fair value through profit or loss (FVTPL)** if:

- it is a debt instrument and does not fall into one of the above measurement categories (AC/FVOCI),
- it is an equity instrument and is not designated for measurement at fair value through other comprehensive income (FVOCI option),
- it eliminates or significantly reduces an “accounting mismatch”,
- it is a derivative.

Assets measured at amortised cost in accordance with IFRS 9 are deposits with a maturity of more than three months, loans and debt securities classified as hold to collect at the date of transition to IFRS 9 that the Group and the Company will hold to maturity.

Upon adoption of IFRS 9, the Group and the Company classify debt instruments into the hold to collect and sell business model. The classification of an investment in this business model is subject to the SPPI test, which confirms that the contractual cash flows are solely payments of principal and interest.

It follows from the above that the Group and the Company have the majority of their debt securities classified as financial assets measured at fair value through other comprehensive income (FVOCI).

Under IFRS 9, equity instruments are classified as at fair value through profit or loss, but the option to measure at fair value through other comprehensive income (FVOCI) exists for shares and participations in accordance with the standard. The Group companies have equity instruments classified mainly in the fair value through profit or loss (FVTPL) group.

Other types of investments, such as units in collective investment undertakings, ETFs, alternative funds, etc. are classified as measured at fair value through profit or loss (FVTPL) under IFRS 9.

Classification of financial liabilities

The Group and the Company classify financial liabilities as subsequently measured at amortised cost. The Group and the Company do not have any financial liabilities that are irrevocably designated as at fair value through profit or loss at initial recognition as this results in more relevant information because it eliminates or significantly reduces a measurement or recognition inconsistency (accounting mismatch) that would otherwise arise from measuring assets or liabilities or recognising the related gains and losses on different bases.

3.4.13.2 Recognition, measurement and derecognition

Initial recognition

The Group and the Company recognise a financial asset or a financial liability in their statements of financial position when, and only when, the Group and the Company become party to the contractual provisions of the financial instrument. When the Group and the Company first recognise a financial asset, it is classified and measured in accordance with the Group’s and the Company’s accounting policies.

A regular way purchase or sale of a financial asset is recognised and derecognised using trade date accounting.

Except for trade receivables, at initial recognition, the Group and the Company measure a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

After initial recognition, the Group and the Company measure a financial asset at:

- amortised cost,
- fair value through other comprehensive income, or
- fair value through profit or loss.

The Group and the Company apply the impairment requirements of the standard to financial assets that are measured at amortised cost and financial assets that are measured at fair value through other comprehensive income.

After initial recognition, the Group and the Company measure a financial liability at:

- amortised cost, or
- fair value through profit or loss.



Amortised cost measurement

Financial assets measured at amortised cost are measured at amortised cost using the effective interest method. They are stated at the principal amount outstanding, plus any unpaid interest and fees, less any impairment. Interest income is calculated using the effective interest method. This is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for:

- a. purchased or originated credit-impaired financial assets. For those financial assets, the Group and the Company apply the credit-adjusted effective interest rate to the amortised cost of the financial asset from initial recognition,
- b. financial assets that are not purchased or originated credit-impaired financial assets but subsequently have become credit-impaired financial assets. For these financial assets, the Group and the Company apply the effective interest rate to the amortised cost of the financial asset in subsequent reporting periods.

The effective interest rate is determined when the investments are purchased. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial asset or financial

liability to the gross carrying amount of a financial asset or to the amortised cost of a financial liability.

When the contractual cash flows of a financial asset are renegotiated or otherwise modified and the renegotiation or modification does not result in the derecognition of that financial asset in accordance with the accounting policies, the Group and the Company recalculate the gross carrying amount of the financial asset and recognise a modification gain or loss in profit or loss.

The Group and the Company directly reduce the gross carrying amount of a financial asset when they have no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. A write-off constitutes a derecognition event.

Derecognition

The Group and the Company derecognise a financial asset when, and only when, the contractual rights to the cash flows from the financial asset expire or the financial asset is transferred and the transfer qualifies for derecognition in accordance with the Group's and the Company's accounting policies. On

derecognition of a financial asset in its entirety, the difference between the carrying amount (measured at the date of derecognition) and the consideration received (including any new asset obtained less any new liability assumed) is recognised in profit or loss.

The Group and the Company remove a financial liability (or part of a financial liability) from their statements of financial position when, and only when, it is extinguished, i.e. the contractual obligation is discharged, cancelled or expires. The difference between the carrying amount of a financial liability (or part of a financial liability) extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

3.4.13.3 Impairment of financial investments

General approach

The Group and the Company apply the expected credit loss concept under IFRS 9, which is based on the recognition and measurement of an allowance for expected credit losses for financial assets measured at amortised cost or fair value through other comprehensive income (bonds, deposits, loans granted). In the case of a financial

asset measured at fair value through other comprehensive income, an allowance for expected credit losses is recognised in other comprehensive income and does not result in a reduction in the carrying amount of the financial asset in the statement of financial position.

The Group and the Company determine the expected credit loss by recognising and measuring a loss allowance for expected credit losses, which is calculated based on the classification into one of three stages:

Stage 1: for assets for which credit risk has not increased significantly since initial recognition, expected 12-month credit losses are calculated.

Stage 2: for assets for which credit risk has increased significantly since initial recognition, lifetime expected credit losses are calculated.

Stage 3: for assets that are credit-impaired or in default, where the lifetime expected credit loss is calculated and considers the appropriate probability of default as well as expected cash flows stemming from proceeds from sale, etc., but at the net carrying amount (the gross carrying amount less any impairment loss).



At each investment valuation, the Group and the Company perform a classification into stages based on the information obtained on the change in the credit risk of each issuer. In order to assess significant increases in credit risk, the Group and the Company regularly monitor and analyse any changes in external credit ratings obtained from external credit assessment institutions (ECAIs). The first measure of increased credit risk since initial recognition used by the Group and the Company is a three-notch downgrade and reclassification of the investment from investment grade to speculative grade.

In addition, the Group and the Company use an internal model to assess external credit ratings or use internal credit ratings to identify increased credit risk, monitor the zero-volatility spread (Z-spread) of investments and other available qualitative information when an external credit rating is not available.

If, at the reporting date, the credit risk on a financial instrument has not increased significantly since initial recognition, the Group and the Company measure the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses. For assets for which credit risk has increased significantly since initial recognition, lifetime expected credit losses are calculated.

Measurement of expected credit losses

Expected credit losses are a probability-weighted estimate of credit losses (i.e. the present value of all cash shortfalls) over the expected life of the financial instrument.

Expected credit losses are determined based on historical data on recoverability, expected macroeconomic trends and certain other factors that indicate the expected solvency of a debtor. The main input parameters for determining credit losses are the probability of default (PD), the loss given default (LGD) and the exposure at default (EAD). The expected credit loss is the product of the expected probability of default, the expected loss given default and the expected exposure at the time of default.

The Company and the Group obtain the PD parameter from Moody's rating reports, where long-term averages of default rates and transition matrices from initial to final rating over a given period can be obtained. The reports are separate for corporate and government bonds, and the data is updated once a year. The underlying data have been adjusted based on expectations for the economic situation, thus achieving the forward-looking approach required by the standard.

The standard provides no guidance on how to determine the loss given default (LGD) or the

recovery rate (RR), which is why the Group and the Company follow established practice and use data provided by credit rating agencies annually calculated based on historical data. Such reports contain a section on corporate and one on government bonds. Due to ease of access and the comprehensive presentation of default rates in reports, the Group's and the Company's methodology has focused on the credit rating agency Moody's, while comparative information can also be obtained from the reports prepared by S&P Global Ratings.

Definition of default

In determining counterparty default risk, the Group and the Company consider criteria such as that at least one of the rating agencies assesses that the issuer or a specific issue of financial instruments is in default (excluding technical default, i.e. default by the borrower) or 30 days past due for bonds and 90 days past due for loans with respect to the payment of principal or interest.

Write-off

The Group and the Company write off an asset if there is no reasonable expectation that the financial asset will be recovered, in whole or in part. A write-off is treated as a derecognition event.

3.4.13.4 Gains and losses

Any gain and loss arising from a change in the fair value of financial assets at fair value through profit or loss are recognised in profit or loss in the period in which it arises.

Dividends are recognised in profit or loss only when:

- the entity's right to receive payment of the dividend is established,
- it is probable that the economic benefits associated with the dividend will flow to the entity, and
- the amount of the dividend can be measured reliably.

At initial recognition, the Group and the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value of an investment in an equity instrument that is neither held for trading nor contingent consideration recognised in other comprehensive income. If an entity makes this election, it recognises in profit or loss dividends from that investment.

A gain or loss on a financial asset that is measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the financial asset is derecognised, reclassified, through the amortisation process or in order to recognise impairment gains or losses.

The Group and the Company recognise a gain or loss on a financial liability that is designated as at fair value through profit or loss as follows:

- the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income; and
- the remaining amount of change in the fair value of the liability is presented in profit or loss unless the treatment of the effects of changes in the liability's credit risk may create or enlarge an accounting mismatch in profit or loss.

A gain or loss on a financial asset measured at fair value through other comprehensive income is recognised in other comprehensive income, except for impairment gains or losses and foreign exchange gains and losses, until the financial asset is derecognised or reclassified. When a financial asset is derecognised, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment. Interest calculated using the effective interest method is recognised in profit or loss.

3.4.13.5 Determination of fair values

The Group and the Company measure all financial instruments at fair value, except for deposits, shares not quoted in any regulated market that do not represent a significant portion of the investment portfolio, loans (assuming that their carrying amount is a reasonable approximation of fair value) and financial instruments measured at amortised cost. The fair value of investment property, land and buildings used in business operations and the fair value of financial instruments measured at amortised cost are set out in note [3.7.35](#).

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either (i) in the principal market for the asset or liability, or (ii) in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible to the Group and the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. Valuation techniques are used that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

On the valuation date, the fair value of a financial investment is established by determining the price in the principal market based on:

- for stock exchanges: the quoted closing price on the stock exchange on the valuation date or on the last trading day of the stock exchange on which the investment is listed;
- for the OTC market: the quoted CBBT closing bid price or, if unavailable, the Bloomberg BVAL bid price, which may not be more than 15 days old;
- the price calculated based on an internal valuation model or yield curve valuation.

For the valuation, the Group and the Company use the closing price on the stock exchange or the published BID bid price for debt investments (according to the defined Bloomberg methodology) as the unadjusted quoted price, while the BVAL bid price calculated on the basis

of the internal valuation model or the yield curve valuation do not represent unadjusted quoted prices.

The BVAL bid price (based on the defined Bloomberg methodology) represents a price that is not quoted but calculated based on directly and indirectly observable market inputs. When calculating the price using a valuation model, the Group and the Company first use directly and indirectly observable market inputs. If these are not available, the Group and the Company determine the price of a financial investment using a model with unobservable inputs, as defined in IFRS 13.86 to IFRS 13.90.

To assess the quality of the BVAL rate, the Company uses the BVAL Score, the number of direct observations and the proportion and age of quotes.



Assets and liabilities measured or disclosed at fair value in the financial statements are measured and presented in accordance with the IFRS 13 fair-value hierarchy that categorises the inputs of valuation techniques used to measure fair value into three levels.

Assets and liabilities are classified based primarily on the availability of market information, which is determined by the relative levels of trading identical or similar instruments in the market, with a focus on information that represents actual market activity or binding quotations of brokers or dealers.

Investments measured or disclosed at fair value are presented in accordance with the levels of fair value, which categorises the inputs used to measure fair value into the following three levels of the fair value hierarchy:

- Level 1: financial investments for which fair value is determined based on quoted prices (unadjusted) in active markets for identical financial assets that the Company can access at the measurement date. This level includes the prices of debt investments with CBBT prices

and those BVAL prices that are composed exclusively of direct observations with at least 90% binding quotes and where at least 3 binding quotes must not be more than one day old.

- Level 2: financial investments whose fair value is determined using data that are directly or indirectly observable other than quoted prices included within level 1. Pursuant to IFRS 13.82, level 2 data may include:
 - quoted prices for similar financial investments in active markets,
 - quoted prices for identical or similar financial investments in markets that are not active,
 - inputs other than quoted prices that are observable for financial investments,
 - market-corroborated inputs.

This level includes BVAL prices of debt investments that consist of at least 90% direct observations, where market inputs are used for a directly or indirectly identical or similar asset, and where at least 3 quotes must be no more than 15 days old.

- Level 3: financial investments for which observable market data is not available. Fair value is thus determined based on valuation techniques using inputs that are not directly or indirectly observable in the market. The Company classifies securities valued using an internal model that does not take into account level 2 inputs into this level. This level includes BVAL prices of debt investments that do not meet the criteria for level 1 or level 2 and for which the inputs for the model-based valuation are not readily and objectively determinable and available to the company. The Group and the Company classify as level-3 investments their investments in alternative funds, such as real-estate funds, infrastructure funds, private debt funds, private equity funds and similar. There are no market prices available for such investments; therefore, valuation based on available market data is not possible.

In accordance with IFRS 13.97 and accounting policies, the Group and the Company categorise within the fair value hierarchy also those financial

investments that are not measured at fair value in the statement of financial position but for which the fair value is disclosed.

The policy for determining when transfers between levels of the fair value hierarchy are deemed to have occurred is disclosed and is fully complied with. The policy on the timing of recognising transfers is the same for transfers into the levels and out of the levels. Examples of policies include: (a) the date of the event or change in circumstances that caused the transfer; (b) the beginning of the reporting period; (c) the end of the reporting period. The Group and the Company review the classification of investments into the three levels of the fair value hierarchy on a half-yearly basis. To this end, they apply the rules for determining the fair value set out under note [3.7.35](#). If the conditions for classification change, financial investments are reclassified into the relevant level.

The following table shows the classification of financial investments according to the inputs used and market activity.



Determination of fair values

Asset class / principal market	Level 1	Level 2	Level 3
Debt securities			
OTC market	<ul style="list-style-type: none"> Debt securities measured based on the CBBT price in an active market. Debt securities valued at the BVAL price if no CBBT price exists and which have a BVAL price composed exclusively of direct observations, with at least 90% of firm quotes, with at least 3 firm quotes no more than one day old. 	<ul style="list-style-type: none"> Debt securities measured based on the CBBT price in an inactive market. Debt securities valued at the BVAL price if no CBBT price is available and where the BVAL price consists of at least 90% direct observations, with at least 3 quotes no more than 15 days old. Debt securities measured using an internal model based on level 2 inputs. 	<ul style="list-style-type: none"> Debt securities measured using an internal model that does not consider level 2 inputs. Debt securities measured using BVAL prices, if no CBBT price is available and the BVAL price does not meet the criteria for level 1 or 2 and for which the inputs for the model-based valuation are not readily and objectively determinable and available to the company.
Stock exchange	<ul style="list-style-type: none"> Debt securities measured based on stock exchange prices in an active market. 	<ul style="list-style-type: none"> Debt securities measured based on stock exchange prices in an inactive market. Debt securities measured using an internal model based on level 2 inputs. 	<ul style="list-style-type: none"> Debt securities measured using an internal model that does not consider level 2 inputs.
Quoted portfolio shares			
Stock exchange	<ul style="list-style-type: none"> Shares measured based on prices in an active market. 	<ul style="list-style-type: none"> Shares measured based on prices in an inactive market. Shares with unavailable market prices measured using an internal model based on level 2 inputs. 	<ul style="list-style-type: none"> Shares are measured using an internal model that does not consider level 2 inputs.
Mutual funds			
	<ul style="list-style-type: none"> Mutual funds measured at the quoted unit value on the measurement date. 		
Alternative funds			
			<ul style="list-style-type: none"> The fair value is determined based on the valuation of individual projects for which discounted cash flow methods are used.
Deposits with a maturity of more than 3 months and loans			
			<ul style="list-style-type: none"> Measured at amortised cost.

3.4.14 Investment contract assets and liabilities

Contracts of homogeneous groups are classified as investment contracts if they bear significant financial risk and are accounted for in accordance with IFRS 9. Investment contract assets and liabilities only include the investment contract assets and liabilities of the company Sava Pokojninska, which manages pension funds. Investment contract assets comprise the assets supporting the liability funds “My Life-Cycle Funds” for the transaction of voluntary supplementary pension business. Valuation is described in section 3.4.13 “Financial investments”. Classification and valuation of assets is presented in detail in note 3.7.8. Investment contract liabilities are liabilities arising out of pension insurance business under group and individual plans for voluntary supplementary pension insurance, for which the administrator maintains personal accounts for pension plan members. These are liabilities relating to the voluntary supplementary pension life liability fund for premiums paid, guaranteed returns and additional liabilities to cover the difference between the actual return and the guaranteed return. Investment contract liabilities are presented in note 3.7.8.



Sava Pokojninska initially recognises investment property assets in respect of pension fund business under investment contract assets using the cost model, plus any transaction costs. The following measurements are made using the fair value model due to regulatory requirements and the fact that these are pension fund assets. An assessment is made annually as to whether there is an indication of impairment of investment property. If such indications exist, the process of assessing the value is initiated. At least every three years, appraisals are carried out by certified real estate appraisers licensed by the Slovenian Institute of Auditors. The amounts of investment property in investment contract assets are not adjusted for consolidation purposes.

3.4.15 Receivables

3.4.15.1 Recognition of receivables

Initial recognition of receivables is based on invoices or other credible documents (e.g. interest statement). Receivables comprise receivables from accrued interest receivable, prepayments receivable and other receivables that can be allocated to individual debtors. In the statement of financial position, receivables are stated at amortised cost. Depending on the significance

of each type of receivable in the companies' financial statements, an allowance is recognised for expected credit losses based on the debtor's expected future solvency in accordance with IFRS 9. Impairment is recognised using a simplified approach where the loss allowance is measured as an amount equal to the lifetime expected credit losses. The Group companies do not recognise impairment losses on current receivables and on receivables that are regularly paid by the debtor.

The Group companies have pledged no receivables as security.

3.4.15.2 Receivables write-offs

Write-offs of receivables require appropriate supporting documents, such as a court decision, bankruptcy order or other document evidencing that the company has lost its legal title, or in cases where it is evident that collection is not meaningful due to excessive costs of the proceedings.

3.4.16 Other assets

Other assets consist of capitalised short-term accruals and deferrals, namely short-term deferred costs.

3.4.17 Cash and cash equivalents

The statement of financial position and cash flow item "cash and cash equivalents" comprises:

- cash, including cash in hand, cash in bank accounts of commercial banks and other financial institutions, and overnight deposits, and
- cash equivalents, including demand deposits and deposits with an original maturity of up to three months.

3.4.18 Equity

Equity consists of:

- share capital, i.e. the par value of paid-up ordinary shares expressed in euro;
- capital reserves comprise amounts paid up in excess of the par value of shares;
- profit reserves comprise reserves provided for in the articles of association, legal reserves, the capital redemption reserve and other profit reserves;
- treasury shares acquired in line with a share repurchase programme published on the Company's website, at www.sava-re.si/en-si/investor-relations/our-share/;
- accumulated other comprehensive income – revaluation of investments, changes in interest rates used to calculate insurance and reinsurance contract liabilities, and actuarial

- gains and losses on provisions for employees;
- retained earnings;
- net profit or loss for the year;
- foreign currency translation reserve;
- non-controlling interest.

Reserves provided for in the articles of association are used:

- cover the net loss that cannot be covered (in full) out of retained earnings and other profit reserves, or when these two sources of funds are insufficient to cover the net loss in full (an instrument of additional protection of tied-up capital);
- to increase share capital;
- to regulate the dividend policy.

Pursuant to the Companies Act, the Company's management board has the power to allocate up to half of the net profit to other reserves.

3.4.19 Subordinated liabilities

Subordinated liabilities of the Group and the Company represent a long-term liability of the Group and the Company in the form of two subordinated bond issues to be used for general corporate purposes of the Sava Insurance Group and to optimise its capital structure and are valued at amortised cost. Details are set out in note [3.7.30](#).



3.4.20 Insurance contracts

3.4.20.1 Description of products

The Group issues the following types of insurance contracts:

- Non-participating life insurance contracts measured using the general approach, which include:
 - fixed and decreasing term life insurance contracts purchased with a single premium or instalments and
 - endowment policies.
- Direct participating life insurance contracts comprising:
 - Life insurance contracts linked to units of mutual funds or internal funds, in some cases with an interest-rate guarantee, measured using the variable fee approach.
 - Hybrid life insurance contracts, part of which is linked to units of mutual funds, measured using the variable fee approach, and part of which is an endowment insurance contract with an interest-rate guarantee, which in some cases is valued separately using the general approach.

- Life insurance contracts with indirect or discretionary participation features, which include:
 - Endowment life insurance contracts or whole life insurance contracts with guaranteed sums assured and participation features. The cash flows of these insurance contracts depend on the performance of the life insurance portfolio and/or the returns on the underlying items, where the underlying items are not specified in the insurance contract. The Group measures these contracts using the modified general approach.
- Investment contracts with discretionary participation features:
 - These contracts entitle the policyholder to additional amounts based on the performance of the underlying items. These amounts are at the discretion of the Group and are expected to represent a significant proportion of the distributions. Such contracts are measured using the modified general approach.
- Immediate annuities in accordance with ZPIZ-2, which include:
 - annuities with a guaranteed interest rate and, in some cases, a guaranteed annuity payout period, measured using the modified general approach.

- Non-life insurance contracts, which include:
 - motor, property, miscellaneous financial loss, liability, marine and aircraft, goods in transit, credit, suretyship, accident and supplementary health insurance, with multi-year accident, credit, suretyship, construction and erection insurance contracts mainly measured using the general approach and all other contracts measured using the premium allocation approach.
- Reinsurance contracts issued, including:
 - quota share, surplus, excess of loss and stop loss reinsurance covers. Reinsurance contracts issued are primarily measured using the general approach, and partly the premium allocation approach.

The Group and the Company also have reinsurance contracts that transfer the assumed risks to reinsurers with the aim of reducing risk. These include quota share, surplus, excess of loss and stop loss reinsurance covers. These contracts are primarily measured using the general approach for reinsurance contracts and partly also using the premium allocation approach.

3.4.20.2 Classification of insurance contracts

The Group and the Company apply IFRS 17 to:

- insurance contracts issued, including reinsurance contracts issued,
- reinsurance contracts held by the Group and the Company, and
- investment contracts with discretionary participation features.

All references in IFRS 17 to insurance contracts issued also apply to reinsurance contracts issued, to insurance contracts acquired by the Group and the Company in a transfer of insurance contracts or a business combination, and to reinsurance contracts held by the Group and the Company (unless it is specifically stated that a particular section applies only to (re)insurance contracts issued).

A contract is deemed an insurance contract if the issuer accepts significant insurance risk from another party by agreeing to compensate the other party if it is adversely affected by a specified uncertain future event (an insured event).

A contract that transfers significant insurance risk from the Group or the Company to a reinsurance company is a reinsurance contract held by the Group or the Company.



In the following, the Company's and the Group's inward reinsurance contracts are referred to as insurance contracts and the outward reinsurance contracts are referred to as reinsurance contracts. They are presented in the same way in the financial statements.

The Group also issues insurance contracts with direct participation features for which, at the inception of cover:

- the contractual terms specify that the policyholder participates in a share of a clearly identified pool of underlying items;
- the Group expects to pay to the policyholder an amount equal to a substantial share of the fair value returns on the underlying items;
- The Group expects a substantial proportion of any change in the amounts to be paid to the policyholder to vary with the change in the fair value of the underlying items.

An investment contract with discretionary participation features is a financial instrument that provides a particular investor with the contractual right to receive, as a supplement to an amount not subject to the discretion of a Group company, additional amounts:

- that are expected to be a significant portion of the total contractual benefits;
- the timing or amount of which are contractually at the discretion of the issuer; and

- that are contractually based on:
 - the returns on a specified pool of contracts or a specified type of contract;
 - realised and/or unrealised investment returns on a specified pool of assets held by a Group company; or
 - the profit or loss of the Group company issuing the contract.

Insurance risk is significant if, and only if, the insured event could cause the issuer having to pay additional amounts that are significant in any single scenario, excluding scenarios that have no commercial substance (i.e., no discernible effect on the economics of the transaction), even if the insured event is extremely unlikely or if the expected (i.e., probability-weighted) present value of the contingent cash flows is a small proportion of the expected present value of the remaining cash flows from the insurance contract.

Underwriting risk is considered significant to the Group and the Company if the Group and the Company bear at least 5% of the additional payouts in the event of an insured event.

The assessment of whether the above conditions and criteria are met for an insurance contract, an insurance contract with direct participation features or an investment contract with discretionary participation features is made on a contract by contract basis at the time the

contract is concluded. In doing so, the Group and the Company take into account all their substantive rights and obligations under the contract.

3.4.20.3 Combination of contracts and distinct elements of a contract

A set or series of insurance contracts with the same or a related counterparty may achieve, or be designed to achieve, a common commercial effect. In order to report the substance of such contracts, it may be necessary to treat the set or series of contracts as a whole. For example, if the rights or obligations in one contract do nothing other than entirely negate the rights or obligations in another contract entered into at the same time with the same counterparty, the combined effect is that no rights or obligations exist. The Group and the Company have identified some contracts that should be measured together.

An insurance contract may contain, in addition to the insurance component, one or more components that would be within the scope of another standard if they were separate contracts. These components include:

- an investment component,
- a service component,
- embedded derivatives.

The Group and the Company separate the above components from a host insurance contract if they are distinct from the contract, applying the relevant other IFRSs to the measurement of the separate component.

The Group and the Company have not identified any identifiable derivatives, investment components or service components.

An investment component exists if an insurance contract requires the Group or the Company to repay an amount to a policyholder in all circumstances, regardless of whether an insured event occurs.

An investment component is distinct from a host insurance contract if, and only if, both of the following conditions are met:

- the investment component and the insurance component are not highly interrelated;
- a contract with similar terms and conditions is or could be sold separately in the same market or jurisdiction by the Group or the Company issuing the insurance contract or by third parties. In making this determination, the Company and the Group take into account all information reasonably available in making this determination.



An investment component and an insurance component are highly interrelated if, and only if:

- the company is unable to measure one component without considering the other. If the value of one component varies with the value of the other, the Group and the Company apply IFRS 17 to account for the combined investment and insurance component; or
- the policyholder is unable to benefit from one component unless the other is also present. If the lapse or maturity of one component in a contract causes the lapse or maturity of the other, the Company applies IFRS 17 to account for the combined investment component and insurance component.

The Group and the Company issue contracts with an investment component. Examples include certain life insurance policies that pay a surrender value, annuities with a guaranteed payout period and reinsurance contracts with a sliding-scale or profit commission. The investment and insurance components of such contracts are closely related because the Group and the Company cannot measure the insurance contract without considering the investment component and vice versa. Therefore the investment component is not distinct.

The service component refers to the transfer of goods or services that are not insurance-related and, as such, are not dependent on the occurrence of an insured peril (occurrence of a claim). A service component is distinct if the policyholder can benefit from the good or service either on its own or together with other resources readily available (sold separately or already owned by the policyholder).

A good or service other than an insurance contract service that is promised to the policyholder is not distinct if:

- the cash flows and risks associated with the good or service are highly interrelated with the cash flows and risks associated with the insurance components in the contract; and
- the entity provides a significant service in integrating the good or service with the insurance components.

The Group issues contracts that include derivatives, but these instruments are closely related to the host insurance contract and are therefore measured using IFRS 17. Examples of such derivatives include:

- life insurance contracts with a guaranteed minimum return in the event of the insured's death: These contracts have an option for payment of a guaranteed amount to the

policyholder in the event of the insured's death. As the payment of the guaranteed amount is contingent on an insured event (death) and represents a loss to the contract holder, the guarantee itself meets the definition of an insurance contract. The payment of the guaranteed amount is therefore not distinct, and the entire contract is measured using IFRS 17.

- Savings-linked life insurance contracts include a surrender option, where the policyholder is paid a fixed surrender value set at the time the contract is made. This option is closely related to the host insurance contract because the insurance cover ceases on surrender and therefore the contract as a whole is measured using IFRS 17.
- Some direct participation contracts contain an option where the surrender value varies with changes in the underlying items, but the value of the option is closely related to the value of the insurance contract and therefore the whole contract is measured using IFRS 17.

The Group and the Company also consider whether a single insurance contract should be split into multiple insurance components to be treated as separate contracts to reflect the substance of the transaction.

In determining whether the components of an insurance contract should be recognised and measured separately, the Group and the Company consider whether there is interdependence between the different risks covered, whether the components of an insurance contract extinguish independently of each other and whether the components can be priced and sold separately.

When the Group and the Company enter into one legal contract with different insurance components that operate independently of each other, the insurance components are recognised and measured separately using IFRS 17. The Group has identified non-life insurance contracts where the insurance components are distinguishable by homogeneous risk groups if they meet the conditions for distinguishing the components of insurance contracts. The Group has also identified life insurance contracts where the insurance components may be separated according to different insurance and economic risks if the insurance contract as a whole does not present the economic impact in a credible way.



3.4.20.4 Level of aggregation of insurance contracts

Portfolios of insurance contracts comprise contracts subject to similar risks and managed together. Contracts within the same product line, as defined for management purposes, are expected to be subject to similar risks and are therefore grouped together in a single portfolio. Where contracts are issued by different Group companies, they are managed separately by each company and are therefore grouped into different portfolios. If the Group and the Company consider that the legal form of insurance contracts does not reflect their economic substance, homogeneous groups of risks arising from those insurance contracts are considered in the construction of portfolios.

Individual portfolios are divided into groups of insurance contracts according to their profitability and the year in which the contract was written. Contracts issued more than one year apart should not be included in the same group of insurance contracts.

Portfolios are categorised by profitability as:

- a group of contracts that are onerous upon initial recognition (unprofitable);
- a group of contracts that, on initial recognition, are highly unlikely to become onerous subsequently, if any; and
- a group of the remaining contracts, if any.

The determination of whether a contract or group of contracts is onerous is based on expectations at the date of initial recognition. The Group determines the appropriate level at which reasonable and supportable information is available to assess whether contracts are onerous at initial recognition and whether it is probable that contracts that are not onerous at initial recognition will become onerous subsequently. In the absence of such information, the Group assesses each contract individually.

Insurance contracts are classified into groups of insurance contracts on initial recognition and are not subsequently reassessed.

Reinsurance contracts are divided into segments in the same way as insurance contracts, except that a reinsurance contract cannot be unprofitable (in which case there is a net gain or net loss on initial recognition). In identifying groups of reinsurance contracts, the Group and the Company apply the rule that each reinsurance contract issued or held is a separate portfolio because of the different characteristics of the individual reinsurance contracts.

For contracts that are measured using the premium allocation approach (PAA), the Group and the Company determine that the contracts are not onerous unless facts and circumstances indicate otherwise. If the facts and circumstances

indicate that certain contracts are onerous on initial recognition, the Group performs a quantitative assessment. If the assessment indicates that such contracts are onerous, the Group classifies such contracts as onerous and increases the liability for remaining coverage by the amount of the identified loss, which is recognised immediately in profit or loss.

All IFRS 17 measurements are made at the level of groups of insurance contracts.

3.4.20.5 Initial recognition

Insurance contracts

The Group recognises a group of insurance contracts it issues from the earliest of the following:

- the beginning of the coverage period of the group of contracts;
- the date when the first payment from a policyholder in the group becomes due; and
- for a group of onerous contracts, when the group becomes onerous.

A group of insurance contracts is recognised upon recognition of the first contract that is part of the group. An insurance contract is included in a group of insurance contracts based on portfolio, annual cohort and profitability when it meets the recognition criteria in paragraph 1 of this section.

Reinsurance contracts

Reinsurance contracts held by the Group and the Company are recognised on the earlier of the following dates:

- the beginning of the coverage period of a group of reinsurance contracts held by the Group or the Company; and
- the date on which the underlying group of onerous insurance contracts is recognised if, on or before that date, a related reinsurance contract from the group of reinsurance contracts held by the Group and the Company has been entered into.

Notwithstanding the above provision, the recognition is delayed for a reinsurance contract that provides proportionate coverage until the date on which any underlying insurance contract is initially recognised if that date is later than the beginning of the coverage period of the reinsurance contract.

Insurance and reinsurance contracts acquired in a transfer of contracts or a business combination are recognised on the date of the transaction.

3.4.20.6 Contract boundary

A group of insurance contracts is measured by including all future cash flows that are within the boundary of the insurance contracts in the group.

In determining which cash flows are within the contractual boundary, the Group and the Company consider the substantive rights and obligations arising under the insurance contracts, laws and regulations.

Cash flows are within the boundary of an insurance contract if they arise from substantive rights and obligations that exist during the reporting period in which the Group or the company can compel the policyholder to pay the premiums or in which the Group or the Company have a substantive obligation to provide services to the policyholder under the insurance contract.

Cash flows are within the boundary of a reinsurance contract if the contract holder can require the reinsurer to provide cover and other services or if there is a material obligation on the contract holder to pay a reinsurance premium to the reinsurer.

Liabilities or assets that are outside the boundary of recognised insurance contracts and relate

to future contracts are shown separately in the statement of financial position.

In estimating the expected future cash flows, the Group and the Company use their judgement about the future behaviour of policyholders in exercising the options available to them, including the potential for surrender values to be paid.

The Group and the Company assess the contractual boundary at initial recognition and at each subsequent reporting date to incorporate the effect of changes in circumstances on the substantive rights and obligations.

3.4.20.7 Measurement of (re)insurance contracts issued

All IFRS 17 measurements are made at the level of groups of insurance contracts.

The basic method of measuring insurance and reinsurance contracts under IFRS 17 is the general measurement model or building block approach (BBA). The standard also permits the use of a simplified measurement approach in some cases called the premium allocation approach (PAA). The standard requires the mandatory use of the variable fee approach (VFA) in the case of a group of insurance contracts with direct participation

features and when the application criteria specified in the standard are met. Reinsurance contracts cannot be valued using the variable fee approach. The Group companies use all of the above approaches to value insurance and reinsurance contracts. The Company uses the general measurement model and, to a lesser extent, the premium allocation approach.

A description of the different measurement approaches is given in the following.

3.4.20.7.1 Measurement of insurance and reinsurance contracts issued using the BBA and VFA approaches

3.4.20.7.1.1 Initial measurement by BBA and VFA

On initial recognition, a group of insurance contracts is measured as the sum of:

- fulfilment cash flows, which comprise:
 - estimates of future cash flows,
 - an adjustment to reflect the time value of money and the financial risks related to the future cash flows, to the extent that the financial risks are not included in the estimates of the future cash flows,
 - a risk adjustment for non-financial risk (RA),
- the contractual service margin (CSM).

Estimates of future cash flows

Estimates of expected cash flows represent an explicit, unbiased and probability-weighted estimate of future cash flows adjusted for the time value of money and associated financial risks. They include cash flows attributable to the fulfilment of existing insurance contracts and also expectations about the future behaviour of the insured persons.

Estimates of future cash flows reflect conditions existing at the measurement date, including assumptions at that date about the future.

Estimates of future cash flows are primarily determined using deterministic forecasting models, with stochastic techniques used additionally to model future cash flows for certain groups of contracts. The estimates of future cash flows are used to determine the expected value, or probability-weighted mean of the full range of possible outcomes, considering all reasonable and supportable information available at the reporting date. Potential impacts related to sustainability and climate change are also appropriately considered when estimating future cash flows.



Cash flows within the insurance contract boundary are those that relate directly to the fulfilment of the contract, including cash flows for which the entity has discretion over the amount or timing.

Cash flows within the contract boundary of an insurance contract include:

- premiums and any additional cash flows arising from those premiums,
- claims incurred but not yet settled, whether reported or not, including expected recoveries (subrogation recoveries) and bonuses and commissions paid by the Group or the Company (e.g., no-claim bonuses, sliding-scale commissions and profit commissions),
- payments to (or on behalf of) a policyholder arising from derivatives, such as options and guarantees embedded in the contract, to the extent that such options and guarantees are not separated from the insurance contract,
- directly attributable costs, including:
 - an allocation of insurance acquisition cash flows attributable to the portfolio,
 - policy administration and maintenance costs,
 - claim handling costs,
 - an allocation of fixed and variable overheads,
 - other costs directly chargeable to the policyholder,

- transaction-based taxes that arise directly from existing insurance contracts.

For contracts with investment activities or direct participation contracts, cash flows also include:

- payments to (or on behalf of) a policyholder that vary depending on returns on underlying items,
- costs incurred for:
 - performing investment activity, to the extent the Group performs that activity to enhance benefits from insurance coverage for policyholders,
 - providing investment-return service to policyholders of insurance contracts without direct participation features,
 - providing investment-related service to policyholders of insurance contracts with direct participation features.

Cash flows within the contract boundary include both fixed and variable administrative expenses that are directly attributable to the fulfilment of insurance contracts. Expenses that cannot be directly allocated to an insurance policy are allocated to groups of insurance contracts using methods that are systematic, rational and consistently applied to all expenses that have similar characteristics. Expenses that are not

attributable to or not strictly necessary for the fulfilment of insurance contracts are directly recognised in the income statement outside the insurance service result when incurred.

Adjustment to reflect the time value of money and financial risks – discount rates

Estimates of expected cash flows are adjusted for the time value of money and the financial risk associated with those cash flows, using a risk-free interest rate curve plus a liquidity premium to discount future cash flows.

Appropriate discount rates are calculated using the bottom-up approach. A risk-free interest rate in the form of a swap curve plus a liquidity premium is used as the discount rate in estimating future cash flows. The liquidity premium is determined on the basis of yield data for AAA-rated covered bonds and a multiple of the liquidity premium. The multiple of the liquidity premium is determined by taking into account the characteristics of the groups of insurance contracts. Cash flows that vary based on the returns on the contractually defined set of assets are discounted using risk-neutral measurement techniques. Discount interest rates are set at each balance sheet date.

The Company and the Group have chosen to disaggregate finance income and expenses from insurance and reinsurance contracts between the income statement and the statement of other comprehensive income.

Risk adjustment for non-financial risk

The risk adjustment for non-financial risk is the compensation the Group and the Company require for bearing the uncertainty related to the amount and timing of the cash flows that arise from non-financial risk as they fulfil the contractual agreements. The risks covered by the risk adjustment for non-financial risk are insurance risk (including climate change risk) and other non-financial risks such as lapse risk and expense risk.

The risk adjustment for non-financial risk is thus the compensation that the Group and the Company would require to make them indifferent between:

- fulfilling a liability that has a range of possible outcomes arising from non-financial risk, and
- fulfilling a liability that will generate fixed cash flows with the same expected present value as the insurance contracts.



The Group and the Company assess the risk adjustment for non-financial risk using the confidence level technique (VaR and TVaR) to determine the maximum possible loss at a given confidence interval. The Group and the Company take into account a confidence interval of 75% to 85% for VaR and 40% for TVaR.

Changes in the risk adjustment for non-financial risk are fully reflected in the income statement.

Contractual service margin (CSM)

The contractual service margin (CSM) represents the unearned profit arising from insurance contracts that the Group and the Company will recognise as they provide insurance services under these contracts in the future. The contractual service margin is recognised when the net present value of future cash flows is positive (inflows are expected to exceed outflows) and is determined as the excess of cash inflows over cash outflows, less an adjustment for non-financial risk. A contractual service margin is established to prevent the recognition of a profit before it is realised and is released over the life of the insurance contract.

In the case of a transfer of insurance contracts or a business combination, the calculation uses the consideration received or paid at the acquisition date as a proxy for the premiums received.

Loss component

For identified future losses arising out of insurance contracts, when the net present value of future cash flows is negative (more outflows than inflows are expected), the loss is recognised in the current period. For onerous (non-profitable) groups of contracts, the loss component is shown in the liability for remaining coverage, while the loss is shown immediately in the income statement.

3.4.20.7.1.2 Subsequent measurement

The carrying amount of a group of insurance contracts at the end of each reporting period is the sum of:

- the liability for remaining coverage comprising:
 - the fulfilment cash flows relating to future services allocated to a group of insurance contracts at that date;
 - the contractual service margin of a group of insurance contracts at that date; and
- the liability for incurred claims, which includes fulfilment cash flows in respect of past services allocated to a group of insurance contracts at that date.

When calculating assets and liabilities under insurance contracts on the balance sheet date, the company uses current estimates of future cash flows, current discount rates and current estimates of the risk adjustment for non-financial risk. Changes in these components affect the following items:

Change in assumptions	Impact
Changes related to future service	Change in CSM
Changes related to current or past service	Change in the insurance service result for the financial year
The effects of the time value of money, financial risk and changes thereof on estimated future cash flows	Change in finance income or expense and change in other comprehensive income

After initial recognition, the contractual service margin for each group of insurance contracts is remeasured on the balance sheet date.

Insurance contracts without direct participation features measured using the BBA

For insurance contracts without direct participation features, the carrying amount of the contractual service margin of a group of contracts on measurement at the reporting date equals the carrying amount at the start of the reporting period adjusted for:

- the effect of any new contracts added to the group;
- interest accreted on the carrying amount of the contractual service margin during the reporting period;
- the changes in the fulfilment cash flows relating to future service, except to the extent that:
 - such increases in the fulfilment cash flows exceed the carrying amount of the contractual service margin, resulting in a loss, or
 - such decreases in the fulfilment cash flows are allocated to the loss component of the liability for remaining coverage;

- the effect of any currency exchange differences on the contractual service margin; and
- the amount recognised as insurance revenue due to the transfer of insurance contract services during the period, determined by the allocation of the contractual service margin remaining at the end of the reporting period.

The changes in fulfilment cash flows relating to future service consist of:

- adjustments arising from premiums received in the period relating to future service, and related cash flows, such as insurance acquisition cash flows and premium-based taxes, measured at the discount rates at which the group of contracts is recognised,
- changes in estimates of the present value of the future cash flows in the liability for remaining coverage (experience and assumptions), measured at specified discount rates at the time the contract is recognised,
- differences between the investment component expected to become payable during the period and the investment component that actually becomes payable in the period,



- differences between the policyholder loan expected to become repayable in the period and the policyholder loan that actually becomes repayable during the period, and
- changes in the risk adjustment for non-financial risk that relate to future service.

The amount of the contractual service margin for a group of insurance contracts is recognised in profit or loss in each period to reflect the insurance contract services provided under the group of insurance contracts during that period. The amount is determined by:

- identifying the coverage units in the group. The number of coverage units in a group is the quantity of insurance contract services provided by the contracts in the group, determined by considering for each contract the quantity of the benefits provided under a contract and its expected coverage period,
- allocating the contractual service margin at the end of the period (before recognising any amounts in profit or loss to reflect the insurance contract services provided in the period) equally to each coverage unit provided in the current period and expected to be provided in the future,
- recognising in profit or loss the amount allocated to coverage units provided during the period.

The present value of changes in fulfilment cash flows for the purpose of calculating the contractual service margin is measured using locked-in discount rates at the time of recognition. In some cases, these discount rates are averaged when contracts are recognised over successive reporting periods.

Insurance contracts with direct participation features measured using the VFA

Insurance contracts with direct participation features are insurance contracts that, in addition to providing insurance cover, also provide the policyholder with investment services provided by the Group.

For insurance contracts with direct participation features, the carrying amount of the contractual service margin of a group of contracts at the end of the reporting period equals the carrying amount at the beginning of the reporting period adjusted by the amounts set out below:

- the effect of any new contracts added to the group,
- the change in the amount of the entity’s share of the fair value of the underlying items, except to the extent that:
 - the decrease in the amount of the entity’s share of the fair value of the underlying items exceeds the carrying amount of the contractual service margin, giving rise to a loss, or

- the increase in the amount of the entity’s share of the fair value of the underlying items reverses the amount referred to in the previous paragraph,
- the changes in the fulfilment cash flows relating to future service, except to the extent that:
 - such increases in the fulfilment cash flows exceed the carrying amount of the contractual service margin, resulting in a loss, or
 - such decreases in the fulfilment cash flows are allocated to the loss component of the liability for remaining coverage,
- the effect of any currency exchange differences arising on the contractual service margin, and
- the amount recognised as insurance revenue because of the transfer of insurance contract services in the period.

3.4.20.7.2 Measurement of insurance contracts using the premium allocation approach (PAA)

The majority of non-life business is measured using the premium allocation approach when the coverage period of a group of contracts is less than 12 months or the simplification is expected to be a reasonable approximation of the valuation results under the building block approach.

The criterion in the preceding paragraph is not met if, at the inception of a group of contracts,

significant variability is expected in the fulfilment cash flows that would affect the measurement of the liability for remaining coverage during the period until a claim is incurred.

Upon initial recognition, the carrying amount of the liability for remaining coverage is:

- the premiums, if any, received at initial recognition,
- minus any insurance acquisition cash flows at that date, unless the entity elects to recognise the payments as an expense, and
- plus or minus any amount arising from the derecognition of assets or liabilities at that date.

The carrying amount of the liability at the end of each subsequent reporting period is the carrying amount at the beginning of the reporting period:

- plus the premiums received during the period,
- minus any insurance acquisition cash flows, unless the entity chooses to recognise these payments as an expense,
- plus any amounts relating to the amortisation of insurance acquisition cash flows recognised as an expense in the reporting period, unless the entity chooses to recognise these payments as an expense, and
- minus the amount recognised as insurance revenue for providing coverage during that period.



If, at any time during the coverage period, facts and circumstances indicate that a group of insurance contracts is onerous, to the extent that the fulfilment cash flows exceed the carrying amount, the Group and the Company recognise a loss in profit or loss and increase the liability for remaining coverage.

If the PAA is used, the Group and the Company make no adjustments for the time value of money and the effect of financial risk, as the period between the premium due date and the provision of insurance services is expected to be no more than one year.

3.4.20.7.3 Measurement of the liability for incurred claims

Liability for incurred claims represents the expected cash flows for claims and related costs that have already been incurred and have not yet been paid. The liability for incurred claims includes claims incurred but not yet reported (IBNR) and claims reported but not yet resolved or settled (RBNS). Even when the liability for remaining coverage is measured using the PAA, the liabilities for claims incurred are valued using the general measurement approach (BBA) and the future cash flows are adjusted for the time value of money and the effect of financial risk.

3.4.20.8 Measurement of reinsurance contracts held by the Group and the Company

The valuation methods for reinsurance contracts held by the Group and the Company (referred to in this section as reinsurance contracts) are the same as for insurance contracts, using consistent assumptions in the valuation of insurance and reinsurance contracts covering those insurance contracts, to the extent possible. In this case, the future cash flows in the valuation of reinsurance contracts are increased by a cash flow representing the effect of the reinsurer default risk, including the effects of collateral and litigation losses.

The risk adjustment for non-financial risk for reinsurance contracts represents the amount of risk being transferred from the insurer to the reinsurer.

In the valuation of reinsurance contracts, the unearned profit represented by the contractual service margin is replaced by the net gain or loss on the purchase of reinsurance. The net gain or loss on the initial recognition of reinsurance contracts is measured at:

- the fulfilment cash flows,
- the amount derecognised at that date of any asset or liability previously recognised for cash flows related to the group of reinsurance contracts,
- any cash flows arising from reinsurance contracts in a group of reinsurance contracts at that date,
- income recognised in the income statement as a result of the recognition of the reinsurance loss-recovery (LR) component of the asset for remaining coverage which mitigates the creation of a loss component for the liability for remaining coverage on the gross part.

If the net cost of purchasing reinsurance coverage relates to events that occurred before the purchase of the group of reinsurance contracts, the Group and the Company recognise this cost immediately as an expense in profit or loss.

The contractual service margin at the end of each reporting period for a group of reinsurance contracts is determined as the contractual service margin at the beginning of the reporting period, adjusted for:

- the effect of any new reinsurance contracts added to the group of reinsurance contracts,
- accrued interest on the amount of the CSM,

- income recognised in the income statement as a result of the recognition of the reinsurance loss-recovery (LR) component of the asset for remaining coverage,
- any reversals of the loss-recovery component to the extent that those reversals are not part of the change in fulfilment cash flows of a group of reinsurance contracts,
- changes in fulfilment cash flows for the remaining coverage, unless the change relates to a change in cash flows that do not change the CSM of the insurance contracts or, in the case of the PAA on direct business, affect the creation of a loss component of the liability for remaining coverage,
- the effect of foreign exchange differences on the CSM,
- the amount recognised in profit or loss because of services received in the period, determined by the allocation of the contractual service margin remaining at the end of the reporting period (before any allocation) over the current and remaining coverage period of the group of reinsurance contracts.

Changes in fulfilment cash flows resulting from changes in the reinsurer's default risk are unrelated to future service and consequently do not adjust the CSM.



The Group and the Company adjust the contractual service margin of a group of reinsurance contracts and, consequently, recognise revenue when they recognise an onerous group of insurance contracts underlying the reinsurance contracts or when they add onerous insurance contracts underlying the reinsurance contracts to the group (this is the so-called loss-recovery component of an asset for remaining coverage of a group of reinsurance contracts). This adjustment is made only if the reinsurance contract has already been written at the time the loss component of the liability for remaining coverage on the onerous insurance contracts is recognised.

The amount of this adjustment is equal to the product of the recognised loss on the gross business and the share of the claims covered by that reinsurance contract on the insurance contracts from which that loss arises.

The Group and the Company establish (or adjust) a loss-recovery component of the asset for remaining coverage for a group of reinsurance contracts depicting the recovery of losses recognised in accordance with the above paragraphs. The loss-recovery component determines the amounts that are recognised in profit or loss as reversals of recoveries of losses from reinsurance contracts and are consequently excluded from the premiums paid to the reinsurer.

The loss-recovery component is adjusted to reflect changes in the loss component of an onerous group of underlying insurance contracts. The carrying amount of the loss-recovery component must not exceed the portion of the carrying amount of the loss component of the onerous group of underlying insurance contracts that the Company expects to recover from the group of reinsurance contracts.

The PAA approach may also be used to measure reinsurance contracts if:

- the Company reasonably expects that such simplification would result in a measurement of the liability for remaining coverage for the group of reinsurance contracts that is not materially different from the measurement under the BBA approach, or
- the coverage period of each contract in the group of reinsurance contracts is one year or less.

The criterion in the first bullet point above is not met if, at the inception of a group of reinsurance contracts, the Group and the Company expect significant variability in the fulfilment cash flows that would affect the measurement of the liability for remaining coverage during the period before a claim is incurred.

If the PAA approach is used, the carrying amount of the asset is adjusted for the remaining coverage in the event that a loss recovery component is created.

3.4.20.9 Presentation of insurance and reinsurance contracts

Insurance revenue comprises the provision of services, during the reporting period, arising from a group of insurance contracts, specifically for an amount that reflects the consideration to which the Group and the Company expect to be entitled in exchange for the services provided. Insurance service expenses represent incurred claims, expenses and other expenses related to insurance services incurred in the reporting period. Neither insurance revenue nor insurance service expenses include an investment component.

The total amount of insurance revenue for each group of insurance contracts is equal to the premiums paid, adjusted for a financing effect and excluding any investment components.

The allocation of insurance revenue by period is determined by the amount of insurance services provided during the reporting period, which includes:

- the expected insurance service expenses for each reporting period, net of any adjustment for non-financial risk and amounts allocated to the loss component of the liability for remaining coverage;
- the risk adjustment for non-financial risk, excluding any amounts allocated to the loss component of the liability for remaining coverage;

- the contractual service margin;
- amounts related to income tax that are specifically chargeable to the policyholder;
- amounts related to policy acquisition costs.

When the Group and the Company provide insurance services during a period, they reduce the liability for the remaining coverage and recognise insurance revenue during the period. The reduction in the liability for remaining coverage does not include changes that are not related to the provision of insurance services, such as:

- changes resulting from cash inflows from premiums received,
- changes that relate to investment components in the period,
- amounts relating to transaction-based taxes collected on behalf of third parties,
- finance income or expenses from insurance contracts,
- acquisition costs,
- derecognition of liabilities transferred to a third party,
- changes in the loss component of the liability for remaining coverage.



Consequently, insurance revenue for the period can also be analysed as the sum total of the changes in the liability for remaining coverage during the period that relates to services for which the Group and the Company expect to receive consideration. Those changes are:

- insurance service expenses incurred during the period (measured at the amounts expected at the beginning of the period), excluding:
 - amounts allocated to the loss component of the liability for remaining coverage,
 - repayments of investment components,
 - amounts relating to transaction-based taxes collected on behalf of third parties (such as premium taxes, value added taxes and goods and services taxes),
 - policy acquisition expenses, and
 - the amount related to the risk adjustment for non-financial risk,
- the change in the risk adjustment for non-financial risk, excluding:
 - changes included in finance income or expenses from insurance contracts,
 - changes that adjust the contractual service margin because they relate to future service, and
 - amounts allocated to the loss component of the liability for remaining coverage,

- the amount of the contractual service margin recognised in profit or loss,
- other amounts, if any, for example, experience adjustments for premium receipts other than those that relate to future service.

Insurance revenue related to insurance acquisition cash flows are determined by allocating the portion of the premiums that relate to recovering those cash flows to each reporting period in a systematic way on the basis of the passage of time. The same amount is recognised as insurance service expenses.

If the simplified premium allocation approach (PAA) is used to measure liabilities for future coverage, the insurance revenue is the amount of the expected premiums, excluding any investment component relating to the reporting period. Premiums are allocated by period evenly over the duration of the cover or, in the case of unevenly spread risk, over the expected period of incurrence of the insurance service expense (decrease in the amount of insurance cover for credit insurance, increase in the amount of insurance cover for construction and erection insurance and reinsurance contracts).

Finance income or expenses from insurance and reinsurance contracts comprise:

- the effect of the time value of money and changes in the time value of money; and
- the effect of financial risk and changes in financial risk.

For all its groups of insurance contracts without direct participation features, the companies allocate finance income and expense between profit or loss and the statement of other comprehensive income (OCI). The companies include in profit or loss an amount determined by a systematic allocation of the expected total finance income or expenses from insurance contracts over the duration of the group of insurance contracts. A systematic allocation is an allocation of the total expected finance income or expenses of a group of insurance contracts over the duration of the group that:

- is based on characteristics of the contracts, without reference to factors that do not affect the cash flows expected to arise under the contracts,
- results in the amounts recognised in other comprehensive income over the duration of the group of contracts totalling zero. The cumulative amount recognised in other

comprehensive income at any date is the difference between the carrying amount of the group of contracts and the amount that the group would be measured at when applying the systematic allocation.

For groups of insurance contracts without direct participation features for which changes in assumptions that relate to financial risk do not have a substantial effect on the amounts paid to the policyholder, the systematic allocation is determined using the discount rates at the date of initial recognition of the group of insurance contracts, or at the date of loss in the case of the PAA approach.



For groups of insurance contracts without direct participation features for which changes in assumptions that relate to financial risk have a substantial effect on the amounts paid to the policyholders:

- a systematic allocation for the finance income or expenses arising from the estimates of future cash flows is determined by using a rate that allocates the remaining diluted expected financial income or expense over the remaining term of the group of contracts at constant rates;
- a systematic allocation for the finance income or expenses arising from the risk adjustment for non-financial risk, is determined using an allocation consistent with that used for the allocation for the finance income or expenses arising from the future cash flows;
- a systematic allocation for the finance income or expenses arising from the contractual service margin is determined:
 - for insurance contracts without direct participation features, using discount rates determined at the date of initial recognition of the group of insurance contracts; and
 - for insurance contracts with direct participation features, using an allocation consistent with that used for the allocation for the finance income or expenses arising from the future cash flows.

For groups of insurance contracts with direct participation features for which the company holds the underlying items, the company disaggregates insurance finance income or expenses between the statement of profit or loss and other comprehensive income for the period to include in profit or loss an amount that eliminates accounting mismatches with income or expenses included in profit or loss on the underlying items held (the financial expenses or income from insurance contracts included in profit or loss exactly matches the income or expense included in profit or loss for the underlying items, resulting in the net of the separately presented items being nil). The company includes in other comprehensive income the difference between the finance income or expenses from insurance contracts measured on the basis set out above and the total insurance finance income or expenses for the period.

3.4.21 Other provisions

Employee benefits include severance pay upon retirement and jubilee benefits. Provisions for employee benefits are the net present value of the Group's future liabilities proportionate to the years of service in the Group (the projected unit credit method). Pursuant to IAS 19 "Employee

benefits" actuarial gains and losses arising on re-measurement of net liabilities for severance pay upon retirement are recognised in other comprehensive income.

These provisions are calculated based on personal data of employees: date of birth, date of commencement of employment in the Group, anticipated retirement and salary. For each Group company, the amounts of severance pay upon retirement and jubilee benefits are in accordance with local legislations, employment contracts and other applicable regulations. Expected pay-outs also include tax liabilities where payments exceed statutory non-taxable amounts.

The probability of an employee staying with the Group includes both the probability of death and the probability of termination of employment relationship. Assumptions relating to future increases in salaries, severance pay upon retirement and jubilee benefits, as well as those relating to employee turnover depend on developments in individual markets and individual Group companies. The same term structure of risk-free interest rates is used for discounting as that in the capital adequacy calculation under Solvency II.

3.4.22 Other financial liabilities

Other financial liabilities mainly include unpaid dividends payable from previous years and current interest and loan liabilities.

3.4.23 Current tax liabilities

Current tax liabilities are recognised at the amount of the current tax liability for the financial year not yet paid.



3.4.24 Other liabilities

Liabilities are initially recognised at amounts recorded in the relevant documents. Subsequently, they are increased or decreased in line with documents, and reduced through payments.

Other liabilities include amounts due to employees and suppliers and other current liabilities (accrued expenses).

3.4.25 Investment income and expenses

The Company discloses investment income and expenses by type of income and expense:

- income from dividends and participating interests,
- interest income and expenses,
- income or expenses from financial investments measured at FVTPL,
- gains and losses arising from the derecognition of financial investments measured at FVOCI,
- exchange differences arising on financial investments, and
- other finance income and expenses (including income and expenses from investment property).

3.4.26 Other operating income and expenses

Other operating income includes income:

- from foreign exchange gains, excluding foreign exchange gains on (re)insurance contracts and investment transactions,
- from the sale of fixed assets,
- from the sale of green cards (international motor insurance certificates),
- from claims settled on behalf of other Group companies,
- from sales by non-insurance companies (including asset management, such as entry and exit fee income),
- from other services.

This income is recognised in the income statement at the time services are completed or invoices issued.

Revenue is measured based on the consideration to which the Group and Company are expected to be entitled under their contracts with customers. Amounts collected on behalf of third parties are excluded.

Revenue is recognised when the customer has taken control of the goods or has received the benefits from the services rendered. Sales revenue does not include any charges paid upon

purchase or sale. It is included in “other income” in the income statement and relates either to the pensions and asset management or the “other” operating segments. This revenue is not multi-year in nature, is recognised on an accrual basis in the financial year and presented under note [3.7.41](#).

Other operating expenses include:

- allowances for other receivables,
- impairment losses on property, plant and equipment and intangible assets,
- non-attributable expenses and
- other expenses.

Other expenses are recognised in the income statement at the time the service is rendered.

3.4.27 Income tax expense

Income tax expense for the year comprises current and deferred tax. Current income tax is presented in the income statement, except for the portion relating to the items presented in equity; deferred tax for these items is also presented in equity. Current tax is payable on the taxable profit for the year using the tax rates enacted by the date of the statement of financial position, as well as on any adjustments to tax liabilities of prior periods. Deferred tax is recognised using the statement of financial position method, providing for temporary differences between the carrying

amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The deferred tax amount is based on the expected manner of recovery or settlement of the carrying amount of assets and liabilities, using the tax rates effective on the date of the statement of financial position. Deferred tax assets are recognised only to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

The Group income tax expense has been determined in accordance with the requirements of each member’s local legislation.

3.4.28 Information about reportable operating segments

Operating segments as disclosed and monitored were determined based on the different activities carried out in the Group. Segments were formed through the aggregation of operations of companies that generate revenue and expenses, including revenue and expenses arising from intra-group transactions, based on similar services provided by companies (features of insurance products, market networks, and the circumstances in which companies operate).



The operating segments comprise reinsurance (reinsurance business), non-life (non-life insurance business, broken down into EU and non-EU), life (life insurance business, broken down into EU and non-EU), pensions and asset management (pension insurance business in Slovenia and North Macedonia, and fund management) and the “other” segment (organisation of assistance in connection with motor, homeowners and health insurance, and software development). In the following, more detail is provided on how the companies are included in operating segments.

The performance of these segments is monitored using a variety of indicators, with IFRS net profit being a common performance indicator for all segments. The management board monitors performance by segment to the level of insurance and reinsurance service results, net investment income and aggregated business results, amounts of assets, equity and insurance and reinsurance contract liabilities on a quarterly basis.

The operations of the Sava Insurance Group are organised into the following operating segments: reinsurance, non-life (insurance), life (insurance), pensions and asset management, and the “other” segment. The non-life and life segments are further subdivided geographically into EU and non-EU.

The following companies are included in the individual operating segments:

- reinsurance: Sava Re (non-Group business);
- non-life, EU: Zavarovalnica Sava (the Slovenian and Croatian part of non-life insurance business), Vita (non-life insurance business);
- non-life, non-EU: Sava Neživotno Osiguranje (SRB), Illyria (RKS), Sava Osiguranje (MNE), Sava Osiguruvanje (MKD), Sava Car (MNE), Sava Agent (MNE), Sava Station (MKD), Sava Car (SRB);
- life, EU: Zavarovalnica Sava (the Slovenian and Croatian part of life insurance business), Vita (life insurance business), ZS Svetovanje (SVN), ASISTIM (SVN);
- life, non-EU: Sava Životno Osiguranje (SRB), Illyria Life (RKS);
- pensions and asset management: Sava Pokojninska (SVN), Sava Penzisko Društvo (MKD), Sava Infond (SVN);
- other: TBS Team 24 (SVN), ASP (SRB) and Vita S Holding (MKD); DCB (SVN) using the equity method. This operating segment also includes expenses on subordinate debt. The company G2I (GBR) was sold in mid-2023. Since then, it is no longer included in the consolidated statements.

The following reallocations were made in the consolidated income statement:

- The effects of reinsurance (retrocessions) relating to business with subsidiaries (Sava Re, as the parent company, reinsures the major part of the subsidiaries’ business) are transferred from the reinsurance segment to other operating segments. In the segment reporting information, income and expenses from reinsurance ceded are allocated to the segments from which they originate. The same applies to finance expenses and recoveries from reinsurance contracts.
- Operating expenses of the reinsurance segment are reduced by the portion of expenses attributable to the administration of the Sava Insurance Group. Sava Re operates as a virtual holding company; hence, a part of its expenses relates to the administration of the Group. Such expenses relating to the reinsurance segment are allocated to other segments based on each subsidiary’s revenue. Operating expenses associated with reinsurance business within the Group are also reallocated to other segments. In this way, 75.7% of operating expenses were allocated to the segments in 2024 (2023: 75.6%). In addition, there were reallocations of operating expenses of the company TBS Team 24 (SVN) associated with the companies conducting business in the Slovenian or international non-

life segments from the “other” segment to these two segments.

- Investment income and expenses are reallocated from the reinsurance segment to the non-life insurance and life insurance segments using the key for the allocation of liabilities for incurred claims and liabilities for remaining coverage.
- Subordinated debt expenses are shown under the “other” segment.
- The proceeds from the sale of G2I (2023) have been included in the “other” segment.

The following reclassifications were made in the consolidated statement of financial position:

- Goodwill was attributed to the segment where it arose.
- The balance of financial investments is transferred from the reinsurance segment to the non-life and life segments using the key for the allocation of liabilities for incurred claims and liabilities for remaining coverage.
- Reinsurance contract assets and liabilities are reallocated to other segments in the same way as described in the first paragraph (point) of the description of reallocations in the income statement.
- Subordinated liabilities are shown in the “other” segment.

► Statement of financial position items by operating segment as at 31 December 2024

EUR	Reinsurance	Non-life, EU	Non-life, non-EU	Life, EU	Life, non-EU	Pensions and asset management	Other	Total
	31 December 2024	31 December 2024	31 December 2024	31 December 2024	31 December 2024	31 December 2024	31 December 2024	31 December 2024
ASSETS								
Intangible assets and goodwill	6,482,386	13,351,199	9,670,001	4,210,978	209,139	27,731,796	3,907,428	65,562,925
Property, plant and equipment	2,550,365	36,735,677	11,094,370	4,850,185	1,058,168	877,089	1,564,707	58,730,561
Investment property	7,431,872	11,168,035	5,515,791	31,558	0	0	0	24,147,256
Right-of-use assets	204,768	4,554,639	3,638,723	1,031,429	213,523	1,151,582	0	10,794,664
Investments in associates and joint ventures	0	0	0	0	0	0	25,615,695	25,615,695
– Investments in associates accounted for using equity method	0	0	0	0	0	0	25,615,695	25,615,695
Deferred tax assets	4,018,394	3,761,244	0	-2,748,165	0	-602,281	0	4,429,192
Financial investments measured at	309,292,893	630,295,606	102,268,899	1,192,202,055	35,164,660	59,856,090	0	2,329,080,204
– Fair value through other comprehensive income	280,015,556	558,333,789	75,547,293	469,178,808	18,483,730	37,103,395	0	1,438,662,572
– Amortised cost	2,334,256	4,363,658	23,088,908	12,047,105	16,434,625	17,454,160	0	75,722,712
– Fair value through profit or loss	26,943,081	67,598,159	3,632,698	710,976,141	246,305	5,298,534	0	814,694,920
Investment contract assets	0	0	0	0	0	201,171,005	0	201,171,005
Insurance contract assets	5,083,103	3,235,064	7,603	2,109,892	406,701	0	0	10,842,363
Reinsurance contract assets	13,880,033	57,833,926	5,540,858	263,935	0	0	0	77,518,752
Current tax assets	671,315	136,843	186,523	1,171,826	1,683	0	0	2,168,191
Trade and other receivables	245,648	3,645,458	6,541,448	831,491	622,469	1,720,463	3,107,828	16,714,805
Non-current assets held for sale	0	400,000	68,892	757,000	0	0	0	1,225,892
Cash and cash equivalents	10,302,262	18,211,265	5,756,901	11,553,212	1,138,412	2,107,796	3,279,918	52,349,765
Other assets	994,736	1,439,578	647,296	447,201	42,470	974,886	511,177	5,057,343
Total assets	361,157,776	784,768,533	150,937,304	1,216,712,596	38,857,225	294,988,426	37,986,752	2,885,408,613
LIABILITIES								
Subordinated liabilities	0	0	0	0	0	0	125,058,474	125,058,474
Deferred tax liabilities	0	-6,526	651,432	194,871	678,346	1,725,931	201,365	3,445,417
Insurance contract liabilities	170,061,985	487,071,711	75,723,627	1,049,626,652	21,092,392	27,791,602	0	1,831,367,970
Reinsurance contract liabilities	3,905,726	-1,407,458	1,491,924	-29,544	22,557	0	0	3,983,205
Investment contract liabilities	0	0	0	0	0	200,954,895	0	200,954,895
Provisions	474,263	5,899,082	378,983	1,214,865	25,736	508,557	80,930	8,582,417
Lease liability	208,372	4,722,144	3,774,424	1,048,557	218,191	1,165,014	0	11,136,702
Other financial liabilities	0	7,157	422,556	0	1,941	0	0	431,656
Current tax liabilities	0	0	679,602	0	63,866	593,705	134,151	1,471,324
Other liabilities	6,027,362	24,256,743	7,612,310	3,517,485	1,247,144	2,421,749	5,333,303	50,416,096
Total liabilities	180,677,711	520,542,853	90,734,860	1,055,572,885	23,350,174	235,161,453	130,808,222	2,236,848,157
Total equity								648,560,456
Total liabilities and equity								2,885,408,613

► Statement of financial position items by operating segment as at 31 December 2023

EUR	Reinsurance	Non-life, EU	Non-life, non-EU	Life, EU	Life, non-EU	Pensions and asset management	Other	Total
	31 December 2023	31 December 2023	31 December 2023	31 December 2023	31 December 2023	31 December 2023	31 December 2023	31 December 2023
ASSETS								
Intangible assets and goodwill	4,674,935	13,627,701	9,325,953	4,428,761	233,499	28,757,254	4,100,728	65,148,831
Property, plant and equipment	2,675,158	38,886,005	11,321,042	5,249,059	1,060,243	417,230	78,061	59,686,798
Investment property	7,582,167	11,730,934	5,544,277	32,900	0	0	0	24,890,278
Right-of-use assets	209,205	3,915,031	3,133,713	1,116,305	154,707	44,437	0	8,573,398
Investments in associates and joint ventures	0	0	0	0	0	0	23,834,620	23,834,620
– Investments in associates accounted for using equity method	0	0	0	0	0	0	23,834,620	23,834,620
Deferred tax assets	5,087,419	3,548,166	0	-1,299,657	0	-751,528	0	6,584,400
Financial investments measured at	237,893,483	535,119,866	89,686,313	1,066,267,612	30,860,472	52,704,887	0	2,012,532,633
– Fair value through other comprehensive income	210,351,892	460,487,600	63,847,713	492,306,747	18,524,902	30,628,191	0	1,276,147,045
– Amortised cost	2,344,960	4,409,489	21,772,816	20,466,505	12,300,659	15,008,737	0	76,303,166
– Fair value through profit or loss	25,196,630	70,222,777	4,065,785	553,494,360	34,911	7,067,959	0	660,082,422
Investment contract assets	0	0	0	0	0	180,628,137	0	180,628,137
Insurance contract assets	4,966,239	3,686,689	16,211	753,959	184,190	0	0	9,607,288
Reinsurance contract assets	24,595,405	77,665,255	4,949,262	271,639	0	0	0	107,481,560
Current tax assets	0	0	435,426	0	1,683	0	7,507	444,616
Trade and other receivables	123,348	3,389,546	5,599,934	563,570	573,186	1,199,140	2,822,634	14,271,358
Non-current assets held for sale	0	191,021	68,628	0	0	0	0	259,649
Cash and cash equivalents	8,284,753	17,871,533	4,004,142	14,774,669	753,814	2,670,941	2,200,112	50,559,964
Other assets	715,114	1,235,294	419,561	394,674	41,483	763,264	473,216	4,042,606
Total assets	296,807,225	710,867,041	134,504,462	1,092,553,491	33,863,277	266,433,762	33,516,878	2,568,546,136
LIABILITIES								
Subordinated liabilities	0	0	0	0	0	0	74,987,535	74,987,535
Deferred tax liabilities	0	54,689	578,579	86,516	696,551	1,784,777	235,479	3,436,591
Insurance contract liabilities	163,562,295	463,154,147	64,660,233	917,651,804	17,396,207	24,597,561	0	1,651,022,247
Reinsurance contract liabilities	287,726	103,984	942,342	307,990	0	0	0	1,642,043
Investment contract liabilities	0	0	0	0	0	180,437,695	0	180,437,695
Provisions	419,660	5,619,443	308,683	1,186,602	16,617	462,626	60,624	8,074,255
Lease liability	210,798	4,096,675	3,212,030	1,116,412	156,186	52,636	0	8,844,737
Other financial liabilities	0	7,154	728,545	0	1,386	0	0	737,085
Current tax liabilities	6,319,991	116,825	670,658	2,363,508	27,152	276,482	156,214	9,930,830
Other liabilities	4,718,067	22,980,315	5,664,583	3,154,137	1,374,904	1,739,401	4,138,098	43,769,505
Total liabilities	175,518,538	496,133,232	76,765,653	925,866,969	19,669,003	209,351,177	79,577,950	1,982,882,523
Total equity								585,663,613
Total liabilities and equity								2,568,546,136



► Income statement items by operating segment for 2024

	Reinsurance	Non-life, EU	Non-life, non-EU	Life, EU	Life, non-EU	Pensions and asset management	Other	Total
EUR	2024	2024	2024	2024	2024	2024	2024	2024
Insurance revenue	99,346,893	522,286,220	104,136,059	66,401,607	8,510,017	532,842	0	801,213,638
Insurance service expenses	-59,359,306	-456,204,172	-95,250,896	-44,778,719	-6,350,780	-406,141	0	-662,350,015
Claims incurred	-49,131,794	-323,385,553	-58,222,741	-15,023,444	-2,740,303	-103,362	0	-448,607,197
Operating expenses	-10,054,083	-135,175,763	-36,893,712	-29,050,613	-3,643,023	-120,073	0	-214,937,268
Onerous contracts	-173,430	2,357,143	-134,443	-704,662	32,546	-182,706	0	1,194,450
Result before reinsurance	39,987,587	66,082,047	8,885,163	21,622,889	2,159,237	126,700	0	138,863,623
Reinsurance result	-11,985,804	-14,233,019	-3,675,270	-332,338	-27,750	0	0	-30,254,180
Insurance service result	28,001,783	51,849,028	5,209,893	21,290,551	2,131,487	126,700	0	108,609,443
Investment result	8,081,958	13,058,379	4,219,341	8,322,111	1,317,203	1,689,313	0	36,688,305
Net insurance finance result	-5,626,381	-2,629,639	-589,584	-3,340,332	-625,600	-769,842	0	-13,581,379
Net foreign exchange gains/losses	-391,440	157,874	-20,042	-754	-9,508	253	0	-263,618
Finance result	2,064,136	10,586,614	3,609,715	4,981,024	682,095	919,724	0	22,843,308
Income from non-insurance activities	0	0	0	0	0	23,660,332	7,699,599	31,359,931
Other costs	-4,326,695	-17,012,269	-5,214,942	-6,299,867	-789,937	-15,746,872	-7,532,504	-56,923,086
Income from investments in subsidiaries and associates	1	0	0	0	0	0	1,781,075	1,781,075
Other net income/expenses	-726,307	2,794,051	2,510,561	671,506	394,568	57,794	-3,570,445	2,131,728
Profit or loss before tax	25,012,918	48,217,424	6,115,227	20,643,215	2,418,213	9,017,678	-1,622,276	109,802,399
Income tax expense								-21,955,857
Net profit or loss for the period								87,846,542



► Income statement items by operating segment for 2023

	Reinsurance	Non-life, EU	Non-life, non-EU	Life, EU	Life, non-EU	Pensions and asset management	Other	Total
EUR	2023	2023	2023	2023	2023	2023	2023	2023
Insurance revenue	104,029,407	436,996,472	89,711,654	59,872,919	6,530,594	421,765	0	697,562,811
Insurance service expenses	-81,494,383	-445,956,710	-83,631,610	-40,909,530	-4,820,572	-312,713	0	-657,125,518
Claims incurred	-71,430,181	-324,341,925	-52,147,491	-15,502,210	-1,966,927	-85,420	0	-465,474,154
Operating expenses	-10,318,051	-118,758,015	-31,575,713	-25,752,177	-3,047,991	-113,073	0	-189,565,020
Onerous contracts	253,849	-2,856,770	91,594	344,857	194,346	-114,220	0	-2,086,344
Result before reinsurance	-8,960,238	6,080,044	18,963,389	1,710,022	22,535,024	109,052	0	40,437,293
Reinsurance result	906,976	41,486,560	885,641	-238,707	0	0	0	43,040,469
Insurance service result	23,442,000	32,526,322	6,965,685	18,724,682	1,710,022	109,052	0	83,477,762
Investment result	5,521,148	7,882,690	3,094,209	9,103,691	955,738	1,365,801	0	27,923,277
Net insurance finance result	-5,210,202	-3,070,764	-629,162	-3,302,541	-400,071	-691,457	0	-13,304,198
Net foreign exchange gains/losses	1,270,540	-79,847	-8,803	-1,520	14,640	-2,505	0	1,192,505
Finance result	1,581,486	4,732,079	2,456,244	5,799,629	570,307	671,839	0	15,811,584
Income from non-insurance activities	0	0	0	0	0	19,589,410	5,806,493	25,395,903
Other costs	-3,693,151	-16,349,800	-6,237,092	-5,161,413	-492,069	-13,370,630	-5,710,391	-51,014,545
Income from investments in subsidiaries and associates	0	3,754	0	0	0	0	2,282,455	2,286,209
Other net income/expenses	-631,045	4,411,830	2,603,285	-507,641	-20,696	516,535	-2,715,827	3,656,441
Profit or loss before tax	20,699,290	25,324,185	5,788,122	18,855,257	1,767,563	7,516,206	-337,270	79,613,354
Income tax expense								-14,956,182
Net profit or loss for the period								64,657,172



► Inter-segment business – inter-segment consolidation eliminations

EUR	Reinsurance		Non-life insurance		Life insurance		Pensions and asset management		Other	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Insurance service result from insurance contracts issued	-15,758,570	29,221,815	105,477	346,830	-763,347	-233,171	0	0	0	0
Net result from reinsurance contracts held	0	0	17,823,788	-32,466,249	417,897	341,809	0	0	0	0
Net investment result	-120,961	-72,248	-397,853	-289,315	0	0	0	0	0	0
Net insurance finance income or expenses	3,302,066	1,073,695	-3,514,843	-1,157,607	969,884	776,640	0	0	0	0
Other operating income and expenses	-39,583,189	-30,661,000	2,244,123	1,226,967	-786,339	-1,336,470	131,568	703,688	-1,792,232	-1,601,219

► Cost of intangible and property, plant and equipment assets by operating segment

EUR	Reinsurance		Non-life insurance		Life insurance		Pensions and asset management		Other		Total	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Investments in intangible assets	2,203,290	973,700	2,530,756	1,892,653	416,107	367,356	180,434	97,047	3,096	1,357,106	5,333,684	4,687,862
Investments in property, plant and equipment	190,119	424,457	2,292,384	3,390,832	314,330	770,292	623,707	251,666	1,579,352	54,136	4,999,892	4,891,383



3.5 Standards and interpretations issued but not yet effective, and new standards and interpretations

New and amended IFRS Accounting Standards that are effective for the current year

In the current year, the Group and the Company have applied a number of amendments to IFRS Accounting Standards issued by the International Accounting Standards Board (IASB) and adopted by the EU that are mandatorily effective for reporting period that begins on or after 1 January 2024. The adoption of these amendments to existing standards has not resulted in any material changes to the financial statements of the Group and the Company.

Amendments to IAS 1 “Presentation of Financial Statements”

Classification of Liabilities as Current or Non-Current with Covenants. The amendments clarify how conditions with which an entity must comply within 12 months after the reporting period affect the classification of a liability.

Amendments to IAS 7 “Statement of Cash Flows” and IFRS 7 “Financial Instruments: notes

Supplier Finance Arrangements. Amendments add disclosure requirements and “signposts” within existing disclosure requirements to provide qualitative and quantitative information about supplier finance arrangements.

Amendments to IFRS 16 “Leases”

Lease Liability in a Sale and Leaseback
Amendments to IFRS 16 require a seller-lessee to subsequently measure lease liabilities arising from a leaseback in a way that it does not recognise any amount of the gain or loss that relates to the right of use it retains. The new requirements do not prevent a seller-lessee from recognising in profit or loss any gain or loss relating to the partial or full termination of a lease.

New and revised IFRS Accounting Standards in issue and adopted by the EU but not yet effective

At the date of authorisation of these financial statements, the Group and the Company have not applied the following revised IFRS Accounting Standards that have been issued by IASB and adopted by EU but are not yet effective:

Amendments to IAS 21 “The Effects of Changes in Foreign Exchange Rates”

Lack of Exchangeability (effective date: 1 January 2025). Amendments contain guidance to specify when a currency is exchangeable and how to determine the exchange rate when it is not.



New standards and amendments to the existing standards issued by the IASB but not yet adopted by the EU

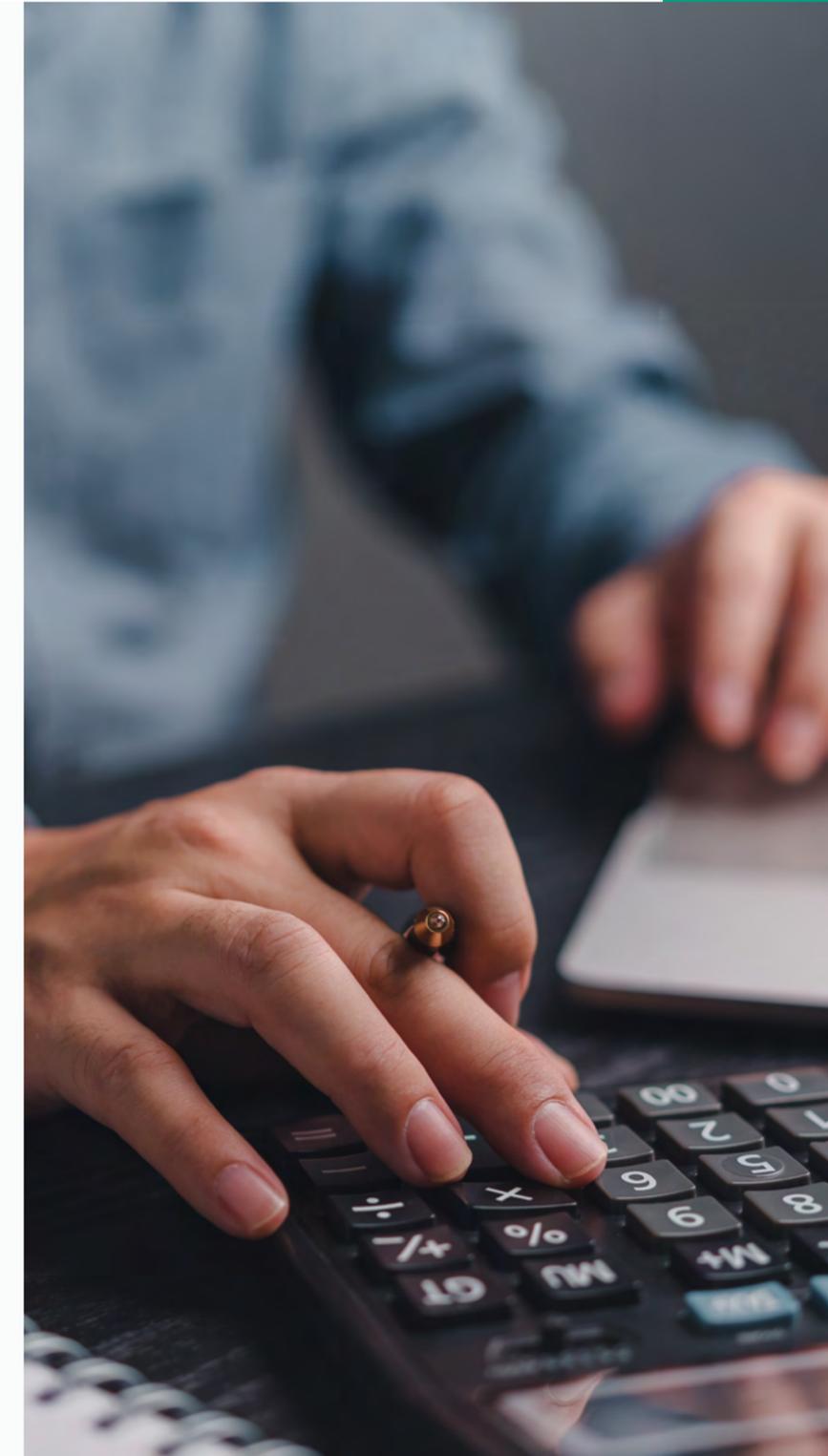
Currently, IFRSs as adopted by the EU do not significantly differ from IFRSs adopted by the International Accounting Standards Board (IASB) except for the following new standards and amendments to the existing standards, which were not adopted by the EU at the date of approval of these financial statements:

Standard	Title	EU adoption status
Amendments to IFRS 9 and IAS 7	Amendments to the Classification and Measurement of Financial Instruments (IASB effective date: 1 January 2026)	not yet adopted by the EU
Amendments to IFRS 9 and IAS 7	Contracts Referencing Nature-dependent Electricity (IASB effective date: 1 January 2026)	not yet adopted by the EU
Amendments to IFRS 1, IFRS 7, IAS 9, IFRS 10 and IAS 7	Annual Improvements to IFRS Accounting Standards – Volume 11 (IASB effective date: 1 January 2026)	not yet adopted by the EU
IFRS 18	Presentation and Disclosures in Financial Statements (IASB effective date: 1 January 2027)	not yet adopted by the EU
IFRS 19	Subsidiaries without Public Accountability: Disclosures (IASB effective date: 1 January 2027)	not yet adopted by the EU
IFRS 14	Regulatory Deferral Accounts (IASB effective date: 1 January 2016)	The European Commission has decided not to launch the endorsement process of this interim standard and to wait for the final standard.
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture and further amendments (effective date deferred by IASB indefinitely but earlier application permitted)	endorsement process postponed indefinitely until the research project on the equity method has been concluded

The Group and the Company expect that the adoption of the above new standards and amendments to the existing standards in future periods will have a material impact on the financial statements of the Group or the Company.

Hedge accounting for a portfolio of financial assets and liabilities the principles of which have not been adopted by the EU remains unregulated. The Group and the Company assess that the application of hedge accounting to a portfolio of financial assets or liabilities pursuant to

IAS 39 “Financial Instruments: Recognition and Measurement” would not have had a significant impact on the financial statements of the Group and the Company, if it had been applied at the balance sheet date.





3.6 Risk management

The main risk categories that the Group is exposed to are:

- insolvency risk,
- underwriting risks (non-life, life and health underwriting risks),
- financial risks (market risks, liquidity risks, credit risks and risk of failure to realise interest-rate guarantees),

- operational risk,
- strategic risk.

The table below shows a summary of risks in 2024.

The following is an overview of risks in terms of the potential volatility of business results and the

resulting impact on the financial statements of the Group and the Company. Sensitivity analyses are included for each risk group, showing the impact on profit or loss and accumulated other comprehensive income (AOCI).

The potential impact of an extreme internal or external risk materialising and its impact on the

Group's and the Company's solvency position will be addressed in the Solvency and Financial Condition Report of the Sava Insurance Group for 2024, which will be posted on the Sava Re website on 16 May 2025, and in the Solvency and Financial Condition Report of Sava Re d.d. for 2024, which will be posted on the Company's website on 4 April 2025.

► Risk profile of Sava Insurance Group and Sava Re

Risks	Summary of risks in 2024	Risk described in section
Insolvency risk	The Group and Sava Re ensure an adequate level of excess capital. During 2024, the Group's capital adequacy in accordance with the Solvency II standard formula remained within the target capital range as defined in the risk strategy and well above regulatory requirements. Throughout 2024, Sava Re's capital adequacy was also consistently assessed to be above the optimal level of the solvency ratio as defined in the risk strategy and significantly above regulatory requirements.	3.6.2
Underwriting risks	In terms of capital requirements, the Group's most significant risks include non-life, life, and health underwriting risks. These risks are managed appropriately and remain at similar levels to last year. In the non-life insurance business, the premium and reserve risk decreased slightly, and the catastrophe risk increased slightly. No major impact from claims inflation was observed in 2024. Sava Re is mainly exposed to non-life underwriting risks; the risks remained unchanged compared to 2023.	3.6.3
Financial risks	The Group and the Company ensure the appropriate management of financial risks. We actively monitor and manage the exposure to these risks and the appropriate diversification of the investment portfolio. We also ensure the management of assets and liabilities. Financial risks did not increase further in 2024 compared to 2023. We adapt our investment policy to market conditions, and we aim to maintain a sufficient level of highly liquid investments.	3.6.4
Operational risks	Operational risks are actively managed through the enhancement of the internal control environment and continuous process improvements. The risks are at a similar level compared to last year. We carefully manage key operational risks such as cyber risk, process execution risk and the risk of legal non-compliance. We also place an important emphasis on the risks related to data protection and data security.	3.6.5
Strategic risks	Strategic risks are an important risk category for the Group and the Company due to the uncertain geopolitical environment and the associated unpredictability. The risks were at a similar level compared to the previous year. The strategic risks section also discusses sustainability risk and climate change risk. We strive to limit the risks sufficiently and to respond and adapt effectively to changes in the environment.	3.6.6

3.6.1 Key challenges and associated risks

3.6.1.1 Geopolitical uncertainty and the macroeconomic environment

Geopolitical uncertainty is also a feature of 2024. The military conflict between Russia and Ukraine continued, and the military conflict between Israel and Hamas escalated to the point where other countries became involved. Tensions between China and Taiwan intensified in 2024. US–China rivalry is on the rise, particularly in the technology and military sectors, and protectionism by major economies could have an impact on global supply chains. These frictions also affect the free movement of goods and international trade.

The year was marked by elections in major and developed countries, which had an impact on financial markets. The election outcomes have added uncertainty to expectations for the coming year, as they are likely to affect the dynamics of relations between countries and pose new challenges to the free market. The strategic positioning of imports and exports of key

commodities and products could be affected by high price volatility and supply chain congestion in the future.

In terms of returns, 2024 was a good year for equities and bonds, and optimism has lingered in the financial markets. This prompted several central banks, including the US Federal Reserve (Fed) and the European Central Bank (ECB), to cut key interest rates. In Europe, the ECB implemented a second 25 basis point rate cut in September, motivated by growing confidence in inflation dynamics and weak economic growth. Inflation fell to 2.2% in November 2024, close to the ECB target. Inflation in the euro area is forecast by the ECB to be 2.1% in 2025 and 1.9% in 2026. Next year, it is expected that the ECB and the Fed will continue their trend of lowering interest rates. Uncertainty about economic growth in Europe is relatively high. The Organisation for Economic Co-operation and Development (OECD) has forecast that the global economy will grow by 3.3% in 2025. The US is expected to grow by 2.4% and the EU by 1.3%.¹²⁵

Europe's structural challenges and its dependence on Russian gas, which has been significantly reduced in recent years, also pose risks. Political instability in some European countries and declining economic activity in Germany were also contributing to a deteriorating economic environment.

The Group believes that risks related to the macroeconomic or geopolitical situation will continue to increase somewhat in the future, and the Group and the Company monitor such risks in order to take timely action. Risks have also been considered in the context of scenarios in the Own Risk and Solvency Assessment (ORSA).

3.6.1.2 Climate change and transition to sustainable business

Climate change is a significant sustainability risk for the Group and Company, as it has a direct and indirect impact on our business activities, and monitoring and managing this risk is crucial for the Group's long-term performance.

The Group monitors the risks from the physical impacts of climate change (physical risks) and the risks from the transition to a low-carbon and climate-resilient economy (transition risks). The most significant risks for the Group arise from insurance (physical risks related to natural catastrophes) and investment portfolios (risks related to potential transition effects on the investment portfolio). Climate risk was also analysed (qualitatively and quantitatively) in ORSA. For more information on climate risks and impacts, see section [B.ESRS E1 "Climate Change" – SBM3 "Material impacts, risks and opportunities and their interaction with strategy and business model"](#).

The Group recognises that the transition to sustainable business involves many challenges and risks. We have established a system for monitoring and reporting sustainable development and social responsibility risks. There is also a strong focus on effective and meaningful implementation of sustainability legislation.



3.6.1.3 Cyber risk

Cyber risks were among the key operational risks in 2024 but are also important from a strategic perspective. Monitoring and managing these risks will continue to be vital for the Group in the future. The realisation of cyber risks can lead to a complete disruption of operations and high financial losses while also affecting the Group's reputation. We are therefore planning and implementing additional activities at the Group level in addition to the risk prevention measures already in place in this area. Security threats and incidents are also regularly monitored through the Security Operations Centre (SOC).

In 2024, we implemented all necessary activities for all Group companies to comply with the new DORA regulation¹²⁶, which sets new requirements for the security of network and information systems of financial entities. Activities carried out at the Group level include ICT risk management, ICT incident reporting, digital operational resilience testing, third-party ICT risk management and the establishment of information sharing processes.

3.6.1.4 Risk assessment and the going-concern assumption

The Group exceeded its planned result in 2024. Estimates of the solvency ratios of the Group and the Company show that their solvency ratios in 2024 were well above the legally required level and in line with internal criteria. The Group and the Company constantly identify, monitor, analyse and manage risks, adopt relevant decisions and make any necessary adjustments.

A possible deterioration in the macroeconomic and geopolitical situation may continue to have an adverse effect on the assets and liabilities of the Group and the Company in 2025, which may have a direct or indirect impact on their business. The solvency of the Group and the Company may also be affected, but it is not expected to be compromised given their strong capitalisation. The effects of individual scenarios and events on the solvency position are also examined in ORSA. The basis for conducting the 2025 ORSA (which was reported to the regulator in March 2025) is the business plan of the Group and the Company for 2025, which was approved in

December 2024, and financial projections for 2026 and 2027. The capital adequacy projections in the 2025 ORSA confirmed that the solvency position in 2025–2027 is consistent with the regulatory requirements, as well as consistent with the Group's and the Company's internal criteria and the ability to ensure sufficient liquidity at all times. The Group's and the Company's solvency ratios are therefore robust and resilient even in the event of various adverse scenarios, as the solvency ratios are well above regulatory requirements even in such scenarios.

Both the Group and the Company are managing liquidity risk well, and we do not expect a significant increase in liquidity risk over the next 12 months. For the Company, the going concern assumption continues to apply, based on the expected cash flow from the core business and the composition of the investment portfolio, which can provide sufficient liquidity for a prolonged period of stress.





3.6.2 Capital adequacy and capital management in the Sava Insurance Group and Sava Re

At the Group and Company level, the standard formula is used to calculate the capital requirements in accordance with the Solvency II legislation. The solvency capital requirement (SCR) is fully calculated once a year, whereas the eligible own funds supporting the Group’s solvency requirements are assessed quarterly, and the solvency position is assessed during the year. Thus, on a quarterly basis, the solvency position is shown as an interval within which the solvency ratio is estimated to lie in the relevant quarter. The following is the unaudited estimate of the Group’s solvency position, whereas for Sava Re the unaudited solvency position as at 31 December 2024 is presented.

The Group’s estimated solvency position as at 31 December 2024 shows that the Group is well capitalised, with an expected solvency ratio of between 207% and 213% (31 December 2023: 191%). The Group’s eligible own funds to cover the solvency capital requirement (SCR) amounted

to EUR 645.3 million as at 31 December 2023 and are estimated to have been higher at year-end, mainly due to the strong performance in 2024 and the issuance of subordinated debt in the fourth quarter of 2024. The Group’s solvency capital requirement was EUR 337.2 million as at 31 December 2023 and is estimated to have increased in 2024, mainly due to an increase in non-life underwriting risk.

The assessments therefore show that the Group’s solvency position as at 31 December 2024 is at a high level, well above the regulatory requirements.

At the Group level, in addition to ensuring regulatory capital adequacy, it is important to manage capital in such a way that it meets the requirements of credit rating agencies for “A” ratings, and that the Group remains solvent and is able to meet its obligations even if stress scenarios materialise. To this end, the risk strategy of the Sava Insurance Group for 2023–2027, which defines the Group’s risk appetite, defines the levels of required solvency ratios, as listed on the right.

► Solvency ratio levels of the Group in line with internal rules defined by the risk strategy





The estimated solvency ratio of the Group at the end of 2024 is therefore also in line with the internal criteria and is at the upper bound of the optimal capitalisation range, as shown in the following graph on the upper right. The graph shows the Group's solvency ratio ranges by quarter compared to the lower and upper limits of the optimal level of the solvency ratio under internal criteria.

The Company's solvency position as at 31 December 2024 shows that it is well capitalised, with a solvency ratio of 294% (31 December 2023: 289%). The amount of own funds eligible to cover the solvency capital requirement (SCR) as at 31 December 2024 was EUR 759.5 million (31 December 2023: EUR 653.2 million). The increase is mainly due to the strong operating performance in 2024 and the increase in the value of participations. The Company's solvency capital requirement as at 31 December 2024 was EUR 258.0 million (31 December 2023: EUR 225.9 million) and increased mainly due to the increase in non-life underwriting risk and market risk.

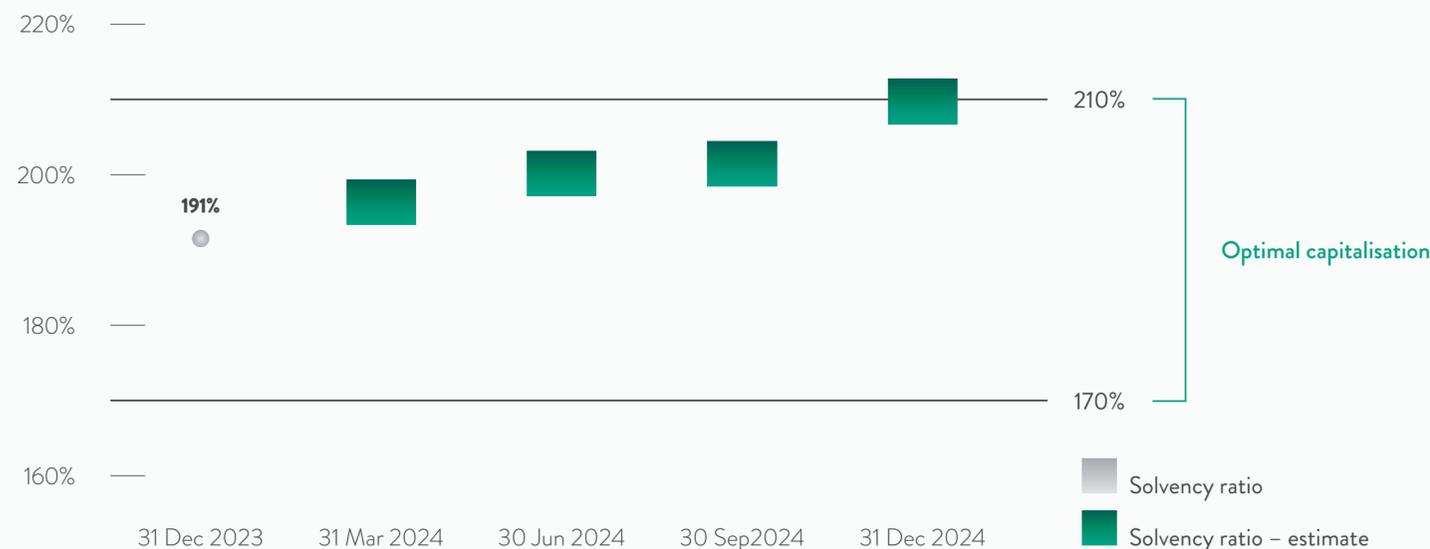
Throughout 2024, the Company's capital adequacy was consistently assessed to have been above the lower bound of the solvency ratio defined in the risk strategy (more than 200%) and significantly above regulatory requirements.

The graph on the lower right shows the solvency ratio ranges of the Company in 2024, the solvency ratio as at 31 December 2024 and the compliance with the required lower bound of the solvency ratio according to the internal criteria.

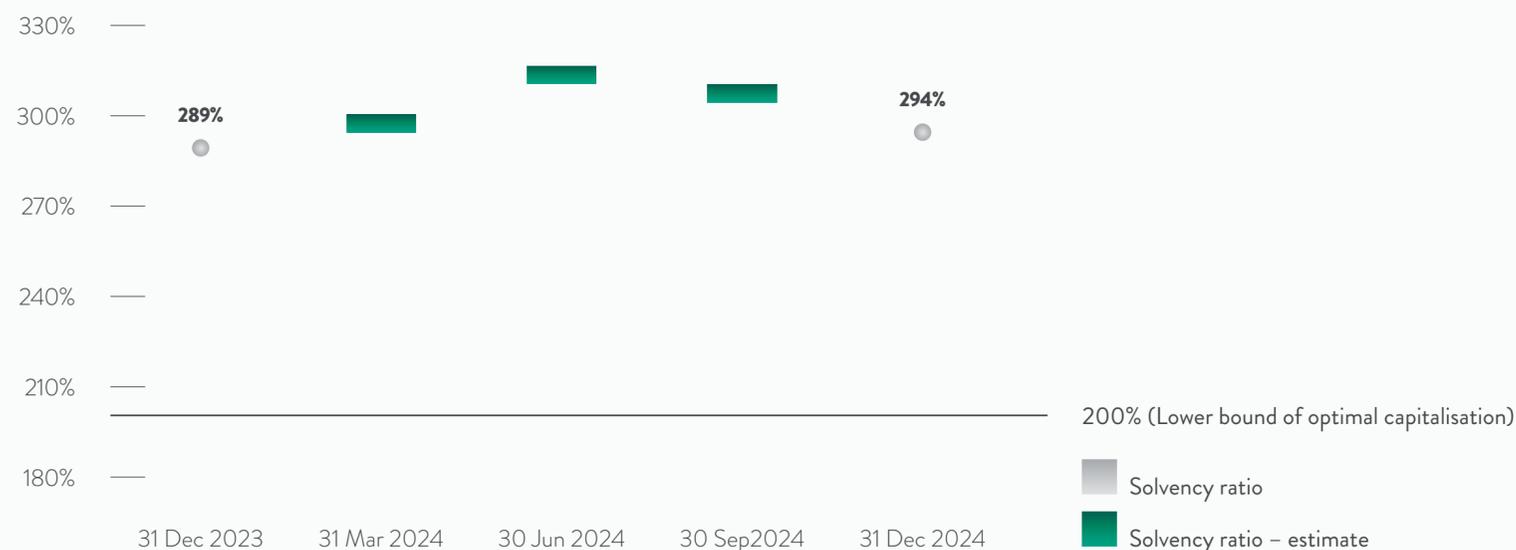
Based on the charts on the right, the Company believes that insolvency risk is low. The scenarios conducted under ORSA 2024 also demonstrated the robustness of the Group's and the Company's solvency position.

The annual calculation of capital adequacy will be discussed in more detail in the Solvency and Financial Condition Report of the Sava Insurance Group and the Solvency and Financial Condition Report of Sava Re d.d.

► Capital adequacy of the Sava Insurance Group as at 31 December 2023 and in 2024



► Capital adequacy of Sava Re as at 31 December 2023 and 31 December 2024



3.6.3 Underwriting risks

The Group and the Company are exposed to non-life, life and health underwriting risks. Accepted life reinsurance business of non-Group cedants, including accident reinsurance business, is classified as health underwriting risk. Due to its one-year duration and according to the nature of its coverage, this life reinsurance business is comparable to accepted accident reinsurance business. To measure the exposure of the Group and the Company, we use gross premiums written and gross natural catastrophe exposures in the following text. These data have not been audited.

First, we present underwriting risks arising out of non-life business. This is followed by risks arising out of life and health insurance business.

3.6.3.1 Non-life underwriting risks¹²⁷

The Group's exposure to non-life underwriting risk, measured by the volume of consolidated gross non-life premiums, is shown in the upper right graph.

The breakdown of the Group's gross non-life premiums did not change significantly in 2024.

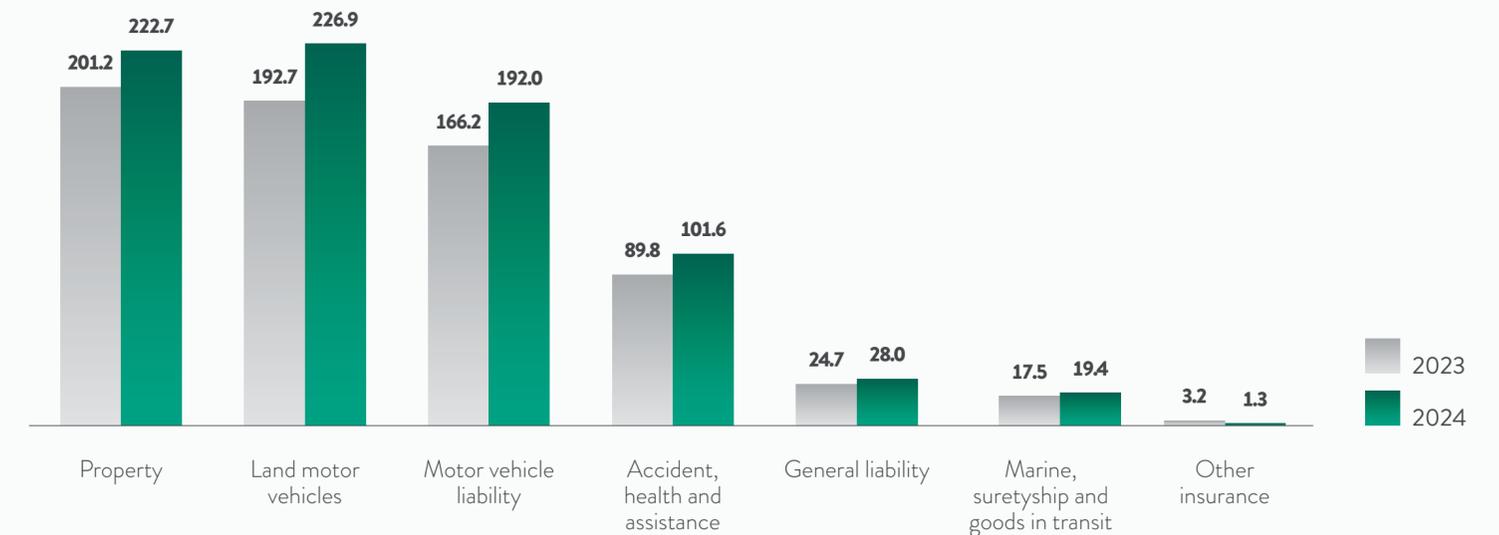
The Group's largest premium volume is generated in Slovenia and the Adriatic region, where its direct insurance subsidiaries operate; exposure to Slovenia is predominant. Premiums were higher in 2024, and the share of the largest classes of insurance increased further in 2024. The Company's other exposures are relatively well diversified globally.

The Group's and the Company's exposure to non-life underwriting risk measured by net (re)insurance contract liabilities is disclosed in note [3.7.9 "Insurance and reinsurance contract assets and liabilities"](#).

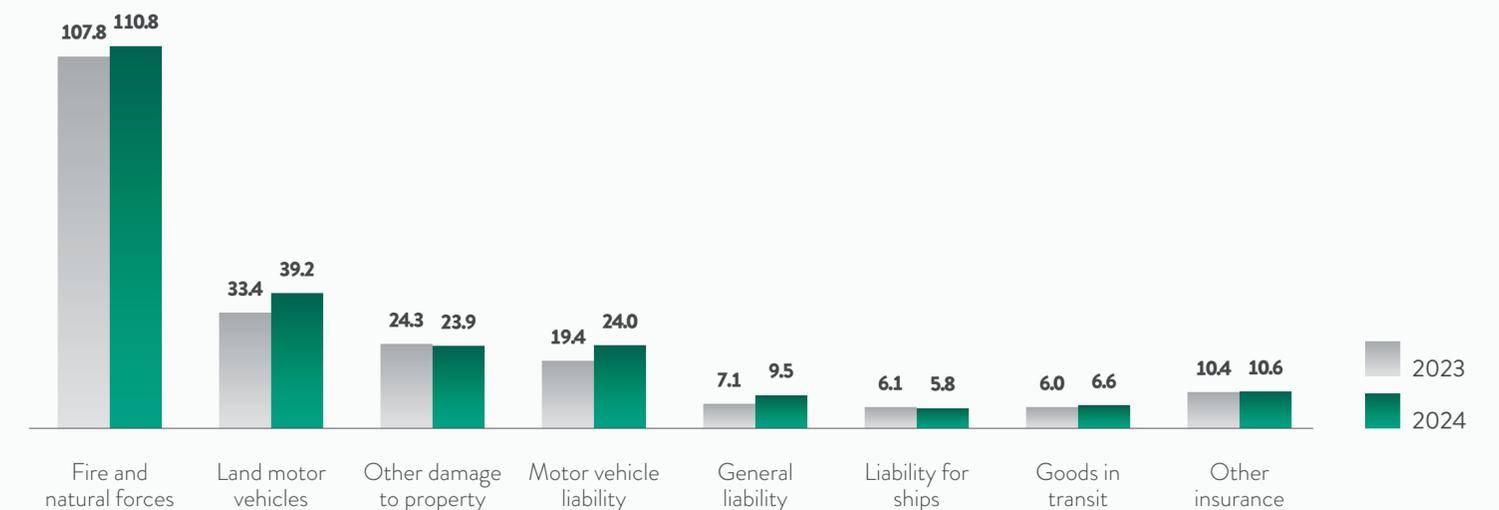
As the Group as a whole has an adequate retrocession programme in place, it is not significantly exposed to the risk of a sharp increase in net claims, even in the event of catastrophe losses. More likely is an increase in net claims due to a mass of small adverse developments (an increase in claims or expenses or decrease in premiums) that would affect the net combined ratio.

The Company's exposure to non-life underwriting risk, measured by the volume of gross non-life premiums, is shown in lower right graph, by class of insurance.

Gross premiums written by class of insurance (non-life insurance) (€m)



Gross premiums of Sava Re by class of insurance (non-life reinsurance) (€m)





The breakdown of the Company's gross non-life (re)insurance premiums did not change significantly in 2024.

The Company's exposure to non-life underwriting risk measured by net (re)insurance contract liabilities is disclosed in note [3.7.9 "Insurance and reinsurance contract assets and liabilities"](#).

The Group and the Company manage non-life underwriting risks by:

- established underwriting processes, comprising processes and an authorisation system for the underwriting of (re)insurance contracts with higher sums insured, and a process for the underwriting of (re)insurance contracts in accordance with internal underwriting guidelines for facultative underwriting for high exposures;
- underwriting limits;
- geographical diversification;
- an appropriate actuarial pricing policy applied in product design and controlling;
- an appropriate reinsurance programme.

The following sections describe risk management in more detail for each of the non-life underwriting risks.

Premium risk

The Group's and the Company's premium risk is assessed as moderate and slightly decreased compared to 2023. Uncertainties include claims inflation, which, although moderating further in 2024 compared to 2023, and the higher frequency and intensity of natural catastrophes. In the future, it will remain necessary to closely review the adequacy of the assumptions used and to react swiftly by adjusting premium rates to ensure that the Group achieves its planned results.

Most accepted non-life (re)insurance contracts are renewed annually. This allows insurers to adjust conditions and rates on an ongoing basis to reflect any adverse developments in the claims experience of entire classes of business or products, as well as for major policyholders. Thus, in the face of rising inflation in recent years and intensifying catastrophes, the Group has taken measures to increase prices for motor and non-life insurance, while the deterioration in macroeconomic conditions and the increased severity of natural catastrophes in recent years have also led to higher reinsurance premium rates, which have improved the management of the premium risks of accepted reinsurance. However, the reinsurance cycle has already

started to turn towards lower premium rates in the second half of 2024, which increases the risks of accepted reinsurance business by relaxing terms and conditions, making it all the more important to closely monitor and maintain underwriting discipline. On the other hand, this has resulted in improved retrocession conditions, so the risk of not being able to continue obtaining adequate retrocession protection along with the uncertain effects of climate change on natural catastrophes has been reduced.

The Group mitigates price risk by conducting detailed market analyses, monitoring the business environment (media, competitors, customers) and regulatory requirements, and monitoring historical claims trends (for the entire insurance market) and projections. In the case of proportional reinsurance treaties, the Company follows the fortune of its ceding companies, while with non-proportional and facultative business, the decision on assuming a risk is on the Company. It follows from the foregoing that in order to manage this risk, it is essential to review the practices of existing and future ceding companies and to analyse developments by market and class of insurance. Consequently, coverage may only be granted by following internal underwriting guidelines, and performance must be consistent

with the target combined ratios, based on available information, prices set and other relevant contractual provisions. The suitability of pricing is verified through modelling and other detailed profitability reviews.

Another underwriting process risk is PML error, the inaccurate assessment of the probable maximum loss (PML). In order to mitigate this risk, the Group has in place guidelines for PML assessment, requirements that PML assessments are a team exercise, and ensures that the reinsurance programme covers PML error.

The Group mitigates claims risk through in-depth assessments of underwriting process risk, by restricting the authorisations in the underwriting process, and by developing IT support that allows an accurate overview of claims accumulation. For accepted reinsurance, this risk, too, can be managed by means of special clauses in proportional reinsurance contracts, which limit the reinsurer's share of unexpected claims, and by not accepting unlimited layers under non-proportional contracts. Also central to reducing this risk is the annual testing of the appropriateness of reinsurance protection using a variety of stress tests and scenarios, and setting appropriate retentions.



Risk of insufficient insurance contract liabilities

The risk that the Group or the Company has of insufficient insurance contract liabilities has been assessed as medium and was at a similar level as in 2023. The risk is managed through the measures described below.

Insurance contract liabilities may be inadequate due to inaccurate actuarial estimates or unexpected adverse claims developments. This may be the result of new types of losses that are not excluded in cedants’ insurance conditions and for which no insurance contract liabilities have yet been established, which is common in liability insurance, but may also be due to changes in court practice. All the lessons learned from claims experience are then used to determine insurance contract liabilities in the future.

The adjustment of the assumptions for setting insurance contract liabilities in 2024 was affected by the change in the forecast of the expected future claims inflation, changes in individual product prices and changes in the expected level of natural catastrophe claims, whereas the run-off analyses of the liability for incurred claims previously set show positive results in 2023 (in the following text).

Based on records and understanding of the process of calculating the insurance contract liabilities, potential risks are identified and described, such as the risks relating to:

- data availability and accuracy,
- adequacy of methods and assumptions used,
- calculation errors,
- process support in the IT system and tools.

Controls are put in place for the mitigation of each identified risk. These controls ensure data quality and mitigate the risks associated with the calculation of insurance contract liabilities. The design and operational effectiveness of the controls are reviewed at least annually and whenever there is a significant change in the process or in the methods and models used to calculate insurance contract liabilities.

Such controls include:

- the reconciliation of technical items with the Company’s accounting records,
- peer review of actuarial methods and assumptions,
- defined change management controls for IT tools used in the process,
- actuarial review and approval of the level of insurance contract liabilities.

The process by which insurance contract liabilities are calculated is subject to periodic approval. Where substantial changes have been made to the process, the methodology or models used in the calculation of insurance contract liabilities, a validation is carried out in accordance with the reporting schedule.

Back-testing of adequacy of insurance contract liabilities in 2024

The Group establishes the liability for remaining coverage separately for each group of insurance contracts. In addition to the basic amount of liability for remaining coverage, Group companies establish a loss component if a contract is onerous (described in the accounting policies for insurance contracts).

The adequacy of the level of the liability for incurred claims is assessed using run-off analysis. This can only be applied to past years – the further back in time, the more precise the results. As the liabilities for incurred claims are calculated using consistent actuarial methods, we can conclude from historical differences between originally estimated and subsequently established liabilities at various balance sheet dates that the liabilities as at 31 December 2024 are adequate.

The Group companies record and analyse data on liabilities for incurred claims by accident year. The following tables show, for each accident year represented by a column, the development of the estimated ultimate claims (gross, net) of each accident year in relation to the subsequent claims development. The values in the tables, except for the last row, are not discounted.

The data in the following tables are only presented from the transition to the new accounting standard onwards, because the data are insufficient for previous years because of the application of the premium allocation approach on a large part of the non-life portfolio and the transition to the new standard using the fair value approach on certain parts of the portfolio measured using the general measurement model.

All amounts included in the following tables whose original value is in a foreign currency have been translated into euros at the rates of the ECB reference rate list published by the Bank of Slovenia as at 31 December of the relevant year. On the other hand, all cash flow amounts included in the tables below that are originally denominated in foreign currencies have been translated into euros using the average exchange rate for the year.

The actual claims development by accident year shows that the run-off of gross and net liabilities is predominantly positive. On the basis of the above, it can be concluded that the level of both the gross and net liabilities for incurred claims as at 31 December 2024 for accident years up to and including 2024 is adequate to cover the expected ultimate liabilities.



► **Development of estimated ultimate gross non-life claims of the Sava Insurance Group**

Sava Insurance Group											
(EUR thousand)											
	Year ended 31 December										
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	Total
Estimates of cumulative gross claims											
At end of accident year								500,689,696	617,042,478	629,614,176	/
Re-estimated as of 1 year later							230,203,088	448,781,487	558,485,320		/
Re-estimated as of 2 years later						145,496,372	213,530,184	430,042,622			/
Re-estimated as of 3 years later					113,899,060	136,746,105	206,090,103				/
Re-estimated as of 4 years later				57,209,581	109,242,100	137,257,660					/
Re-estimated as of 5 years later			36,001,013	53,606,089	105,389,137						/
Re-estimated as of 6 years later		25,915,715	36,125,255	57,334,735							/
Re-estimated as of 7 years later	18,097,114	25,247,364	34,258,045								/
Re-estimated as of 8 years later	16,303,107	22,590,991									/
Re-estimated as of 9 years later	14,799,836										/
Cumulative gross claims paid by reporting date	8,443,545	10,912,454	17,736,003	46,730,802	79,935,369	99,318,047	161,135,953	375,658,096	457,919,915	340,266,906	/
Gross liabilities for accident years 2015–2024	6,356,291	11,678,537	16,522,042	10,603,933	25,453,767	37,939,613	44,954,149	54,384,526	100,565,406	289,347,270	597,805,534
Gross liabilities for prior accident years											58,073,605
Effect of discounting											-54,873,540
Gross liabilities for incurred claims included in the statement of financial position											601,005,599



► Development of estimated ultimate gross non-life claims of Sava Re

Sava Re											
(EUR thousand)											
	Year ended 31 December										
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	Total
Estimates of cumulative gross claims											
At end of accident year								169,061,145	212,673,761	193,420,977	/
Re-estimated as of 1 year later							146,929,663	147,952,242	168,811,408		/
Re-estimated as of 2 years later						139,395,365	142,244,502	136,085,488			/
Re-estimated as of 3 years later					87,849,200	133,882,140	138,854,055				/
Re-estimated as of 4 years later				46,513,996	83,888,748	134,296,128					/
Re-estimated as of 5 years later			22,627,306	44,500,791	83,192,828						/
Re-estimated as of 6 years later		15,006,426	23,307,159	48,458,512							/
Re-estimated as of 7 years later	11,049,935	16,680,787	21,646,753								/
Re-estimated as of 8 years later	10,490,659	15,236,025									/
Re-estimated as of 9 years later	9,359,966										/
Cumulative gross claims paid by reporting date	6,510,387	9,888,567	15,022,576	46,789,892	73,580,458	115,585,916	112,992,075	105,831,176	114,707,876	40,492,197	/
Gross liabilities for accident years 2015–2024	2,849,578	5,347,458	6,624,177	1,668,620	9,612,369	18,710,212	25,861,980	30,254,312	54,103,532	152,928,780	307,961,019
Gross liabilities for prior accident years											35,321,967
Effect of discounting											-26,693,196
Gross liabilities for incurred claims included in the statement of financial position											316,589,789



► **Development of estimated ultimate net insurance and reinsurance claims of the Sava Insurance Group**

Sava Insurance Group											
(EUR thousand)											
	Year ended 31 December										
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	Total
Estimates of cumulative net claims											
At end of accident year								451,674,080	511,082,147	575,187,789	/
Re-estimated as of 1 year later							201,176,093	399,223,599	472,077,458		/
Re-estimated as of 2 years later						127,707,372	196,059,983	373,886,489			/
Re-estimated as of 3 years later					108,871,233	117,790,838	190,067,813				/
Re-estimated as of 4 years later				52,841,279	103,146,740	119,094,785					/
Re-estimated as of 5 years later			31,937,374	49,572,590	98,646,218						/
Re-estimated as of 6 years later		23,707,304	31,558,767	52,989,493							/
Re-estimated as of 7 years later	16,774,637	20,988,946	31,094,538								/
Re-estimated as of 8 years later	14,851,180	19,282,849									/
Re-estimated as of 9 years later	13,765,893										/
Cumulative net claims paid by reporting date	7,584,577	10,072,740	16,325,721	42,846,192	74,066,520	84,398,854	148,605,169	321,455,285	380,711,228	332,544,410	/
Net liabilities for accident years 2015–2024	6,181,316	9,210,109	14,768,817	10,143,301	24,579,698	34,695,931	41,462,644	52,431,205	91,366,230	242,643,380	527,482,630
Net liabilities for prior accident years											43,283,667
Effect of discounting											-49,153,994
Net liabilities for incurred claims included in the statement of financial position											521,612,303



► Development of estimated ultimate net insurance and reinsurance claims of Sava Re

Sava Re											
(EUR thousand)											
	Year ended 31 December										
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	Total
Estimates of cumulative net claims											
At end of accident year								132,617,573	127,557,006	146,674,432	/
Re-estimated as of 1 year later							121,436,721	113,579,157	104,619,903		/
Re-estimated as of 2 years later						124,993,433	126,385,345	94,646,889			/
Re-estimated as of 3 years later					83,429,967	118,347,871	125,378,624				/
Re-estimated as of 4 years later				42,960,816	78,306,760	119,581,823					/
Re-estimated as of 5 years later			19,811,338	40,806,960	77,017,094						/
Re-estimated as of 6 years later		13,240,849	19,901,084	44,869,773							/
Re-estimated as of 7 years later	10,178,062	12,767,671	19,245,601								/
Re-estimated as of 8 years later	9,491,264	12,656,326									/
Re-estimated as of 9 years later	8,434,022										/
Cumulative net claims paid by reporting date	5,722,744	9,271,841	14,090,171	43,190,237	67,845,020	103,388,146	103,508,862	65,051,224	57,971,150	36,206,308	/
Net liabilities for accident years 2015–2024	2,711,277	3,384,485	5,155,430	1,679,536	9,172,075	16,193,677	21,869,761	29,595,665	46,648,753	110,468,124	246,878,784
Net liabilities for prior accident years											20,908,002
Effect of discounting											-21,331,666
Net liabilities for incurred claims included in the statement of financial position											246,455,120



Lapse risk

The lapse risk in 2024 for both the Group and the Company has been assessed as low and comparable to the previous year.

It is estimated that lapse risk is less important for the Group, as the vast majority of non-life insurance policies is written for one year and cannot be terminated early without the insurer’s consent (except in case of premium default or if the subject-matter of the insurance policy is no longer owned by the policyholder or has been destroyed due to a loss event). The majority of accepted reinsurance contracts is also written for a period of one year. This risk is mitigated primarily by maintaining good relationships with policyholders and cedants and by closely analysing market conditions.

Catastrophe risk

We assess the Group’s disaster risk in 2024 as moderate and (given the volume of insurance portfolios) similar to the previous year. We also rate the same risk for the Company as moderate.

The Group manages catastrophe risk by means of a well-designed underwriting process, by controlling risk concentration for products covering larger complexes against natural catastrophes and fire, by geographical diversification, and by adequate retrocession

protection against natural and man-made catastrophes. In managing these risks, due consideration is given to the fact that maximum net aggregate losses in any one year are affected by both the maximum net claim arising from a single catastrophe event and the frequency of such events.

An appropriate reinsurance programme is important for managing the underwriting risk to which the Group is exposed. The Group uses retrocession treaties to ensure adequate risk diversification. The reinsurance programme is set up to reduce exposure to potential single large losses or the effect of a large number of single losses arising from the same loss event. The Group considers its reinsurance programme (including proportional and non-proportional reinsurance) to be appropriate in view of the risks to which it is exposed. Net retention limits set by the Group are only rarely applied. The Group provides additional risk diversification through co-insurance and reciprocal agreements with other reinsurance companies.

We consider natural catastrophe risk to be the most significant catastrophe risk to which non-life insurance is exposed. Sava Re has the highest exposure to natural catastrophes in Slovenia, whereas exposures elsewhere are relatively well-diversified globally.

The table below shows the Company’s gross natural catastrophe exposures for 10 countries with the highest exposures as at 31 December 2024 and 31 December 2023.

► **The largest gross exposure of Sava Re to natural catastrophes by country (EUR)¹²⁸**

Country	31 December 2024	Country	31 December 2023
Slovenia	468,545,937	Slovenia	472,942,000
China	44,673,679	China	48,183,550
Greece	31,160,000	Greece	36,075,000
Cyprus	30,261,500	Taiwan	32,530,091
Taiwan	29,950,790	Vietnam	30,842,603
United Kingdom	28,922,023	Germany	30,300,050
Serbia	28,752,500	India	30,298,091
Vietnam	27,791,683	Austria	29,726,240
Austria	27,405,369	Serbia	29,543,248
Poland	26,756,964	Romania	28,616,100
Total	744,220,446	Total	769,056,973

Exposures to Slovenia were slightly lower compared to the previous year (by EUR 4.4 million), while exposures in other markets also decreased slightly. The countries with the highest gross exposure in 2024 also include Cyprus, the United Kingdom and Poland.

At the Group level, as shown in the table above, exposure to natural catastrophes is higher in regions where the Group companies write non-life insurance. Thus, the largest gross aggregate

exposure to natural catastrophes is concentrated in Slovenia, and the Group has a reinsurance programme to cover catastrophe risks (detailed below), thereby transferring a portion of the risk to reinsurers. The following table shows the gross aggregate exposure in Slovenia by peril.

128 For exposure, in countries where modelled exposure data is available, PML assumptions (250-year events) are used, but where this data is not available, the sum insured is used as the maximum exposure.

► **Gross aggregate exposure to individual natural catastrophes by country (sums insured)¹²⁹**

EUR thousand	2024	2023
Flood	16,376,578	15,060,648
Earthquake	22,505,434	18,566,047
Storm and hail	63,552,974	56,534,206

The Group’s primary insurance business and separately accepted non-Group reinsurance business is protected against natural catastrophes based on non-proportional catastrophe excess-of-loss coverages for own account. Even prior to the operation of the non-proportional protection, the portfolio of the earthquake (re)insurance business of the Group’s cedants is protected by a quota share retrocession treaty. This means that if a major event occurs, the Group will suffer a loss equal, at most, to the amount of the priority of the catastrophe excess-of-loss cover plus a reinstatement premium. In this way, the maximum net exposure of a portfolio to a catastrophe event is limited by the retention up to the capacity of the reinsurance cover. If the Group makes additional use of the coverage, it is subject to provisions concerning reinstatements, meaning that it needs to purchase protection for the remaining period of cover. This is a common instrument available in the international reinsurance market at a price that is usually lower than the original cover due to the shorter coverage period.

Sensitivity analysis for non-life underwriting risks

For non-life insurance, we have assumed a change in the gross claims ratio and restated the impact on profit or loss and AOCI¹³⁰. The effects shown in the following tables are net of income tax. We show the effect calculation for the Group and the Company separately.

► **Sensitivity analysis as at 31 December 2024**

Sava Insurance Group					
EUR	Change in assumptions	Profit or loss ¹³¹		AOCI	
		Gross	Net	Gross	Net
Gross loss ratio	+10%	-57,870,346	-52,228,706	-104,489	-97,043
Gross loss ratio	-10%	55,710,517	50,113,675	104,253	96,860

► **Sensitivity analysis as at 31 December 2023**

Sava Insurance Group					
EUR	Change in assumptions	Profit or loss		AOCI	
		Gross	Net	Gross	Net
Gross loss ratio	+10%	-62,157,036	-52,020,629	-79,090	-83,065
Gross loss ratio	-10%	55,574,989	45,515,666	79,171	83,145

Most of the effect of a change in the gross loss ratio is reflected in the income statement, while the direct effect of this type of sensitivity analysis on equity is small. The impact on profit or loss as at 31 December 2024 is the same as the impact as at 31 December 2023.

► **Sensitivity analysis as at 31 December 2024**

Sava Re					
EUR	Change in assumptions	Profit or loss		AOCI	
		Gross	Net	Gross	Net
Gross loss ratio	+10%	-19,536,744	-14,671,280	-48,543	-39,794
Gross loss ratio	-10%	19,230,484	14,365,019	48,543	39,794

► **Sensitivity analysis as at 31 December 2023**

Sava Re					
EUR	Change in assumptions	Profit or loss		AOCI	
		Gross	Net	Gross	Net
Gross loss ratio	+10%	-21,261,342	-12,615,739	39,956	34,039
Gross loss ratio	-10%	21,064,541	12,418,939	-39,956	-34,039

Most of the effect of a change in the gross loss ratio is reflected in the income statement, while the direct effect of this type of sensitivity analysis on AOCI is small. The effect on profit or loss as at 31 December 2024 was at the same level as at 31 December 2023.

¹²⁹ The data compiled are as at 30 June of each year.

¹³⁰ Effect on accumulated other comprehensive income.

¹³¹ The effect on profit or loss is shown before reinsurance (gross) and after reinsurance (net).



Assessed risk exposure in 2024 compared to 2023

The Group’s non-life underwriting risk is assessed as moderate. In 2024, both premium risk and provisioning and catastrophe risk remained at similar levels to 2023. We believe that these risks are well managed by the Group and the Company.

According to our assessment, the likelihood that the non-life underwriting risk would seriously compromise the Group’s or the Company’s financial stability is estimated as low.

3.6.3.2 Life underwriting risk

The main life underwriting risks relevant to the Company and the Group are the mortality risk, life expense risk and lapse risk (which includes terminations due to surrenders, changes to paid-up status and defaults).

The Group is moderately exposed to life underwriting risk. The Group’s main exposure to life underwriting risk is in the EU. The chart on the right shows the structure of the Group’s gross life insurance premiums by class of business.

The Company’s exposure to life underwriting risk is low. In 2024, gross reinsurance premiums for traditional life insurance amounted to EUR 1,444 thousand (2023: EUR 1,242 thousand), and gross unit-linked life insurance premiums were EUR 63 thousand (2023: EUR 86 thousand).

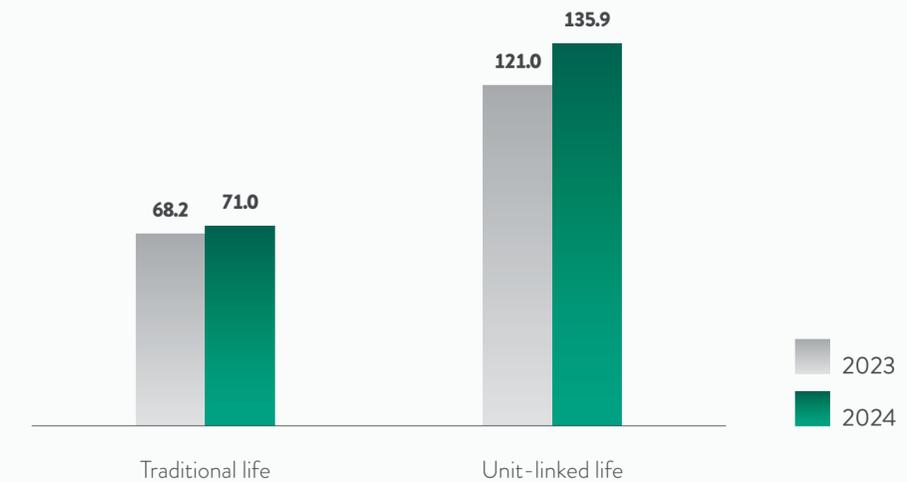
The Group’s and the Company’s exposure to life underwriting risk measured by net (re)insurance contract liabilities is disclosed in note [3.7.9 “Insurance and reinsurance contract assets and liabilities”](#).

Life underwriting risks are also managed by periodically monitoring the life portfolio composition, exposures, premium payment patterns, lapse rates and expenses incurred, as well as by analysing the appropriateness of the modelling of the expected mortality and morbidity, and lapse rates. The information so obtained allows for timely action in the case of adverse developments in these indicators.

The Group additionally manages life underwriting risk by strictly following underwriting and risk assessment procedures. These specify the criteria and terms of approving risk acceptance. At given premium rates, risk assumption depends on the age at entry and the requested sum insured. The Group accepts a risk if the health of the insured, as a measure of the quality of the risk, meets the criteria set out in the medical underwriting table. An additional factor in the assumption of risks is lifestyle, including leisure activities and occupation. The Group has in place an appropriate reinsurance programme in order to limit the impact of underwriting risk (death and additional risks); covers are generally on a proportional basis. The retention of insurance companies does not exceed EUR 100,000.

There is no significant concentration of life underwriting risk at the Group level, as the portfolio is well-diversified in terms of the age of the insured persons, the remaining period of insurance, exposures (of sums insured and sums at risk), and premium payment schedule. The portfolio is also diversified in terms of the percentage of policies lapsed in a period, expenses, and mortality and morbidity rates by product.

► Gross premiums of the Sava Insurance Group by class of insurance (life insurance) (€m)





Sensitivity analysis for life underwriting risks

For life insurance, we have assumed a change in the assumptions for mortality rates, morbidity and disability rates, longevity rates, expenses and lapse rates. The change in assumptions for longevity rates also takes into account the annuities of Sava Pokojninska Družba. We have restated the effect on profit or loss and AOCI. The effects shown in the following tables are net of income tax.

► Sensitivity analysis as at 31 December 2024

Sava Insurance Group					
EUR	Change in assumptions	Profit or loss		AOCI	
		Gross	Net	Gross	Net
Mortality rates	+10%	-405,297	-405,297	51,871	51,454
Mortality rates	-10%	327,019	327,019	-34,755	-34,049
Morbidity and disability rates	+10%	-55,810	-55,810	139,262	139,241
Morbidity and disability rates	-10%	55,768	55,768	-139,547	-139,526
Longevity rates	+10%	11,418	11,418	-78,316	-78,316
Longevity rates	-10%	-108,814	-108,814	69,362	69,362
Expenses	+10%	-522,524	-522,524	359,549	359,549
Expenses	-10%	441,901	441,901	-359,082	-359,082
Lapse rates	+10%	125,281	125,281	-1,288,789	-1,315,634
Lapse rates	-10%	-152,848	-152,848	1,478,487	1,508,514

► Sensitivity analysis as at 31 December 2023

Sava Insurance Group					
EUR	Change in assumptions	Profit or loss		AOCI	
		Gross	Net	Gross	Net
Mortality rates	+10%	-240,381	-240,381	-4,544	-5,063
Mortality rates	-10%	158,663	158,663	21,676	22,541
Morbidity and disability rates	+10%	-49,745	-49,745	425,013	425,011
Morbidity and disability rates	-10%	32,577	32,577	-425,531	-425,529
Longevity rates	+10%	16,122	16,122	-9,478	-9,478
Longevity rates	-10%	-42,839	-42,839	13,438	13,438
Expenses	+10%	-568,313	-568,313	538,662	538,662
Expenses	-10%	355,294	355,294	-585,923	-585,923
Lapse rates	+10%	147,704	147,704	-1,663,994	-1,693,872
Lapse rates	-10%	-173,660	-173,660	1,902,940	1,936,301

Based on the sensitivity analysis performed, it can be concluded that the sensitivities performed do not have a material impact on profit or loss. The direct effect on AOCI as at 31 December 2024 was greatest for the change in the lapse rate.

Assessed risk exposure in 2024 compared to 2023

We estimate the Group's life underwriting risk as moderate and well managed, remaining at a similar level to 2023.

3.6.3.3 Health underwriting risk

Most of the exposure to health underwriting risk relates to accident insurance classified as NSLT health insurance, but the exposure to SLT health insurance is very small.

NSLT health underwriting risks are, inherently, very similar to non-life underwriting risks and are therefore discussed in greater detail in section [3.6.3.1 “Non-life underwriting risks”](#). The Group manages NSLT-health underwriting risks through similar techniques, i.e. by means of a well-designed underwriting process, control of risk concentration for accident and health insurance products, and adequate reinsurance protection.

SLT health underwriting risks are very similar in nature to life underwriting risks and are therefore managed using similar techniques. These are discussed in more detail in section [3.6.3.2 “Life underwriting risks”](#). These insurances were taken into account in our sensitivity analysis for life underwriting risks.

Assessed risk exposure in 2024 compared to 2023

We consider the Group’s and the Company’s exposure to health underwriting risk in 2024 small and comparable to 2023.

3.6.4 Financial risks¹³²

The Company’s financial operations expose it to financial risks arising from its investment portfolio, including market, liquidity and credit risks.

The value of the investment portfolio includes the following balance sheet items: financial investments, investment property, investments in associates and subsidiaries, and cash and cash equivalents. The value of this investment portfolio as at 31 December 2024 was EUR 319.4 million higher than as at 31 December 2023.

A more detailed presentation of the portfolio’s carrying amount is shown in the following table, separately for the investment portfolio supporting non-life and traditional life insurance contract liabilities (investments other than investments supporting direct participating contracts) and the investment portfolio supporting unit-linked life insurance contract liabilities (investments supporting direct participating contracts).





► Value and composition of the investment portfolio
in terms of financial risk assumption as at 31 December 2024

Sava Insurance Group				
EUR	Investments other than investments supporting direct participating contracts	Investments supporting direct participating contracts	Total	As % of total
Fixed-rate investments	1,453,477,571	51,629,684	1,505,107,255	61.9%
Government bonds	922,745,929	35,621,500	958,367,429	39.4%
Corporate and financial bonds	503,431,689	16,008,183	519,439,873	21.4%
Deposits	27,299,953	0	27,299,953	1.1%
Shares and mutual funds	44,408,674	706,535,197	750,943,871	30.9%
Shares	23,464,857	0	23,464,857	1.0%
Mutual funds	20,943,817	706,535,197	727,479,014	29.9%
Bond and money market	12,952,897	61,271,644	74,224,541	3.1%
Mixed	493	112,121,942	112,122,435	4.6%
Equity funds	7,990,427	533,141,611	541,132,038	22.3%
Alternative funds	72,361,306	0	72,361,306	3.0%
Real estate	12,583,880	0	12,583,880	0.5%
Investment property	24,147,256	0	24,147,256	1.0%
Cash and cash equivalents	46,243,890	6,105,875	52,349,765	2.2%
Investments in associates	25,615,695	0	25,615,695	1.1%
Other	667,770	0	667,770	0.0%
Financial investments	1,666,922,163	764,270,756	2,431,192,918	100.0%

► Value and composition of the investment portfolio
in terms of financial risk assumption as at 31 December 2023

Sava Insurance Group				
EUR	Investments other than investments supporting direct participating contracts	Investments supporting direct participating contracts	Total	As % of total
Fixed-rate investments	1,302,427,144	53,000,147	1,355,427,291	64.2%
Government bonds	819,083,092	32,439,945	851,523,037	40.3%
Corporate and financial bonds	457,727,881	20,560,202	478,288,083	22.6%
Deposits	25,616,171	0	25,616,171	1.2%
Shares and mutual funds	40,318,822	544,804,326	585,123,149	27.7%
Shares	21,754,273	0	21,754,273	1.0%
Mutual funds	18,564,549	544,804,326	563,368,876	26.7%
Bond and money market	13,293,605	47,248,244	60,541,849	2.9%
Mixed	160	113,793,106	113,793,266	5.4%
Equity funds	5,270,784	383,762,976	389,033,761	18.4%
Alternative funds	71,228,051	0	71,228,051	3.4%
Real estate	13,888,193	0	13,888,193	0.7%
Investment property	24,890,276	0	24,890,276	1.2%
Cash and cash equivalents	39,829,039	10,730,924	50,559,963	2.4%
Investments in associates	23,834,620	0	23,834,620	1.1%
Other	754,140	0	754,140	0.0%
Financial investments	1,503,282,093	608,535,398	2,111,817,490	100.0%

The value of the Company’s investment portfolio as at 31 December 2024 was EUR 92.5 million higher than as at 31 December 2023, as explained in section [A.8.2.2.4 “Investment portfolio”](#).



► Value and composition of the investment portfolio in terms of financial risk assumption

Sava Re						
Type of investment	31 December 2024	As % of total 31 December 2024	31 December 2023	As % of total 31 December 2023	Absolute difference	% change (pp)
Fixed-rate investments	405,306,716	51.2%	318,703,128	45.6%	86,603,588	5.6
Government bonds	276,117,368	34.9%	229,591,819	32.8%	46,525,549	2.0
Corporate and financial bonds	128,166,428	16.2%	88,089,961	12.6%	40,076,467	3.6
Deposits	1,022,920	0.1%	1,021,347	0.1%	1,572	0.0
Shares and mutual funds	10,531,858	1.3%	7,997,287	1.1%	2,534,570	0.2
Shares	3,204,768	0.4%	3,538,972	0.5%	-334,205	-0.1
Mutual funds	7,327,090	0.9%	4,458,315	0.6%	2,868,775	0.3
Bond and money market	2,485,595	0.3%	2,397,194	0.3%	88,401	0.0
Equity funds	4,841,495	0.6%	2,061,121	0.3%	2,780,375	0.3
Alternative funds	25,968,887	3.3%	24,968,877	3.6%	1,000,010	-0.3
Real estate	3,565,302	0.5%	3,884,428	0.6%	-319,126	-0.1
Investment property	7,431,872	0.9%	7,582,168	1.1%	-150,296	-0.1
Cash and cash equivalents	14,724,094	1.9%	12,260,049	1.8%	2,464,045	0.1
Investments in subsidiaries and associates	325,409,606	41.1%	325,241,793	46.5%	167,813	-5.4
Other	2,578,592	0.3%	2,714,904	0.4%	-136,313	-0.1
Total financial investments exposed to financial risk	791,951,623	100.0%	699,468,206	100.0%	92,483,417	-



3.6.4.1 Market risk

As part of the management of market risk, the Group and the Company assess interest rate risk, property price risk, equity price risk and currency risk. The following table shows the Group's investments exposed to market risk (investment portfolio excluding cash and cash equivalents).

► Group financial investments exposed to market risk

Sava Insurance Group						
Type of investment	31 December 2024	As % of total 31 December 2024	31 December 2023	As % of total 31 December 2023	Absolute difference	% change (pp)
Fixed-rate investments	1,453,477,571	61.1%	1,302,427,144	63.2%	151,050,427	96.7
Government bonds	922,745,929	38.8%	819,083,092	39.7%	103,662,837	97.6
Corporate and financial bonds	503,431,689	21.2%	457,727,881	22.2%	45,703,808	95.3
Deposits	27,299,953	1.1%	25,616,171	1.2%	1,683,782	92.3
Shares and mutual funds	44,408,674	1.9%	40,318,822	2.0%	4,089,852	95.4
Shares	23,464,857	1.0%	21,754,273	1.1%	1,710,584	93.5
Mutual funds	20,943,817	0.9%	18,564,549	0.9%	2,379,268	97.8
Bond and money market	12,952,897	0.5%	13,293,605	0.6%	-340,707	84.4
Mixed	493	0.0%	160	0.0%	333	266.4
Equity funds	7,990,427	0.3%	5,270,784	0.3%	2,719,642	131.4
Alternative funds	72,361,306	3.0%	71,228,051	3.5%	1,133,255	88.0
Real estate	12,583,880	0.5%	13,888,193	0.7%	-1,304,313	78.5
Investment property	24,147,256	1.0%	24,890,276	1.2%	-743,020	84.1
Investments in associates	25,615,695	1.1%	23,834,620	1.2%	1,781,075	93.1
Other	667,770	0.0%	754,140	0.0%	-86,370	76.7
Investments of contracts with direct participation	758,164,880	31.9%	597,804,473	29.0%	160,360,407	109.9
Without interest-rate guarantee	706,535,197	29.7%	544,804,326	26.4%	161,730,870	112.4
With interest-rate guarantee	51,629,684	2.2%	53,000,147	2.6%	-1,370,463	84.4
Investment portfolio	2,378,843,153	100.0%	2,061,257,527	100.0%	317,585,626	-
Investment portfolio excluding investments in associates	2,353,227,458	-	2,037,422,907	-	315,804,551	-



The value of the Group’s investment portfolio exposed to market risk increased by EUR 317.6 million in 2024 compared to year-end 2023, which is explained in section [A.8.1.3.4 “Investment portfolio”](#). The following table shows the Group’s and the Company’s investments exposed to market risk (investment portfolio excluding cash and cash equivalents).

► **Sava Re financial investments exposed to market risk**

Sava Re						
Type of investment	31 December 2024	As % of total 31 December 2024	31 December 2023	As % of total 31 December 2023	Absolute difference	% change (pp)
Fixed-rate investments	405,306,716	52.1%	318,703,128	46.4%	86,603,588	112.4
Government bonds	276,117,368	35.5%	229,591,819	33.4%	46,525,549	106.3
Corporate bonds	128,166,428	16.5%	88,089,961	12.8%	40,076,467	128.6
Deposits	1,022,920	0.1%	1,021,347	0.1%	1,572	88.6
Shares and mutual funds	10,531,858	1.4%	7,997,287	1.2%	2,534,570	116.4
Shares	3,204,768	0.4%	3,538,972	0.5%	-334,205	80.1
Mutual funds	7,327,090	0.9%	4,458,315	0.6%	2,868,775	145.3
Bond and money market	2,485,595	0.3%	2,397,194	0.3%	88,401	91.7
Equity funds	4,841,495	0.6%	2,061,121	0.3%	2,780,375	207.7
Alternative funds	25,968,887	3.3%	24,968,877	3.6%	1,000,010	92.0
Real estate	3,565,302	0.5%	3,884,428	0.6%	-319,126	81.2
Investment property	7,431,872	1.0%	7,582,168	1.1%	-150,296	86.7
Investments in subsidiaries and associates	325,409,606	41.9%	325,241,793	47.3%	167,813	88.5
Other	2,578,592	0.3%	2,714,904	0.4%	-136,313	84.0
Investment portfolio	777,227,530	100.0%	687,208,157	100.0%	90,019,373	100.0
Investment portfolio excluding investments in associates and subsidiaries	451,817,924	-	361,966,364	-	89,851,560	-

More information on the investment portfolio is provided in section [A.8.2.2.4 “Investment portfolio”](#).



3.6.4.1.1 Interest rate risk

Interest rate risk is measured through sensitivity analysis, which measures the change in value of interest rate sensitive investments and the change in value of insurance contract liabilities when interest rates change by 1 percentage point or 100 basis points.

The interest rate sensitive portion of the investment portfolio includes government and corporate bonds, private and infrastructure debt, and bond and mixed funds (for mixed and convertible funds, only half of the value is included in the sensitivity analysis). Included are assets covering the liabilities of non-life and traditional life insurance and reinsurance contracts, including the liabilities of insurance contracts with direct participation features. This year, we also included infrastructure and private debt in the interest rate risk calculation and 50% of the value of convertible mutual funds instead of the total value of these funds. For the purpose of determining interest rate sensitivity, financial assets and liabilities are measured at fair value.

On the liabilities side, all liabilities arising from (re)insurance contracts are included in line with the IFRS 17 valuation. In the table, assets and liabilities relating to non-life and traditional life

insurance business are shown together, whereas assets and liabilities relating to life insurance where policyholders bear the investment risk are shown separately under direct participating contracts.

The Group's investment portfolio, excluding investments in direct participating contracts, also includes variable-rate investments. These investments are linked to a 3-month Euribor and therefore the Company has not recorded the effects of the benchmark reform (IBOR), which provides for the substitution of certain interest rate benchmarks. It holds no other variable-rate investments. The Group does not have any variable-rate liabilities.

The value of investments, excluding investments in direct participating contracts, was significantly higher than insurance and reinsurance contract liabilities due to the interest-sensitive nature of the investments of Group companies' own funds that are not directly intended to cover insurance and reinsurance contract liabilities. The higher value of (re)insurance contract assets in relation to (re)insurance contract liabilities also affects the higher sensitivity of insurance contract assets. In managing these investments, Group companies ensure that the maturities of the investments match those of the liabilities.

The value of the investments underlying direct participating contracts is lower than the corresponding liabilities due to the fact that only interest rate sensitive investments with a total value of EUR 169.0 million are shown

among the investments underlying direct participating contracts (31 December 2023: EUR 156.8 million), while all the presented liabilities relating to direct participating contracts are interest rate sensitive.

► Interest rate sensitive investments and liabilities from the Group's insurance and reinsurance contracts

Sava Insurance Group		
EUR	31 December 2024	31 December 2023
Financial investments		
Investments other than investments supporting direct participating contracts, of which	1,448,409,188	1,300,557,011
– Fixed-rate investments	1,448,409,188	1,299,750,935
– Variable-rate investments	0	806,076
Investments supporting direct participating contracts*, of which	168,960,527	156,779,430
– Fixed-rate investments	168,960,527	156,779,430
Financial liabilities	-116,019,445	-58,702,709
Total financial investments	1,501,350,270	1,398,633,732
Insurance and reinsurance contracts		
(Re)insurance contract liabilities (other than for direct participating contracts)	1,095,490,634	1,065,751,789
(Re)insurance contract assets (other than for direct participating contracts)	-88,361,116	-117,087,045
Direct participating contracts	739,860,541	586,910,698
Total insurance and reinsurance contracts	1,746,990,059	1,535,575,442

* Includes interest rate sensitive investments. These are debt securities and interest rate sensitive investments in bond and mixed mutual funds underlying participating contracts.



For the Company, the table shows total reinsurance contract assets and liabilities. The Company does not have any investments or liabilities linked to variable interest rates. It also has no investments in direct participating contracts.

The value of interest rate sensitive investments net of financial liabilities was significantly above the value of insurance and reinsurance contract liabilities as at 31 December 2024 due to the

interest-sensitive nature of the investments of the Company's own funds that are not directly intended to cover insurance and reinsurance contract liabilities. The excess of investments over liabilities increases the Company's sensitivity to changes in interest rates. In managing these investments, the Company ensures that the maturities of the investments match those of the liabilities.

► Interest rate sensitive investments supporting and liabilities arising from reinsurance contracts of Sava Re

Sava Re		
EUR	31 December 2024	31 December 2023
Financial investments		
Investments other than investments supporting direct participating contracts, of which	410,117,736	324,287,206
– Fixed-rate investments	410,117,736	323,783,408
– Variable-rate investments	0	503,797
Financial liabilities	-116,019,445	-58,702,709
Total financial investments	294,098,291	265,584,497
Insurance and reinsurance contracts		
Insurance and reinsurance contract liabilities (other than for direct participating contracts)	288,267,700	296,199,571
Insurance and reinsurance contract assets	-71,632,122	-100,857,965
Total insurance and reinsurance contracts	216,635,578	195,341,606

Sensitivity analysis of the Sava Insurance Group to interest rate changes

The interest rate sensitivity analysis shows separately the impact on profit or loss and on AOCI in the event of a 100 basis point increase or decrease in interest rates, on a pre-tax basis. The total impact of both the contract value and the related investments of this portfolio is already presented under “Direct participating contracts

and investments supporting direct participating contracts”. The impact of a change in interest rates on an insurer's profit or loss or AOCI depends on the IFRS category of each interest rate sensitive investment. In accordance with the accounting policies adopted by the Group companies, the majority of the changes in value of the items are recognised in AOCI with only a minor impact on profit or loss.

► Results of sensitivity analysis of interest rate risk sensitive investments

Sava Insurance Group				
	Profit or loss		AOCI	
	Increase (+100 bps)	Decrease (-100 bps)	Increase (+100 bps)	Decrease (-100 bps)
EUR				
31 December 2024				
Insurance and reinsurance contracts (other than direct participating contracts)	410,643	-464,955	26,460,528	-29,713,135
Financial investments (other than those supporting direct participating contracts)	-927,445	986,755	-39,710,780	42,226,797
Direct participating contracts and investments supporting direct participating contracts	-2,750	801	-148,806	155,693
	-519,552	522,602	-13,399,057	12,669,355
31 December 2023				
Insurance and reinsurance contracts (other than direct participating contracts)	346,437	-395,100	24,637,677	-28,600,218
Financial investments (other than those supporting direct participating contracts)	-750,810	806,026	-39,299,988	42,529,399
Direct participating contracts and investments supporting direct participating contracts	82,634	-132,489	-130,533	136,910
	-321,738	278,438	-14,792,844	14,066,091



As can be seen from the results, an increase in interest rates has a negative effect, while a decrease in interest rates has a positive effect, mainly on the Company's AOCI.

The average maturity of bonds and deposits supporting the non-life business was 2.5 years at year-end 2024 (31 December 2023: 2.6 years), whereas the expected maturity of non-life liabilities was 2.2 years (31 December 2023: 2.2 years).

The average maturity of bonds and deposits supporting the life business was 3.7 years at year-end 2024 (31 December 2023: 4.0 years), and the expected maturity of life insurance contract liabilities was 7.1 years (31 December 2023: 7.5 years).

Interest rate risk in 2024 is at a comparable level to the previous year.

Sensitivity analysis to changes in interest rates for Sava Re

► Results of sensitivity analysis of interest rate risk sensitive investments

Sava Re	Profit or loss		AOCI	
	Increase (+100 bps)	Decrease (-100 bps)	Increase (+100 bps)	Decrease (-100 bps)
EUR				
31 December 2024				
Insurance and reinsurance contracts	0	0	4,898,940	-5,254,352
Financial investments	-213,502	226,079	-8,928,028	9,360,253
	-213,502	226,079	-4,029,088	4,105,901
31 December 2023				
Insurance and reinsurance contracts	0	0	4,157,916	-4,639,531
Financial investments	-363,190	364,873	-7,571,463	6,948,834
	-363,190	364,873	-3,413,548	2,309,303

As can be seen from the results, an increase in interest rates has a negative effect, and a decrease in interest rates has a positive effect mainly on the Company's AOCI.

Overall interest-rate sensitivity increased slightly compared to the previous year, whereas the expected volatility of market interest rates

remained elevated due to the macroeconomic environment. There was no impact on the income statement for insurance and reinsurance contracts. This is because no new reinsurance contracts were recognised in the last month.

We estimate that the interest rate risk remained at about the same level as the previous year.





3.6.4.1.2 Risk of change in the market value of property investments

The Group and the Company are exposed to the risk of change in the market value of property investments as part of the risks affecting the investment portfolio. In addition to investment property, real estate funds shown as alternative investments under financial investments are also exposed to this risk.

The value of the Group's investments exposed to investment property risk decreased by EUR 2.1 million compared to the previous period. The value of the Company's investments exposed to investment property risk decreased by EUR 0.5 million compared to the previous period.

The risk was assessed through a sensitivity analysis to a 15% decrease in the value of the investments. The result is shown in the following two tables on the right, separately for the Group and Sava Re.

If the selected shock were to occur, the value of the Group's investments exposed to investment property risk would decrease by slightly less than in the previous period, while the value of the Company's investments exposed to investment property risk would decrease by almost the same amount as in the previous period. The investment property price risk has not changed significantly compared to the previous year.

► Investment property

Sava Insurance Group						
EUR	31 December 2024	As % of total 31 December 2024	31 December 2023	As % of total 31 December 2023	Absolute change	% change (pp)
Investment property	24,147,256	1.5%	24,890,276	1.7%	-743,020	-0.2
Real estate funds	12,583,880	0.8%	13,888,193	0.9%	-1,304,313	-0.2
Total	36,731,136	2.3%	38,778,469	2.6%	-2,047,333	-0.3

Sava Re						
EUR	31 December 2024	As % of total 31 December 2024	31 December 2023	As % of total 31 December 2023	Absolute change	% change (pp)
Investment property	7,431,872	1.0%	7,582,168	1.1%	-150,296	-0.1
Real estate funds	3,565,302	0.5%	3,884,428	0.6%	-319,126	-0.1
Total	10,997,175	1.4%	11,466,596	1.6%	-469,421	-0.2

► Result of sensitivity analysis of real estate investments

Sava Insurance Group				
EUR	Profit or loss		AOCI	
	Increase (+15%)	Decrease (-15%)	Increase (+15%)	Decrease (-15%)
31 December 2024				
Investment property	3,622,088	-3,622,088	0	0
Real estate funds	1,887,582	-1,887,582	0	0
Total	5,509,670	-5,509,670	0	0
31 December 2023				
Investment property	3,733,541	-3,733,541	0	0
Real estate funds	2,083,229	-2,083,229	0	0
Total	5,816,770	-5,816,770	0	0

► Result of sensitivity analysis of real estate investments

Sava Re				
EUR	Profit or loss		AOCI	
	Increase (+15%)	Decrease (-15%)	Increase (+15%)	Decrease (-15%)
31 December 2024				
Investment property	1,114,781	-1,114,781	0	0
Real estate funds	534,795	-534,795	0	0
Total	1,649,576	-1,649,576	0	0
31 December 2023				
Investment property	1,137,325	-1,137,325	0	0
Real estate funds	582,664	-582,664	0	0
Total	1,719,989	-1,719,989	0	0



3.6.4.1.3 Equity price risk

Exposed to this risk on the Group level are shares and equity, mixed and convertible mutual funds (for mixed and convertible funds, half of the value is included in the sensitivity analysis), alternative funds (infrastructure funds) and ETFs.

Unlike the bond portfolio, which moves inversely to interest rates, the value of equities and mutual funds changes linearly with stock prices. Equity price risk is measured by a sensitivity analysis, i.e., the change in the value of such investments in case of a 20% change.

The Company's assets exposed to equity price risk include equities, equity and convertible mutual funds, and infrastructure funds. Investments in subsidiaries and associates are disclosed in section [3.6.4.1.4 "Risk of change in value of investments in subsidiaries and associates of the Sava Insurance Group and Sava Re"](#).

► Equity investments and direct participating contracts included in the sensitivity analysis

Sava Insurance Group						
EUR	31 December 2024	As % of total 31 December 2024	31 December 2023	As % of total 31 December 2023	Absolute change 31 Dec 2024 - 31 Dec 2023	% change (pp)
Financial investments						
Shares	23.464.857	3.5%	21.754.273	4.2%	1.710.584	-0.7
Of which shares in Slovenian companies	5.044.553	0.8%	5.593.016	1.1%	-548.463	-0.3
Equity, mixed and convertible mutual funds	11.354.144	1.7%	8.518.019	1.7%	2.836.125	0.0
Alternative funds	46.565.451	6.9%	42.038.879	8.2%	4.526.572	-0.5
Private equity funds	2.423.027	0.4%	1.641.000	0.3%	782.027	0.0
Infrastructure funds	44.142.424	6.6%	40.397.879	7.9%	3.744.545	-0.6
Investments supporting direct participating contracts*	589.204.597	87.9%	440.659.529	85.9%	148.545.067	1.3
Total financial investments	670.589.048	100.0%	512.970.700	100.0%	157.618.348	/
Insurance and reinsurance contracts						
Direct participating contracts	739.860.541	100.0%	586.910.698	100.0%	152.949.843	/
Total insurance and reinsurance contracts	739.860.541	100.0%	586.910.698	100.0%	152.949.843	/

* Includes investments exposed to equity price risk in equity and mixed mutual funds supporting direct participating contracts.

► Equity investments included in the sensitivity analysis

Sava Re						
EUR	31 December 2024	As % of total 31 December 2024	31 December 2023	As % of total 31 December 2023	Absolute change 31 Dec 2024 - 31 Dec 2023	% change (pp)
Shares	3.204.768	0.5%	3.538.972	0.5%	-334.205	0.0
– Shares in Slovenian companies	2.842.924	0.4%	3.298.739	0.5%	-455.816	-0.1
Equity and convertible mutual funds	5.580.443	0.8%	2.781.318	0.4%	2.799.125	0.4
Alternative funds (excluding real estate)	18.386.780	2.7%	16.248.331	2.4%	2.138.450	0.3
– Private equity funds	2.021.996	0.3%	1.641.000	0.2%	380.996	0.1
– Infrastructure funds	16.364.784	2.4%	14.607.331	2.1%	1.757.453	0.3
Total financial investments	27.171.991	4.0%	22.568.621	3.3%	4.603.370	0.7



► Results of sensitivity analysis of equity investments

Sava Insurance Group				
EUR	Profit or loss		AOCI	
	Increase (+20%)	Decrease (-20%)	Increase (+20%)	Decrease (-20%)
31 December 2024				
Financial investments (other than those supporting direct participating contracts)	12,683,732	-12,683,732	3,593,158	-3,593,158
Direct participating contracts and investments supporting direct participating contracts	32,973	-31,551	0	0
	12,716,705	-12,715,283	3,593,158	-3,593,158
31 December 2023				
Financial investments (other than those supporting direct participating contracts)	13,679,021	-13,679,021	3,193,978	-3,193,978
Direct participating contracts and investments supporting direct participating contracts	21,714	-60,490	0	0
	13,700,735	-13,739,511	3,193,978	-3,193,978

Thus, a 20% fall in equity prices would reduce the value of investments other than direct participating contracts by EUR 1 million compared to the previous period.

The Group's exposure to equity price risk remained at approximately the same level in 2024 compared to the end of 2023.

► Results of sensitivity analysis of equity investments

Sava Re				
EUR	Profit or loss		AOCI	
	Increase (+20%)	Decrease (-20%)	Increase (+20%)	Decrease (-20%)
31 December 2024				
Financial investments	5,434,398	-5,434,398	0	0
	5,434,398	-5,434,398	0	0
31 December 2023				
Financial investments	4,513,724	-4,513,724	0	0
	4,513,724	-4,513,724	0	0

A 20% change in the value of the equity securities would decrease the value of the investments by EUR 0.9 million more than in the previous period.

The Company's exposure to equity price risk is at a slightly higher level in 2024 compared to the end of 2023.



3.6.4.1.4 Risk of change in value of investments in subsidiaries and associates of the Sava Insurance Group and Sava Re

The Group’s investments in associate companies expose it to the risk of a decline in the value of these investments. As at 31 December 2024, the Group’s total exposure to the risk of financial investments in associates was EUR 1.8 million higher than as at 31 December 2023.

The following table shows the sensitivity of investments in associates to changes in value. The analysis covered the associate company Diagnostic Centre Bled.

Regarding the risk related to its investments in subsidiaries and associates, the Company is especially exposed to the risk of a decline in the value of these investments and to concentration risk. In 2024, the Company’s largest exposure among investments in subsidiaries and associates was from its investment in Zavarovalnica Sava, which accounted for 37.9% as at 31 December 2024 (31 December 2023: 37.9%) of the total value of its investments in subsidiaries and associates.

The Company’s exposure to the risk related to investments in subsidiaries and associates was at a similar level in 2024 as in 2023. Taking account of all the impacts, we believe that the risk related to participations remained moderate due to their active management.

The Group and the Company manage the risk related to their financial investments in subsidiaries and associates through active management of the companies, comprising:

- a governance system (management and supervision) and clear segregation of responsibilities at all levels,
- risk management policies,
- systematic risk management with a three-lines-

of-defence framework (detailed in section [A.10 “Risk management”](#)),

- the setting of business and risk management strategies from the top down, taking into account both the Group as a whole as well as its individual members,
- a comprehensive system for monitoring and reporting on performance and related risks at all levels.

► **Results of sensitivity analysis of the Sava Insurance Group’s investments in associates**

Sava Insurance Group						
EUR	31 December 2024			31 December 2023		
	Value	Post-stress value	Change in value	Value	Post-stress value	Change in value
Decrease in value of 10%	25,615,695	23,054,126	-2,561,570	23,834,620	21,451,158	-2,383,462
Decrease in value of 20%	25,615,695	20,492,556	-5,123,139	23,834,620	19,067,696	-4,766,924

► **Results of the sensitivity analysis of investments in subsidiaries and associates of Sava Re**

Sava Re						
EUR	31 December 2024			31 December 2023		
	Value	Post-stress value	Change in value	Value	Post-stress value	Change in value
Decrease in value of 10%	325,409,606	292,868,645	-32,540,961	325,241,793	292,717,614	-32,524,179
Decrease in value of 20%	325,409,606	260,327,685	-65,081,921	325,241,793	260,193,435	-65,048,359
Value decrease of largest subsidiary of 10%	123,364,958	111,028,462	-12,336,496	123,364,958	111,028,462	-12,336,496
Value decrease of largest subsidiary of 20%	123,364,958	98,691,967	-24,672,992	123,364,958	98,691,967	-24,672,992



3.6.4.1.5 Currency risk

As at 31 December 2024, the Group had 7.7% of its liabilities denominated in foreign currency (2023: 8.3%).

The Group manages currency risk through the efforts of each company to optimise asset-liability currency matching. Based on the market situation, individual

companies assess the ability of currency matching in the primary currency, and, if this is not possible, the transaction currency is used for matching.

The following table shows the currency (mis)match for the Group for the five currencies that account for the largest portion of its liabilities.

► **Transaction currency (mis)match as at 31 December 2024 (all amounts translated to euros)**

Sava Insurance Group							
EUR	Euro (EUR)	US dollar (USD)	South Korean won (KRW)	Macedonian denar (MKD)	Serbian dinar (RSD)	Other	Total
Financial investments and cash	1,497,969,669	50,565,988	8,875,034	21,730,453	32,154,420	55,626,600	1,666,922,164
Financial liabilities	-125,058,474	0	0	0	0	0	-125,058,474
Insurance and reinsurance contract assets	78,497,946	1,793,111	28,171	532,467	4,250,697	3,258,724	88,361,116
Insurance and reinsurance contract liabilities	-937,808,217	-45,929,901	-9,533,841	-14,955,911	-27,979,528	-59,283,233	-1,095,490,632
Other assets	337,605,376	17,006,817	0	12,632,923	9,528,078	846,898	377,620,092
Other liabilities and equity	-928,779,877	0	0	-3,266,237	-4,718,366	0	-936,764,480
Currency mismatch		23,436,015	630,636	16,673,695	13,235,300	448,989	54,424,635
Currency matching ratio							97.4%
Direct participating contracts	-739,860,541	0	0	0	0	0	-739,860,541
Investments supporting direct participating contracts	763,333,631	887,646	0	0	49,479	0	764,270,756



► Transaction currency (mis)match as at 31 December 2023 (all amounts translated to euros)

Sava Insurance Group							
EUR	Euro (EUR)	US dollar (USD)	South Korean won (KRW)	Macedonian denar (MKD)	Serbian dinar (RSD)	Other	Total
Financial investments and cash	1,343,270,392	44,029,051	14,006,703	18,804,267	25,429,025	57,742,657	1,503,282,095
Financial liabilities	-74,987,535	0	0	0	0	0	-74,987,535
Insurance and reinsurance contract assets	107,111,477	2,439,525	88,730	100,186	3,446,017	3,901,107	117,087,042
Insurance and reinsurance contract liabilities	-914,467,838	-42,171,929	-14,550,070	-12,234,485	-21,897,715	-60,428,938	-1,065,750,976
Other assets	312,115,253	7,762,500	0	10,032,698	9,239,395	489,947	339,639,793
Other liabilities and equity	-825,972,622	-79,293	0	-11,208,304	-3,575,024	-59,066	-840,894,309
Currency mismatch		11,979,854	454,638	5,494,361	12,641,698	1,645,706	32,216,257
Currency matching ratio							98.4%
Direct participating contracts	-586,910,697	0	0	0	0	0	-586,914,306
Investments supporting direct participating contracts	607,667,203	858,516	0	0	0	9,680	608,535,399

The Sava Insurance Group manages a high level of currency matching by monitoring the matching of assets and liabilities at the level of individual companies and the portfolio. The Group manages the matching of currencies used by the Group companies in accordance with local accounting standards and regulations, which results in a slightly higher mismatch at the Group level.



► Impact of a 10-percent increase or decrease in the exchange rate as at 31 December 2024
(all amounts translated into euros)

Sava Insurance Group				
EUR	Profit or loss		AOCI	
	Effect of 10% strengthening	Effect of 10% weakening	Effect of 10% strengthening	Effect of 10% weakening
US dollar (USD)				
Insurance and reinsurance contracts	-4,413,365	4,413,365	-60,763	60,763
Financial investments	5,056,599	-5,056,599	0	0
	643,234	-643,234	-60,763	60,763
South Korean won (KRW)				
Insurance and reinsurance contracts	-950,567	950,567	3,972	-3,972
Financial investments	887,503	-887,503	0	0
	-63,064	63,064	3,972	-3,972
Serbian dinar (RSD)				
Insurance and reinsurance contracts	-2,405,486	2,405,486	33,402	-33,402
Financial investments	2,173,045	-2,173,045	0	0
	-232,441	232,441	33,402	-33,402
Macedonian denar (MKD)				
Insurance and reinsurance contracts	-1,444,130	1,444,130	1,785	-1,785
Financial investments	3,215,442	-3,215,442	0	0
	1,771,312	-1,771,312	1,785	-1,785
Other				
Insurance and reinsurance contracts	-5,590,472	5,590,472	9,159	-9,159
Financial investments	5,562,660	-5,562,660	0	0
Direct participating contracts and investments supporting direct participating contracts	14,589	-14,142	0	0
	-13,224	13,671	9,159	-9,159

► Impact of a 10-percent increase or decrease in the exchange rate as at 31 December 2023
(all amounts translated into euros)

Sava Insurance Group				
EUR	Profit or loss		AOCI	
	Effect of 10% strengthening	Effect of 10% weakening	Effect of 10% strengthening	Effect of 10% weakening
US dollar (USD)				
Insurance and reinsurance contracts	-3,971,210	3,971,210	-50,638	50,638
Financial investments	4,402,905	-4,402,905	0	0
	431,695	-431,695	-50,638	50,638
South Korean won (KRW)				
Insurance and reinsurance contracts	-1,446,134	1,446,134	-14,493	14,493
Financial investments	1,400,670	-1,400,670	0	0
	-45,464	45,464	-14,493	14,493
Serbian dinar (RSD)				
Insurance and reinsurance contracts	-1,819,069	1,819,069	7,962	-7,962
Financial investments	2,542,903	-2,542,903	0	0
	723,834	-723,834	7,962	-7,962
Macedonian denar (MKD)				
Insurance and reinsurance contracts	-1,208,244	1,208,244	-5,185	5,185
Financial investments	1,880,427	-1,880,427	0	0
	672,182	-672,182	-5,185	5,185
Other				
Insurance and reinsurance contracts	-5,630,485	5,630,485	-54,372	54,372
Financial investments	5,774,266	-5,774,266	0	0
Direct participating contracts and investments supporting direct participating contracts	-188,646	176,531	0	0
	-44,865	32,750	-54,372	54,372



Sava Re is the Group member with the largest exposure to currency risk.

As at 31 December 2024, the Company's liabilities denominated in foreign currencies accounted for 12.9% (2023: 14.0%) of the Company's total liabilities. As the proportion of international business is rising (as is the number of different currencies), Sava Re has put in place rules on currency matching, which define the conditions and method of currency matching. To mitigate currency risk, assets and liabilities in foreign currencies are actively matched. The currency matching rules lay down the criteria as to when the Company should start currency matching by accounting currency¹³³. Based on the market situation, the Company assesses the ability of currency matching in the primary currency, and if this is not possible, the transaction currency is to be used for matching.¹³⁴

The currency mismatch of assets and liabilities is monitored by individual accounting currency. The following table shows the currency mismatch for the five currencies that account for the largest share of liabilities.

In the management of currency risk (ALM aspect), Sava Re directly matches all the more liquid currencies. Other currencies are matched based on their correlation with the euro or the US dollar.

► Transaction currency (mis)match as at 31 December 2024 (all amounts translated to euros)

Sava Re							
EUR	Euro (EUR)	US dollar (USD)	South Korean won (KRW)	Chinese yuan (CNY)	Indian rupee (INR)	Other	Total
Financial investments and cash	687,617,899	43,961,468	8,875,034	9,553,213	7,074,529	34,869,480	791,951,623
Financial liabilities	-125,058,474	0	0	0	0	0	-125,058,474
Insurance and reinsurance contract assets	66,612,484	1,793,111	28,171	592,995	398,264	2,207,097	71,632,122
Insurance and reinsurance contract liabilities	-175,124,024	-45,918,314	-9,533,841	-11,113,224	-7,889,566	-38,688,729	-288,267,700
Other assets	15,402,905	67,083	0	0	0	0	15,469,988
Other liabilities and equity	-465,727,559	0	0	0	0	0	-465,727,559
Currency mismatch		96,652	630,636	967,016	416,773	1,612,152	3,723,230
Currency matching ratio							99.6%

► Transaction currency (mis)match as at 31 December 2023 (all amounts translated to euros)

Sava Re							
EUR	Euro (EUR)	US dollar (USD)	South Korean won (KRW)	Chinese yuan (CNY)	Indian rupee (INR)	Other	Total
Financial investments and cash	595,859,090	38,288,843	14,006,703	9,305,018	5,721,095	36,287,456	699,468,206
Financial liabilities	-74,987,535	0	0	0	0	0	-74,987,535
Insurance and reinsurance contract assets	94,515,178	2,439,525	88,730	447,814	244,989	3,121,729	100,857,965
Insurance and reinsurance contract liabilities	-182,553,431	-42,167,875	-14,550,070	-9,958,235	-7,437,358	-39,532,600	-296,199,571
Other assets	13,623,626	4,525	0	0	0	0	13,628,151
Other liabilities and equity	-442,764,537	0	0	0	0	-2,679	-442,767,216
Currency mismatch		1,434,982	454,638	205,403	1,471,274	126,094	3,692,391
Currency matching ratio							99.5%

133 The accounting currency is the local currency used in the accounting documentation. Reinsurance contracts may be accounted for in various accounting currencies. Generally, this is the currency of liabilities and receivables due from cedants, and hence also the reinsurer.

134 The transaction currency is the currency in which reinsurance contract transactions are processed.



► **Impact of a 10-percent increase or decrease in the exchange rate as at 31 December 2024**
(all amounts translated into euros)

Sava Re				
	Profit or loss		AOCI	
	Effect of 10% strengthening	Effect of 10% weakening	Effect of 10% strengthening	Effect of 10% weakening
EUR				
US dollar (USD)				
Insurance and reinsurance contracts	-4,412,520	4,412,520	-60,916	60,916
Financial investments	4,396,147	-4,396,147	0	0
	-16,374	16,374	-60,916	60,916
South Korean won (KRW)				
Insurance and reinsurance contracts	-950,567	950,567	3,972	-3,972
Financial investments	887,503	-887,503	0	0
	-63,064	63,064	3,972	-3,972
Chinese yuan (CNY)				
Insurance and reinsurance contracts	-1,052,023	1,052,023	53,814	-53,814
Financial investments	955,321	-955,321	0	0
	-96,702	96,702	53,814	-53,814
Indian rupee (INR)				
Insurance and reinsurance contracts	-749,130	749,130	16,663	-16,663
Financial investments	707,453	-707,453	0	0
	-41,677	41,677	16,663	-16,663
Other				
Insurance and reinsurance contracts	-3,648,163	3,648,163	-51,091	51,091
Financial investments	3,486,948	-3,486,948	0	0
	-161,215	161,215	-51,091	51,091

► **Impact of a 10-percent increase or decrease in the exchange rate as at 31 December 2023**
(all amounts translated into euros)

Sava Re				
	Profit or loss		AOCI	
	Effect of 10% strengthening	Effect of 10% weakening	Effect of 10% strengthening	Effect of 10% weakening
EUR				
US dollar (USD)				
Insurance and reinsurance contracts	-3,972,835	3,972,835	-50,525	50,525
Financial investments	3,828,884	-3,828,884	0	0
	-143,951	143,951	-50,525	50,525
South Korean won (KRW)				
Insurance and reinsurance contracts	-1,446,134	1,446,134	-14,493	14,493
Financial investments	1,400,670	-1,400,670	0	0
	-45,464	45,464	-14,493	14,493
Chinese yuan (CNY)				
Insurance and reinsurance contracts	-951,042	951,042	21,596	-21,596
Financial investments	930,502	-930,502	0	0
	-20,540	20,540	21,596	-21,596
Indian rupee (INR)				
Insurance and reinsurance contracts	-719,237	719,237	3,512	-3,512
Financial investments	572,110	-572,110	0	0
	-147,127	147,127	3,512	-3,512
Other				
Insurance and reinsurance contracts	-3,641,087	3,641,087	-64,439	64,439
Financial investments	3,628,746	-3,628,746	0	0
	-12,341	12,341	-64,439	64,439



3.6.4.2 Liquidity risk

Individual Group companies manage liquidity risk in line with the guidelines laid down in the Group’s liquidity risk management policy. Each Group member carefully plans and monitors the realisation of cash flows (cash inflows and outflows) and, in the event of liquidity problems, informs the parent company, which assesses the situation and provides the necessary funds to ensure liquidity.

Liquidity risk is monitored and managed by the Group companies in accordance with the size and complexity of their operations, with particular attention paid to liquidity risk management in the EU-based insurance companies due to their importance to the Group’s operations.

The Group monitors and manages liquidity risk through:

- clearly defined procedures and rules for the day-to-day planning and management of liquidity for each Group company,
- carefully planning, monitoring, analysing and reporting on realised cash flows,
- maintaining an adequate level of highly liquid assets,
- a system of intercompany liquidity credit lines established among Group companies,
- long-term planning and appropriate matching of asset and liability maturities.

The Group companies generally meet their short-term liquidity needs by allocating funds to money market instruments in proportion to their estimated normal day-to-day liquidity requirements.

The adequacy of the assessed liquidity needs at the individual company level is regularly reviewed and analysed by monitoring and analysing realised operating cash flows and comparing them with medium-term cash flow projections.

Additional liquidity is provided to the Group companies through a system of intercompany liquidity lines of credit established within the Group companies and by maintaining an appropriate level of highly liquid investments. The Group’s risk strategy requires its EU-based insurance companies to hold at least 20% of their investment portfolio in highly liquid financial assets.

The Group companies prepare monthly reports on the cash flows generated by their core business, which are sent to the parent company together with explanations of significant inflows or outflows and deviations.

The Group’s management is informed of liquidity risks through regular reports which include, as a minimum, a comparison of realised and projected cash flows from the core business and the value and proportion of highly liquid investments in the portfolio.

As at 31 December 2024, the Group’s highly liquid investments accounted for 43.9% (31 December 2023: 44.5%) of the total investment portfolio, which demonstrates the high liquidity of the portfolio and its consistency with the risk strategy.

We consider the Group’s liquidity risk to be largely unchanged from 2023 and low.

► Insurance liabilities payable on demand

Sava Insurance Group				
EUR	31 December 2024		31 December 2023	
	Amount payable on demand	Carrying amount	Amount payable on demand	Carrying amount
Life – insurance contracts issued without direct participation	8,715,440	16,860,721	2,722,670	13,633,667
Insurance contracts issued with direct participation	666,275,738	739,860,540	517,421,856	586,910,697
Contracts issued with indirect participation	222,369,869	339,272,791	241,511,538	358,163,058
Total	897,361,046	1,095,994,053	761,656,064	958,707,422

The surrender value, being the amount payable on demand, is the highest in the group of direct participating contracts, which also has the highest carrying amount. The increase in amounts payable on demand compared to the previous year is mainly due to an increase in the volume of direct participating contracts, as a result of portfolio growth and financial market developments.



The following two tables show the values of financial investments on the basis of undiscounted cash flows.

► **Maturity analysis of financial investments and cash and cash equivalents**

Sava Insurance Group

EUR	Carrying amount as at 31 December 2024	Up to 1 year	1–2 years	2–3 years	3–4 years	4–5 years	Over 5 years	No specified maturity	Total as at 31 December 2024
Financial investments measured at fair value through profit or loss	108,159,723	1,685,081	804,200	2,400,625	435,125	232,981	13,421,042	98,804,189	117,783,242
Financial investments measured at amortised cost	75,474,828	21,866,085	24,990,918	9,058,664	6,608,668	5,964,791	22,593,638	0	91,082,764
Financial investments measured at fair value through other comprehensive income	1,387,280,770	363,686,481	275,112,170	201,748,111	203,750,059	138,817,922	311,052,616	17,965,791	1,512,133,150
Cash and cash equivalents	46,243,890	46,243,890	0	0	0	0	0	0	46,243,890
Investments supporting direct participating contracts	764,270,756	21,472,658	6,930,780	5,157,210	4,619,886	8,991,624	15,997,613	706,535,197	769,704,967
Total	2,381,429,967	454,954,194	307,838,068	218,364,609	215,413,739	154,007,319	363,064,908	823,305,177	2,536,948,014

Sava Insurance Group

EUR	Carrying amount as at 31 December 2023	Up to 1 year	1–2 years	2–3 years	3–4 years	4–5 years	Over 5 years	No specified maturity	Total as at 31 December 2023
Financial investments measured at fair value through profit or loss	114,587,332	2,686,757	1,726,306	1,442,417	2,734,225	764,548	22,705,242	95,576,983	127,636,477
Financial investments measured at amortised cost	74,776,353	28,287,735	7,304,922	15,475,996	6,787,865	5,808,577	24,190,317	0	87,855,412
Financial investments measured at fair value through other comprehensive income	1,225,364,473	262,344,328	225,229,656	242,274,174	136,530,084	144,302,234	332,062,823	15,969,890	1,358,713,188
Cash and cash equivalents	39,829,039	39,829,039	0	0	0	0	0	0	39,829,039
Investments supporting direct participating contracts	608,535,398	22,686,684	7,860,727	6,253,938	5,880,288	3,169,538	24,717,738	544,804,326	615,373,237
Total	2,063,092,594	355,834,543	242,121,610	265,446,524	151,932,462	154,044,896	403,676,119	656,351,200	2,229,407,354



The following two tables show insurance and reinsurance contract assets and liabilities on the basis of discounted cash flows.

► **Maturity analysis of insurance liabilities**

Sava Insurance Group									
EUR	Carrying amount as at 31 December 2024	Up to 1 year	1–2 years	2–3 years	3–4 years	4–5 years	Over 5 years	No specified maturity	Total as at 31 December 2024
Insurance contract liabilities (other than for participating contracts)	1,091,507,428	477,254,560	143,248,066	98,288,782	73,355,535	58,940,407	240,420,078	0	1,091,507,428
Insurance contract assets (other than for participating contracts)	-10,842,363	-6,391,450	-435,298	-303,496	-812,096	-843,729	-2,056,293	0	-10,842,363
Participating contracts	739,860,541	-4,221,289	328,951	15,906,330	23,778,932	30,827,991	673,239,626	0	739,860,541
Total insurance contracts	1,820,525,607	466,641,822	143,141,718	113,891,616	96,322,371	88,924,669	911,603,411	0	1,820,525,607
Reinsurance contract liabilities	3,983,203	5,951,191	-737,306	-844,198	-402,293	2,400	13,408	0	3,983,203
Reinsurance contract assets	-77,518,753	-53,427,498	-8,912,556	-4,999,839	-2,316,786	-1,026,628	-6,835,447	0	-77,518,753
Total reinsurance contracts	-73,535,551	-47,476,307	-9,649,862	-5,844,037	-2,719,079	-1,024,227	-6,822,039	0	-73,535,550
Total insurance liabilities	1,746,990,057	419,165,515	133,491,856	108,047,580	93,603,292	87,900,442	904,781,373	0	1,746,990,057

Sava Insurance Group									
EUR	Carrying amount as at 31 December 2023	Up to 1 year	1–2 years	2–3 years	3–4 years	4–5 years	Over 5 years	No specified maturity	Total as at 31 December 2023
Insurance contract liabilities (other than for participating contracts)	1,064,109,744	474,068,555	145,461,430	92,150,282	60,319,930	47,493,806	244,615,741	0	1,064,109,744
Insurance contract assets (other than for participating contracts)	-9,605,486	-6,718,928	726,297	-395,315	-1,217,307	-1,221,771	-778,462	0	-9,605,486
Participating contracts	586,910,697	15,487,299	13,907,928	16,963,764	24,029,368	25,181,637	491,340,702	0	586,910,697
Total insurance contracts	1,641,414,955	482,836,925	160,095,656	108,718,731	83,131,992	71,453,672	735,177,980	0	1,641,414,955
Reinsurance contract liabilities	1,642,044	2,653,349	-865,452	-188,938	-28,915	12,152	59,848	0	1,642,044
Reinsurance contract assets	-107,481,558	-75,799,217	-17,702,959	-9,349,710	-2,586,260	-647,629	-1,395,783	0	-107,481,558
Total reinsurance contracts	-105,839,514	-73,145,868	-18,568,411	-9,538,648	-2,615,175	-635,477	-1,335,934	0	-105,839,514
Total insurance liabilities	1,535,575,441	409,691,057	141,527,245	99,180,083	80,516,816	70,818,194	733,842,046	0	1,535,575,441



► Maturity analysis of other liabilities

Sava Insurance Group									
EUR	Carrying amount as at 31 December 2024	Up to 1 year	1-2 years	2-3 years	3-4 years	4-5 years	Over 5 years	No specified maturity	Total as at 31 December 2024
Subordinated liabilities	125,058,474	5,412,500	5,412,500	5,412,500	5,412,500	130,412,500	0	0	152,062,500
Other provisions	8,582,417	1,552,671	594,818	458,518	330,269	448,257	5,118,264	79,620	8,582,417
Other financial liabilities	431,656	431,656	0	0	0	0	0	0	431,656
Investment contract liabilities	200,954,895	83,212,037	1,406,589	1,750,877	2,181,057	2,913,707	109,490,628	0	200,954,895
Liabilities from operating activities	13,661,592	11,249,774	412,147	410,687	-35,403	-29,295	1,673,842	-20,160	13,661,591
Other liabilities	52,807,948	46,304,996	1,827,090	3,330,209	931,440	431,911	619,343	-637,040	52,807,948
Total	401,496,982	148,163,635	9,653,143	11,362,791	8,819,863	134,177,081	116,902,076	-577,581	428,501,008

Sava Insurance Group									
EUR	Carrying amount as at 31 December 2023	Up to 1 year	1-2 years	2-3 years	3-4 years	4-5 years	Over 5 years	No specified maturity	Total as at 31 December 2023
Subordinated liabilities	74,987,535	2,812,500	2,812,500	2,812,500	2,812,500	2,812,500	77,812,500		91,875,000
Other provisions	8,074,255	1,543,811	177,514	61,270	31,533	1,789,475	4,378,040	92,612	8,074,255
Other financial liabilities	737,085	737,085	0	0	0	0	0	0	737,085
Investment contract liabilities	180,437,695	80,324,218	1,417,236	1,550,345	1,865,798	2,460,961	92,819,137	0	180,437,695
Liabilities from operating activities	23,136,124	18,569,124	5,370	3,538	3,538	3,538	1,799,135	2,751,881	23,136,124
Other liabilities	42,845,539	41,652,245	0	2,068,075	0	0	0	-874,785	42,845,535
Total	330,155,054	145,638,984	4,412,620	6,495,728	4,713,369	7,066,474	176,808,812	1,969,707	347,105,694



The Company held EUR 237.1 million or 51.1% (31 December 2023: EUR 192.0 million or 52.0%) of highly liquid investments.

The Company's assets with a maturity of up to one year exceeded its current liabilities at the end of 2024. Taking into consideration expected operating income and a high share of liquid investments, we estimate the Company's liquidity position as appropriate.

Based on the above, we estimate that the liquidity risk of the Company is well managed and did not change significantly compared to year-end 2023.

In the following tables, the values of financial investments are shown on the basis of undiscounted cash flows, whereas (re)insurance contract assets and liabilities are shown on the basis of discounted cash flows.

► **Maturity analysis of financial investments and cash and cash equivalents**

Sava Re									
EUR	Carrying amount as at 31 December 2024	Up to 1 year	1-2 years	2-3 years	3-4 years	4-5 years	Over 5 years	No specified maturity	Total as at 31 December 2024
Financial investments measured at fair value through profit or loss	38,507,315	87,500	87,500	87,500	87,500	87,917	5,064,544	36,500,744	42,003,206
Financial investments measured at amortised cost	5,677,769	318,418	3,325,986	1,153,215	82,046	81,841	1,886,752	0	6,848,257
Financial investments measured at fair value through other comprehensive income	400,200,967	122,461,531	98,213,385	61,142,033	55,417,544	39,104,674	51,620,642	0	427,959,811
Cash and cash equivalents	14,724,094	14,724,094	0	0	0	0	0	0	14,724,094
Total	459,110,145	137,591,543	101,626,871	62,382,748	55,587,090	39,274,433	58,571,938	36,500,744	491,535,367

Sava Re									
EUR	Carrying amount as at 31 December 2023	Up to 1 year	1-2 years	2-3 years	3-4 years	4-5 years	Over 5 years	No specified maturity	Total as at 31 December 2023
Financial investments measured at fair value through profit or loss	37,286,800	186,300	186,300	186,300	186,300	186,300	7,748,409	32,966,164	41,646,073
Financial investments measured at amortised cost	5,811,776	406,400	339,486	3,326,176	1,153,403	82,046	1,968,593	0	7,276,104
Financial investments measured at fair value through other comprehensive income	311,285,620	81,249,862	84,720,879	71,499,122	27,509,728	23,533,266	48,274,645	0	336,787,501
Cash and cash equivalents	12,260,049	12,260,049	0	0	0	0	0	0	12,260,049
Total	366,644,245	94,102,611	85,246,665	75,011,598	28,849,431	23,801,612	57,991,647	32,966,164	397,969,727



► Maturity analysis of insurance liabilities

Sava Re									
EUR	Carrying amount as at 31 December 2024	Up to 1 year	1-2 years	2-3 years	3-4 years	4-5 years	Over 5 years	No specified maturity	Total as at 31 December 2024
Insurance contract liabilities	286,075,675	118,867,444	69,636,585	41,989,216	22,202,461	12,358,884	21,021,086	0	286,075,675
Insurance contract assets	-5,670,015	-8,912,789	541,938	1,220,003	727,440	414,717	338,676	0	-5,670,015
Total insurance contracts	280,405,660	109,954,655	70,178,522	43,209,219	22,929,901	12,773,601	21,359,762	0	280,405,660
Reinsurance contract liabilities	2,192,025	4,147,804	-668,399	-845,625	-410,894	-5,944	-24,918	0	2,192,025
Reinsurance contract assets	-65,962,107	-44,250,844	-7,998,168	-4,566,104	-2,012,828	-832,438	-6,301,724	0	-65,962,107
Total reinsurance contracts	-63,770,082	-40,103,039	-8,666,568	-5,411,729	-2,423,722	-838,382	-6,326,642	0	-63,770,082
Total insurance liabilities	216,635,578	69,851,615	61,511,955	37,797,490	20,506,179	11,935,219	15,033,120	0	216,635,578

Sava Re									
EUR	Carrying amount as at 31 December 2023	Up to 1 year	1-2 years	2-3 years	3-4 years	4-5 years	Over 5 years	No specified maturity	Total as at 31 December 2023
Insurance contract liabilities	295,752,723	160,511,367	71,517,218	31,455,296	13,263,165	5,434,969	13,570,708	0	295,752,723
Insurance contract assets	-5,095,344	-8,420,440	1,722,355	1,058,942	405,773	110,555	27,471	0	-5,095,344
Total insurance contracts	290,657,379	152,090,928	73,239,573	32,514,238	13,668,938	5,545,524	13,598,179	0	290,657,379
Reinsurance contract liabilities	446,848	1,548,940	-853,818	-204,205	-44,069	0	0	0	446,848
Reinsurance contract assets	-95,762,621	-66,803,641	-16,272,578	-8,898,097	-2,286,338	-513,655	-988,312	0	-95,762,621
Total reinsurance contracts	-95,315,773	-65,254,701	-17,126,396	-9,102,302	-2,330,407	-513,655	-988,312	0	-95,315,773
Total insurance liabilities	195,341,606	86,836,227	56,113,177	23,411,936	11,338,531	5,031,869	12,609,868	0	195,341,606



► Maturity analysis of other liabilities

Sava Re

EUR	Carrying amount as at 31 December 2024	Up to 1 year	1-2 years	2-3 years	3-4 years	4-5 years	Over 5 years	No specified maturity	Total as at 31 December 2024
Subordinated liabilities	125,058,474	5,412,500	5,412,500	5,412,500	5,412,500	130,412,500	0	0	152,062,500
Other provisions	474,263	20,744	51,210	17,152	30,264	18,238	336,655	0	474,263
Other liabilities	6,300,539	5,988,039	312,500	0	0	0	0	0	6,300,539
Total	131,833,276	11,421,283	5,776,210	5,429,652	5,442,764	130,430,738	336,655	0	158,837,302

Sava Re

EUR	Carrying amount as at 31 December 2023	Up to 1 year	1-2 years	2-3 years	3-4 years	4-5 years	Over 5 years	No specified maturity	Total as at 31 December 2023
Subordinated liabilities	74,987,535	2,812,500	2,812,500	2,812,500	2,812,500	2,812,500	77,812,500	0	91,875,000
Other provisions	419,660	18,121	18,457	44,740	14,538	25,043	298,761	0	419,660
Liabilities from operating activities	6,319,991	6,319,991	0	0	0	0	0	0	6,319,991
Other liabilities	5,130,387	5,130,387	0	0	0	0	0	0	5,130,387
Total	86,857,573	14,280,999	2,830,957	2,857,240	2,827,038	2,837,543	78,111,261	0	103,745,038



3.6.4.3 Credit risk¹³⁵

Assets exposed to credit risk include financial investments (deposits, bonds, loans granted, bond and convertible mutual funds, and cash and cash equivalents), reinsurance contract assets and other receivables.

► Exposure of assets to credit risk of the Group

Sava Insurance Group		
EUR	31 December 2024	31 December 2023
Type of asset	Amount	Amount
Investments other than investments supporting direct participating contracts	1,513,601,207	1,358,311,303
Fixed-rate investments	1,453,477,571	1,302,427,144
Government bonds	922,745,929	819,083,092
Corporate and financial bonds	503,431,689	457,727,881
Deposits	27,299,953	25,616,171
Alternative funds	13,211,975	15,300,980
Private debt	2,116,504	4,063,033
Infrastructure debt	11,095,471	11,237,947
Loans granted	667,770	754,140
Cash and cash equivalents	46,243,890	39,829,039
Investments supporting direct participating contracts (with guarantee)	57,735,559	63,731,071
Fixed-rate investments	51,629,684	53,000,147
Government bonds	35,621,500	32,439,945
Corporate and financial bonds	16,008,183	20,560,202
Deposits	0	0
Cash and cash equivalents	6,105,875	10,730,924
Other assets	96,401,748	122,197,534
Reinsurance contract assets	77,518,752	107,481,560
Current tax assets	2,168,191	444,616
Trade and other receivables	16,714,805	14,271,358
Total	1,667,738,514	1,544,239,908

► Exposure of assets to credit risk of Sava Re

Sava Re		
EUR	31 December 2024	31 December 2023
Type of asset	Amount	Amount
Fixed-rate investments	405,306,716	318,703,128
Government bonds	276,117,368	229,591,819
Bonds	128,166,428	88,089,961
Deposits	1,022,920	1,021,347
Alternative funds	4,016,804	4,836,118
Private debt	846,601	1,625,212
Infrastructure debt	3,170,203	3,210,905
Loans granted	2,578,592	2,714,904
Cash and cash equivalents	14,724,094	12,260,049
Reinsurance contract assets	65,962,107	95,762,621
Current tax assets	671,315	0
Trade and other receivables	360,779	198,366
Total exposure	493,620,405	434,475,186

Credit risk due to issuer default

Credit risk for investments is estimated based on two factors:

- credit ratings used in determining credit risk for fixed-income investments¹³⁶ and cash assets¹³⁷;
- performance indicators for other investments.

¹³⁵ ESRS 2 SBM-3 paragraph 48 (a). ESRS E1 SBM-3 paragraph 18.

¹³⁶ Included are government bonds, corporate bonds, deposits and loans granted, bond and convertible mutual funds, and private debt fund investments.

¹³⁷ This includes cash and demand deposits.

Below we set out an assessment of credit risk for fixed-rate investments.

► Fixed-rate investments by issuer credit rating

Sava Insurance Group					
EUR	31 December 2024		31 December 2023		% change (pp)
Based on S&P/Fitch ratings	Amount	As % of total	Amount	As % of total	
Investments other than direct participating contracts	1,453,477,571	100.0%	1,302,427,144	100.0%	/
AAA	381,770,111	26.3%	323,199,051	24.8%	1.5
AA	352,248,876	24.2%	269,867,722	20.7%	3.5
A	378,166,665	26.0%	335,942,604	25.8%	0.2
BBB	190,645,406	13.1%	240,916,865	18.5%	-5.4
BB	103,248,624	7.1%	63,377,538	4.9%	2.2
B	16,985,154	1.2%	16,178,621	1.2%	-0.1
Not rated	30,412,737	2.1%	52,944,743	4.1%	-2.0
Investments supporting direct participating contracts (with guarantee)	51,629,684	100.0%	53,000,147	100.0%	/
AAA	13,129,817	25.4%	13,170,682	24.9%	0.6
AA	19,447,821	37.7%	17,254,593	32.6%	5.1
A	12,760,566	24.7%	12,787,987	24.1%	0.6
BBB	4,599,291	8.9%	7,944,028	15.0%	-6.1
BB	1,692,190	3.3%	771,767	1.5%	1.8
B	0	0.0%	576,919	1.1%	-1.1
Not rated	0	0.0%	494,171	0.9%	-0.9
Total	1,505,107,255	/	1,355,427,291	/	/

► Cash and cash equivalents by credit rating

Sava Insurance Group					
EUR	31 December 2024		31 December 2023		% change (pp)
Based on S&P/Fitch ratings	Amount	As % of total	Amount	As % of total	
Investments other than direct participating contracts	46,243,890	100.0%	39,829,039	100.0%	0.0
A	17,328,931	37.5%	416	0.0%	37.5
BBB	18,178,824	39.3%	15,464,655	38.8%	0.5
BB	67,646	0.1%	143,830	0.4%	-0.2
Not rated	10,668,489	23.1%	24,220,139	60.8%	-37.7
Investments supporting direct participating contracts	6,105,875	100.0%	10,730,924	100.0%	0.0
A	3,535,043	57.9%	0	0.0%	57.9
BBB	2,129,840	34.9%	4,901,236	45.7%	-10.8
BB	0	0.0%	5,829,689	54.3%	-54.3
Not rated	440,992	7.2%	0	0.0%	7.2
Total	52,349,765	/	50,559,963	/	/

From a credit risk management perspective, the Group aims to have debt instruments and cash and cash equivalents representing at least 75% of the value of the investment portfolio. As at 31 December 2024, these assets represented 90.0% of the investment portfolio (31 December 2023: 89.3%).

As at 31 December 2024, fixed-rate investments rated “A” or better accounted for 76.5% of the

total fixed-rate portfolio (31 December 2023: 71.3%). The share of the best-rated investments increased somewhat in 2024 compared with the previous year. Fixed-rate investments with no credit rating available accounted for 2.1% of fixed-rate investments (previous year: 4.1%).

The composition of cash and cash equivalents reflects the banking system in the region where the Group has a presence through subsidiaries.



► Fixed-rate investments by issuer credit rating

Sava Re					
EUR	31 December 2024		31 December 2023		
Based on S&P/Fitch ratings	Amount	As % of total	Amount	As % of total	% change (pp)
AAA	148,195,633	36.6%	122,374,700	38.4%	-1.8
AA	139,615,630	34.4%	96,935,351	30.4%	4.0
A	82,631,751	20.4%	65,351,088	20.5%	-0.1
BBB	30,896,367	7.6%	28,882,802	9.1%	-1.4
BB	2,454,512	0.6%	0	0.0%	0.6
B	0	0.0%	721,149	0.2%	-0.2
Not rated	1,512,823	0.4%	4,438,038	1.4%	-1.0
Total	405,306,716	100.0%	318,703,128	100.0%	/

► Cash and cash equivalents by credit rating

Sava Re					
EUR	31 December 2024		31 December 2023		
Based on S&P/Fitch ratings	Amount	As % of total	Amount	As % of total	% change (pp)
A	7,080,083	48.1%	416	0.0%	0.0
BBB	7,416,119	50.4%	7,682,651	62.7%	0.5
Not rated	227,892	1.5%	4,576,983	37.3%	-0.5
Total	14,724,094	100.0%	12,260,049	100.0%	/

In terms of credit risk management, the Company aims to have a material portion of its debt investments rated “A-” or better. As at 31 December 2024, fixed-rate debt investments rated “A” or better represented 91.4% (31 December 2023: 89.3%) of total debt investments. The Company regularly monitors its exposure to individual issuers and any changes in their creditworthiness in order to be prepared to respond in a timely manner to any adverse developments in the financial markets or an increase in risk associated with an issuer.

The Company mitigates the credit risk of its other investments through a high degree of diversification and by investing in liquid securities.

The investment portfolios of the Group and the Company are well diversified in accordance with local law and Group internal rules in order to avoid high concentration in a particular type of investment, high concentration with a particular counterparty or economic sector, or other potential forms of concentration.

The composition of cash and cash equivalents reflects the banking system in the region where the Group has a presence through subsidiaries.





► Concentration of financial investments by industry

Sava Insurance Group					
EUR	31 December 2024		31 December 2023		
Industry	Amount	As % of total	Amount	As % of total	% change (pp)
Investments other than direct participating contracts	1,453,477,571	100.0%	1,302,427,144	100.0%	/
Government	922,745,929	63.5%	826,071,552	63.4%	0.1
Banks and other financial institutions	210,961,818	14.5%	190,405,587	14.6%	-0.1
Healthcare	51,042,307	3.5%	41,546,933	3.2%	0.3
Basic consumer goods	49,103,444	3.4%	49,587,433	3.8%	-0.4
Utilities	38,217,572	2.6%	36,721,212	2.8%	-0.2
Other	181,406,501	12.5%	158,094,427	12.1%	0.3
Investments supporting direct participating contracts (with guarantee)	51,629,684	100.0%	53,000,147	100.0%	/
Government	35,621,500	69.0%	32,839,989	62.0%	7.0
Banks and other financial institutions	4,168,986	8.1%	3,936,645	7.4%	0.6
Healthcare	3,733,470	7.2%	3,649,535	6.9%	0.3
Basic consumer goods	2,343,644	4.5%	3,753,598	7.1%	-2.5
Utilities	2,038,657	3.9%	2,663,956	5.0%	-1.1
Other	3,723,426	7.2%	6,156,423	11.6%	-4.4
Total	1,505,107,255	/	1,355,427,291	/	/

The Group's largest exposure by asset class is to government bonds (31 December 2024: 9.5% of German bonds, 31 December 2023: 10.3% of German bonds).

► Concentration of financial investments by industry

Sava Re					
EUR	31 December 2024		31 December 2023		
Industry	Amount	As % of total	Amount	As % of total	% change (pp)
Government	276,117,368	68.1%	231,204,123	72.5%	-4.4
Banks and other financial institutions	46,606,682	11.5%	34,569,690	10.8%	0.7
Utilities	16,251,039	4.0%	10,924,552	3.4%	0.6
Healthcare	12,899,693	3.2%	7,792,278	2.4%	0.7
Basic consumer goods	12,178,220	3.0%	11,568,291	3.6%	-0.6
Other	41,253,713	10.2%	22,644,194	7.1%	3.1
Total	405,306,716	100.0%	318,703,128	100.0%	/

The Company's largest exposure by asset class is also to government bonds (31 December 2024: 12.2% of German bonds; 31 December 2023: 12.9% of German bonds).

► Concentration of financial investments by region

Sava Insurance Group					
EUR	31 December 2024		31 December 2023		
Region	Amount	As % of total	Amount	As % of total	% change (pp)
Investments other than direct participating contracts	1,453,477,571	100.0%	1,302,427,144	100.0%	/
Slovenia	95,813,985	6.6%	116,954,196	9.0%	-2.4
European Union	939,233,960	64.6%	793,444,401	60.9%	3.7
Other Europe	172,872,605	11.9%	163,158,403	12.5%	-0.6
United States	157,647,526	10.8%	141,885,954	10.9%	0.0
Rest of the world	87,909,494	6.0%	86,984,190	6.7%	-0.6
Investments supporting direct participating contracts (with guarantee)	51,629,684	100.0%	53,000,147	100.0%	/
Slovenia	5,137,992	10.0%	5,814,970	11.0%	-1.0
European Union	38,891,525	75.3%	39,262,285	74.1%	1.2
Other Europe	707,651	1.4%	576,919	1.1%	0.3
United States	3,678,381	7.1%	4,487,870	8.5%	-1.3
Rest of the world	3,214,135	6.2%	2,858,102	5.4%	0.8
Total	1,505,107,255	/	1,355,427,291	/	/

The distribution of exposure to other regions did not change significantly compared to the end of 2023.

► Concentration of financial investments by region

Sava Re					
EUR	31 December 2024		31 December 2023		
Region	Amount	As % of total	Amount	As % of total	% change (pp)
Slovenia	18,135,603	4.5%	20,023,712	6.3%	-1.8
European Union	288,347,418	71.1%	208,972,640	65.6%	5.6
Other Europe	9,351,409	2.3%	7,157,201	2.2%	0.1
United States	56,347,418	13.9%	44,858,461	14.1%	-0.2
Rest of the world	33,124,867	8.2%	37,691,114	11.8%	-3.7
Total	405,306,716	100.0%	318,703,128	100.0%	/

As at 31 December 2024, the Group's exposure to the ten largest issuers was EUR 586.1 million, representing 38.9% of fixed-rate financial investments (31 December 2023: EUR 569.4 million). 33.3%). The Group's largest exposure to a single issuer is to Germany.

As at 31 December 2024, the Company's exposure to the ten largest issuers was EUR 181.9 million, representing 44.9% of financial investments (31 December 2023: EUR 154.5 million; 41.3%). The largest single issuer of securities to which the Company is exposed is Germany. As at 31 December 2024, the exposure totalled EUR 49.3 million or 12.9% of financial investments (31 December 2023: EUR 48.3 million; 12.9%).

► Exposure to Slovenia by type of asset

Sava Insurance Group					
EUR	31 December 2024		31 December 2023		
Type of investment	Amount	As % of total	Amount	As % of total	% change (pp)
Investments other than direct participating contracts	95,813,985	100.0%	116,954,196	100.0%	/
Government bonds	86,233,103	90.0%	99,911,832	85.4%	4.6
Corporate and financial bonds	6,509,137	6.8%	13,975,335	12.0%	-5.2
Deposits	3,071,745	3.2%	3,067,028	2.6%	0.6
Alternative funds	0	0.0%	0	0.0%	0.0
Loans granted	0	0.0%	0	0.0%	0.0
Investments supporting direct participating contracts (with guarantee)	5,137,992	100.0%	5,814,970	100.0%	/
Government bonds	5,137,992	100.0%	5,124,206	88.1%	11.9
Corporate and financial bonds	0	0.0%	690,764	11.9%	-11.9
Deposits	0	0.0%	0	0.0%	0.0
Alternative funds	0	0.0%	0	0.0%	0.0
Loans granted	0	0.0%	0	0.0%	0.0
Total	100,951,977	/	122,769,166	/	/

The Group's exposure to Slovenia decreased by 2.4 percentage points in 2024. As at 31 December 2024, investments in government bonds represented the largest exposure to Slovenia, the same as at 31 December 2023. They

accounted for 5.9% (excluding investments of direct participating contracts) of the total fixed-rate investment portfolio, down by 1.7 percentage points compared to the previous year.

► Exposure to Slovenia by type of asset

Sava Re					
EUR	31 December 2024		31 December 2023		
Type of investment	Amount	As % of total	Amount	As % of total	% change (pp)
Government bonds	14,012,519	77.3%	13,590,744	67.9%	9.4
Corporate and financial bonds	3,100,164	17.1%	5,411,620	27.0%	-9.9
Deposits	1,022,920	5.6%	1,021,347	5.1%	0.5
Total	18,135,603	100.0%	20,023,712	100.0%	/

At the year end, the exposure of the Company to Slovenia-based issuers was EUR 18.1 million, representing 2.3% of financial investments (31 December 2023: EUR 20.0 million; 2.9%). Compared to 31 December 2023, the share of such investments decreased by 0.6 percentage points, mainly due to a decrease in investments in corporate and financial bonds.

We assess that in 2024, the Group companies – by maintaining a large percentage of highly-rated investments, diversifying investments by industry and geography and reducing concentration – managed credit risk well, maintaining it on the same level as in 2023.



Expected credit losses (ECL)

The Group monitors credit risk using calculated expected credit losses, which measure the potential for an investment to be impaired or reduced in value due to the credit risk of the issuer. The expected credit loss of an investment is measured according to its stage, which is reviewed on a

monthly basis. The majority of the investments for which the Company measures and monitors expected credit losses (bonds, loans, deposits) are classified as stage 1, meaning that the Company has not experienced a significant increase in credit risk since the date the investment was recognised.

For the value of investments exposed to credit risk, changes in the fair value of interest on FVOCI investments, changes in the amortised cost of AC investments, and changes in accrued interest and exchange rate differences are recorded in the table under “Other changes”.

► Gross carrying amount of financial assets exposed to credit risk

Sava Insurance Group								
EUR	2024				2023			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Balance as at 1 January	1,331,295,939	5,791,888	0	1,337,087,827	1,198,111,917	7,344,968	0	1,205,456,885
New financial assets acquired	573,501,164	-	-	573,501,164	360,584,373	-	-	360,584,373
Financial assets derecognised	-443,158,940	-1,369,660	-	-444,528,600	-249,219,268	-2,245,105	-	-251,464,373
Transfer to stage 1	-	-	-	-	-	-	-	-
Transfer to stage 2	-3,646,450	3,646,450	-	-	-	-	-	-
Transfer to stage 3	-	-	-	-	-	-	-	-
Change in business models and risk parameters	-	-	-	-	-73,523	-	-	-73,523
Other changes	29,828,039	981,397	-	30,809,437	21,943,498	692,025	-	22,635,522
Exchange differences	152,996	-	-	152,996	-51,057	-	-	-51,057
Balance as at 31 December	1,487,972,748	9,050,076	0	1,497,022,824	1,331,295,939	5,791,888	0	1,337,087,827



► Total change in expected credit losses (ECL) for AC and FVOCI investments

Sava Insurance Group								
EUR	2024				2023			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Balance as at 1 January	-1,449,648	-350,503	0	-1,800,151	-1,539,951	-604,682	0	-2,144,633
Transfer to stage 1	-	-	-	-	-	-	-	-
Transfer to stage 2	33,445	-33,445	-	-	-	-	-	-
Transfer to stage 3	-	-	-	-	-	-	-	-
Change in contractual cash flows	-	-	-	-	-	-	-	-
Resulting from new acquisitions of financial assets	-403,074	-	-	-403,074	-600,119	-	-	-600,119
Eliminated on sale or maturity of financial assets	509,287	675	-	509,961	573,026	2,145	-	575,171
Other changes	260,054	216,406	-	476,460	117,232	252,034	-	369,266
Exchange differences	487	-	-	487	164	-	-	164
Balance as at 31 December	-1,049,448	-166,868	0	-1,216,316	-1,449,648	-350,503	0	-1,800,151



► **Gross carrying amount of financial assets exposed to credit risk**

Sava Re								
EUR	2024				2023			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Balance as at 1 January	316,425,894	721,149	0	317,147,043	283,353,365	1,402,758	0	284,756,123
New financial assets acquired	211,629,768	-	-	211,629,768	118,305,237	-	-	118,305,237
Financial assets derecognised	-131,220,448	-	-	-131,220,448	-92,262,078	-1,000,000	-	-93,262,078
Transfer to stage 1	-	-	-	-	-	-	-	-
Transfer to stage 2	-163,415	163,415	-	-	-	-	-	-
Transfer to stage 3	-	-	-	-	-	-	-	-
Change in business models and risk parameters	-	-	-	-	-	-	-	-
Other changes	7,818,374	547,028	-	8,365,402	7,029,370	318,391	-	7,347,760
Balance as at 31 December	404,490,173	1,431,592	0	405,921,765	316,425,894	721,149	0	317,147,043

► **Total change in expected credit losses (ECL) for AC and FVOCI investments**

Sava Re								
EUR	2024				2023			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Balance as at 1 January	-103,628	-125,366	0	-228,994	-103,893	-180,023	0	-283,916
Transfer to stage 1	-	-	-	-	-	-	-	-
Transfer to stage 2	9,736	-9,736	-	-	-	-	-	-
Transfer to stage 3	-	-	-	-	-	-	-	-
Change in contractual cash flows	-	-	-	-	-	-	-	-
Resulting from new acquisitions of financial assets	-30,718	-	-	-30,718	-30,519	-	-	-30,519
Eliminated on sale or maturity of financial assets	33,742	-	-	33,742	16,528	-	-	16,528
Other changes	3,422	90,355	-	93,778	14,256	54,657	-	68,913
Balance as at 31 December	-87,445	-44,747	0	-132,192	-103,628	-125,366	0	-228,994



The Group models default probabilities as a function of historical average default probabilities over time, a systematic risk factor and a correlation parameter. The value of a systematic risk or economic condition factor reflects the position in the economic cycle over a period of time.

The Company has performed a sensitivity analysis simulating the impact of a change in the average default rate of approximately 50 basis points and 70 basis points in the upside and downside scenarios, respectively. Such a change in the probability of default would reduce the estimated long-term expected economic activity (change in GDP) by around 1.7 percentage points in the downside scenario and by 2.4 percentage points in the upside scenario.

Assumptions used in the sensitivity analysis

	31 December 2024			31 December 2023		
	Downside	Baseline	Upside	Downside	Baseline	Upside
Change in GDP	3.6%	5.4%	7.8%	5.0%	5.7%	10.7%
Economic cycle index	-0.62	-0.37	0.83	-0.97	-0.74	0.40
Correlation factor	0.23	0.19	0.03	0.01	0.00	0.04
Average change in default rate	0.5%	0.0%	-0.7%	0.4%	0.0%	-0.4%

Sensitivity analysis of expected credit loss (ECL)

Sava Insurance Group

EUR thousand	31 December 2024			31 December 2023		
	Downside	Baseline	Upside	Downside	Baseline	Upside
Investments for which expected credit loss is calculated	1,500,245	1,500,245	1,500,245	1,336,351	1,336,351	1,336,351
Expected credit loss	-1,516	-1,198	-901	-2,268	-1,800	-1,305
% of stage 2 investments	14.9%	13.9%	12.0%	19.6%	19.5%	20.2%

Sensitivity analysis of the change in expected credit loss (ECL)

Sava Re

EUR thousand	31 December 2024			31 December 2023		
	Downside	Baseline	Upside	Downside	Baseline	Upside
Investments for which expected credit loss is calculated	405,879	405,879	405,879	317,097	317,097	317,097
Expected credit loss	-168	-132	-99	-287	-229	-170
% of stage 2 investments	36.8%	33.9%	27.5%	54.7%	54.8%	56.1%



A change in the above assumptions would increase the Group’s expected credit loss from EUR -1.2 million in 2024 to EUR -1.5 million in the case of deterioration and EUR -0.9 million in the case of improvement. For Sava Re, the expected credit loss would increase from EUR -132 thousand to EUR -168 thousand if the situation deteriorated, and the provision would decrease from EUR -132 thousand to EUR -99 thousand if the situation improved.

Credit risk with respect to reinsurers

The Group is also exposed to credit risk in relation to its reinsurance programme. As a rule, subsidiaries conclude reinsurance contracts directly with the parent company. Exceptions are reinsurance contracts of subsidiaries with assistance service providers and reinsurance with local reinsurers if required by local regulations. In these cases, the local reinsurers transfer the risk to Sava Re.

Reinsurance programmes are mostly placed with first-class reinsurers with an appropriate credit rating (at least “A-” according to S&P Global Ratings for long-term business and at least “BBB+” for short-term business). Thus, more than 90% of the Sava Insurance Group’s credit risk exposure to reinsurers at the end of 2024 (2023: at least 90%) related to reinsurers rated “BBB” or better.

As at 31 December 2024, the total exposure of the Group to credit risk relating to reinsurers was EUR 77.5 million (31 December 2023: EUR 107.1 million) and relates to reinsurance contract assets. As at 31 December 2024, the credit risk exposure relating to reinsurers represented 2.7% of total assets (31 December 2023: 4.2%).

The Company’s reinsurance programmes are mostly placed with first-class reinsurers with an appropriate credit rating (at least “A-” according to S&P Global Ratings for long-term business and at least “BBB+” for short-term business). We consider this risk to be low, particularly as the investment portfolio is adequately diversified. See the table on the next page for details. Thus, more than 95% of the credit risk exposure to reinsurers at the end of 2024 (2023: at least 95%) related to reinsurers rated “BBB” or better.

As at 31 December 2024, the total exposure of the Company to credit risk from reinsurers was EUR 66.0 million (31 December 2023: EUR 95.8 million) and relates to reinsurance contract assets. The Company’s total credit risk exposure to retrocessionaires was 7.5% of total assets in 2024 (31 December 2023: 11.8%).

Exposure of the Sava Insurance Group to reinsurers by credit rating

Sava Insurance Group				
EUR	31 December 2024		31 December 2023	
S&P / AM Best ratings	Amount	As % of total	Amount	As % of total
A++ or A+ / AAA or AA	12,706,110	16.4%	9,217,251	8.6%
A / A or A-	54,924,640	70.9%	85,004,406	79.1%
BBB / B++ or B+	3,046,638	3.9%	5,091,721	4.7%
Less than BBB / less than B+	1,117,936	1.4%	929,745	0.9%
Not rated	5,723,430	7.4%	7,238,436	6.7%
Total	77,518,753	100.0%	107,481,558	100.0%

Sava Re’s exposure to reinsurers by credit rating

Sava Re				
EUR	31 December 2024		31 December 2023	
S&P / AM Best ratings	Amount	As % of total	Amount	As % of total
A++ or A+ / AAA or AA	11,983,412	18.2%	8,313,572	8.7%
A / A or A-	51,961,077	78.8%	82,329,114	86.0%
BBB / B++ or B+	898,976	1.4%	2,865,505	3.0%
Less than BBB / less than B+	1,117,936	1.7%	929,745	1.0%
Not rated	706	0.0%	1,324,684	1.4%
Total	65,962,107	100.0%	95,762,621	100.0%



Counterparty default risk

The following tables show the Group’s and the Company’s share of total receivables by type and maturity.

► Receivables ageing analysis as at 31 December 2024

Sava Insurance Group											
EUR	31 December 2024			Not past due	Past due up to 30 days	Past due from 31 to 60 days	Past due from 61 to 90 days	Past due from 91 to 180 days	Past due from 181 days to 1 year	Past due over 1 year	Total
	Gross amount	Allowance	Receivables								
Current tax assets	2,168,191	0	2,168,191	2,168,191	0	0	0	0	0	0	2,168,191
Other short-term receivables arising out of insurance business (outside the scope of IFRS 17)	4,706,992	-1,110,947	3,596,045	1,900,471	1,303,744	3,535	287,896	20,922	26,688	52,789	3,596,045
Receivables arising out of investments	1,046,123	-166,967	879,156	860,920	0	0	0	0	0	18,236	879,156
Trade and other receivables	13,898,853	-1,659,249	12,239,604	10,842,339	568,825	453,341	114,981	168,930	78,288	12,900	12,239,604
Trade and other receivables	19,651,968	-2,937,163	16,714,805	13,603,730	1,872,569	456,876	402,877	189,852	104,976	83,925	16,714,805
Total	21,820,159	-2,937,163	18,882,996	15,771,921	1,872,569	456,876	402,877	189,852	104,976	83,925	18,882,996

► Receivables ageing analysis as at 31 December 2023

Sava Insurance Group											
EUR	31 December 2023			Not past due	Past due up to 30 days	Past due from 31 to 60 days	Past due from 61 to 90 days	Past due from 91 to 180 days	Past due from 181 days to 1 year	Past due over 1 year	Total
	Gross amount	Allowance	Receivables								
Current tax assets	444,616	0	444,616	437,109	0	0	0	0	0	7,507	444,616
Other short-term receivables arising out of insurance business (outside the scope of IFRS 17)	4,533,434	-1,148,176	3,385,258	1,551,247	1,712,619	36,470	10,302	15,459	2,887	56,274	3,385,258
Receivables arising out of investments	728,130	-166,900	561,230	368,526	174,693	0	0	0	0	18,011	561,230
Trade and other receivables	12,422,002	-2,097,132	10,324,870	10,009,539	217,384	29,101	25,669	14,550	8,962	19,665	10,324,870
Trade and other receivables	17,683,566	-3,412,208	14,271,358	11,929,312	2,104,696	65,571	35,971	30,009	11,849	93,950	14,271,358
Total	18,128,182	-3,412,208	14,715,974	12,366,421	2,104,696	65,571	35,971	30,009	11,849	101,457	14,715,974

The Group assessed its receivables for impairment. Appropriate allowances were made for those receivables for which impairment was deemed necessary. Receivables are described in more detail in note [3.7.17 “Receivables”](#).



► Receivables ageing analysis as at 31 December 2024

Sava Re											
EUR	31 December 2024			Not past due	Past due up to 30 days	Past due from 31 to 60 days	Past due from 61 to 90 days	Past due from 91 to 180 days	Past due from 181 days to 1 year	Past due over 1 year	Total
	Gross amount	Allowance	Receivables								
Current tax assets	671,315	0	671,315	671,315	0	0	0	0	0	0	671,315
Receivables arising out of investments	67,406	0	67,406	67,406	0	0	0	0	0	0	67,406
Trade and other receivables	634,407	-341,035	293,372	293,372	0	0	0	0	0	0	293,372
Trade and other receivables	701,813	-341,035	360,778	360,778	0	0	0	0	0	0	360,778
Total	1,373,128	-341,035	1,032,093	1,032,093	0	0	0	0	0	0	1,032,093

► Receivables ageing analysis as at 31 December 2023

Sava Re											
EUR	31 December 2023			Not past due	Past due up to 30 days	Past due from 31 to 60 days	Past due from 61 to 90 days	Past due from 91 to 180 days	Past due from 181 days to 1 year	Past due over 1 year	Total
	Gross amount	Allowance	Receivables								
Receivables arising out of investments	34,478	0	34,478	34,478	0	0	0	0	0	0	34,478
Trade and other receivables	504,923	-341,035	163,888	163,888	0	0	0	0	0	0	163,888
Trade and other receivables	539,401	-341,035	198,366	198,366	0	0	0	0	0	0	198,366
Total	539,401	-341,035	198,366	198,366	0	0	0	0	0	0	198,366

Sava Re assessed its receivables for impairment. Appropriate allowances were made for those receivables for which impairment was deemed necessary. Receivables are described in more detail in note [3.7.17 “Receivables”](#).



Investment contracts

The Group's investment contracts include a group of life cycle funds called MY Life-cycle Funds (Slovenian: MOJI skladi življenjskega cikla), relating to the supplementary pension business of Sava Pokojninska in the accumulation phase. Investment contract liabilities are not included in the consolidated insurance and reinsurance contract liabilities, and are, therefore, not included in the presentation of underwriting risk. Investment contract assets are not included in the consolidated financial investments item, and are, therefore, not included in the presentation of investment portfolio risk.

As regards investment contract assets and liabilities, the Group is exposed to the risk of not achieving the interest-rate guarantees in one of the long-term business funds with an interest-rate guarantee (the MGF¹³⁸ fund). The interest-rate guarantee on the MGF is 60% of the average annual interest rate on government securities with a maturity of over one year. Liabilities relating to the MGF comprise paid-in premiums, guaranteed return and amounts in excess of the guaranteed return, provided the company achieves it.

In years when the return in excess of guaranteed return is realised, liabilities to the members of the MGF for assets in excess of guaranteed levels of assets are increased; if, however, realised return is below the guaranteed level, this part of liabilities decreases until the provision is fully exhausted. The described control of guaranteed return is carried out at the level of individual

members' accounts. If an individual's provisions in any of the accounts are not sufficient to cover the guaranteed assets, the company is required to set aside provisions for the difference, up to a maximum of 20% of equity.

The risk of failing to realise interest-rate guarantees is managed primarily through appropriate management of policyholder assets and liabilities, an appropriate investment strategy, an adequate level of the company's equity and provisioning. The Group tests its risk exposure arising out of interest-rate guarantees through stress tests and scenarios as part of the own risk and solvency assessment. We estimate that the risk of additional payments made in order to achieve the guaranteed returns remained roughly at the same level in 2024 compared to 2023.

The value of fund assets of the North Macedonian pension company Sava Penzisko Društvo (two funds: a mandatory and a voluntary fund) is not included in the statement of financial position of the company as these are funds under management (similar treatment as for fund management companies). The role of the North Macedonian pension company is solely to manage the assets; the funds have no interest-rate guarantees. Consequently, the company is not exposed to the risk to which investment contracts are exposed, i.e. failure to realise the interest-rate guarantees.

We estimate that the risk of failure to achieve interest-rate guarantees is medium and slightly decreased in 2024 compared to the previous year due to favourable financial market conditions.





3.6.5 Operational risks

Operational risk is the risk of loss arising from inadequate or failed internal processes, people or systems, or from external events.

Operational risks are not among the main risks faced by the Sava Insurance Group and Sava Re, but they are nevertheless actively monitored and managed at both levels. The assessment of operational risks in the Group companies and at the Group level is mainly based on qualitative assessment of the likelihood and financial severity within the risk register. Through regular assessments, the Group companies gain insight into the actual level of their exposure to such risks and take the necessary measures to mitigate them.

According to the qualitative assessment, the exposure of the Sava Insurance Group and Sava Re to operational risk is medium.

The main operational risks of the Sava Insurance Group in 2024 are listed below, ranked according to the level of qualitative assessment (from highest to lowest):

- the risk of personal data breaches in the EU-based companies,
- the risks associated with information systems and the security of confidential data,

- the risks associated with cyber-attacks,
- the risks related to compliance with laws and regulations on IT systems.

The main operational risks of the Company in 2024 are listed below, ranked according to the level of qualitative assessment (from highest to lowest):

- the risk of personal data breaches,
- the risks associated with cyber-attacks,
- the risks associated with the core IT system for reinsurance operations,
- the risks related to compliance with laws and regulations on IT systems,
- the risk related to the sanctions clause,
- the risks related to IT systems.

To manage operational risks effectively, the Group companies have processes in place to identify, measure, monitor, manage and report on such risks. Operational risk management processes have also been set up at the Group level and are defined in the operational risk management policy.

The main measures of operational risk management at the individual company and Group levels include:

- maintaining an effective business processes management system and a system of internal controls,

- maintaining records of and monitoring incidents,
- awareness-raising and training of all employees on their role in the implementation of the internal control system and management of operational risks,
- implementing appropriate policies as regards information security,
- having in place a business continuity plan for all critical processes (to minimise the risk of unpreparedness for incidents and external events and any resulting business interruption),
- monitoring operational risk indicators at the Group level for all Group companies (indicators are defined in the risk strategy and are also used to indirectly measure reputational risk),
- having in place IT-supported processes and controls in the key areas of business of every Group company,
- awareness-raising and training of all employees.

The Group and the Company estimate their exposure to operational risk was moderate in 2024 and at the same level as in 2023.

3.6.6 Strategic risks

The Group and the Company are exposed to various internal and external strategic risks that may have a negative impact on income or

capital adequacy. Strategic risks are by nature very diverse, difficult to quantify and heavily dependent on various (including external) factors.

The Group's and the Company's strategic risks are primarily assessed qualitatively in the risk register by assessing the frequency and potential financial severity of each event. In addition, key strategic risks are evaluated in the Company and in the Group's EU-based insurance companies through qualitative analysis of various scenarios. Based on both analyses combined, an overview is obtained of the extent and change in the exposure to this type of risk.

The main strategic risks of the Group in 2024 are listed below, ranked according to the level of qualitative assessment (from highest to lowest):

- the risk of deteriorating macroeconomic conditions or changes in capital markets affecting the Group's profitability or causing the investment portfolio to underperform,
- the risks associated with the IT development strategy,
- the risks associated with the Group's planning assumptions,
- the risks related to changes in sectoral accounting policies and tax policies/standards,
- the risks of intensifying competition in the markets in which the Group has a presence.



In 2024, the risk of a deterioration in the macroeconomic environment and the resulting impact on the Group's profitability continued to be assessed as high. While the macroeconomic situation was more favourable in 2024 due to positive developments in the financial markets, the geopolitical situation became more difficult (ongoing conflict between Russia and Ukraine and in the Middle East). Conflicts create regional security uncertainties and affect strategic resource prospects. Tensions between the US and China also remained high. The situation is expected to remain uncertain. The Group has already taken the necessary steps to mitigate the impact of these risks and will continue to monitor the situation and take appropriate action.

Risks related to information technology and regulatory change are also among the highly rated risks. At the Group level, a project has been underway in the area of network and information systems security to align requirements with Regulation (EU) 2022/2554 of the European Parliament and of the Council on digital operational resilience for the financial sector (DORA ¹³⁹), which entered into force in January 2025. In 2024, preparations were also in progress at the Group level for the implementation of the remaining new regulatory requirements, particularly in the area of sustainability. The Group will continue to monitor legislative changes

to limit regulatory risk, as well as competition in the markets in which it operates and other factors affecting the performance of its individual companies.

The main strategic risks of the Company in 2024 are listed below, ranked according to the level of qualitative assessment (from highest to lowest):

- the risks associated with deteriorating terms for obtaining adequate reinsurance,
- the risks of deteriorating macroeconomic and geopolitical conditions, which may make it more difficult to underwrite reinsurance or to achieve the planned returns on the investment portfolio,
- the risk that the soft reinsurance market prices do not keep pace with claims due to excess capital,
- the risks associated with the planning assumptions,
- the risks related to changes in reinsurance legislation.

As at the Group level, Sava Re's assessed risks associated with a deterioration in the macroeconomic situation remained high. High risk ratings were also maintained due to the persistence of uncertain geopolitical conditions, notably the military conflict in Ukraine and tensions in the Middle East. Despite this instability, 2024 saw the first signs of a

moderation in the tightening of reinsurance terms and conditions, particularly from a pricing perspective. This change has been observed in certain markets that have not been loss intensive in recent years (Japan and India). No moderation is expected in markets affected by major loss events in 2024. We expect these risks to continue to grow next year, despite price moderation. While lower reinsurance prices will make it easier to obtain adequate retrocession, greater attention will need to be paid to ensuring that the reinsurance underwritten is at an appropriate premium. Sava Re will continue to strive to ensure that the cover levels and premiums in the reinsurance contracts it enters into adequately reflect the effects of claims inflation and loss experience, and that the Company obtains the best possible retrocession cover under the circumstances.

The Group companies mitigate individual strategic risks primarily through preventive measures, and each has various processes in place to ensure that it can properly identify, measure, monitor, manage, control and report strategic risks to ensure that they are effectively managed. In addition to the relevant organisational units in the Group companies, strategic risks are identified and managed by governance bodies, risk management committees, risk management functions and the key function holders of the risk

management system. The identification of the Group's strategic risks is also the responsibility of the Group's risk management committee. Strategic risks are also managed by continually monitoring the realisation of short- and long-term goals of Group companies and by monitoring upcoming regulatory changes and market developments.

The Group and the Company recognise that reputation is important to the achievement of the business objectives and strategic plans over the long term. To this end, the Group companies put in place procedures to mitigate reputation risk, such as setting up fit and proper procedures applicable to key personnel, ensuring systematic operations of their respective compliance functions, having in place business continuity plans, developing stress tests and scenarios, and planning actions and responses in the case such risks materialise. The Group companies also monitor operational indicators that indirectly measure reputational risk. Toward ensuring the Group's good reputation, each and every employee is responsible for improving the quality of services delivered and overall customer satisfaction.

The Group and the Company estimate the exposure to strategic risks in 2024 to be moderate, at the same level as in 2023.



3.6.6.1 Emerging risks¹⁴⁰

To ensure successful long-term business operations, it is extremely important for the Group and the Company to anticipate and identify new risks. We attempt to follow trends, technological developments and events that may shape the future development of risks. As it is difficult to predict their occurrence with any degree of accuracy, we seek information from external sources to try to identify what may have a significant impact on our business in future periods. In 2024, a survey was conducted in all Group companies to assess emerging risks and, based on the responses, a weighted risk assessment was prepared at the Group level. The assessors in each Group company rated the risks in terms of materiality for the strategy period (up to 2027) and for the longer term (beyond 2027).

At the Group level, the highest assessed risks until 2027 were the risk of a major cyber-attack and cyber fraud, physical climate risks (extreme weather events) and macroeconomic risks. In the

longer term, physical climate risks and the risk of a major cyber-attack and cyber fraud remained among the highest assessed risks, while the third highest rated risk was the risk related to artificial intelligence. Physical climate risks and the risk of a major cyber-attack and cyber fraud were also key risks for Sava Re until 2027, whereas the risk of geopolitical instability and its consequences was rated as the most important risk. The same risks were identified as key beyond 2027.

3.6.6.2 Sustainability risk and climate change risk

Climate change risks

The Group monitors both physical and transition risks related to climate change risk. We disclose more about these risks and their impact on the Group's business in section [B.ESRS E1 "Climate Change", subsection SBM-3 – "Material impacts, risks and opportunities and their interaction with strategy and business model"](#).

Other sustainability risks

In addition to climate change, the Group and the Company also monitor other sustainability risks. These are included in the risk register and periodically assessed against along with other risks.

In 2024, regulatory risks were among the highest rated key sustainability risks at the Company and Group level. Of these risks, the following increased compared to 2023:

- the risk of inadequate or untimely implementation of sustainability-related legislation,
- the risk of opportunity losses for Group companies due to compliance with the restrictions imposed by sustainability policies and other regulations,
- the risk of higher costs due to policy adjustments or environmentally friendly operations (in line with SFDR, CSRD and other legislation).

The Group and the Company expect these risks to increase over the strategy period, mainly due

to the increasing scope and complexity of the new sustainability legislation. In order to manage these risks, the Company and the Group will continue to monitor regulatory developments in the area of sustainability. Ongoing monitoring of regulatory changes is the responsibility of the corporate compliance function, which includes a sustainability coordinator.

In addition to regulatory risks, other sustainability risks are monitored at the Company and Group level, such as the risk of not identifying environmental changes (by stakeholders) in time to adapt to new legislation and policies, the risk of inadequate whistleblowing protocols, and reputational risks (including the risk of greenwashing and inadequate sustainability products). The estimated impact of such other risks was lower in 2024 compared to the risks related to legislation.

Individual companies also monitor other risks relevant to their particular business.

3.7 Notes to the financial statements

3.7.1 Intangible assets

► Movement in cost and accumulated amortisation / impairment losses of intangible assets

Sava Insurance Group					
EUR	Software	Goodwill	Other intangible assets	Intangible assets in progress	Total
Cost					
31 December 2023	30,583,082	40,877,792	36,250,696	4,109,138	111,820,708
Additions	914,114	-	589,096	3,830,475	5,333,684
Transfer to use	1,945,954	-	-	-1,945,954	0
Disposals	-212,650	-	-13,978	-135,877	-362,506
Exchange differences	8,439	-	9,280	431	18,151
31 December 2024	33,238,939	40,877,792	36,835,093	5,858,213	116,810,038
Accumulated amortisation and impairment losses					
31 December 2023	16,223,622	8,444,979	22,003,276	-	46,671,877
Additions	3,523,565	-	1,252,488	-	4,776,052
Disposals	-207,305	-	-	-	-207,305
Exchange differences	5,631	-	855	-	6,486
31 December 2024	19,545,514	8,444,979	23,256,619	-	51,247,111
Carrying amount as at 31 December 2023	14,359,460	32,432,813	14,247,420	4,109,138	65,148,831
Carrying amount as at 31 December 2024	13,693,425	32,432,813	13,578,475	5,858,213	65,562,925

Sava Insurance Group					
EUR	Software	Goodwill	Other intangible assets	Intangible assets in progress	Total
Cost					
31 December 2022	19,008,519	40,877,792	35,013,365	13,315,699	108,215,375
Additions	729,733	-	1,969,375	1,988,754	4,687,862
Transfer to use	11,177,792	-	-	-11,177,792	0
Disposals	-333,078	-	-727,347	-17,243	-1,077,668
Reductions – subsidiaries – disposal	2,961	-	-	-	2,961
Exchange differences	-2,845	-	-4,697	-280	-7,822
31 December 2023	30,583,082	40,877,792	36,250,696	4,109,138	111,820,708
Accumulated amortisation and impairment losses					
31 December 2022	12,977,943	8,444,979	20,897,161	-	42,320,083
Additions	3,527,113	-	1,107,129	-	4,634,242
Disposals	-282,264	-	-	-	-282,264
Reductions – subsidiaries – disposal	2,996	-	-	-	2,996
Exchange differences	-2,166	-	-1,014	-	-3,180
31 December 2023	16,223,622	8,444,979	22,003,276	-	46,671,877
Carrying amount as at 31 December 2022	6,030,576	32,432,813	14,116,204	13,315,699	65,895,292
Carrying amount as at 31 December 2023	14,359,460	32,432,813	14,247,420	4,109,138	65,148,831



Sava Re				
EUR	Software	Other intangible assets	Intangible assets in progress	Total
Cost				
31 December 2023	3,938,279	45,347	2,845,695	6,829,321
Additions	-	14,024	2,189,266	2,203,290
Transfer to use	60,934	-	-60,934	0
Disposals	-5,156	-13,978	-	-19,135
31 December 2024	3,994,056	45,393	4,974,027	9,013,477
Accumulated amortisation and impairment losses				
31 December 2023	2,154,386	-	-	2,154,386
Additions	376,705	-	-	376,705
31 December 2024	2,531,092	-	-	2,531,092
Carrying amount as at 31 December 2023	1,783,893	45,347	2,845,695	4,674,935
Carrying amount as at 31 December 2024	1,462,965	45,393	4,974,027	6,482,385

Sava Re				
EUR	Software	Other intangible assets	Intangible assets in progress	Total
Cost				
31 December 2022	3,017,251	41,911	2,803,082	5,862,244
Additions	53,569	10,059	910,072	973,700
Transfer to use	867,459	-	-867,459	0
Disposals	-	-6,623	-	-6,623
31 December 2023	3,938,279	45,347	2,845,695	6,829,321
Accumulated amortisation and impairment losses				
31 December 2022	1,793,860	-	-	1,793,860
Additions	360,526	-	-	360,526
31 December 2023	2,154,386	-	-	2,154,386
Carrying amount as at 31 December 2022	1,223,391	41,911	2,803,082	4,068,384
Carrying amount as at 31 December 2023	1,783,893	45,347	2,845,695	4,674,935

The Group's other intangible assets mainly consist of the assessed value of a customer list of EUR 7,733,546 (2023: EUR 8,135,290) and contractual customer relationships of EUR 2,880,000 (2023: EUR 3,520,000), and the assets acquired in the acquisition of ASP EUR 1,116,657 (2023: EUR 1,305,835).

Assets in progress relate to the purchase of new IT solutions for the core business. In 2023, they are mainly related to IT solutions for the implementation of the new financial reporting standards IFRS 17 and IFRS 9, which have already been put into operation.



Movement in goodwill

► Movement in goodwill in 2024

Sava Insurance Group	
EUR	
Total amount carried forward as at 31 December 2023	32,432,813
Balance as at 31 December 2024	32,432,813
Sava Neživotno Osiguranje (SRB)	4,565,229
Sava Osiguranje (MNE)	3,648,534
Zavarovalnica Sava	4,761,733
Sava Agent	2,718
TBS Team 24	2,787,676
Sava Penzisko Društvo	1,666,838
Sava Infond	15,000,085

► Movement in goodwill in 2023

Sava Insurance Group	
EUR	
Total amount carried forward as at 31 December 2022	32,432,813
Balance as at 31 December 2023	32,432,813
Sava Neživotno Osiguranje (SRB)	4,565,229
Sava Osiguranje (MNE)	3,648,534
Zavarovalnica Sava	4,761,733
Sava Agent	2,718
TBS Team 24	2,787,676
Sava Penzisko Društvo	1,666,838
Sava Infond	15,000,085

Goodwill impairment testing

In the impairment testing of goodwill arising out of the acquired companies listed in the table at the beginning of this section (except for Zavarovalnica Sava), the recoverable amount of each cash-generating unit as at 31 December 2024 exceeded the carrying amount including goodwill belonging to the unit for all companies. The assumptions used to calculate the recoverable amount are described below. For Zavarovalnica Sava, where the estimated value exceeded the carrying amount by a very large margin, an impairment test was performed to determine whether there were any indications of impairment. As no indications were found, no valuation was necessary.

The cash flows are derived from the strategic plans of the companies constituting the cash-generating units. The companies' plans have been approved by the parent company and adopted by the companies' governing bodies. The supervisory board of Sava Re d.d. adopted the business plan of the Sava Insurance Group for 2025 on 11 December 2024. The business plans of the Group companies were prepared on the basis of the following key strategic directions:

- premium growth in relation to past performance,

expected GDP growth and the level of development of the insurance sector in Slovenia and abroad,

- growth in assets under management of the pension and mutual fund management company in relation to the macroeconomic environment, demographic trends, projected trends in inflows and outflows, and returns in relation to expected developments in the financial markets,
- growth in assistance services revenue in relation to the macroeconomic environment, the market conditions and the expected demand for assistance services,
- a target combined ratio in line with the specifics of the Slovenian and non-Slovenian non-life segments,
- a target new business margin for life insurance, and
- a return on investments in relation to the expected developments in financial markets.

The valuations used a long-term growth rate (g) of the risk-free rate of return (2.6%) to estimate the residual value beyond the projection period.

The discount rate methodology is explained in section [3.4.6 "Goodwill"](#).

► Assumptions used in goodwill impairment testing in 2024

	Sava Neživotno Osiguranje (SRB)	Sava Osiguranje (MNE)	Sava Penzisko (MKD)	Sava Infond (SVN)	TBS Team 24 (SVN)
Discount rate (%)	10.9	11.7	11.2	10.2	10.1
Long-term growth rate (%)	2.6	2.6	2.6	2.6	2.6



3.7.2 Property, plant and equipment

► Movement in cost and accumulated depreciation / impairment losses of property, plant and equipment assets

Sava Insurance Group						
EUR	Land	Buildings	Equipment	Other items of property, plant and equipment	In progress	Total
Cost						
31 December 2023	4,945,363	60,455,902	26,612,367	538,845	301,225	92,853,702
Additions	-	56,605	1,049,619	23,168	3,870,501	4,999,892
Reclassification	-55,091	-2,069,765	-	-	-	-2,124,856
Transfer to use	-	49,051	2,049,193	23,039	-2,121,283	0
Disposals	-271,283	-629,729	-3,284,459	-1,783	-	-4,187,254
Exchange differences	-	18,892	5,946	352	-1,226	23,964
31 December 2024	4,618,989	57,880,956	26,432,666	583,621	2,049,216	91,565,447
Accumulated depreciation and impairment losses						
31 December 2023	-	14,323,246	18,697,226	146,432	-	33,166,904
Additions	-	1,572,144	3,140,592	43,273	-	4,756,009
Reclassification	-	-1,743,173	-	-	-	-1,743,173
Disposals	-	-262,824	-3,091,778	-	-	-3,354,602
Exchange differences	-	5,489	4,254	6	-	9,750
31 December 2024	-	13,894,882	18,750,294	189,711	-	32,834,886
Carrying amount as at 31 December 2023	4,945,363	46,132,656	7,915,141	392,413	301,225	59,686,798
Carrying amount as at 31 December 2024	4,618,989	43,986,074	7,682,372	393,909	2,049,216	58,730,561



Sava Insurance Group

EUR	Land	Buildings	Equipment	Other items of property, plant and equipment	In progress	Total
Cost						
31 December 2022	5,216,520	63,859,517	27,035,610	521,439	57,768	96,690,854
Additions – acquisition of subsidiary	-	-	4,530	-	-	4,530
Additions	-	993,277	1,156,387	94,224	2,647,495	4,891,383
Reclassification	-	100,000	-	-	-	100,000
Transfer to use	-	200,038	2,196,210	7,791	-2,404,039	0
Disposals	-271,157	-4,695,392	-3,778,635	-84,504	-	-8,829,688
Exchange differences	-	-1,538	-1,735	-105	1	-3,377
31 December 2023	4,945,363	60,455,902	26,612,367	538,845	301,225	92,853,702
Accumulated depreciation and impairment losses						
31 December 2022	-	14,956,675	19,106,449	192,104	-	34,255,228
Additions	-	1,725,218	3,069,783	43,250	-	4,838,251
Reclassification	-	29,224	-	-	-	29,224
Disposals	-	-2,386,950	-3,477,805	-88,920	-	-5,953,675
Exchange differences	-	-921	-1,201	-2	-	-2,124
31 December 2023	-	14,323,246	18,697,226	146,432	-	33,166,904
Carrying amount as at 31 December 2022	5,216,520	48,902,842	7,929,161	329,335	57,768	62,435,626
Carrying amount as at 31 December 2023	4,945,363	46,132,656	7,915,141	392,413	301,225	59,686,798



Sava Re					
EUR	Land	Buildings	Equipment	Other items of property, plant and equipment	Total
Cost					
31 December 2023	151,373	2,449,707	1,755,371	274,193	4,630,643
Additions	-	-	190,119	-	190,119
Disposals	-	-	-139,070	-	-139,070
31 December 2024	151,373	2,449,707	1,806,419	274,193	4,681,691
Accumulated depreciation and impairment losses					
31 December 2023	-	857,228	1,044,885	53,371	1,955,484
Additions	-	33,311	231,178	10,113	274,603
Disposals	-	-	-98,761	-	-98,761
31 December 2024	-	890,540	1,177,302	63,484	2,131,326
Carrying amount as at 31 December 2023	151,373	1,592,478	710,486	220,822	2,675,158
Carrying amount as at 31 December 2024	151,373	1,559,167	629,117	210,709	2,550,365

Sava Re					
EUR	Land	Buildings	Equipment	Other items of property, plant and equipment	Total
Cost					
31 December 2022	151,373	2,449,707	1,538,295	274,193	4,413,567
Additions	-	-	424,457	-	424,457
Disposals	-	-	-207,382	-	-207,382
31 December 2023	151,373	2,449,707	1,755,371	274,193	4,630,643
Accumulated depreciation and impairment losses					
31 December 2022	-	823,917	992,621	43,084	1,859,622
Additions	-	33,311	194,674	10,287	238,273
Disposals	-	-	-142,410	-	-142,410
31 December 2023	-	857,228	1,044,885	53,371	1,955,484
Carrying amount as at 31 December 2022	151,373	1,625,790	545,674	231,109	2,553,945
Carrying amount as at 31 December 2023	151,373	1,592,478	710,486	220,822	2,675,158

Property, plant and equipment assets are unencumbered by third-party rights.



3.7.3 Right-of-use assets and liabilities

► Movement in cost and accumulated amortisation / impairment losses of right-of-use assets

Sava Insurance Group				
EUR	Land and buildings	Motor vehicles	Computers and IT equipment	Total
As at 31 December 2023	7,787,013	747,587	38,798	8,573,398
Depreciation of right-of-use assets	-904,452	-74,826	-78,812	-1,058,090
Change in right of use	1,712,669	-54,006	52,222	1,710,885
New contracts	1,851,618	1,112,957	275,951	3,240,526
Derecognition of right-of-use assets	-1,313,060	-358,995	0	-1,672,055
As at 31 December 2024	9,133,788	1,372,717	288,159	10,794,664

Sava Insurance Group				
EUR	Land and buildings	Motor vehicles	Computers and IT equipment	Total
As at 31 December 2022	7,035,677	328,038	61,961	7,425,676
Depreciation of right-of-use assets	-1,610,826	-82,046	-23,163	-1,716,035
Change in right of use	2,232,598	649,726	-	2,882,324
New contracts	654,028	84,640	-	738,668
Derecognition of right-of-use assets	-524,464	-232,771	-	-757,235
As at 31 December 2023	7,787,013	747,587	38,798	8,573,398

Sava Re		
EUR	Land and buildings	Total
As at 31 December 2023	277,158	277,158
Depreciation of right-of-use assets	-108,365	-108,365
Change in right of use	23,916	23,916
New contracts	62,231	62,231
Derecognition of right-of-use assets	-	-
As at 31 December 2024	254,940	254,940

Sava Re		
EUR	Land and buildings	Total
As at 31 December 2022	320,124	320,124
Depreciation of right-of-use assets	-82,608	-82,608
Change in right of use	20,501	20,501
New contracts	19,141	19,141
Derecognition of right-of-use assets	-	-
As at 31 December 2023	277,158	277,158



The amounts recognised in the income statement related to leases are shown in the table below.

EUR	Sava Insurance Group		Sava Re	
	2024	2023	2024	2023
Depreciation/amortisation	2,730,145	1,716,035	108,365	82,608
- Land and buildings	2,217,511	1,610,826	108,365	82,608
- Motor vehicles	433,822	82,046	-	-
- Computers and IT equipment	78,812	23,163	-	-
Interest on lease liabilities	392,117	239,055	7,402	7,318
Costs associated with short-term leases	220,612	209,629	-	-
Costs associated with low value leases	29,621	44,138	104	-
Total	3,372,495	2,208,857	115,871	89,926

Cash flow from leases

EUR	Sava Insurance Group		Sava Re	
	2024	2023	2024	2023
Cash flow from leases	3,092,341	2,579,753	113,297	87,084

Movement in short- and long-term lease liabilities¹⁴¹

EUR	Sava Insurance Group		Sava Re	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023
Lease liability – maturity up to 1 year	2,984,283	2,493,988	113,069	87,347
Lease liability – maturity over 1 year	8,152,419	6,350,749	147,548	193,017
Total	11,136,702	8,844,737	260,617	280,364

141 The disclosure also includes long-term liabilities under finance lease contracts.

EUR	Sava Insurance Group		Sava Re	
	Short-term	Long-term	Short-term	Long-term
31 December 2023	2,493,988	6,350,749	87,347	193,017
New leases	-	4,991,106	-	86,148
Repayments	-	-3,091,258	-	-113,297
Interest attribution	-	392,117	-	7,402
Transfer to current liabilities	490,295	-490,295	25,722	-25,722
31 December 2024	2,984,283	8,152,419	113,069	147,548

EUR	Sava Insurance Group		Sava Re	
	Short-term	Long-term	Short-term	Long-term
31 December 2022	2,541,330	5,115,859	78,425	242,063
New leases	-	3,528,246	-	39,642
Repayments	-	-2,579,753	-	-87,084
Interest attribution	-	239,055	-	7,318
Transfer to current liabilities	-47,342	47,342	8,922	-8,922
31 December 2023	2,493,988	6,350,749	87,347	193,017

Lease terms for land and buildings range from 1 to 26 years, for cars from 1 to 6 years, and for hardware and IT equipment it is 8 years. For leases with an indefinite term, the Group has set the lease term at 5 years.

Group companies also act as lessors. The majority of these leases relate to land and buildings as disclosed in note [3.7.5 “Investment property”](#).



3.7.4 Deferred tax assets and liabilities

Sava Insurance Group								
EUR	Offset value as at 31 December 2023	Included in income statement	Included in other comprehensive income	Other	Exchange differences	Offset value as at 31 December 2024	Deferred tax assets	Deferred tax liabilities
Insurance contracts	-10,206,017	-	2,393,165	163,599	-252	-7,649,504	1,269,984	-8,919,488
Reinsurance contracts	242,151	-	-502,390	-	253	-259,986	36,928	-296,914
Financial investments	13,103,356	1,515,009	-5,366,312	-14,375	-1,503	9,236,178	13,408,797	-4,172,620
Short-term operating receivables	658,477	-77,305	-	-	-	581,172	581,172	-
Provisions for jubilee benefits and severance pay (retirement)	511,681	-73,696	-2,123	-	-	435,860	699,824	-263,964
Provision for tax losses	-47,650	6,384	-	-	-	-41,266	750	-42,016
Deferred tax liabilities due to transition to the new standards	-1,114,189	-53,064	-	-149,224	-2,206	-1,318,682	197,250	-1,515,931
Total	3,147,809	1,317,328	-3,477,660	0	-3,708	983,774	16,194,706	-15,210,933

Sava Insurance Group								
EUR	Offset value as at 31 December 2022	Included in income statement	Included in other comprehensive income	Other	Exchange differences	Offset value as at 31 December 2023	Deferred tax assets	Deferred tax liabilities
Insurance contracts	-13,611,691	-139,380	3,544,920	-	134	-10,206,017	461,803	-10,667,820
Reinsurance contracts	-535,725	-	777,881	-	-5	242,151	469,735	-227,584
Financial investments	19,449,192	-306,284	-7,282,489	1,242,466	471	13,103,356	17,905,300	-4,801,944
Short-term operating receivables	275,515	382,962	-	-	-	658,477	658,477	-
Provisions for jubilee benefits and severance pay (retirement)	524,352	19,008	-26,777	-4,931	29	511,681	760,918	-249,237
Provision for tax losses	1,963,749	-1,662,098	9,013	-358,314	-	-47,650	750	-48,400
Deferred tax liabilities due to transition to the new standards	-10,859,627	-130,553	15,205	9,859,690	1,096	-1,114,189	68,954	-1,183,143
Total	-2,794,235	-1,836,345	-2,962,247	10,738,911	1,725	3,147,809	20,325,937	-17,178,128



Sava Re						
EUR	Offset value as at 31 December 2023	Included in income statement	Included in other comprehensive income	Offset value as at 31 December 2024	Deferred tax assets	Deferred tax liabilities
Insurance contracts	-589,258	-	616,323	27,065	577,318	-550,254
Reinsurance contracts	121,669	-	-362,875	-241,206	26,377	-267,584
Financial investments	4,834,780	-21,322	-1,086,773	3,726,686	3,941,924	-215,238
Short-term operating receivables	658,477	-77,305	-	581,172	581,172	-
Provisions for jubilee benefits and severance pay (retirement)	61,753	-	-	61,753	66,327	-4,575
Total	5,087,421	-98,627	-833,325	4,155,468	5,193,119	-1,037,650

Sava Re							
EUR	Offset value as at 31 December 2022	Included in income statement	Included in other comprehensive income	Other	Offset value as at 31 December 2023	Deferred tax assets	Deferred tax liabilities
Insurance contracts	-1,685,669	-	1,096,411	-	-589,258	112,237	-701,496
Reinsurance contracts	270,415	-	-148,746	-	121,669	125,792	-4,123
Financial investments	5,148,067	30,796	-1,444,764	1,100,681	4,834,780	4,965,493	-130,712
Short-term operating receivables	275,515	382,962	-	-	658,477	658,477	-
Provisions for jubilee benefits and severance pay (retirement)	53,332	9,045	-625	-	61,752	66,327	-4,575
Provision for tax losses	1,644,072	-1,644,072	-	-	-	-	-
Deferred tax liabilities due to transition to the new standards	-2,673,481	-	-	2,673,481	-	-	-
Total	3,032,251	-1,221,269	-497,724	3,774,162	5,087,420	5,928,327	-840,907



In 2024, deferred tax assets and liabilities were accounted for using tax rates that the management believes will be used to tax the differences. Tax has been accounted for at the statutory rates applicable to each Group company. The tax rate applicable to most Group companies (Slovenia) is 22% (until 31 December 2023: 19%). In 2023, deferred tax assets and liabilities were restated at the new rate

of 22%, effective 1 January 2024, and for other companies between 9% and 18% (Croatia 18%, Serbia 15%, Kosovo and North Macedonia 10%, Montenegro – progressive rate of 9%–15%).

The following table shows the restatement to the new tax rate for the Slovenia-based companies as at 31 December 2023.

EUR	Slovenia-based companies of the Sava Insurance Group		Sava Re	
	Restatement at new tax rate (22%)		Restatement at new tax rate (22%)	
	Included in income statement	Included in other comprehensive income	Included in income statement	Included in other comprehensive income
Insurance contracts	-	-1,301,630	-	-80,354
Reinsurance contracts	-	28,897	-	16,591
Financial investments	242,001	-147,789	212,012	446,270
Short-term operating receivables	89,792	-	89,792	-
Provisions for jubilee benefits and severance pay (retirement)	99,271	26,023	9,045	-624





3.7.5 Investment property

► Movement in cost and accumulated depreciation of investment property

Sava Insurance Group					
EUR	Land	Buildings	Equipment	In progress	Total
Cost					
31 December 2023	2,620,860	24,463,009	554,809	-	27,638,678
Additions	-	-	289	2,187	2,476
Reclassification	637,633	-859,113	-	-	-221,480
Transfer to use	-	128	2,059	-2,187	0
Disposals	-	-	-19,912	-	-19,912
Exchange differences	-419	10,767	-	-	10,348
31 December 2024	3,258,073	23,614,790	537,245	-	27,410,108
Accumulated depreciation and impairment losses					
31 December 2023	-	2,564,852	183,548	-	2,748,400
Additions	-	479,771	91,018	-	570,789
Reclassification	-	-38,566	-	-	-38,566
Disposals	-	-	-19,912	-	-19,912
Exchange differences	-	2,141	-	-	2,141
31 December 2024	-	3,008,197	254,655	-	3,262,852
Carrying amount as at 31 December 2023	2,620,860	21,898,157	371,261	0	24,890,278
Carrying amount as at 31 December 2024	3,258,073	20,606,593	282,590	0	24,147,256

Sava Insurance Group					
EUR	Land	Buildings	Equipment	In progress	Total
Cost					
31 December 2022	2,649,470	21,866,752	538,765	-	25,054,987
Additions	-	2,425,330	-	193,322	2,618,652
Transfer to use	-	177,278	16,044	-193,322	0
Disposals	-28,650	-	-	-	-28,650
Exchange differences	40	-6,351	-	-	-6,311
31 December 2023	2,620,860	24,463,009	554,809	-	27,638,678
Accumulated depreciation and impairment losses					
31 December 2022	28,610	2,138,903	91,715	-	2,259,228
Additions	-	426,567	91,832	-	518,399
Disposals	-28,650	-	-	-	-28,650
Exchange differences	40	-618	1	-	-577
31 December 2023	-	2,564,852	183,548	-	2,748,400
Carrying amount as at 31 December 2022	2,620,860	19,727,849	447,050	0	22,795,759
Carrying amount as at 31 December 2023	2,620,860	21,898,157	371,261	0	24,890,278



Sava Re				
EUR	Land	Buildings	Equipment	Total
Cost				
31 December 2023	1,497,711	7,036,401	82,446	8,616,558
31 December 2024	1,497,711	7,036,401	82,446	8,616,558
Accumulated depreciation and impairment losses				
31 December 2023	-	999,836	34,554	1,034,390
Additions	-	142,378	7,918	150,296
31 December 2024	-	1,142,214	42,472	1,184,686
Carrying amount as at 31 December 2023	1,497,711	6,036,565	47,892	7,582,168
Carrying amount as at 31 December 2024	1,497,711	5,894,187	39,974	7,431,872

Sava Re				
EUR	Land	Buildings	Equipment	Total
Cost				
31 December 2022	1,497,711	7,026,356	82,446	8,606,513
Additions	-	10,045	-	10,045
31 December 2023	1,497,711	7,036,401	82,446	8,616,558
Accumulated depreciation and impairment losses				
31 December 2022	-	858,194	26,626	884,820
Additions	-	141,642	7,928	149,570
31 December 2023	-	999,836	34,554	1,034,390
Carrying amount as at 31 December 2022	1,497,711	6,168,162	55,820	7,721,693
Carrying amount as at 31 December 2023	1,497,711	6,036,565	47,892	7,582,168

The Group generated income of EUR 1,565,419 million from the lease of its investment property in 2024 (2023: EUR 1,444,937). Maintenance costs associated with investment property are either included in the rent or charged to the lessee. Costs covered by the Group in 2024 totalled EUR 141,742 (2023: EUR 110,340). We estimate that the Group will continue to lease its investment property in 2025 and over the next five-year period in a similar scope as in 2024 and generate a similar amount of lease income.

In 2024, the Company generated income of EUR 959,359 by leasing out its investment property (2023: EUR 867,573). Maintenance costs associated with investment property are either included in rent or charged to the lessees in a proportionate amount.

The investment properties are unencumbered by any third-party rights.

The fair values of investment property are presented in note [3.7.35 “Fair values of assets and liabilities”](#).

3.7.6 Investments in subsidiaries and associates

EUR	Sava Insurance Group		Sava Re	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023
Investments in subsidiaries	0	0	305,834,606	305,666,793
Investments in associates	25,615,695	23,834,620	19,575,000	19,575,000
Total	25,615,695	23,834,620	325,409,606	325,241,793

Investments in subsidiaries

Sava Re					
EUR	31 December 2023		Acquisition/ recapitalisation Value	31 December 2024	
	Holding	Value		Holding	Value
Zavarovalnica Sava	100.00%	123,364,958	0	100.00%	123,364,958
Sava Neživotno Osiguranje (SRB)	100.00%	16,143,299	0	100.00%	16,143,299
Illyria	100.00%	9,563,104	0	100.00%	9,563,104
Sava Osiguruvanje (MKD)	93.89%	8,905,868	0	93.86%	8,905,868
Sava Osiguranje (MNE)	100.00%	15,373,019	0	100.00%	15,373,019
Illyria Life	100.00%	4,035,893	0	100.00%	4,035,893
Sava Životno Osiguranje (SRB)	100.00%	5,142,278	0	100.00%	5,142,278
Sava Pokojninska	100.00%	6,417,800	0	100.00%	6,417,800
TBS Team 24	78.50%	3,326,504	167,813	90.00%	3,494,317
Sava Penzisko Društvo	100.00%	19,714,494	0	100.00%	19,714,494
Sava Infond	84.00%	24,583,778	0	84.00%	24,583,778
Vita	100.00%	66,789,797	0	100.00%	66,789,797
ASP (SRB)	100.00%	1,250,000	0	100.00%	1,250,000
Vita S Holding (MKD)	80.00%	1,056,000	0	80.00%	1,056,000
Total		305,666,793	167,813		305,834,606

Sava Re					
EUR	31 December 2022		Acquisition/ recapitalisation Value	31 December 2023	
	Holding	Value		Holding	Value
Zavarovalnica Sava	100.00%	123,364,958	0	100.00%	123,364,958
Sava Neživotno Osiguranje (SRB)	100.00%	16,143,299	0	100.00%	16,143,299
Illyria	100.00%	9,563,104	0	100.00%	9,563,104
Sava Osiguruvanje (MKD)	93.89%	8,905,868	0	93.86%	8,905,868
Sava Osiguranje (MNE)	100.00%	15,373,019	0	100.00%	15,373,019
Illyria Life	100.00%	4,035,893	0	100.00%	4,035,893
Sava Životno Osiguranje (SRB)	100.00%	5,142,278	0	100.00%	5,142,278
Sava Pokojninska	100.00%	6,417,800	0	100.00%	6,417,800
TBS Team 24	78.50%	3,326,504	0	78.50%	3,326,504
Sava Penzisko Društvo	100.00%	19,714,494	0	100.00%	19,714,494
Sava Infond	84.00%	24,583,778	0	84.00%	24,583,778
Vita	100.00%	66,789,797	0	100.00%	66,789,797
ASP (SRB)	100.00%	0	1,250,000	100.00%	1,250,000
Vita S Holding (MKD)	80.00%	0	1,056,000	80.00%	1,056,000
Total		303,360,793	2,306,002		305,666,793

Investments in associates

Sava Insurance Group						
EUR	31 December 2023		Attributed profit or loss	31 December 2024		Share of voting rights (%)
	Holding	Value		Holding	Value	
DCB	40.1%	23,834,620	1,781,075	50.00%	25,615,695	50.00%
Total		23,834,620	1,781,075		25,615,695	

Sava Insurance Group						
EUR	31 December 2022		Attributed profit or loss	31 December 2023		Share of voting rights (%)
	Holding	Value		Holding	Value	
DCB	40.1%	21,856,109	1,978,512	50.00%	23,834,620	50.00%
Total		21,856,109	1,978,512		23,834,620	

Sava Re						
EUR	31 December 2023		31 December 2024		Share of voting rights (%)	
	Holding	Value	Holding	Value		
DCB	50.00%	19,575,000	50.00%	19,575,000	50.00%	
Total		19,575,000		19,575,000		

Sava Re						
EUR	31 December 2022		31 December 2023		Share of voting rights (%)	
	Holding	Value	Holding	Value		
DCB	50.00%	19,575,000	50.00%	19,575,000	50.00%	
Total		19,575,000		19,575,000		

Sava Insurance Group		
EUR	31 December 2024	31 December 2023
DCB		
Value of assets	55,109,003	53,009,611
Liabilities	18,753,610	20,190,187
Equity	36,355,393	32,819,424
Income	38,589,636	30,401,886
Profit or loss	3,562,149	3,957,023
Part of the profit or loss attributable to the Group	1,781,075	1,978,512

On 22 February 2024, Sava Re signed a contract to acquire a 2.5% stake in TBS Team 24. Upon completion of the transaction on 27 February 2024, Sava Re held a 90% stake in the company.

In 2023, the Sava Insurance Group sold its associate G2I. It realised a gain on the sale of EUR 112,595.

The assumptions used in the valuation are described in more detail in section [3.4.12 “Investments in subsidiaries and associates”](#).



3.7.7 Financial investments

The financial investments of the Sava Insurance Group amounting to EUR 2,329.1 million as at 31 December 2024 (31 December 2023: EUR 2,012.5 million) include, in addition to investments supporting non-life and traditional life insurance liabilities, investments supporting unit-linked life insurance contract liabilities and own funds.

Sava Insurance Group				
EUR				
	Measured at amortised cost	Measured at fair value through profit or loss	Measured at fair value through other comprehensive income	Total
31 December 2024				
Debt instruments	75,722,712	9,355,534	1,420,696,781	1,505,775,027
Deposits and CDs	27,299,953	-	-	27,299,953
Government bonds	37,231,867	1,072,588	920,062,975	958,367,430
Corporate bonds	10,523,121	8,282,946	500,633,806	519,439,873
Loans granted	667,771	-	-	667,771
Equity instruments	0	732,978,080	17,965,791	750,943,871
Shares	-	5,499,066	17,965,791	23,464,857
Mutual funds	-	727,479,014	-	727,479,014
Investments in infrastructure funds	-	59,777,426	-	59,777,426
Investments in real-estate funds	-	12,583,880	-	12,583,880
Total	75,722,712	814,694,920	1,438,662,572	2,329,080,204

Sava Insurance Group				
EUR				
	Measured at amortised cost	Measured at fair value through profit or loss	Measured at fair value through other comprehensive income	Total
31 December 2023				
Debt instruments	76,303,166	19,701,111	1,260,177,155	1,356,181,432
Deposits and CDs	25,616,171	-	-	25,616,171
Government bonds	37,676,521	2,105,477	811,741,040	851,523,038
Corporate bonds	12,256,335	17,595,634	448,436,115	478,288,084
Loans granted	754,139	-	-	754,139
Equity instruments	0	569,153,261	15,969,890	585,123,151
Shares	-	5,784,383	15,969,890	21,754,273
Mutual funds	-	563,368,878	-	563,368,878
Investments in infrastructure funds	-	57,339,858	-	57,339,858
Investments in real-estate funds	-	13,888,192	-	13,888,192
Total	76,303,166	660,082,422	1,276,147,045	2,012,532,633



Sava Re				
EUR				
	Measured at amortised cost	Measured at fair value through profit or loss	Measured at fair value through other comprehensive income	Total
31 December 2024				
Debt instruments	5,677,769	2,006,571	400,200,967	407,885,307
Deposits and CDs	1,022,920	-	-	1,022,920
Government bonds	2,076,258	-	274,041,110	276,117,368
Corporate bonds	-	2,006,571	126,159,857	128,166,428
Loans granted	2,578,592	-	-	2,578,592
Equity instruments	0	10,531,858	0	10,531,858
Shares	-	3,204,768	-	3,204,768
Mutual funds	-	7,327,090	-	7,327,090
Investments in infrastructure funds	-	22,403,584	-	22,403,584
Investments in real-estate funds	-	3,565,302	-	3,565,302
Total	5,677,769	38,507,315	400,200,967	444,386,051

Sava Re				
EUR				
	Measured at amortised cost	Measured at fair value through profit or loss	Measured at fair value through other comprehensive income	Total
31 December 2023				
Debt instruments	5,811,776	4,320,636	311,285,620	321,418,032
Deposits and CDs	1,021,347	-	-	1,021,347
Government bonds	2,075,525	-	227,516,295	229,591,819
Corporate bonds	-	4,320,636	83,769,325	88,089,961
Loans granted	2,714,904	-	-	2,714,904
Equity instruments	0	7,997,287	0	7,997,287
Shares	-	3,538,972	-	3,538,972
Mutual funds	-	4,458,315	-	4,458,315
Investments in infrastructure funds	-	21,084,448	-	21,084,448
Investments in real-estate funds	-	3,884,428	-	3,884,428
Total	5,811,776	37,286,800	311,285,620	354,384,196

The Sava Insurance Group held 0.8% of financial investments constituting subordinated instruments for the issuer (31 December 2023: 1.6%). The total value of these investments was EUR 19.0 million (31 December 2023: EUR 31.1 million).

Sava Re held 0.5% of financial investments that constitute subordinated instruments for

the issuer (31 December 2023: 1.2%). The total value of these investments was EUR 2.0 million (31 December 2023: EUR 4.3 million).

The Group measures its investments in subordinated debt instruments through profit or loss or through accumulated other comprehensive income.

► Equity instruments classified as FVOCI

EUR	31 December 2024	31 December 2023
AENA S.M.E. SA	770,847	640,811
AMGEN INC.	566,251	591,418
Bouygues	270,902	323,867
CISCO SYSTEMS, INC.	618,698	499,028
DANONE	569,279	512,981
Deutsche Telekom AG	1,395,387	1,050,525
ESSILORLUXOTTICA	867,008	668,288
Fortum Oyj	394,719	381,430
Fresenius SE & Co. KGaA	447,155	374,229
GALP ENERGIA, SGPS, S.A.	776,558	649,485
GlaxoSmithKline PLC	335,432	344,824
Haleon PLC	117,524	95,605
Iberdrola SA	496,329	430,311
Johnson & Johnson	407,246	417,170
KELLANOVA	779,542	508,756
Koninklijke Ahold Delhaize N.V.	936,922	774,024
KRKA, tovarna zdravil, d.d., Novo mesto	960,212	759,880
LEGAL & GENERAL GROUP PLC	378,581	394,846
Naturgy Energy Group SA	754,052	870,804
OMV Aktiengesellschaft	259,140	276,004
Österreichische Post AG	624,499	709,067
PFIZER INC.	295,656	303,246
RECKITT BENCKISER GROUP PLC	340,262	364,223

EUR	31 December 2024	31 December 2023
RECORDATI INDUSTRIA CHIMICA E FARMACEUTICA S.P.A. IN BREVE RECORDATI S.P.A.	477,411	460,711
Siemens Aktiengesellschaft	675,610	608,823
TELENOR ASA	326,948	316,580
TELIA COMPANY AB	260,334	226,088
Veolia Environnement, Paris	670,295	706,146
WK Kellogg Co	43,287	29,883
WW Grainger Inc	1,204,023	894,685
Zurich Insurance Group AG	945,684	786,153
Total	17,965,791	15,969,890

In 2024, the Group did not dispose of any equity instruments measured at FVOCI. In 2024, the Group received a dividend on its investment in Iberdrola SA in the form of 1,066 shares, which was recognised in the income statement as dividend income of EUR 12,722.

In 2023, the Group acquired an investment in WK Kellogg Co. as a spin-off of Kellanova (formerly Kellogg Company). This transaction did not result in any additional cost to the Group. In 2023, the Group did not dispose of any equity instruments measured at FVOCI.

► Amounts recognised in profit or loss and other comprehensive income

EUR	2024	2023
Dividends from equity investments held at FVOCI recognised in the income statement item other income	589,987	556,769
– Related to investments derecognised during the reporting period	-	-
– Related to investments held at the end of the reporting period	589,987	556,769



► Movement in financial investments

Sava Insurance Group				
EUR	Measured at fair value through other comprehensive income	Measured at amortised cost	Measured at fair value through profit or loss	Total
Opening balance as at 1 January 2024	1,276,147,045	76,303,166	660,082,422	2,012,532,633
New acquisitions	546,844,986	25,824,750	165,328,081	737,997,817
Maturity	-354,371,496	-21,093,020	-11,100,000	-386,564,516
Interest inflows	-19,934,703	-2,379,610	-699,927	-23,014,240
Disposal	-62,070,240	-5,798,263	-102,193,582	-170,062,084
Change in fair value – in equity	26,140,315	-	-	26,140,315
Change in fair value – in equity (ECL)	-569,107	-	-	-569,107
Change in fair value – from equity to IS – disposals	36,143	28,104	-	64,247
Change in fair value through profit or loss	-	-	100,737,742	100,737,742
Change in amortised cost, exchange differences	25,781,472	2,774,138	2,536,601	31,092,211
Change in ECL through profit or loss	569,213	3,881	-	573,095
Exchange differences (opening balance)	88,944	59,565	3,582	152,091
Closing balance as at 31 December 2024	1,438,662,572	75,722,712	814,694,920	2,329,080,204

Sava Insurance Group				
EUR	Measured at fair value through other comprehensive income	Measured at amortised cost	Measured at fair value through profit or loss	Total
Opening balance as at 1 January 2023	1,155,401,907	64,428,280	556,301,888	1,776,132,075
New acquisitions	330,815,055	29,287,786	114,620,739	474,723,581
Maturity	-233,057,388	-17,167,481	-2,750,000	-252,974,869
Interest inflows	-17,089,575	-2,196,521	-817,975	-20,104,070
Disposal	-26,257,105	-345,705	-66,132,897	-92,735,707
Change in fair value – in equity	52,182,266	-	-	52,182,266
Change in fair value – in equity (ECL)	-397,551	-	-	-397,551
Change in fair value – from equity to IS – disposals	-821,328	-	-	-821,328
Change in fair value through profit or loss	87,110	-	58,343,186	58,430,296
Change in amortised cost, exchange differences	14,910,432	2,362,126	518,389	17,790,948
Change in ECL through profit or loss	397,053	-53,287	-	343,766
Exchange differences (opening balance)	-23,831	-12,032	-908	-36,772
Closing balance as at 31 December 2023	1,276,147,045	76,303,166	660,082,422	2,012,532,633



Sava Re				
EUR	Measured at fair value through other comprehensive income	Measured at amortised cost	Measured at fair value through profit or loss	Total
Opening balance as at 1 January 2024	311,285,620	5,811,776	37,286,800	354,384,196
New acquisitions	210,779,768	850,000	4,034,645	215,664,413
Maturity	-98,836,147	-986,743	-2,400,000	-102,222,890
Interest inflows	-4,961,567	-320,521	-186,300	-5,468,388
Disposal	-31,397,558	-	-2,067,328	-33,464,885
Change in fair value – in equity	5,030,062	-	-	5,030,062
Change in fair value – in equity (ECL)	-90,184	-	-	-90,184
Change in fair value – from equity to IS – disposals	45,016	-	-	45,016
Change in fair value through profit or loss	-	-	1,201,805	1,201,805
Change in amortised cost, exchange differences	8,255,659	316,639	637,693	9,209,991
Change in ECL through profit or loss	90,298	6,618	-	96,917
Closing balance as at 31 December 2024	400,200,967	5,677,769	38,507,315	444,386,051

Sava Re				
EUR	Measured at fair value through other comprehensive income	Measured at amortised cost	Measured at fair value through profit or loss	Total
Opening balance as at 1 January 2023	280,840,335	3,871,964	39,718,676	324,430,976
New acquisitions	116,005,237	2,300,000	2,567,159	120,872,396
Maturity	-74,806,557	-409,349	-1,250,000	-76,465,906
Interest inflows	-3,528,659	-211,984	-275,258	-4,015,901
Disposal	-18,046,171	-	-4,519,826	-22,565,997
Change in fair value – in equity	10,013,555	-	-	10,013,555
Change in fair value – in equity (ECL)	-60,746	-	-	-60,746
Change in fair value – from equity to IS – disposals	-120,448	-	-	-120,448
Change in fair value through profit or loss	-	-	1,211,782	1,211,782
Change in amortised cost, exchange differences	928,825	266,968	-165,733	1,030,060
Change in ECL through profit or loss	60,250	-5,824	-	54,426
Closing balance as at 31 December 2023	311,285,620	5,811,776	37,286,800	354,384,196

► Loans of the parent granted to Group companies

EUR	31 December 2024	31 December 2023
Sava Osiguruvanje, Skopje (MKD)	1,311,052	1,311,052
Sava Pokojninska (SVN)	1,030,575	1,030,575
Total	2,341,627	2,341,627

The Group has pledged securities of EUR 0.6 million (31 December 2023: EUR 0.6 million).

The fair values of financial investments are shown in note 3.7.35.



3.7.8 Investment contract assets and liabilities

Investment contract assets

Sava Insurance Group		
EUR	31 December 2024	31 December 2023
Financial investments	196,890,999	173,199,975
Investment property	647,000	593,000
Receivables	46,865	37,590
Cash and cash equivalents	3,586,141	6,797,572
Total	201,171,005	180,628,137

Sava Insurance Group			
EUR	Measured at amortised cost	Measured at fair value through profit or loss	Total
31 December 2024			
Debt instruments	93,211,977	45,658,916	138,870,893
Government bonds	48,787,627	25,562,002	74,349,629
Corporate bonds	44,424,350	20,096,914	64,521,264
Equity instruments	0	53,570,579	53,570,579
Investments in infrastructure funds	0	1,562,395	1,562,395
Investments in real-estate funds	0	2,887,132	2,887,132
Total financial investments	93,211,977	103,679,022	196,890,999
Cash, cash equivalents and receivables	3,586,141	0	3,586,141
Investment property	0	647,000	647,000
Receivables	46,865	0	46,865
Total investment contract assets	96,844,983	104,326,022	201,171,005

Investment contract assets and liabilities relate to the management of pension funds at the subsidiary Sava Pokojninska. The Group held EUR 201.1 million (2023: 180.6 million) of investment contract assets and EUR 200.9 million (2023: EUR 180.4 million) of investment contract liabilities. Its investment contracts include a group

of lifecycle funds called MOJI Skladi Življenjskega Cikla (MY lifecycle funds), which relate to the supplementary pension business of the Sava Pokojninska in the accumulation phase. The risks associated with investment contract liabilities are discussed in detail in section [3.4.13 “Financial investments”](#).

Sava Insurance Group			
EUR	Measured at amortised cost	Measured at fair value through profit or loss	Total
31 December 2023			
Debt instruments	94,321,242	37,710,007	132,031,249
Government bonds	50,169,820	18,376,896	68,546,716
Corporate bonds	44,151,422	19,333,110	63,484,532
Equity instruments	0	35,973,949	35,973,949
Investments in infrastructure funds	0	1,914,064	1,914,064
Investments in real-estate funds	0	3,280,713	3,280,713
Total financial investments	94,321,242	78,878,733	173,199,975
Cash, cash equivalents and receivables	6,797,572	0	6,797,572
Investment property	0	593,000	593,000
Receivables	37,590	0	37,590
Total investment contract assets	101,156,405	79,471,733	180,628,137



► Investment contract assets by level of the fair value hierarchy

Sava Insurance Group						
EUR						
31 December 2024	Carrying amount	Fair value			Total fair value	Difference between FV and CA
		Level 1	Level 2	Level 3		
Investment contract assets measured at fair value	104,326,022	97,294,271	1,935,223	5,096,527	104,326,022	0
At FVTPL	104,326,022	97,294,271	1,935,223	5,096,527	104,326,022	0
Mandatorily measured at fair value through profit or loss, not held for trading	104,326,022	97,294,271	1,935,223	5,096,527	104,326,022	0
Debt instruments	45,658,916	43,723,693	1,935,223	-	45,658,916	0
Equity instruments	53,570,579	53,570,579	-	-	53,570,579	0
Investments in infrastructure funds	1,562,395	-	-	1,562,395	1,562,395	0
Investments in real-estate funds	2,887,132	-	-	2,887,132	2,887,132	0
Investment property	647,000	-	-	647,000	647,000	0
Investment contract assets not measured at fair value	96,844,984	91,393,502	0	3,633,007	95,026,509	-1,818,474
At amortised cost	96,844,984	91,393,502	0	3,633,007	95,026,509	-1,818,474
Debt instruments	93,211,977	91,393,502	-	-	91,393,502	-1,818,475
Cash and cash equivalents	3,586,140	-	-	3,586,140	3,586,140	0
Receivables	46,867	-	-	46,867	46,867	0
Total investment contract assets	201,171,005	188,687,773	1,935,223	8,729,534	199,352,531	-1,818,474



Sava Insurance Group

EUR 31 December 2023	Carrying amount	Fair value			Total fair value	Difference between FV and CA
		Level 1	Level 2	Level 3		
Investment contract assets measured at fair value	79,471,733	70,072,510	3,611,446	5,787,777	79,471,733	0
At FVTPL	79,471,733	70,072,510	3,611,446	5,787,777	79,471,733	0
Mandatorily measured at fair value through profit or loss, not held for trading	79,471,733	70,072,510	3,611,446	5,787,777	79,471,733	0
Debt instruments	37,710,007	34,098,561	3,611,446	-	37,710,007	0
Equity instruments	35,973,949	35,973,949	-	-	35,973,949	0
Investments in infrastructure funds	1,914,064	-	-	1,914,064	1,914,064	0
Investments in real-estate funds	3,280,713	-	-	3,280,713	3,280,713	0
Investment property	593,000	-	-	593,000	593,000	0
Investment contract assets not measured at fair value	101,156,405	86,463,519	6,049,579	6,835,162	99,348,260	-1,808,144
At amortised cost	101,156,405	86,463,519	6,049,579	6,835,162	99,348,260	-1,808,144
Debt instruments	94,321,242	86,463,519	6,049,579	-	92,513,098	-1,808,144
Cash and cash equivalents	6,797,572	-	-	6,797,572	6,797,572	0
Receivables	37,590	-	-	37,590	37,590	0
Total investment contract assets	180,628,137	156,536,030	9,661,024	12,622,939	178,819,993	-1,808,144

► Investment contract liabilities

Sava Insurance Group		
EUR	31 December 2024	31 December 2023
Net liabilities to pension policyholders	200,103,820	179,443,359
Other liabilities	1,067,188	1,185,340
Total in balance sheet – long-term business funds of voluntary supplementary pension insurance	201,171,007	180,628,699
Inter-company transactions between company and life insurance liability fund	-216,112	-191,004
Total in balance sheet	200,954,895	180,437,695



► Movement in financial investments

Sava Insurance Group					
EUR	Debt instruments	Equity instruments	Investments in infrastructure funds	Investments in real-estate funds	Total
Balance as at 1 January 2024	132,031,249	35,973,949	1,914,064	3,280,713	173,199,975
New acquisitions	39,780,745	17,834,010	-	-	57,614,755
Maturity	-34,089,469	-	-	-	-34,089,469
Disposal	-497,307	-8,110,832	-380,148	-	-8,988,287
Coupon payments	-2,906,365	-	-	-	-2,906,365
Accrued interest	3,442,679	-	-	-	3,442,679
Revaluation (through IS)	1,147,634	7,171,510	28,479	-393,581	7,954,042
Income/expenses upon sale	623	25,751	-	-	26,374
Recognition/reversal of ECL allowance	9,619	-	-	-	9,619
Exchange differences	-48,515	676,191	-	-	627,676
Balance as at 31 December 2024	138,870,893	53,570,579	1,562,395	2,887,132	196,890,999

Sava Insurance Group					
EUR	Debt instruments	Equity instruments	Investments in infrastructure funds	Investments in real-estate funds	Total
Balance as at 1 January 2023	116,609,421	26,634,985	1,992,155	3,869,404	149,105,965
New acquisitions	26,951,166	7,343,516	83,739	-	34,378,421
Maturity	-12,250,000	-	-	-	-12,250,000
Disposal	-962,459	-2,562,553	-196,095	-	-3,721,107
Coupon payments	-2,615,309	-	-	-	-2,615,309
Accrued interest	3,129,844	-	-	-	3,129,844
Revaluation (through profit or loss)	1,496,341	4,769,727	34,733	-588,691	5,712,110
Income/expenses upon sale	-299,503	-5,801	-468	-	-305,772
Recognition/reversal of ECL allowance	17,205	-	-	-	17,205
Exchange differences	-45,457	-205,925	-	-	-251,382
Balance as at 31 December 2023	132,031,249	35,973,949	1,914,064	3,280,713	173,199,975



► **Movement in investments, and income and expenses relating to investment contract assets measured at fair value – level 3**

Sava Insurance Group						
EUR	Investments in infrastructure funds		Investments in real-estate funds		Investment property	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023	31 December 2024	31 December 2023
Opening balance	1,914,064	1,992,155	3,280,713	3,869,404	593,000	593,000
Additions	-	83,739	-	-	-	-
Disposals	-380,148	-196,563	-	-	-	-
Revaluation to fair value	28,479	34,733	-393,581	-588,691	54,000	-
Closing balance	1,562,395	1,914,064	2,887,132	3,280,713	647,000	593,000
Income	152,797	126,668	28,102	73,749	108,871	227,809
Expenses	-10,770	-468	-337,104	-588,691	-15,510	-

The pension company eliminates inter-company transactions of the joint balance sheet; therefore, liabilities to pension policyholders exceed investment contract liabilities. Internal transactions between the group of My-Life-cycle long-term business funds and the pension company were eliminated in the balance sheet. These include entry charges and management fees for the current month, which may be recognised upon conversion or when credited to personal accounts.

Liabilities in the balance sheet of the long-term liability fund of the voluntary supplementary pension insurance are mostly long-term. These are liabilities relating to the voluntary supplementary pension life liability fund for premiums paid, guaranteed return and the return in excess of guaranteed return (provisions).

The table below shows income and expenses relating to investment contracts in 2024.

Profit or loss realised from investment contract assets is fully recognised in investment contract liabilities.

Net investment income for the financial period (EUR)	Investment contracts
Finance income	12,759,500
Dividend income	411,777
Interest income	3,442,859
Gains on disposal of financial investments	34,036
Gains on change in fair value	7,963,662
Other finance income	907,166
Income from investment property	108,871
Rental income	54,871
Gains on change in fair value	54,000
Financial expenses	-7,662
Losses on disposals	-7,662
Expenses relating to investment property	-15,510
Expenses arising from management and renting	-15,510
Expenses relating to management of life insurance business fund	-2,066,614
Asset management commission	-1,889,757
Expenses relating to custodian bank	-30,236
Audit-related expenses	-25,561
Expenses relating to communication with life insurance business fund members	-33,244
Brokerage expenses for purchase and sale of securities	-7,513
Other expenses charged against the life ins. liability fund under applicable rules	-80,302
Net profit/loss attributable to policyholders	10,778,585



3.7.9 (Re)insurance contract assets and liabilities

EUR 31 December 2024	Sava Insurance Group						Sava Re		
	Non-life			Life			Non-life		
	Insurance and reinsurance contract assets	Insurance and reinsurance contract liabilities	Net (re)insurance contract assets/liabilities	Insurance and reinsurance contract assets	Insurance and reinsurance contract liabilities	Net (re)insurance contract assets/liabilities	Insurance and reinsurance contract assets	Insurance and reinsurance contract liabilities	Net (re)insurance contract assets/liabilities
Insurance contracts not measured using the PAA	-8,257,348	184,622,254	176,364,907	-2,516,593	1,098,510,646	1,095,994,053	-5,646,027	257,188,073	251,542,046
Insurance contracts measured using the PAA	-68,422	548,235,070	548,166,648	-	-	0	-23,988	28,887,602	28,863,614
Total insurance contracts	-8,325,770	732,857,324	724,531,554	-2,516,593	1,098,510,646	1,095,994,053	-5,670,015	286,075,675	280,405,660
Reinsurance contracts not measured using the PAA	-57,745,966	1,874,160	-55,871,806	-200,274	143,696	-56,578	-52,845,122	1,730,540	-51,114,582
Reinsurance contracts measured using the PAA	-19,572,514	1,965,347	-17,607,167	-	-	0	-13,116,985	461,485	-12,655,500
Total reinsurance contracts	-77,318,480	3,839,507	-73,478,973	-200,274	143,696	-56,578	-65,962,107	2,192,025	-63,770,082

EUR 31 December 2023	Sava Insurance Group						Sava Re		
	Non-life			Life			Non-life		
	Insurance and reinsurance contract assets	Insurance and reinsurance contract liabilities	Net (re)insurance contract assets/liabilities	Insurance and reinsurance contract assets	Insurance and reinsurance contract liabilities	Net (re)insurance contract assets/liabilities	Insurance and reinsurance contract assets	Insurance and reinsurance contract liabilities	Net (re)insurance contract assets/liabilities
Insurance contracts not measured using the PAA	-8,180,369	172,238,904	164,058,535	-938,150	959,645,573	958,707,423	-5,081,479	256,344,343	251,262,865
Insurance contracts measured using the PAA	-488,770	519,137,770	518,649,000	-	-	0	-13,866	39,408,380	39,394,514
Total insurance contracts	-8,669,139	691,376,674	682,707,535	-938,150	959,645,573	958,707,423	-5,095,344	295,752,723	290,657,379
Reinsurance contracts not measured using the PAA	-101,443,611	542,115	-100,901,496	-242,131	157,573	-84,558	-95,762,621	446,848	-95,315,773
Reinsurance contracts measured using the PAA	-5,795,817	942,355	-4,853,462	-	-	0	-	-	0
Total reinsurance contracts	-107,239,428	1,484,470	-105,754,958	-242,131	157,573	-84,558	-95,762,621	446,848	-95,315,773

3.7.10 Movement in liabilities for remaining coverage (LRC) and liabilities for incurred claims (LIC) – insurance contracts issued

► Sava Insurance Group as at 31 December 2024 – non-life

EUR	Liabilities for remaining coverage – LRC			Liabilities for incurred claims – LIC			Total LIC	Total
	Excluding loss component	Loss component	Total LRC	Insurance contracts not measured using the PAA	contracts measured using the PAA Present value of future cash flows	Adjustment for non-financial risk		
Assets	-14,482,936	46,591	-14,436,345	5,219,756	482,366	65,085	5,767,207	-8,669,139
Liabilities	105,867,928	10,649,761	116,517,689	205,106,587	331,651,736	38,100,661	574,858,984	691,376,674
Opening balance – net assets/liabilities	91,384,992	10,696,352	102,081,344	210,326,343	332,134,102	38,165,746	580,626,191	682,707,535
Changes in the statement of profit or loss and other comprehensive income								
Insurance contract revenue, of which	-725,769,172	0	-725,769,172	0	0	0	0	-725,769,172
Contracts under the fair value approach	-915,840	-	-915,840	-	-	-	0	-915,840
Other contracts	-724,853,332	-	-724,853,332	-	-	-	0	-724,853,332
Insurance service expenses								
Incurred claims (excluding investment components) and other incurred insurance service expenses	-	-5,404,647	-5,404,647	110,570,987	479,628,728	15,663,003	605,862,718	600,458,071
Changes related to past services (changes in fulfilment cash flows related to the liability for incurred claims)	-	-	0	-51,291,835	-28,231,609	-16,966,117	-96,489,561	-96,489,561
Incurred claims	0	-5,404,647	-5,404,647	59,279,152	451,397,119	-1,303,114	509,373,157	503,968,510
Amortisation of insurance acquisition cash flows	103,490,489	-	103,490,489	-	-	-	0	103,490,489
Changes related to future services (recognition/reversal of losses on onerous groups of contracts)	-	3,355,376	3,355,376	-	-	-	0	3,355,376
Insurance service operating expenses	103,490,489	3,355,376	106,845,865	0	0	0	0	106,845,865
Total insurance service expenses	103,490,489	-2,049,271	101,441,218	59,279,152	451,397,119	-1,303,114	509,373,157	610,814,375
Investment components excluded from insurance revenue and insurance service expenses	-3,080,286	-	-3,080,286	3,080,286	-	-	3,080,286	0
Insurance service result	-625,358,968	-2,049,271	-627,408,239	62,359,437	451,397,119	-1,303,114	512,453,443	-114,954,797
Net finance income or expenses from insurance contracts	-791,702	79,600	-712,102	8,504,740	10,771,540	1,192,402	20,468,682	19,756,580
Effect of movement in exchange rates	-798,375	8,515	-789,861	2,185,494	187,361	51,016	2,423,871	1,634,010
Foreign currency translation differences	42,338	1,159	43,497	245	39,951	3,351	43,547	87,044
Total changes in the statement of profit or loss and other comprehensive income	-626,906,707	-1,959,997	-628,866,705	73,049,916	462,395,972	-56,345	535,389,542	-93,477,162
Cash flows								
Premiums received for insurance contracts issued	759,793,022	-	759,793,022	-	-	-	0	759,793,022
Claims incurred and insurance service expenses paid	-	-	0	-64,310,586	-450,699,548	-	-515,010,134	-515,010,134
Insurance acquisition cash flows	-109,481,706	-	-109,481,706	-	-	-	0	-109,481,706
Total cash flows	650,311,316	0	650,311,316	-64,310,586	-450,699,548	0	-515,010,134	135,301,182
Other movements	-	-	0	-	-	-	0	0
Assets	-13,252,254	65,657	-13,186,598	4,923,856	-63,028	-	4,860,828	-8,325,770
Liabilities	128,041,855	8,670,698	136,712,553	214,141,817	343,893,553	38,109,400	596,144,771	732,857,324
Closing balance – net assets/liabilities	114,789,601	8,736,355	123,525,955	219,065,673	343,830,525	38,109,400	601,005,599	724,531,554

► Sava Insurance Group as at 31 December 2023 – non-life

EUR	Liabilities for remaining coverage – LRC			Liabilities for incurred claims – LIC			Total LIC	Total
	Excluding loss component	Loss component	Total LRC	Insurance contracts not measured using the PAA	contracts measured using the PAA			
					Present value of future cash flows	Adjustment for non-financial risk		
Assets	-10,900,401	58,500	-10,841,901	3,916,518	-116,342	-	3,800,176	-7,041,725
Liabilities	84,621,519	8,103,257	92,724,776	202,662,508	295,095,593	39,670,013	537,428,114	630,152,890
Opening balance – net assets/liabilities	73,721,118	8,161,757	81,882,875	206,579,026	294,979,251	39,670,013	541,228,290	623,111,165
Changes in the statement of profit or loss and other comprehensive income								
Insurance contract revenue, of which	-630,737,528	0	-630,737,528	0	0	0	0	-630,737,528
Contracts under the fair value approach	-1,245,399	-	-1,245,399	-	-	-	0	-1,245,399
Other contracts	-629,492,129	-	-629,492,129	-	-	-	0	-629,492,129
Insurance service expenses								
Incurred claims (excluding investment components) and other incurred insurance service expenses	-	-7,831,867	-7,831,867	107,915,043	471,354,715	15,504,532	594,774,290	586,942,423
Changes related to past services (changes in fulfilment cash flows related to the liability for incurred claims)	-	-	0	-27,639,687	-31,465,007	-18,406,018	-77,510,712	-77,510,712
Incurred claims	0	-7,831,867	-7,831,867	80,275,356	439,889,708	-2,901,486	517,263,578	509,431,711
Amortisation of insurance acquisition cash flows	91,307,797	-	91,307,797	-	-	-	0	91,307,797
Changes related to future services (recognition/reversal of losses on onerous groups of contracts)	-	10,343,192	10,343,192	-	-	-	0	10,343,192
Insurance service operating expenses	91,307,797	10,343,192	101,650,989	0	0	0	0	101,650,989
Total insurance service expenses	91,307,797	2,511,325	93,819,122	80,275,356	439,889,708	-2,901,486	517,263,578	611,082,700
Investment components excluded from insurance revenue and insurance service expenses	-3,397,537	-	-3,397,537	3,397,536	-	-	3,397,536	-1
Insurance service result	-542,827,268	2,511,325	-540,315,943	83,672,892	439,889,708	-2,901,486	520,661,114	-19,654,829
Net finance income or expenses from insurance contracts	-675,189	53,401	-621,788	8,395,539	11,589,813	1,396,140	21,381,492	20,759,704
Effect of movement in exchange rates	2,877,834	-29,765	2,848,069	-9,454,413	15,842	1,804	-9,436,767	-6,588,698
Foreign currency translation differences	15,400	-366	15,034	-	-14,973	-724	-15,697	-663
Total changes in the statement of profit or loss and other comprehensive income	-540,609,223	2,534,595	-538,074,628	82,614,018	451,480,390	-1,504,266	532,590,142	-5,484,486
Cash flows								
Premiums received for insurance contracts issued	654,120,672	-	654,120,672	-	-	-	0	654,120,672
Claims incurred and insurance service expenses paid	-	-	0	-78,866,700	-414,325,539	-	-493,192,239	-493,192,239
Insurance acquisition cash flows	-95,817,422	-	-95,817,422	-	-	-	0	-95,817,422
Total cash flows	558,303,250	0	558,303,250	-78,866,700	-414,325,539	0	-493,192,239	65,111,011
Other movements	-30,151	-	-30,151	-	-	-	0	-30,151
Assets	-14,482,936	46,591	-14,436,345	5,219,756	482,366	65,084	5,767,206	-8,669,139
Liabilities	105,867,928	10,649,761	116,517,689	205,106,588	331,651,736	38,100,663	574,858,987	691,376,676
Closing balance – net assets/liabilities	91,384,992	10,696,352	102,081,344	210,326,344	332,134,102	38,165,747	580,626,193	682,707,537

► Sava Insurance Group as at 31 December 2024 – life

EUR	Liabilities for remaining coverage – LRC			Liabilities for incurred claims – LIC		Total
	Excluding loss component	Loss component	Total LRC	Insurance contracts not measured using the PAA	Total LIC	
Assets	-8,827,606	49,229	-8,778,377	7,840,227	7,840,227	-938,150
Liabilities	938,024,009	3,864,217	941,888,226	17,757,347	17,757,347	959,645,572
Opening balance – net assets/liabilities	929,196,403	3,913,446	933,109,849	25,597,573	25,597,573	958,707,422
Changes in the statement of profit or loss and other comprehensive income						
Insurance contract revenue, of which	-75,444,466	0	-75,444,466	0	0	-75,444,466
Contracts under the modified retrospective approach	-29,154,137	-	-29,154,137	-	0	-29,154,137
Contracts under the fair value approach	-11,485,373	-	-11,485,373	-	0	-11,485,373
Other contracts	-34,804,957	-	-34,804,957	-	0	-34,804,957
Insurance service expenses						
Incurred claims (excluding investment components) and other incurred insurance service expenses	-	-824,301	-824,301	40,998,422	40,998,422	40,174,121
Changes related to past services (changes in fulfilment cash flows related to the liability for incurred claims)	-	-	0	-2,371,922	-2,371,922	-2,371,922
Incurred claims	0	-824,301	-824,301	38,626,500	38,626,500	37,802,199
Amortisation of insurance acquisition cash flows	12,054,318	-	12,054,318	-	0	12,054,318
Changes related to future services (recognition/reversal of losses on onerous groups of contracts)	-	1,679,122	1,679,122	-	0	1,679,122
Insurance service operating expenses	12,054,318	1,679,122	13,733,441	0	0	13,733,441
Total insurance service expenses	12,054,318	854,821	12,909,140	38,626,500	38,626,500	51,535,640
Investment components excluded from insurance revenue and insurance service expenses	-122,840,936	-	-122,840,936	122,840,936	122,840,936	0
Insurance service result	-186,231,084	854,821	-185,376,262	161,467,436	161,467,436	-23,908,826
Net finance income or expenses from insurance contracts	117,913,658	55,696	117,969,354	380,183	380,183	118,349,537
Effect of movement in exchange rates	-9,641	-704	-10,345	544	544	-9,801
Foreign currency translation differences	24,811	1,992	26,803	2,526	2,526	29,329
Total changes in the statement of profit or loss and other comprehensive income	-68,302,255	911,805	-67,390,450	161,850,689	161,850,689	94,460,239
Cash flows						
Premiums received for insurance contracts issued	213,766,817	-	213,766,817	-	0	213,766,817
Claims incurred and insurance service expenses paid	-	-	0	-152,216,718	-152,216,718	-152,216,718
Insurance acquisition cash flows	-18,723,707	-	-18,723,707	-	0	-18,723,707
Total cash flows	195,043,110	0	195,043,110	-152,216,718	-152,216,718	42,826,392
Other movements	8,819,009	-	8,819,009	-8,819,009	-8,819,009	0
Assets	-10,401,036	91,110	-10,309,926	7,793,333	7,793,333	-2,516,593
Liabilities	1,075,157,303	4,734,141	1,079,891,444	18,619,202	18,619,202	1,098,510,646
Closing balance – net assets/liabilities	1,064,756,267	4,825,251	1,069,581,518	26,412,535	26,412,535	1,095,994,053



► Sava Insurance Group as at 31 December 2023 – life

EUR	Liabilities for remaining coverage – LRC			Liabilities for incurred claims – LIC		Total
	Excluding loss component	Loss component	Total LRC	Insurance contracts not measured using the PAA	Total LIC	
Assets	-324,596	17,079	-307,517	210,902	210,902	-96,615
Liabilities	826,454,221	4,298,640	830,752,861	23,409,407	23,409,407	854,162,268
Opening balance – net assets/liabilities	826,129,625	4,315,719	830,445,344	23,620,309	23,620,309	854,065,653
Changes in the statement of profit or loss and other comprehensive income						
Insurance contract revenue, of which	-66,825,275	0	-66,825,275	0	0	-66,825,275
Contracts under the modified retrospective approach	-32,967,889	-	-32,967,889	-	0	-32,967,889
Contracts under the fair value approach	-11,028,948	-	-11,028,948	-	0	-11,028,948
Other contracts	-22,828,438	-	-22,828,438	-	0	-22,828,438
Insurance service expenses						
Incurred claims (excluding investment components) and other incurred insurance service expenses	-	-398,513	-398,513	38,509,225	38,509,225	38,110,712
Changes related to past services (changes in fulfilment cash flows related to the liability for incurred claims)	-	-	0	-1,599,207	-1,599,207	-1,599,207
Incurred claims and benefits	0	-398,513	-398,513	36,910,018	36,910,018	36,511,505
Amortisation of insurance acquisition cash flows	9,557,778	-	9,557,778	-	0	9,557,778
Changes related to future services (recognition/reversal of losses on onerous groups of contracts)	-	-26,471	-26,471	-	0	-26,471
Insurance service operating expenses	9,557,778	-26,471	9,531,307	0	0	9,531,307
Total insurance service expenses	9,557,778	-424,984	9,132,794	36,910,018	36,910,018	46,042,812
Investment components excluded from insurance revenue and insurance service expenses	-110,271,436	-	-110,271,436	110,271,437	110,271,437	1
Insurance service result	-167,538,933	-424,984	-167,963,917	147,181,455	147,181,455	-20,782,462
Net finance income or expenses from insurance contracts	80,593,806	23,844	80,617,650	305,183	305,183	80,922,833
Effect of movement in exchange rates	-6,965	-804	-7,769	-20,437	-20,437	-28,206
Foreign currency translation differences	908	-329	579	-993	-993	-414
Total changes in the statement of profit or loss and other comprehensive income	-86,951,184	-402,273	-87,353,457	147,465,208	147,465,208	60,111,751
Cash flows						
Premiums received for insurance contracts issued	194,809,673	-	194,809,673	-	0	194,809,673
Claims incurred and insurance service expenses paid	-	-	0	-133,937,909	-133,937,909	-133,937,909
Insurance acquisition cash flows	-16,332,938	-	-16,332,938	-	0	-16,332,938
Total cash flows	178,476,735	0	178,476,735	-133,937,909	-133,937,909	44,538,826
Other movements	11,541,230	-	11,541,230	-11,550,035	-11,550,035	-8,805
Assets	-8,827,605	49,229	-8,778,376	7,840,226	7,840,226	-938,150
Liabilities	938,024,007	3,864,217	941,888,224	17,757,347	17,757,347	959,645,571
Closing balance – net assets/liabilities	929,196,402	3,913,446	933,109,848	25,597,573	25,597,573	958,707,421



► Sava Re as at 31 December 2024

EUR	Liabilities for remaining coverage – LRC			Liabilities for incurred claims – LIC			Total LIC	Total
	Excluding loss component	Loss component	Total LRC	Insurance contracts not measured using the PAA	Insurance contracts measured using the PAA			
					Present value of future cash flows	Adjustment for non-financial risk		
Assets	-9,456,970	17,249	-9,439,721	4,344,377	-	-	4,344,377	-5,095,344
Liabilities	-27,638,875	291,534	-27,347,342	282,125,269	38,081,000	2,893,796	323,100,065	295,752,723
Opening balance – net assets/liabilities	-37,095,845	308,783	-36,787,063	286,469,646	38,081,000	2,893,796	327,444,442	290,657,379
Changes in the statement of profit or loss and other comprehensive income								
Insurance contract revenue, of which	-171,664,689	0	-171,664,689				0	-171,664,689
Contracts under the modified retrospective approach	-		0				0	0
Contracts under the fair value approach	-		0				0	0
Other contracts	-171,664,689		-171,664,689				0	-171,664,689
Insurance service expenses								
Incurred claims (excluding investment components) and other incurred insurance service expenses	-	-5,320,417	-5,320,417	155,433,033	12,881,089	856,296	169,170,418	163,850,001
Changes related to past services (changes in fulfilment cash flows related to the liability for incurred claims)	-	-	0	-57,587,892	-2,646,801	-1,655,432	-61,890,125	-61,890,125
Incurred claims	0	-5,320,417	-5,320,417	97,845,140	10,234,288	-799,135	107,280,293	101,959,876
Amortisation of insurance acquisition cash flows	8,530,637	-	8,530,637	-	-	-	0	8,530,637
Changes related to future services (recognition/reversal of losses on onerous groups of contracts)	-	5,428,019	5,428,019	-	-	-	0	5,428,019
Insurance service operating expenses	8,530,637	5,428,019	13,958,656	0	0	0	0	13,958,656
Total insurance service expenses	8,530,637	107,603	8,638,240	97,845,140	10,234,288	-799,135	107,280,293	115,918,533
Investment components excluded from insurance revenue and insurance service expenses	-6,550,079	-	-6,550,079	6,545,029	5,051	-	6,550,079	0
Insurance service result	-169,684,131	107,603	-169,576,529	104,390,169	10,239,339	-799,135	113,830,372	-55,746,157
Net finance income or expenses from insurance contracts	-284,533	76,753	-207,780	11,386,213	1,259,001	114,425	12,759,639	12,551,859
Effect of movement in exchange rates	-798,652	8,483	-790,169	2,248,486	33,529	8,656	2,290,671	1,500,502
Total changes in the statement of profit or loss and other comprehensive income	-170,767,316	192,838	-170,574,477	118,024,868	11,531,868	-676,054	128,880,682	-41,693,796
Cash flows								
Premiums received for insurance contracts issued	179,834,612	-	179,834,612	-	-	-	0	179,834,612
Claims incurred and insurance service expenses paid	-	-	0	-118,568,437	-21,166,008	-	-139,734,445	-139,734,445
Insurance acquisition cash flows	-8,658,091	-	-8,658,091	-	-	-	0	-8,658,091
Total cash flows	171,176,521	0	171,176,521	-118,568,437	-21,166,008	0	-139,734,445	31,442,077
Assets	-9,771,415	53,545	-9,717,870	4,047,855	-	-	4,047,855	-5,670,015
Liabilities	-26,915,225	448,076	-26,467,149	281,878,221	28,446,860	2,217,742	312,542,824	286,075,675
Closing balance – net assets/liabilities	-36,686,640	501,621	-36,185,019	285,926,077	28,446,860	2,217,742	316,590,679	280,405,660

► Sava Re as at 31 December 2023

EUR	Liabilities for remaining coverage – LRC			Insurance contracts not measured using the PAA	Liabilities for incurred claims – LIC		Total LIC	Total
	Excluding loss component	Loss component	Total LRC		Insurance contracts measured using the PAA			
					Present value of future cash flows	Adjustment for non-financial risk		
Assets	-6,804,219	2,656	-6,801,563	3,729,932	-	-	3,729,932	-3,071,631
Liabilities	-22,943,613	532,067	-22,411,546	278,014,090	15,324,400	1,487,107	294,825,597	272,414,051
Opening balance – net assets/liabilities	-29,747,832	534,724	-29,213,108	281,744,022	15,324,400	1,487,107	298,555,528	269,342,420
Changes in the statement of profit or loss and other comprehensive income								
Insurance contract revenue, of which	-167,804,126	0	-167,804,126				0	-167,804,126
Contracts under the modified retrospective approach	-426,267		-426,267				0	-426,267
Contracts under the fair value approach	-344,090		-344,090				0	-344,090
Other contracts	-167,033,770		-167,033,770				0	-167,033,770
Insurance service expenses								
Incurred claims (excluding investment components) and other incurred insurance service expenses	-	-8,129,082	-8,129,082	146,195,647	44,621,041	1,524,219	192,340,907	184,211,825
Changes related to past services (changes in fulfilment cash flows related to the liability for incurred claims)	-	-	0	-29,353,101	2,859,743	-183,052	-26,676,410	-26,676,410
Incurred claims	0	-8,129,082	-8,129,082	116,842,546	47,480,784	1,341,166	165,664,497	157,535,415
Amortisation of insurance acquisition cash flows	9,071,629	-	9,071,629	-	-	-	0	9,071,629
Changes related to future services (recognition/reversal of losses on onerous groups of contracts)	-	7,883,873	7,883,873	-	-	-	0	7,883,873
Insurance service operating expenses	9,071,629	7,883,873	16,955,503	0	0	0	0	16,955,503
Total insurance service expenses	9,071,629	-245,208	8,826,421	116,842,546	47,480,784	1,341,166	165,664,497	174,490,918
Investment components excluded from insurance revenue and insurance service expenses	-6,427,138	-	-6,427,138	6,418,482	8,656	-	6,427,138	-2
Insurance service result	-165,159,635	-245,208	-165,404,843	123,261,028	47,489,440	1,341,166	172,091,634	6,686,791
Net finance income or expenses from insurance contracts	254,982	48,770	303,752	11,068,670	766,380	63,538	11,898,588	12,202,340
Effect of movement in exchange rates	2,877,226	-29,503	2,847,723	-9,540,392	8,053	1,985	-9,530,353	-6,682,630
Total changes in the statement of profit or loss and other comprehensive income	-162,027,427	-225,941	-162,253,368	124,789,306	48,263,874	1,406,689	174,459,869	12,206,501
Cash flows								
Premiums received for insurance contracts issued	162,887,532	-	162,887,532	-	-	-	0	162,887,532
Claims incurred and insurance service expenses paid	-	-	0	-120,063,682	-25,507,274	-	-145,570,956	-145,570,956
Insurance acquisition cash flows	-8,208,119	-	-8,208,119	-	-	-	0	-8,208,119
Total cash flows	154,679,414	0	154,679,414	-120,063,682	-25,507,274	0	-145,570,956	9,108,458
Assets	-9,456,970	17,249	-9,439,721	4,344,377	-	-	4,344,377	-5,095,344
Liabilities	-27,638,875	291,534	-27,347,342	282,125,269	38,081,000	2,893,796	323,100,065	295,752,723
Closing balance – net assets/liabilities	-37,095,845	308,783	-36,787,063	286,469,646	38,081,000	2,893,796	327,444,442	290,657,379

3.7.11 Movement in assets for remaining coverage (ARC) and assets for incurred claims (AIC) – reinsurance contracts

► Sava Insurance Group as at 31 December 2024 – non-life

EUR	Assets for remaining coverage – ARC			Reinsurance contracts not measured using the PAA	Assets for incurred claims – AIC		Total AIC	Total
	Excluding loss component	Loss component	Total ARC		Reinsurance contracts measured using the PAA	Present value of future cash flows		
Assets	-128,434	-117,385	-245,820	-102,985,869	-3,639,000	-368,738	-106,993,607	-107,239,427
Liabilities	4,912,674	-2	4,912,672	-1,032,220	-2,383,320	-12,662	-3,428,201	1,484,470
Opening balance – net assets/liabilities	4,784,239	-117,387	4,666,852	-104,018,089	-6,022,320	-381,399	-110,421,808	-105,754,957
Changes in the statement of profit or loss and other comprehensive income								
Allocation of reinsurers' shares of premiums								
Amounts recoverable from insurance contracts ceded to reinsurers	53,617,054	0	53,617,054	0	0	0	0	53,617,054
Reinsurers' shares of insurance service expenses								
Reinsurers' share of incurred claims	-	-	0	-26,686,190	-18,537,668	-1,003,988	-46,227,845	-46,227,845
Reinsurers' share of operating expenses	-	-	0	-	-	-	0	0
Changes in reinsurers' share of liability for incurred claims	-	-	0	23,365,151	-703,075	90,176	22,752,252	22,752,252
Changes in reinsurance loss-recovery component relating to onerous underlying contracts	-	37,620	37,620	-	-	-	0	37,620
Total amounts recovered from reinsurers	0	37,620	37,620	-3,321,038	-19,240,743	-913,812	-23,475,593	-23,437,974
Reinsurance investment components	3,486,547	-	3,486,547	-3,158,752	-327,795	-	-3,486,547	0
Result from reinsurance contracts held	57,103,601	37,620	57,141,221	-6,479,790	-19,568,539	-913,812	-26,962,141	30,179,080
Net finance income or expenses from reinsurance contracts	-195,560	-	-195,560	-3,781,168	-224,903	-19,437	-4,025,508	-4,221,068
Finance effects from credit risk	-977,363	-	-977,363	-653,971	-5,997	-	-659,968	-1,637,331
Effect of movement in exchange rates	-5,014	-	-5,014	-82,188	-	-	-82,188	-87,202
Foreign currency translation differences	5,360	-385	4,976	0	-13,960	-757	-14,718	-9,742
Total changes in the statement of profit or loss and other comprehensive income	55,931,024	37,235	55,968,259	-10,997,117	-19,813,398	-934,007	-31,744,522	24,223,737
Cash flows								
Premiums received for insurance contracts issued	-54,720,705	-	-54,720,705	-	-	-	0	-54,720,705
Recovered claims and insurance service expenses	-	-	0	55,326,756	7,446,195	-	62,772,952	62,772,952
Total cash flows	-54,720,705	0	-54,720,705	55,326,756	7,446,195	0	62,772,952	8,052,247
Assets	-1,262,828	-77,829	-1,340,657	-57,093,558	-17,589,054	-1,295,210	-75,977,823	-77,318,480
Liabilities	7,257,386	-2,323	7,255,063	-2,594,891	-800,469	-20,196	-3,415,556	3,839,507
Closing balance – net assets/liabilities	5,994,558	-80,152	5,914,406	-59,688,450	-18,389,523	-1,315,406	-79,393,379	-73,478,973



► Sava Insurance Group as at 31 December 2023 – non-life

EUR	Assets for remaining coverage – ARC			Assets for incurred claims – AIC			Total AIC	Total
	Excluding loss component	Loss component	Total ARC	Reinsurance contracts not measured using the PAA	Reinsurance contracts measured using the PAA			
					Present value of future cash flows	Adjustment for non-financial risk		
Assets	-981,794	-67,934	-1,049,728	-63,755,094	-2,782,668	-345,594	-66,883,356	-67,933,084
Liabilities	2,280,268	-10,105	2,270,163	-245,023	-1,121,196	-7,585	-1,373,804	896,359
Opening balance – net assets/liabilities	1,298,474	-78,039	1,220,435	-64,000,117	-3,903,864	-353,179	-68,257,160	-67,036,725
Changes in the statement of profit or loss and other comprehensive income								
Allocation of reinsurers' shares of premiums								
Amounts recoverable from insurance contracts ceded to reinsurers	42,824,596	0	42,824,596	0	0	0	0	42,824,596
Reinsurers' shares of insurance service expenses								
Reinsurers' share of incurred claims	-	-	0	-82,239,382	-7,141,789	-113,410	-89,494,581	-89,494,581
Reinsurers' share of operating expenses	-	-	0	-	-	-	0	0
Changes in reinsurers' share of liability for incurred claims	-	-	0	4,335,519	-787,589	108,257	3,656,187	3,656,187
Changes in reinsurance loss-recovery component relating to onerous underlying contracts	-	-39,497	-39,497	-	-	-	0	-39,497
Total amounts recovered from reinsurers	0	-39,497	-39,497	-77,903,863	-7,929,378	-5,153	-85,838,394	-85,877,891
Reinsurance investment components	7,509,865	-	7,509,865	-2,863,312	-4,646,553	-	-7,509,865	0
Result from reinsurance contracts held	50,334,461	-39,497	50,294,964	-80,767,175	-12,575,931	-5,153	-93,348,259	-43,053,295
Net finance income or expenses from reinsurance contracts	-334,056	-	-334,056	-2,006,286	-182,765	-23,335	-2,212,386	-2,546,442
Finance effects from credit risk	1,255,566	-	1,255,566	306,177	91,023	-	397,200	1,652,766
Effect of movement in exchange rates	2,300	-	2,300	47,996	-	-	47,996	50,296
Foreign currency translation differences	-5,842	148	-5,694	-3	5,549	268	5,814	120
Total changes in the statement of profit or loss and other comprehensive income	51,252,429	-39,349	51,213,080	-82,419,291	-12,662,124	-28,220	-95,109,635	-43,896,555
Cash flows								
Premiums received for insurance contracts issued	-47,770,461	-	-47,770,461	-	-	-	0	-47,770,461
Recovered claims and insurance service expenses	-	-	0	42,401,318	10,543,667	-	52,944,985	52,944,985
Total cash flows	-47,770,461	0	-47,770,461	42,401,318	10,543,667	0	52,944,985	5,174,524
Other movements	3,797	-	3,797	-	-	-	0	3,797
Assets	-128,434	-117,386	-245,820	-102,985,870	-3,639,001	-368,737	-106,993,608	-107,239,428
Liabilities	4,912,673	-2	4,912,671	-1,032,220	-2,383,320	-12,662	-3,428,202	1,484,469
Closing balance – net assets/liabilities	4,784,239	-117,388	4,666,851	-104,018,090	-6,022,321	-381,399	-110,421,810	-105,754,959



► Sava Insurance Group as at 31 December 2024 – life

EUR	Assets for remaining coverage – ARC		Assets for incurred claims – AIC		Total
	Excluding loss component	Total ARC	Reinsurance contracts not measured using the PAA	Total AIC	
Assets	-128,968	-128,968	-113,162	-113,162	-242,131
Liabilities	166,746	166,746	-9,173	-9,173	157,574
Opening balance – net assets/liabilities	37,778	37,778	-122,335	-122,335	-84,557
Changes in the statement of profit or loss and other comprehensive income					
Allocation of reinsurers' shares of premiums					
Amounts recoverable from insurance contracts ceded to reinsurers	253,281	253,281	0	0	253,281
Reinsurers' shares of insurance service expenses					
Reinsurers' share of incurred claims	-	0	-189,042	-189,042	-189,042
Changes in reinsurers' share of liability for incurred claims	-	0	10,861	10,861	10,861
Total amounts recovered from reinsurers	0	0	-178,181	-178,181	-178,181
Result from reinsurance contracts held	253,281	253,281	-178,181	-178,181	75,100
Net finance income or expenses from reinsurance contracts	64,238	64,238	-146	-146	64,092
Finance effects from credit risk	-	0	-	0	0
Effect of movement in exchange rates	-7	-7	-4	-4	-11
Foreign currency translation differences	20	20	-1	-1	19
Total changes in the statement of profit or loss and other comprehensive income	317,531	317,531	-178,331	-178,331	139,199
Cash flows					
Premiums received for insurance contracts issued	-301,645	-301,645	-	0	-301,645
Recovered claims and insurance service expenses	-	0	190,425	190,425	190,425
Total cash flows	-301,645	-301,645	190,425	190,425	-111,220
Assets	-116,366	-116,366	-83,908	-83,908	-200,274
Liabilities	170,029	170,029	-26,333	-26,333	143,696
Closing balance – net assets/liabilities	53,663	53,663	-110,241	-110,241	-56,578



► Sava Insurance Group as at 31 December 2023 – life

EUR	Assets for remaining coverage – ARC		Assets for incurred claims – AIC		Total
	Excluding loss component	Total ARC	Reinsurance contracts not measured using the PAA	Total AIC	
Assets	-200,557	-200,557	-	0	-200,557
Liabilities	183,175	183,175	-27,920	-27,920	155,255
Opening balance – net assets/liabilities	-17,382	-17,382	-27,920	-27,920	-45,302
Changes in the statement of profit or loss and other comprehensive income					
Allocation of reinsurers' shares of premiums					
Amounts recoverable from insurance contracts ceded to reinsurers	247,180	247,180	0	0	247,180
Reinsurers' shares of insurance service expenses					
Reinsurers' share of incurred claims	-	0	-124,349	-124,349	-124,349
Changes in reinsurers' share of liability for incurred claims	-	0	-110,000	-110,000	-110,000
Total amounts recovered from reinsurers	0	0	-234,349	-234,349	-234,349
Result from reinsurance contracts held	247,180	247,180	-234,349	-234,349	12,831
Net finance income or expenses from reinsurance contracts	76,797	76,797	297	297	77,094
Finance effects from credit risk	-	0	-	0	0
Effect of movement in exchange rates	-	0	-	0	0
Foreign currency translation differences	-3	-3	-	0	-3
Total changes in the statement of profit or loss and other comprehensive income	323,974	323,974	-234,052	-234,052	89,922
Cash flows					
Premiums received for insurance contracts issued	-268,815	-268,815	-	0	-268,815
Recovered claims and insurance service expenses	-	0	139,637	139,637	139,637
Total cash flows	-268,815	-268,815	139,637	139,637	-129,178
Assets	-128,969	-128,969	-113,162	-113,162	-242,131
Liabilities	166,746	166,746	-9,173	-9,173	157,573
Closing balance – net assets/liabilities	37,777	37,777	-122,335	-122,335	-84,558



► Sava Re as at 31 December 2024

EUR	Assets for remaining coverage – ARC		Assets for incurred claims – AIC			Total AIC	Total
	Excluding loss component	Total ARC	Reinsurance contracts not measured using the PAA	Reinsurance contracts measured using the PAA			
				Present value of future cash flows	Adjustment for non-financial risk		
Assets	1,849,407	1,849,407	-97,612,028	-	-	-97,612,028	-95,762,621
Liabilities	1,445,256	1,445,256	-998,408	-	-	-998,408	446,848
Opening balance – net assets/liabilities	3,294,663	3,294,663	-98,610,435	0	0	-98,610,435	-95,315,773
Changes in the statement of profit or loss and other comprehensive income							
Allocation of reinsurers' shares of premiums							
Amounts recoverable from insurance contracts ceded to reinsurers	38,193,095	38,193,095	0	0	0	0	38,193,095
Reinsurers' shares of insurance service expenses							
Recoveries of incurred claims	-	0	-24,220,890	-14,134,433	-885,706	-39,241,029	-39,241,029
Changes in amounts recoverable arising from changes in liabilities for incurred claims	-	0	24,538,643	-	-	24,538,643	24,538,643
Total amounts recovered from reinsurers	0	0	317,753	-14,134,433	-885,706	-14,702,386	-14,702,386
Reinsurance investment components	3,158,752	3,158,752	-3,158,752	-	-	-3,158,752	0
Result from reinsurance contracts held	41,351,847	41,351,847	-2,840,999	-14,134,433	-885,706	-17,861,138	23,490,709
Net finance income or expenses from reinsurance contracts	-120,827	-120,827	-3,668,936	-56,732	-3,667	-3,729,336	-3,850,163
Finance effects from credit risk	-852,694	-852,694	-699,074	29,529	-	-669,545	-1,522,238
Effect of movement in exchange rates	-5,014	-5,014	-82,188	-	-	-82,188	-87,202
Total changes in the statement of profit or loss and other comprehensive income	40,373,312	40,373,312	-7,291,196	-14,161,636	-889,374	-22,342,206	18,031,106
Cash flows							
Premiums received for insurance contracts issued	-37,303,304	-37,303,304	-	-	-	0	-37,303,304
Recovered claims and insurance service expenses	-	0	50,817,889	-	-	50,817,889	50,817,889
Total cash flows	-37,303,304	-37,303,304	50,817,889	0	0	50,817,889	13,514,585
Assets	1,712,046	1,712,046	-52,623,143	-14,161,636	-889,374	-67,674,153	-65,962,107
Liabilities	4,652,625	4,652,625	-2,460,600	-	-	-2,460,600	2,192,025
Closing balance – net assets/liabilities	6,364,671	6,364,671	-55,083,742	-14,161,636	-889,374	-70,134,752	-63,770,082



► Sava Re as at 31 December 2023

EUR	Assets for remaining coverage – ARC		Assets for incurred claims – AIC		Total
	Excluding loss component	Total ARC	Reinsurance contracts not measured using the PAA	Total AIC	
Assets	-602,359	-602,359	-60,622,555	-60,622,555	-61,224,914
Liabilities	559,021	559,021	-238,978	-238,978	320,044
Opening balance – net assets/liabilities	-43,338	-43,338	-60,861,532	-60,861,532	-60,904,871
Changes in the statement of profit or loss and other comprehensive income					
Allocation of reinsurers' shares of premiums					
Amounts recoverable from insurance contracts ceded to reinsurers	30,235,703	30,235,703	0	0	30,235,703
Reinsurers' shares of insurance service expenses					
Recoveries of incurred claims	-	0	-77,958,868	-77,958,868	-77,958,868
Changes in amounts recoverable arising from changes in liability for incurred claims	-	0	4,054,018	4,054,018	4,054,018
Total amounts recovered from reinsurers	0	0	-73,904,850	-73,904,850	-73,904,850
Reinsurance investment components	2,863,312	2,863,312	-2,863,312	-2,863,312	0
Result from reinsurance contracts held	33,099,015	33,099,015	-76,768,162	-76,768,162	-43,669,147
Net finance income or expenses from reinsurance contracts	-267,763	-267,763	-1,929,864	-1,929,864	-2,197,627
Finance effects from credit risk	1,350,574	1,350,574	267,140	267,140	1,617,714
Effect of movement in exchange rates	2,300	2,300	47,997	47,997	50,297
Total changes in the statement of profit or loss and other comprehensive income	34,184,127	34,184,127	-78,382,891	-78,382,891	-44,198,763
Cash flows					
Premiums received for insurance contracts issued	-30,846,126	-30,846,126	-	0	-30,846,126
Recovered claims and insurance service expenses	-	0	40,633,988	40,633,988	40,633,988
Total cash flows	-30,846,126	-30,846,126	40,633,988	40,633,988	9,787,861
Assets	1,849,407	1,849,407	-97,612,028	-97,612,028	-95,762,621
Liabilities	1,445,256	1,445,256	-998,408	-998,408	446,848
Closing balance – net assets/liabilities	3,294,663	3,294,663	-98,610,435	-98,610,435	-95,315,773



3.7.12 Movement in individual components of insurance contracts

► Sava Insurance Group as at 31 December 2024 – non-life

EUR	Present value of future cash flows	Adjustment for non-financial risk	Contractual service margin			Total insurance contracts not measured using the PAA	Total insurance contracts measured using the PAA	Total insurance contracts
			Contracts under the fair value approach	Other contracts	Total contractual service margin			
Assets	-14,016,606	1,011,472	-	4,824,766	4,824,766	-8,180,368	-488,770	-8,669,139
Liabilities	146,021,197	19,286,939	99,497	6,831,271	6,930,767	172,238,903	519,137,770	691,376,674
Opening balance – net assets/liabilities	132,004,591	20,298,411	99,497	11,656,037	11,755,534	164,058,535	518,649,000	682,707,535
Changes in the statement of profit or loss and other comprehensive income								
Changes that relate to future services	-28,825,472	11,840,112	-44,268	22,677,631	22,633,363	5,648,003	-609,945,736	-604,297,733
Changes in estimates that adjust the contractual service margin	2,583,904	-357,751	-50,150	126,925	76,775	2,302,928	0	2,302,928
Changes in estimates that do not adjust the contractual service margin (recognition/reversals of losses on onerous contracts)	1,549,490	-194,200	5,882	269,690	275,572	1,630,862	0	1,630,862
Effects of contracts initially recognised in the period	-32,958,865	12,392,062	-	22,281,015	22,281,015	1,714,213	0	1,714,213
Effects of contracts measured using the PAA	-	-	-	-	-	0	-609,945,736	-609,945,736
Changes that relate to current service	26,257,974	-2,379,369	-292,144	-22,876,334	-23,168,478	710,127	0	710,127
Amount of the contractual service margin recognised in profit or loss to reflect the transfer of services	-	-	-292,144	-22,876,334	-23,168,478	-23,168,478	0	-23,168,478
Change in the risk adjustment for non-financial risk that does not relate to future service or past service	-	-2,379,369	-	-	-	-2,379,369	0	-2,379,369
Experience adjustment	26,257,974	-	-	-	-	26,257,974	0	26,257,974
Changes that relate to past service	-40,717,866	-10,573,987	0	0	0	-51,291,853	539,924,662	488,632,809
Changes in fulfilment cash flows relating to incurred claims	-40,717,866	-10,573,987	-	-	-	-51,291,853	539,924,662	488,632,809
Insurance service result	-43,285,364	-1,113,244	-336,412	-198,703	-535,115	-44,933,723	-70,021,074	-114,954,797
Net finance income or expenses from insurance contracts	5,494,358	1,158,558	3,835	1,135,887	1,139,722	7,792,638	11,963,942	19,756,580
Effect of movement in exchange rates	1,105,187	229,093	-	61,175	61,175	1,395,455	238,555	1,634,010
Foreign currency translation differences	1,646	161	-	1,002	1,002	2,809	84,236	87,044
Total changes in the statement of profit or loss and other comprehensive income	-36,684,173	274,567	-332,577	999,361	666,784	-35,742,822	-57,734,340	-93,477,162
Cash flows								
Premiums received for insurance contracts issued	127,128,401	-	-	-	-	127,128,401	632,664,621	759,793,022
Claims incurred and insurance service expenses paid	-64,310,586	-	-	-	-	-64,310,586	-450,699,548	-515,010,134
Insurance acquisition cash flows	-14,768,621	-	-	-	-	-14,768,621	-94,713,085	-109,481,706
Total cash flows	48,049,193	0	0	0	0	48,049,193	87,251,988	135,301,182
Assets	-14,101,201	1,386,047	79	4,457,728	4,457,806	-8,257,348	-68,422	-8,325,770
Liabilities	157,470,812	19,186,931	-233,159	8,197,670	7,964,511	184,622,254	548,235,070	732,857,324
Closing balance – net assets/liabilities	143,369,611	20,572,978	-233,080	12,655,398	12,422,318	176,364,907	548,166,648	724,531,554

► Sava Insurance Group as at 31 December 2023 – non-life

EUR	Present value of future cash flows	Adjustment for non-financial risk	Contractual service margin			Total insurance contracts not measured using the PAA	Total insurance contracts measured using the PAA	Total insurance contracts
			Contracts under the fair value approach	Other contracts	Total contractual service margin			
Assets	-11,982,626	1,390,322	-	3,798,176	3,798,176	-6,794,128	-247,597	-7,041,725
Liabilities	147,889,212	21,917,386	316,216	6,410,925	6,727,141	176,533,739	453,619,151	630,152,890
Opening balance – net assets/liabilities	135,906,586	23,307,708	316,216	10,209,101	10,525,317	169,739,611	453,371,554	623,111,165
Changes in the statement of profit or loss and other comprehensive income								
Changes that relate to future services	-32,267,932	11,238,939	171,700	27,897,612	28,069,312	7,040,319	-512,811,476	-505,771,157
Changes in estimates that adjust the contractual service margin	1,880,224	222,384	171,341	-835,202	-663,861	1,438,747	0	1,438,747
Changes in estimates that do not adjust the contractual service margin (recognition/reversals of losses on onerous contracts)	-1,734,317	16,361	359	6,469,617	6,469,976	4,752,020	0	4,752,020
Effects of contracts initially recognised in the period	-32,413,839	11,000,194	-	22,263,197	22,263,197	849,552	0	849,552
Effects of contracts measured using the PAA						0	-512,811,476	-512,811,476
Changes that relate to current service	24,323,239	-3,431,319	-392,991	-27,068,080	-27,461,071	-6,569,151	0	-6,569,151
Amount of the contractual service margin recognised in profit or loss to reflect the transfer of services	-	-	-392,991	-27,068,080	-27,461,071	-27,461,071	0	-27,461,071
Change in the risk adjustment for non-financial risk that does not relate to future service or past service	-	-3,431,319	-	-	-	-3,431,319	0	-3,431,319
Experience adjustment	24,323,239	-	-	-	-	24,323,239	0	24,323,239
Changes that relate to past service	-16,248,072	-11,391,615	0	0	0	-27,639,687	520,325,169	492,685,482
Changes in fulfilment cash flows relating to incurred claims	-16,248,072	-11,391,615	-	-	-	-27,639,687	520,325,169	492,685,482
Insurance service result	-24,192,765	-3,583,995	-221,291	829,532	608,241	-27,168,519	7,513,693	-19,654,826
Net finance income or expenses from insurance contracts	5,118,653	1,509,774	4,572	1,140,752	1,145,324	7,773,751	12,985,953	20,759,704
Effect of movement in exchange rates	-5,148,587	-935,077	-	-523,345	-523,345	-6,607,009	18,311	-6,588,698
Foreign currency translation differences	-	-	-	-2	-2	-2	-665	-667
Total changes in the statement of profit or loss and other comprehensive income	-24,222,699	-3,009,298	-216,719	1,446,937	1,230,218	-26,001,779	20,517,292	-5,484,487
Cash flows								
Premiums received for insurance contracts issued	108,957,590	-	-	-	-	108,957,590	545,163,082	654,120,672
Claims incurred and insurance service expenses paid	-78,866,700	-	-	-	-	-78,866,700	-414,325,539	-493,192,239
Insurance acquisition cash flows	-9,770,186	-	-	-	-	-9,770,186	-86,047,236	-95,817,422
Total cash flows	20,320,704	0	0	0	0	20,320,704	44,790,307	65,111,011
Other movements	-	-	-	-	-	0	-30,151	-30,151
Assets	-14,016,607	1,011,471	-	4,824,767	4,824,767	-8,180,369	-488,770	-8,669,139
Liabilities	146,021,198	19,286,939	99,497	6,831,271	6,930,768	172,238,905	519,137,772	691,376,677
Closing balance – net assets/liabilities	132,004,591	20,298,410	99,497	11,656,038	11,755,535	164,058,536	518,649,002	682,707,538

► Sava Insurance Group as at 31 December 2024 – life

EUR	Present value of future cash flows	Adjustment for non-financial risk	Contractual service margin				Total insurance contracts not measured using the PAA	Total insurance contracts
			Contracts under the modified retrospective approach	Contracts under the fair value approach	Other contracts	Total contractual service margin		
Assets	-53,393,209	10,505,547	21,670,306	2,537	20,276,668	41,949,511	-938,150	-938,150
Liabilities	836,645,989	21,397,142	45,542,708	2,187,946	53,871,787	101,602,441	959,645,572	959,645,572
Opening balance – net assets/liabilities	783,252,781	31,902,689	67,213,013	2,190,483	74,148,456	143,551,952	958,707,422	958,707,422
Changes in the statement of profit or loss and other comprehensive income								
Changes that relate to future services	-45,511,143	8,087,154	1,276,817	5,940,674	30,776,730	37,994,221	570,232	570,232
Changes in estimates that adjust the contractual service margin	-16,882,036	3,389,626	1,242,585	5,939,815	5,546,166	12,728,566	-763,844	-763,844
Changes in estimates that do not adjust the contractual service margin (recognition/reversals of losses on onerous contracts)	-137,647	171,806	34,232	859	216,534	251,625	285,784	285,784
Effects of contracts initially recognised in the period	-28,491,460	4,525,723	-	-	25,014,030	25,014,030	1,048,292	1,048,292
Changes that relate to current service	2,130,192	-4,202,689	-8,856,424	-1,870,885	-9,428,790	-20,156,099	-22,228,595	-22,228,595
Amount of the contractual service margin recognised in profit or loss to reflect the transfer of services	-	-	-8,856,424	-1,870,885	-9,428,790	-20,156,099	-20,156,099	-20,156,099
Change in the risk adjustment for non-financial risk that does not relate to future service or past service	-	-4,202,689	-	-	-	-	-4,202,689	-4,202,689
Experience adjustment	2,130,192	-	-	-	-	-	2,130,192	2,130,192
Changes that relate to past service	-1,837,125	-413,337	0	0	0	0	-2,250,462	-2,250,462
Changes in fulfilment cash flows relating to incurred claims	-1,837,125	-413,337	-	-	-	-	-2,250,462	-2,250,462
Insurance service result	-45,218,076	3,471,128	-7,579,607	4,069,789	21,347,941	17,838,122	-23,908,826	-23,908,826
Net finance income or expenses from insurance contracts	115,782,001	813,299	535,404	3,239	1,215,594	1,754,236	118,349,537	118,349,537
Effect of movement in exchange rates	-1,184	-1,261	-1,806	-	-5,550	-7,356	-9,801	-9,801
Foreign currency translation differences	8,622	2,726	5,193	-	12,788	17,981	29,329	29,329
Total changes in the statement of profit or loss and other comprehensive income	70,571,364	4,285,891	-7,040,816	4,073,027	22,570,773	19,602,984	94,460,239	94,460,239
Cash flows								
Premiums received for insurance contracts issued	213,766,817	-	-	-	-	-	213,766,817	213,766,817
Claims incurred and insurance service expenses paid	-152,216,718	-	-	-	-	-	-152,216,718	-152,216,718
Insurance acquisition cash flows	-18,723,707	-	-	-	-	-	-18,723,707	-18,723,707
Total cash flows	42,826,392	0	0	0	0	0	42,826,392	42,826,392
Assets	-55,934,423	11,922,359	17,605,686	-	23,889,785	41,495,471	-2,516,593	-2,516,593
Liabilities	952,584,960	24,266,221	42,566,511	6,263,511	72,829,443	121,659,465	1,098,510,646	1,098,510,646
Closing balance – net assets/liabilities	896,650,537	36,188,580	60,172,197	6,263,511	96,719,228	163,154,936	1,095,994,053	1,095,994,053

► Sava Insurance Group as at 31 December 2023 – life

EUR	Present value of future cash flows	Adjustment for non-financial risk	Contractual service margin				Total insurance contracts not measured using the PAA	Total insurance contracts
			Contracts under the modified retrospective approach	Contracts under the fair value approach	Other contracts	Total contractual service margin		
Assets	-1,440,104	224,654	733,776	1,083	383,975	1,118,834	-96,616	-96,616
Liabilities	698,607,643	30,802,689	70,803,096	911,525	53,037,313	124,751,934	854,162,266	854,162,266
Opening balance – net assets/liabilities	697,167,539	31,027,343	71,536,872	912,608	53,421,288	125,870,768	854,065,650	854,065,650
Changes in the statement of profit or loss and other comprehensive income								
Changes that relate to future services	-43,363,111	3,834,523	4,973,937	2,405,702	26,541,583	33,921,222	-5,607,366	-5,607,366
Changes in estimates that adjust the contractual service margin	-15,525,170	382,206	3,770,294	2,211,365	3,117,281	9,098,940	-6,044,024	-6,044,024
Changes in estimates that do not adjust the contractual service margin (recognition/reversals of losses on onerous contracts)	-435,515	-50,691	103,854	194,337	107,779	405,970	-80,236	-80,236
Effects of contracts initially recognised in the period	-27,402,426	3,503,008	1,099,789	-	23,316,523	24,416,312	516,894	516,894
Effects of contracts measured using the PAA	-	-	-	-	-	-	0	0
Changes that relate to current service	7,970,550	-4,137,020	-9,992,513	-1,085,171	-6,331,735	-17,409,419	-13,575,889	-13,575,889
Amount of the contractual service margin recognised in profit or loss to reflect the transfer of services	-	-	-9,992,513	-1,085,171	-6,331,735	-17,409,419	-17,409,419	-17,409,419
Change in the risk adjustment for non-financial risk that does not relate to future service or past service	-	-4,137,020	-	-	-	-	-4,137,020	-4,137,020
Experience adjustment	7,970,550	-	-	-	-	-	7,970,550	7,970,550
Changes that relate to past service	-1,361,258	-237,949	0	0	0	0	-1,599,207	-1,599,207
Changes in fulfilment cash flows relating to incurred claims	-1,361,258	-237,949	-	-	-	-	-1,599,207	-1,599,207
Insurance service result	-36,753,819	-540,446	-5,018,576	1,320,531	20,209,848	16,511,803	-20,782,462	-20,782,462
Net finance income or expenses from insurance contracts	78,325,727	1,416,935	697,427	-42,656	525,401	1,180,172	80,922,834	80,922,834
Effect of movement in exchange rates	-21,581	-964	-2,382	-	-3,279	-5,661	-28,206	-28,206
Foreign currency translation differences	4,892	-177	-326	-	-4,803	-5,129	-414	-414
Total changes in the statement of profit or loss and other comprehensive income	41,555,219	875,348	-4,323,857	1,277,875	20,727,167	17,681,185	60,111,752	60,111,752
Cash flows								
Premiums received for insurance contracts issued	194,809,673	-	-	-	-	-	194,809,673	194,809,673
Claims incurred and insurance service expenses paid	-133,937,909	-	-	-	-	-	-133,937,909	-133,937,909
Insurance acquisition cash flows	-16,332,938	-	-	-	-	-	-16,332,938	-16,332,938
Total cash flows	44,538,826	0	0	0	0	0	44,538,826	44,538,826
Other movements	-8,805	-	-	-	-	-	-8,805	-8,805
Assets	-53,393,210	10,505,548	21,670,306	2,538	20,276,668	41,949,512	-938,150	-938,150
Liabilities	836,645,989	21,397,143	45,542,709	2,187,945	53,871,787	101,602,441	959,645,573	959,645,573
Closing balance – net assets/liabilities	783,252,779	31,902,691	67,213,015	2,190,483	74,148,455	143,551,953	958,707,423	958,707,423

► Sava Re as at 31 December 2024

EUR	Present value of future cash flows	Adjustment for non-financial risk	Contractual service margin				Total insurance contracts not measured using the PAA	Total insurance contracts measured using the PAA	Total insurance contracts
			Contracts under the modified retrospective approach	Contracts under the fair value approach	Other contracts	Total contractual service margin			
Assets	-7,068,622	673,921	-	-	1,313,223	1,313,223	-5,081,479	-13,866	-5,095,344
Liabilities	221,012,919	27,123,439	297,833	117,799	7,792,354	8,207,985	256,344,343	39,408,380	295,752,723
Opening balance – net assets/liabilities	213,944,297	27,797,360	297,833	117,799	9,105,576	9,521,208	251,262,865	39,394,514	290,657,379
Changes in the statement of profit or loss and other comprehensive income									
Changes that relate to future services	-54,612,418	16,641,924	0	0	43,218,412	43,218,412	5,247,917	-9,152,609	-3,904,692
Changes in estimates that adjust the contractual service margin	-11,767,614	-1,329,713	-	-	15,151,078	15,151,078	2,053,750	0	2,053,750
Changes in estimates that do not adjust the contractual service margin (recognition/reversals of losses on onerous contracts)	966,306	-212,349	-	-	757,118	757,118	1,511,075	0	1,511,075
Effects of contracts initially recognised in the period	-43,811,109	18,183,986	-	-	27,310,216	27,310,216	1,683,092	0	1,683,092
Effects of contracts measured using the PAA							0	-9,152,609	-9,152,609
Changes that relate to current service	46,692,313	-5,883,899	0	0	-44,616,850	-44,616,850	-3,808,436	0	-3,808,436
Amount of the contractual service margin recognised in profit or loss to reflect the transfer of services	-	-	-	-	-44,616,850	-44,616,850	-44,616,850	0	-44,616,850
Change in the risk adjustment for non-financial risk that does not relate to future service or past service	-	-5,883,899	-	-	-	0	-5,883,899	0	-5,883,899
Experience adjustment	46,692,313	-	-	-	-	0	46,692,313	0	46,692,313
Changes that relate to past service	-44,126,944	-13,460,948	0	0	0	0	-57,587,892	9,554,864	-48,033,029
Changes in fulfilment cash flows relating to incurred claims	-44,126,944	-13,460,948	-	-	-	0	-57,587,892	9,554,864	-48,033,029
Insurance service result	-52,047,049	-2,702,924	0	0	-1,398,438	-1,398,438	-56,148,411	402,254	-55,746,156
Net finance income or expenses from insurance contracts	8,116,293	1,633,277	-	-	1,428,863	1,428,863	11,178,433	1,373,426	12,551,859
Effect of movement in exchange rates	1,154,124	243,018	-	-	61,175	61,175	1,458,317	42,185	1,500,502
Total changes in the statement of profit or loss and other comprehensive income	-42,776,633	-826,628	0	0	91,600	91,600	-43,511,661	1,817,865	-41,693,796
Cash flows									
Premiums received for insurance contracts issued	170,897,667	-	-	-	-	0	170,897,667	8,936,945	179,834,612
Claims incurred and insurance service expenses paid	-118,568,437	-	-	-	-	0	-118,568,437	-21,166,008	-139,734,445
Insurance acquisition cash flows	-8,538,388	-	-	-	-	0	-8,538,388	-119,703	-8,658,091
Total cash flows	43,790,843	0	0	0	0	0	43,790,843	-12,348,766	31,442,077
Assets	-7,600,553	955,021	2,004,60	-	997,501	999,506	-5,646,027	-23,988	-5,670,015
Liabilities	222,559,060	26,015,711	295,828	117,799	8,199,676	8,613,303	257,188,073	28,887,602	286,075,675
Closing balance – net assets/liabilities	214,958,506	26,970,731	297,833	117,799	9,197,177	9,612,808	251,542,046	28,863,614	280,405,660

► Sava Re as at 31 December 2023

EUR	Present value of future cash flows	Adjustment for non-financial risk	Contractual service margin				Total insurance contracts not measured using the PAA	Total insurance contracts measured using the PAA	Total insurance contracts
			Contracts under the modified retrospective approach	Contracts under the fair value approach	Other contracts	Total contractual service margin			
Assets	-4,902,477	1,118,175	23	-	728,718	728,742	-3,055,560	-16,071	-3,071,631
Liabilities	216,898,328	32,090,420	544,685	131,582	6,996,756	7,673,022	256,661,771	15,752,280	272,414,051
Opening balance – net assets/liabilities	211,995,851	33,208,596	544,708	131,582	7,725,474	8,401,764	253,606,211	15,736,209	269,342,420
Changes in the statement of profit or loss and other comprehensive income									
Changes that relate to future services	-52,521,291	16,030,102	-47,498	401,890	43,526,054	43,880,446	7,389,256	-9,972,681	-2,583,425
Changes in estimates that adjust the contractual service margin	-7,499,084	-104,539	-69,815	401,890	8,837,867	9,169,941	1,566,319	0	1,566,319
Changes in estimates that do not adjust the contractual service margin (recognition/reversals of losses on onerous contracts)	-1,875,104	-21,671	22,318	-	6,826,073	6,848,391	4,951,615	0	4,951,615
Effects of contracts initially recognised in the period	-43,147,103	16,156,312	-	-	27,862,113	27,862,113	871,322	0	871,322
Effects of contracts measured using the PAA	-	-	-	-	-	-	0	-9,972,681	-9,972,681
Changes that relate to current service	38,564,349	-5,362,284	-197,088	-417,817	-42,968,137	-43,583,041	-10,380,976	0	-10,380,976
Amount of the contractual service margin recognised in profit or loss to reflect the transfer of services	-	-	-197,088	-417,817	-42,968,137	-43,583,041	-43,583,041	0	-43,583,041
Change in the risk adjustment for non-financial risk that does not relate to future service or past service	-	-5,362,284	-	-	-	0	-5,362,284	0	-5,362,284
Experience adjustment	38,564,349	-	-	-	-	0	38,564,349	0	38,564,349
Changes that relate to past service	-12,142,948	-17,210,153	0	0	0	0	-29,353,101	49,004,293	19,651,192
Changes in fulfilment cash flows relating to incurred claims	-12,142,948	-17,210,153	-	-	-	0	-29,353,101	49,004,293	19,651,192
Insurance service result	-26,099,889	-6,542,336	-244,585	-15,927	557,917	297,404	-32,344,821	39,031,612	6,686,791
Net finance income or expenses from insurance contracts	7,944,769	2,082,193	-2,290	2,219	1,345,531	1,345,460	11,372,422	829,918	12,202,340
Effect of movement in exchange rates	-5,218,155	-951,093	-	-75	-523,345	-523,420	-6,692,669	10,038	-6,682,630
Total changes in the statement of profit or loss and other comprehensive income	-23,373,276	-5,411,236	-246,875	-13,783	1,380,103	1,119,444	-27,665,067	39,871,569	12,206,501
Cash flows									
Premiums received for insurance contracts issued	153,462,566	-	-	-	-	0	153,462,566	9,424,967	162,887,532
Claims incurred and insurance service expenses paid	-120,063,682	-	-	-	-	0	-120,063,682	-25,507,274	-145,570,956
Insurance acquisition cash flows	-8,077,162	-	-	-	-	0	-8,077,162	-130,957	-8,208,119
Total cash flows	25,321,721	0	0	0	0	0	25,321,721	-16,213,264	9,108,458
Assets	-7,068,622	673,921	-	-	1,313,223	1,313,223	-5,081,479	-13,866	-5,095,344
Liabilities	221,012,919	27,123,439	297,833	117,799	7,792,353	8,207,985	256,344,343	39,408,380	295,752,723
Closing balance – net assets/liabilities	213,944,297	27,797,360	297,833	117,799	9,105,576	9,521,208	251,262,865	39,394,514	290,657,379

3.7.13 Movement in individual components of reinsurance contracts

► Sava Insurance Group as at 31 December 2024 – non-life

EUR	Present value of future cash flows	Adjustment for non-financial risk	Contractual service margin				Total reinsurance contracts not measured using the PAA	Total reinsurance contracts measured using the PAA	Total reinsurance contracts
			Contracts under the modified retrospective approach	Contracts under the fair value approach	Other contracts	Total contractual service margin			
Assets	-85,862,362	-11,203,129	11	10,897	-4,389,028	-4,378,119	-101,443,611	-5,795,816	-107,239,427
Liabilities	1,288,698	-103,824	-	-	-642,758	-642,758	542,116	942,355	1,484,470
Opening balance – net assets/liabilities	-84,573,664	-11,306,953	11	10,897	-5,031,786	-5,020,877	-100,901,495	-4,853,461	-105,754,957
Changes in the statement of profit or loss and other comprehensive income									
Changes that relate to future services	21,346,353	-3,646,879	4	-39,102	-17,741,347	-17,780,446	-80,972	18,827,836	18,746,864
Changes in estimates that adjust the contractual service margin	6,108,153	505,324	4	-39,102	-6,574,379	-6,613,477	0	0	0
Changes in estimates relating to recognition of and reversals of losses on onerous underlying contracts	-	-	-	-	4,872	4,872	4,872	0	4,872
Changes in recoveries of losses on onerous underlying contracts that adjust the contractual service margin	-	-	-	-	-85,844	-85,844	-85,844	0	-85,844
Effects of contracts initially recognised in the period	15,238,200	-4,152,203	-	-	-11,085,996	-11,085,996	0	0	0
Effects of contracts measured using the PAA	-	-	-	-	-	-	0	18,827,836	18,827,836
Changes that relate to current service	-11,949,658	2,424,930	-12	42,899	17,670,037	17,712,924	8,188,196	0	8,188,196
Amount of the contractual service margin recognised in profit or loss	-	-	-12	42,899	17,670,037	17,712,924	17,712,924	-	17,712,924
Change in the risk adjustment for non-financial risk that does not relate to future service or past service	-	2,424,930	-	-	-	0	2,424,930	-	2,424,930
Experience adjustment	-11,949,658	-	-	-	-	0	-11,949,658	-	-11,949,658
Changes that relate to past service	15,777,431	7,587,720	0	0	0	0	23,365,151	-20,121,132	3,244,020
Changes in fulfilment cash flows relating to incurred claims	15,777,431	7,587,720	-	-	-	0	23,365,151	-20,121,132	3,244,020
Result from reinsurance contracts held	25,174,126	6,365,771	-8	3,797	-71,311	-67,522	31,472,376	-1,293,296	30,179,080
Net finance income or expenses from reinsurance contracts	-2,965,327	-518,846	-	171	-492,727	-492,556	-3,976,728	-244,340	-4,221,068
Finance effects from credit risk	-1,631,334	-	-	-	-	0	-1,631,334	-5,997	-1,637,331
Effect of movement in exchange rates	-70,240	-16,958	-	-	-4	-4	-87,202	0	-87,202
Foreign currency translation differences	-	-	-	-	-	0	0	-9,742	-9,742
Total changes in the statement of profit or loss and other comprehensive income	20,507,226	5,829,968	-8	3,968	-564,041	-560,082	25,777,111	-1,553,375	24,223,737
Cash flows									
Premiums received for insurance contracts issued	-36,074,178	-	-	-	-	0	-36,074,178	-18,646,526	-54,720,705
Recovered claims and insurance service expenses	55,326,756	-	-	-	-	0	55,326,756	7,446,195	62,772,952
Total cash flows	19,252,578	0	0	0	0	0	19,252,578	-11,200,331	8,052,247
Assets	-48,206,300	-5,060,681	3	14,865	-4,493,853	-4,478,985	-57,745,966	-19,572,514	-77,318,480
Liabilities	3,392,439	-416,305	-	-	-1,101,974	-1,101,974	1,874,160	1,965,347	3,839,507
Closing balance – net assets/liabilities	-44,813,861	-5,476,986	3	14,865	-5,595,827	-5,580,959	-55,871,806	-17,607,167	-73,478,973

► Sava Insurance Group as at 31 December 2023 – non-life

EUR	Present value of future cash flows	Adjustment for non-financial risk	Contractual service margin				Total contractual service margin	Total reinsurance contracts not measured using the PAA	Total reinsurance contracts measured using the PAA	Total reinsurance contracts
			Contracts under the modified retrospective approach	Contracts under the fair value approach	Other contracts					
Assets	-53,912,524	-4,879,702	-	-	-5,890,831	-5,890,831	-64,683,057	-3,250,028	-67,933,085	
Liabilities	512,972	-40,081	-	-	-91,838	-91,838	381,053	515,306	896,359	
Opening balance – net assets/liabilities	-53,399,552	-4,919,783	0	0	-5,982,669	-5,982,669	-64,302,004	-2,734,722	-67,036,726	
Changes in the statement of profit or loss and other comprehensive income										
Changes that relate to future services	21,944,374	-4,486,142	-13,600	-20,262	-17,411,785	-17,445,647	12,585	6,576,428	6,589,013	
Changes in estimates that adjust the contractual service margin	5,095,447	295,229	-13,039	-20,262	-5,264,631	-5,297,932	92,744	0	92,744	
Changes in estimates relating to recognition of and reversals of losses on onerous underlying contracts	-	-	-	-	-2,692	-2,692	-2,692	0	-2,692	
Changes in recoveries of losses on onerous underlying contracts that adjust the contractual service margin	-	-	-561	-	-76,907	-77,468	-77,468	0	-77,468	
Effects of contracts initially recognised in the period	16,848,927	-4,781,371	-	-	-12,067,555	-12,067,555	1	0	1	
Effects of contracts measured using the PAA	-	-	-	-	-	-	0	6,576,428	6,576,428	
Changes that relate to current service	-65,042,513	241,262	13,607	30,909	18,747,624	18,792,140	-46,009,111	0	-46,009,111	
Amount of the contractual service margin recognised in profit or loss	-	-	13,607	30,909	18,747,624	18,792,140	18,792,140	-	18,792,140	
Change in the risk adjustment for non-financial risk that does not relate to future service or past service	-	241,262	-	-	-	0	241,262	-	241,262	
Experience adjustment	-65,042,513	-	-	-	-	0	-65,042,513	-	-65,042,513	
Changes that relate to past service	6,150,485	-1,814,966	0	0	0	0	4,335,519	-7,968,712	-3,633,193	
Changes in fulfilment cash flows relating to incurred claims	6,150,485	-1,814,966	-	-	-	0	4,335,519	-7,968,712	-3,633,193	
Result from reinsurance contracts held	-36,947,654	-6,059,846	7	10,647	1,335,839	1,346,493	-41,661,007	-1,392,284	-43,053,291	
Net finance income or expenses from reinsurance contracts	-1,614,282	-333,868	4	251	-392,446	-392,191	-2,340,341	-206,100	-2,546,441	
Finance effects from credit risk	1,561,743	-	-	-	-	0	1,561,743	91,023	1,652,766	
Effect of movement in exchange rates	36,258	6,545	-	-	7,493	7,493	50,296	0	50,296	
Foreign currency translation differences	2	-3	1	-1	-2	-2	-3	121	118	
Total changes in the statement of profit or loss and other comprehensive income	-36,963,933	-6,387,172	12	10,897	950,884	961,793	-42,389,312	-1,507,240	-43,896,552	
Cash flows										
Premiums received for insurance contracts issued	-36,611,496	-	-	-	-	0	-36,611,496	-11,158,965	-47,770,461	
Recovered claims and insurance service expenses	42,401,318	-	-	-	-	0	42,401,318	10,543,667	52,944,985	
Total cash flows	5,789,822	0	0	0	0	0	5,789,822	-615,298	5,174,524	
Other movements	-	-	-	-	-	0	0	3,797	3,797	
Assets	-85,862,361	-11,203,130	12	10,897	-4,389,028	-4,378,119	-101,443,610	-5,795,817	-107,239,427	
Liabilities	1,288,698	-103,825	-	-	-642,757	-642,757	542,116	942,354	1,484,470	
Closing balance – net assets/liabilities	-84,573,663	-11,306,955	12	10,897	-5,031,785	-5,020,876	-100,901,494	-4,853,463	-105,754,957	



► Sava Insurance Group as at 31 December 2024 – life

EUR	Present value of future cash flows	Adjustment for non-financial risk	Contractual service margin			Total reinsurance contracts not measured using the PAA	Total reinsurance contracts
			Contracts under the fair value approach	Other contracts	Total contractual service margin		
Assets	489,865	46,923	109,137	-888,056	-778,918	-242,131	-242,131
Liabilities	320,842	-6,721	-156,548	-	-156,548	157,574	157,574
Opening balance – net assets/liabilities	810,707	40,202	-47,411	-888,056	-935,466	-84,557	-84,557
Changes in the statement of profit or loss and other comprehensive income							
Changes that relate to future services	748,649	-134,099	-51,304	-563,246	-614,550	0	0
Changes in estimates that adjust the contractual service margin	642,517	-126,680	-8,138	-507,698	-515,837	0	0
Effects of contracts initially recognised in the period	106,132	-7,419	-43,165	-55,548	-98,713	0	0
Changes that relate to current service	-83,765	-3,465	123,892	27,577	151,469	64,239	64,239
Amount of the contractual service margin recognised in profit or loss	-	-	123,892	27,577	151,469	151,469	151,469
Change in the risk adjustment for non-financial risk that does not relate to future service or past service	-	-3,465	-	-	0	-3,465	-3,465
Experience adjustment	-83,765	-	-	-	0	-83,765	-83,765
Changes that relate to past service	10,861	0	0	0	0	10,861	10,861
Changes in fulfilment cash flows relating to incurred claims	10,861	-	-	-	0	10,861	10,861
Result from reinsurance contracts held	675,745	-137,564	72,589	-535,669	-463,081	75,100	75,100
Net finance income or expenses from reinsurance contracts	64,487	1,072	-241	-1,226	-1,467	64,092	64,092
Finance effects from credit risk	-	-	-	-	0	0	0
Effect of movement in exchange rates	-396	69	-	315	315	-11	-11
Foreign currency translation differences	562	-102	-	441	-441	19	19
Total changes in the statement of profit or loss and other comprehensive income	740,399	-136,526	72,348	-537,021	-464,674	139,199	139,199
Cash flows							
Premiums received for insurance contracts issued	-301,645	-	-	-	0	-301,645	-301,645
Recovered claims and insurance service expenses	190,425	-	-	-	0	190,425	190,425
Reinsurance acquisition cash flows	-	-	-	-	0	0	0
Total cash flows	-111,220	0	0	0	0	-111,220	-111,220
Assets	443,756	35,393	208,632	-888,056	-679,424	-200,274	-200,274
Liabilities	996,130	-131,717	-183,695	-537,021	-720,717	143,696	143,696
Closing balance – net assets/liabilities	1,439,886	-96,324	24,937	-1,425,077	-1,400,140	-56,578	-56,578



► Sava Insurance Group as at 31 December 2023 – life

EUR	Present value of future cash flows	Adjustment for non-financial risk	Contractual service margin			Total reinsurance contracts not measured using the PAA	Total reinsurance contracts
			Contracts under the fair value approach	Other contracts	Total contractual service margin		
Assets	635,238	52,261	-	-888,056	-888,056	-200,557	-200,557
Liabilities	323,386	-8,258	-159,873	-	-159,873	155,255	155,255
Opening balance – net assets/liabilities	958,624	44,003	-159,873	-888,056	-1,047,929	-45,302	-45,302
Changes in the statement of profit or loss and other comprehensive income							
Changes that relate to future services	21,330	-3,703	-17,627	0	-17,627	0	0
Changes in estimates that adjust the contractual service margin	3,339	-3,236	-102	-	-102	1	1
Effects of contracts initially recognised in the period	17,991	-467	-17,525	-	-17,525	-1	-1
Changes that relate to current service	-1,110	-4,148	128,089	0	128,089	122,831	122,831
Amount of the contractual service margin recognised in profit or loss	-	-	128,089	-	128,089	128,089	128,089
Change in the risk adjustment for non-financial risk that does not relate to future service or past service	-	-4,148	-	-	0	-4,148	-4,148
Experience adjustment	-1,110	-	-	-	0	-1,110	-1,110
Changes that relate to past service	-110,000	0	0	0	0	-110,000	-110,000
Changes in fulfilment cash flows relating to incurred claims	-110,000	-	-	-	0	-110,000	-110,000
Result from reinsurance contracts held	-89,780	-7,851	110,462	0	110,462	12,831	12,831
Net finance income or expenses from reinsurance contracts	71,043	4,050	2,001	-	2,001	77,094	77,094
Finance effects from credit risk	-	-	-	-	0	0	0
Effect of movement in exchange rates	-	-	-	-	0	0	0
Foreign currency translation differences	-2	-1	-1	-	-1	-4	-4
Total changes in the statement of profit or loss and other comprehensive income	-18,739	-3,802	112,462	0	112,462	89,921	89,921
Cash flows							
Premiums received for insurance contracts issued	-268,815	-	-	-	0	-268,815	-268,815
Recovered claims and insurance service expenses	139,637	-	-	-	0	139,637	139,637
Reinsurance acquisition cash flows	-	-	-	-	0	0	0
Total cash flows	-129,178	0	0	0	0	-129,178	-129,178
Assets	489,865	46,922	109,137	-888,056	-778,919	-242,132	-242,132
Liabilities	320,842	-6,721	-156,548	-	-156,548	157,573	157,573
Closing balance – net assets/liabilities	810,707	40,201	-47,411	-888,056	-935,467	-84,559	-84,559



► Sava Re as at 31 December 2024

EUR	Present value of future cash flows	Adjustment for non-financial risk	Contractual service margin		Total reinsurance contracts not measured using the PAA	Total reinsurance contracts measured using the PAA	Total reinsurance contracts
			Other contracts	Total contractual service margin			
Assets	-81,217,678	-10,728,485	-3,816,458	-3,816,458	-95,762,621	0	-95,762,621
Liabilities	1,110,414	-82,220	-581,346	-581,346	446,848	0	446,848
Opening balance – net assets/liabilities	-80,107,264	-10,810,704	-4,397,804	-4,397,804	-95,315,773	0	-95,315,773
Changes in the statement of profit or loss and other comprehensive income							
Changes that relate to future services	17,647,299	-2,914,685	-14,732,614	-14,732,614	0	9,864,590	9,864,590
Changes in estimates that adjust the contractual service margin	5,740,259	495,328	-6,235,586	-6,235,586	0	0	0
Effects of contracts initially recognised in the period	11,907,041	-3,410,013	-8,497,028	-8,497,028	0	0	0
Effects of contracts measured using the PAA					0	9,864,590	9,864,590
Changes that relate to current service	-12,389,275	1,854,172	14,642,719	14,642,719	4,107,615	0	4,107,615
Amount of the contractual service margin recognised in profit or loss to reflect the transfer of services	-	-	14,642,719	14,642,719	14,642,719	0	14,642,719
Change in the risk adjustment for non-financial risk that does not relate to future service or past service	-	1,854,172	-	0	1,854,172	0	1,854,172
Experience adjustment	-12,389,275	-	-	0	-12,389,275	-	-12,389,275
Changes that relate to past service	17,045,056	7,493,587	0	0	24,538,643	-15,020,139	9,518,504
Changes in fulfilment cash flows relating to incurred claims	17,045,056	7,493,587	-	0	24,538,643	-15,020,139	9,518,504
Result from reinsurance contracts held	22,303,080	6,433,073	-89,895	-89,895	28,646,258	-5,155,549	23,490,709
Net finance income or expenses from reinsurance contracts	-2,910,864	-487,847	-391,052	-391,052	-3,789,763	-60,400	-3,850,163
Finance effects from credit risk	-1,551,767	-	-	0	-1,551,767	29,529	-1,522,238
Effect of movement in exchange rates	-70,240	-16,958	-4	-4	-87,202	0	-87,202
Total changes in the statement of profit or loss and other comprehensive income	17,770,209	5,928,269	-480,952	-480,952	23,217,526	-5,186,420	18,031,106
Cash flows							
Premiums received for insurance contracts issued	-29,834,224	-	-	0	-29,834,224	-7,469,080	-37,303,304
Recovered claims and insurance service expenses	50,817,889	-	-	0	50,817,889	0	50,817,889
Reinsurance acquisition cash flows	-	-	-	0	0	0	0
Total cash flows	20,983,665	0	0	0	20,983,665	-7,469,080	13,514,585
Assets	-44,372,090	-4,533,413	-3,939,618	-3,939,618	-52,845,122	-13,116,985	-65,962,107
Liabilities	3,018,701	-349,022	-939,138	-939,138	1,730,540	461,485	2,192,025
Closing balance – net assets/liabilities	-41,353,390	-4,882,436	-4,878,756	-4,878,756	-51,114,582	-12,655,500	-63,770,082



► Sava Re as at 31 December 2023

EUR	Present value of future cash flows	Adjustment for non-financial risk	Contractual service margin		Total reinsurance contracts not measured using the PAA	Total reinsurance contracts
			Other contracts	Total contractual service margin		
Assets	-51,254,588	-4,449,816	-5,520,510	-5,520,510	-61,224,914	-61,224,914
Liabilities	451,963	-40,081	-91,838	-91,838	320,044	320,044
Opening balance – net assets/liabilities	-50,802,625	-4,489,897	-5,612,348	-5,612,348	-60,904,871	-60,904,871
Changes in the statement of profit or loss and other comprehensive income						
Changes that relate to future services	18,029,294	-3,869,768	-14,066,786	-14,066,786	92,740	92,740
Changes in estimates that adjust the contractual service margin	3,873,154	320,134	-4,100,549	-4,100,549	92,740	92,740
Effects of contracts initially recognised in the period	14,156,140	-4,189,902	-9,966,238	-9,966,238	0	0
Changes that relate to current service	-63,349,903	-58,786	15,592,785	15,592,785	-47,815,904	-47,815,904
Amount of the contractual service margin recognised in profit or loss to reflect the transfer of services	-	-	15,592,785	15,592,785	15,592,785	15,592,785
Change in the risk adjustment for non-financial risk that does not relate to future service or past service	-	-58,786	-	0	-58,786	-58,786
Experience adjustment	-63,349,903	-	-	0	-63,349,903	-63,349,903
Changes that relate to past service	6,148,125	-2,094,108	0	0	4,054,018	4,054,018
Changes in fulfilment cash flows relating to incurred claims	6,148,125	-2,094,108	-	0	4,054,018	4,054,018
Result from reinsurance contracts held	-39,172,483	-6,022,662	1,525,999	1,525,999	-43,669,147	-43,669,147
Net finance income or expenses from reinsurance contracts	-1,573,989	-304,691	-318,947	-318,947	-2,197,627	-2,197,627
Finance effects from credit risk	1,617,714	-	-	0	1,617,714	1,617,714
Effect of movement in exchange rates	36,259	6,546	7,492	7,492	50,297	50,297
Total changes in the statement of profit or loss and other comprehensive income	-39,092,500	-6,320,807	1,214,544	1,214,544	-44,198,763	-44,198,763
Cash flows						
Premiums received for insurance contracts issued	-30,846,126	-	-	0	-30,846,126	-30,846,126
Recovered claims and insurance service expenses	40,633,988	-	-	0	40,633,988	40,633,988
Reinsurance acquisition cash flows	-	-	-	0	0	0
Total cash flows	9,787,861	0	0	0	9,787,861	9,787,861
Assets	-81,217,678	-10,728,485	-3,816,458	-3,816,458	-95,762,621	-95,762,621
Liabilities	1,110,414	-82,220	-581,346	-581,346	446,848	446,848
Closing balance – net assets/liabilities	-80,107,264	-10,810,704	-4,397,804	-4,397,804	-95,315,773	-95,315,773



3.7.14 Effects of (re)insurance contracts initially recognised in the period (BBA, VFA)

EUR 31 December 2024	Sava Insurance Group				Sava Re	
	Non-life		Life		Non-life	
	Contracts issued		Contracts issued		Contracts issued	
	Profitable	Onerous	Profitable	Onerous	Profitable	Onerous
Insurance contracts						
Claims incurred and other insurance service expenses	63,466,189	15,342,693	124,398,506	11,321,132	101,338,775	14,128,879
Insurance acquisition cash flows	13,956,048	1,780,987	18,453,308	2,183,604	8,331,635	1,026,949
Present value of expected cash outflows	77,422,238	17,123,680	142,851,814	13,504,736	109,670,410	15,155,827
Present value of expected cash inflows	-109,449,582	-18,055,201	-172,131,796	-12,716,214	-152,579,164	-16,058,182
Adjustment for non-financial risk	9,746,329	2,645,734	4,265,952	259,770	15,598,539	2,585,447
Contractual service margin	22,281,015	-	25,014,030	-	27,310,216	-
Total at initial recognition	0	1,714,213	0	1,048,292	0	1,683,092

EUR 31 December 2024	Sava Insurance Group		Sava Re	
	Non-life		Life	
	Contracts issued		Contracts issued	
	Contracts recognised without loss recovery	Contracts recognised with loss recovery	Contracts recognised without loss recovery	Contracts recognised without loss recovery
Reinsurance contracts				
Premiums	-15,654,254	-380,202	-72,133	-13,448,815
Present value of expected cash outflows	-15,654,254	-380,202	-72,133	-13,448,815
Present value of expected cash inflows	30,521,961	750,694	178,265	25,355,855
Adjustment for non-financial risk	-4,033,935	-118,267	-7,419	-3,410,013
Contractual service margin	-10,833,772	-252,225	-98,713	-8,497,028
Loss component	-	-136,040	-	-
Total at initial recognition	0	-136,040	0	0



EUR 31 December 2023	Sava Insurance Group				Sava Re	
	Non-life		Life		Non-life	
	Contracts issued		Contracts issued		Contracts issued	
	Profitable	Onerous	Profitable	Onerous	Profitable	Onerous
Insurance contracts						
Claims incurred and other insurance service expenses	58,429,069	9,031,430	110,423,889	10,913,234	95,883,706	8,805,356
Insurance acquisition cash flows	9,890,577	825,696	15,221,421	1,995,572	8,092,629	754,107
Present value of expected cash outflows	68,319,646	9,857,126	125,645,310	12,908,806	103,976,335	9,559,462
Present value of expected cash inflows	-99,784,470	-10,806,141	-153,393,135	-12,563,406	-146,247,516	-10,435,385
Adjustment for non-financial risk	9,201,628	1,798,567	3,331,512	171,495	14,409,067	1,747,244
Contractual service margin	22,263,196	-	24,416,313	-	27,862,113	-
Total at initial recognition	0	849,552	0	516,895	0	871,322

EUR 31 December 2023	Sava Insurance Group			Sava Re
	Non-life		Life	Non-life
	Contracts issued		Contracts issued	Contracts issued
	Contracts recognised without loss recovery	Contracts recognised with loss recovery	Contracts recognised without loss recovery	Contracts recognised without loss recovery
Reinsurance contracts				
Premiums	-16,354,885	-463,225	-4,472	-14,671,209
Present value of expected cash outflows	-16,354,885	-463,225	-4,472	-14,671,209
Present value of expected cash inflows	32,733,889	933,147	22,463	28,827,349
Adjustment for non-financial risk	-4,640,800	-140,570	-466	-4,189,902
Contractual service margin	-11,738,204	-329,352	-17,525	-9,966,238
Loss component	-	-116,259	-	-
Total at initial recognition	0	-116,259	0	0

For contract recognised in 2023, the expected cash flows in this disclosure include only contractually determined periodic premiums, single premiums and additional payments received in the year of contract recognition. Incurred claims and other insurance service expenses include only outflows for surrender arising from contractually determined periodic premiums and lump-sum and additional payments received in the year of recognition.

The expected cash inflows and expected cash outflows in the notes for contracts recognised in 2023 do not include all expected cash inflows. Higher inflows correspond to higher outflows, and therefore the net effect is negligible.

3.7.15 Expected CSM release

► Sava Insurance Group as at 31 December 2024 – non-life

EUR	< 1 year	1–2 years	2–3 years	3–4 years	4–5 years	5–10 years	> 10 years	Total
Insurance contracts	7,068,587	1,319,818	978,979	780,952	636,069	1,247,727	390,185	12,422,318
Reinsurance contracts	-5,518,536	-53,299	-8,901	-223	-	-	-	-5,580,959
Total	1,550,051	1,266,520	970,078	780,728	636,069	1,247,727	390,185	6,841,359

► Sava Insurance Group as at 31 December 2023 – non-life

EUR	< 1 year	1–2 years	2–3 years	3–4 years	4–5 years	5–10 years	> 10 years	Total
Insurance contracts	7,202,399	1,101,693	769,903	589,566	470,039	1,245,255	376,679	11,755,534
Reinsurance contracts	-4,953,681	-42,413	-19,438	-5,203	-141	-	-	-5,020,876
Total	2,248,718	1,059,280	750,465	584,363	469,898	1,245,255	376,679	6,734,658

► Sava Insurance Group as at 31 December 2024 – life

EUR	< 1 year	1–2 years	2–3 years	3–4 years	4–5 years	5–10 years	> 10 years	Total
Insurance contracts	19,608,395	17,266,579	15,342,519	13,677,926	12,264,655	43,815,971	41,178,892	163,154,936
Reinsurance contracts	-161,805	-137,129	-124,315	-112,387	-102,841	-387,658	-374,006	-1,400,140
Total	19,446,590	17,129,450	15,218,204	13,565,539	12,161,814	43,428,313	40,804,886	161,754,796

► Sava Insurance Group as at 31 December 2023 – life

EUR	< 1 year	1–2 years	2–3 years	3–4 years	4–5 years	5–10 years	> 10 years	Total
Insurance contracts	16,976,214	14,992,610	13,302,312	11,824,815	10,518,420	38,006,640	37,930,942	143,551,953
Reinsurance contracts	-111,396	-100,800	-91,077	-80,639	-71,402	-255,648	-224,502	-935,464
Total	16,864,818	14,891,810	13,211,235	11,744,176	10,447,018	37,750,992	37,706,440	142,616,489

► Sava Re as at 31 December 2024

EUR	< 1 year	1–2 years	2–3 years	3–4 years	4–5 years	5–10 years	> 10 years	Total
Insurance contracts	9,362,094	194,908	16,829	9,078	6,774	18,204	4,921	9,612,808
Reinsurance contracts	-4,868,283	-9,394	-1,080	-	-	-	-	-4,878,756
Total	4,493,811	185,514	15,750	9,078	6,774	18,204	4,921	4,734,052

► Sava Re as at 31 December 2023

EUR	< 1 year	1–2 years	2–3 years	3–4 years	4–5 years	5–10 years	> 10 years	Total
Insurance contracts	9,168,508	197,371	107,473	10,836	8,628	23,697	4,695	9,521,208
Reinsurance contracts	-4,397,804	-	-	-	-	-	-	-4,397,804
Total	4,770,704	197,371	107,473	10,836	8,628	23,697	4,695	5,123,404

3.7.16 Finance income or expenses from (re)insurance contracts

EUR 31 December 2024	Sava Insurance Group			Sava Re
	Non-life	Life	Total	Non-life
Net finance income or expenses from insurance contracts				
Changes in the fair value of the portfolio of insurance contracts with direct participation features	-	-99,737,541	-99,737,541	-
Accrued interest under current financial assumptions	-	-135,126	-135,126	-
Accrued interest at locked-in interest rate	-13,010,357	-7,626,513	-20,636,870	-9,780,174
Changes in interest rates and other financial assumptions	-6,770,464	-10,851,426	-17,621,890	-2,801,470
Foreign exchange gains/losses	-1,609,606	10,958	-1,598,648	-1,470,717
Foreign currency translation differences	-87,207	-29,418	-116,625	-
Total net finance income or expenses from insurance contracts	-21,477,634	-118,369,065	-139,846,699	-14,052,361
Net finance income or expenses from reinsurance contracts				
Accrued interest at locked-in interest rate	2,532,137	-609	2,531,528	2,198,879
Changes in interest rates and other financial assumptions	1,687,080	-63,478	1,623,601	1,649,432
Foreign exchange gains/losses	89,054	7	89,061	89,054
Foreign currency translation differences	9,742	-19	9,724	-
Net finance income or expenses from reinsurance contracts	4,318,013	-64,099	4,253,913	3,937,365
Finance effects from credit risk	1,637,331	-	1,637,331	1,522,238
Total net finance income or expenses from reinsurance contracts	5,955,343	-64,099	5,891,244	5,459,604
Total	-15,522,291	-118,433,164	-133,955,455	-8,592,757
Recognised in				
Amounts recognised in profit or loss	-10,361,442	-103,909,280	-114,270,722	-7,440,719
Amounts recognised in other comprehensive income	-5,160,849	-14,523,884	-19,684,733	-1,152,038
Finance income or expenses from insurance contracts				
Net finance income or expenses from insurance contracts	-21,477,634	-118,369,065	-139,846,699	-14,052,361
Recognised in profit or loss	-14,619,963	-103,908,678	-118,528,641	-11,250,891
Recognised in other comprehensive income (excluding the effect of exchange rate differences)	-6,746,223	-14,429,900	-21,176,123	-2,771,685
Effects of exchange rate differences in other comprehensive income	-24,241	-1,069	-25,310	-29,785
Foreign currency translation differences	-87,207	-29,418	-116,625	-
Net finance income or expenses from reinsurance contracts	5,955,343	-64,099	5,891,244	5,459,604
Recognised in profit or loss	4,258,522	-602	4,257,920	3,810,171
Recognised in other comprehensive income (excluding the effect of exchange rate differences)	1,688,949	-63,483	1,625,466	1,651,302
Effects of exchange rate differences in other comprehensive income	-1,869	4	-1,865	-1,869
Foreign currency translation differences	9,742	-19	9,724	-

EUR 31 December 2023	Sava Insurance Group			Sava Re
	Non-life	Life	Total	Non-life
Net finance income or expenses from insurance contracts				
Changes in the fair value of the portfolio of insurance contracts with direct participation features	-	-58,425,631	-58,425,631	-
Accrued interest at locked-in interest rate	-8,379,535	-4,928,374	-13,307,909	-6,091,760
Changes in interest rates and other financial assumptions	-12,551,570	-17,578,877	-30,130,447	-6,255,974
Foreign exchange gains/losses	6,729,958	29,446	6,759,404	6,828,024
Foreign currency translation differences	30,814	9,219	40,033	-
Total net finance income or expenses from insurance contracts	-14,170,333	-80,894,217	-95,064,550	-5,519,710
Net finance income or expenses from reinsurance contracts				
Accrued interest at locked-in interest rate	1,094,834	-186	1,094,648	893,761
Changes in interest rates and other financial assumptions	1,455,775	-76,905	1,378,870	1,304,240
Foreign exchange gains/losses	-50,670	-	-50,670	-50,670
Foreign currency translation differences	-3,917	3	-3,914	-
Net finance income or expenses from reinsurance contracts	2,496,022	-77,088	2,418,934	2,147,330
Finance effects from credit risk	-1,652,765	-	-1,652,765	-1,617,714
Total net finance income or expenses from reinsurance contracts	843,257	-77,088	766,169	529,617
Total	-13,327,076	-80,971,305	-94,298,381	-4,990,094
Recognised in				
Amounts recognised in profit or loss	-2,231,823	-60,381,331	-62,613,154	-38,359
Amounts recognised in other comprehensive income	-11,095,253	-20,589,972	-31,685,225	-4,951,735
Finance income or expenses from insurance contracts				
Net finance income or expenses from insurance contracts	-14,170,332	-80,894,215	-95,064,547	-5,519,710
Recognised in profit or loss	-1,619,434	-60,381,145	-62,000,579	736,264
Recognised in other comprehensive income (excluding the effect of exchange rate differences)	-12,440,453	-20,520,975	-32,961,428	-6,110,581
Effects of exchange rate differences in other comprehensive income	-141,259	-1,314	-142,573	-145,394
Foreign currency translation differences	30,814	9,219	40,033	-
Net finance income or expenses from reinsurance contracts	843,256	-77,088	766,168	529,617
Recognised in profit or loss	-612,389	-186	-612,575	-774,623
Recognised in other comprehensive income (excluding the effect of exchange rate differences)	1,459,189	-76,905	1,382,284	1,303,867
Effects of exchange rate differences in other comprehensive income	373	-	373	373
Foreign currency translation differences	-3,917	3	-3,914	-



3.7.17 Receivables

Receivables by type

Sava Insurance Group

EUR	31 December 2024			31 December 2023		
	Gross amount	Allowance	Receivables	Gross amount	Allowance	Receivables
Current tax assets	2,168,191	0	2,168,191	444,616	0	444,616
Other short-term receivables arising out of insurance business (outside the scope of IFRS 17)	4,706,992	-1,110,947	3,596,045	4,533,434	-1,148,176	3,385,258
Receivables from financing	1,046,122	-166,967	879,156	728,130	-166,900	561,230
Trade and other receivables	13,898,853	-1,659,249	12,239,604	12,422,002	-2,097,132	10,324,870
Trade and other receivables	19,651,968	-2,937,162	16,714,805	17,683,566	-3,412,208	14,271,358
Total	21,820,158	-2,937,162	18,882,996	18,128,182	-3,412,208	14,715,974

Sava Re

EUR	31 December 2024			31 December 2023		
	Gross amount	Allowance	Receivables	Gross amount	Allowance	Receivables
Current tax assets	671,315	0	671,315	0	0	0
Receivables from financing	67,406	-	67,406	34,478	-	34,478
Trade and other receivables	634,406	-341,035	293,372	504,923	-341,035	163,888
Trade and other receivables	701,812	-341,035	360,778	539,401	-341,035	198,366
Total	1,373,128	-341,035	1,032,093	539,401	-341,035	198,366



► Trade and other receivables

EUR	Sava Insurance Group		Sava Re	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023
Receivables arising out of advances for intangible assets	208,113	251,931	-	-
Short-term trade receivables	7,611,592	7,298,183	147,546	124,581
Short-term receivables due from government and other institutions	647,412	350,798	107,941	24,716
Short-term receivables due from employees	53,839	51,503	416	1,655
Receivables arising out of advances for property, plant and equipment	111,485	90,492	-	-
Other current receivables	3,607,163	2,281,963	37,470	12,935
Other short-term receivables	12,239,604	10,324,870	293,372	163,888

► Net receivables ageing analysis

Sava Insurance Group					
EUR 31 December 2024	Not past due	Past due up to 180 days	Past due from 180 days to 1 year	Past due over 1 year	Total
Current tax assets	2,168,191	0	0	0	2,168,191
Other short-term receivables arising out of insurance business (outside the scope of IFRS 17)	1,900,472	1,616,096	26,688	52,789	3,596,045
Receivables from financing	860,920	-	-	18,236	879,156
Trade and other receivables	10,842,340	1,306,077	78,288	12,900	12,239,604
Trade and other receivables	13,603,731	2,922,174	104,975	83,925	16,714,805
Total	15,771,922	2,922,174	104,975	83,925	18,882,996



Sava Insurance Group

EUR 31 December 2023	Not past due	Past due up to 180 days	Past due from 180 days to 1 year	Past due over 1 year	Total
Current tax assets	437,109	0	0	7,507	444,616
Other short-term receivables arising out of insurance business (outside the scope of IFRS 17)	1,551,247	1,774,850	2,887	56,274	3,385,258
Receivables from financing	368,526	174,693	-	18,011	561,230
Trade and other receivables	10,009,539	286,704	8,962	19,665	10,324,870
Trade and other receivables	11,929,312	2,236,247	11,849	93,950	14,271,358
Total	12,366,421	2,236,247	11,849	101,457	14,715,974

Sava Re

EUR 31 December 2024	Not past due	Total
Current tax assets	671,315	671,315
Receivables from financing	67,406	67,406
Trade and other receivables	293,372	293,372
Trade and other receivables	360,778	360,778
Total	1,032,093	1,032,093

Sava Re

EUR 31 December 2023	Not past due	Total
Receivables from financing	34,478	34,478
Trade and other receivables	163,888	163,888
Trade and other receivables	198,366	198,366
Total	198,366	198,366

► **Movement in allowance for receivables**

Sava Insurance Group

EUR 31 December 2024	31 December 2023	Additions	Reversals	Write-off	Exchange differences	31 December 2024
Other short-term receivables arising out of insurance business (outside the scope of IFRS 17)	-1,148,176	-86,664	119,884	5,773	-1,764	-1,110,947
Receivables from financing	-166,900	-	-	-	-66	-166,966
Trade and other receivables	-2,097,132	-39,246	464,045	17,697	-4,615	-1,659,249
Trade and other receivables	-3,412,208	-125,910	583,929	23,470	-6,445	-2,937,162
Total	-3,412,208	-125,910	583,929	23,470	-6,445	-2,937,162

Sava Insurance Group

EUR 31 December 2023	31 December 2022	Additions	Reversals	Write-off	Exchange differences	31 December 2023
Other short-term receivables arising out of insurance business (outside the scope of IFRS 17)	-2,170,209	-51,960	1,066,400	7,419	174	-1,148,176
Receivables from financing	-163,322	-3,608	-	-	30	-166,900
Trade and other receivables	-2,831,240	-40,828	616,826	156,912	1,198	-2,097,132
Trade and other receivables	-5,164,771	-96,396	1,683,226	164,331	1,402	-3,412,208
Total	-5,164,771	-96,396	1,683,226	164,331	1,402	-3,412,208

The Company's allowance for receivables as at 31 December 2024 remained unchanged at EUR -341,035 (31 December 2023: EUR -341,035).

Receivables from financing mainly relate to payments to the guarantee fund for Green Cards of the Republic of Kosovo, interest on late payment of premiums and advances from policyholders.



3.7.18 Other assets

EUR	Sava Insurance Group		Sava Re	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023
Inventories	132,658	147,794	-	-
Other short-term deferred costs (expenses) and accrued revenue	4,924,685	3,894,812	994,736	715,114
Total	5,057,343	4,042,606	994,736	715,114

The Group's inventories consist of strict record forms and are not subject to pledging.

Other current deferred costs (expenses) and accrued revenue consist of prepaid costs for services (maintenance, development, user fees, costs of electronic media and marketing services).

3.7.19 Cash and cash equivalents

EUR	Sava Insurance Group		Sava Re	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023
Cash in hand	51,681	28,611	-	-
Cash in bank accounts	24,319,455	29,138,100	7,144,088	9,110,049
Call and overnight deposits, and deposits of up to 3 months	27,978,629	21,393,253	7,580,006	3,150,000
Total	52,349,765	50,559,964	14,724,094	12,260,049

The increase in cash and cash equivalents is mainly due to an increase in short-term deposits.

The availability of rouble (RUB) cash is limited due to EU sanctions. The currency is actively traded and is equivalent to EUR 592,161 at 31 December 2024 (31 December 2023: EUR 1,186,397).

3.7.20 Non-current assets held for sale

Sava Insurance Group		
EUR	31 December 2024	31 December 2023
Balance as at 1 January	259,649	991,803
Additions	1,157,000	-
Reclassification	-190,757	-70,776
Disposal	-	-616,927
Impairment	-	-44,451
Balance as at 31 December	1,225,892	259,649

Business premises have been reclassified to non-current assets held for sale in 2024 and 2023. In 2023, the reclassified business premises were partially disposed of. As a result of the reclassification and sale of these assets, the Group realised a gain of EUR 440,673 in 2024 (2023: EUR 353,684).

3.7.21 Share capital

As at 31 December 2024, the parent's share capital was divided into 17,219,662 shares (the same as at 31 December 2023) and amounted to EUR 71,856,376. All shares are ordinary registered shares of the same class. Their holders are entitled to participate in the Company's control and profits (dividends). Each share carries one vote in general meeting and entitles the bearer to a proportionate share of the dividend distribution.

Shares are recorded in the Central Securities Clearing Corporation (KDD) under the POSR ticker symbol.

As at year-end 2024, the Company's shareholders' register listed 4,422 shareholders (31 December 2023: 4,376 shareholders). The Company's shares are listed in the prime market of the Ljubljana Stock Exchange.

3.7.22 Capital reserves

► Movement in capital reserves

EUR	Sava Insurance Group		Sava Re	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023
Balance as at 1 January	42,702,320	42,702,320	54,239,757	54,239,757
Acquisition of non-controlling interests by company	-128,014	-	-	-
- TBS Team 24	-128,014	-	-	-
Coverage of losses from previous years	-83,363	-	-	-
- Asistim	-83,363	-	-	-
Balance as at 31 December	42,490,942	42,702,320	54,239,757	54,239,757

3.7.23 Profit reserves

EUR	Sava Insurance Group			Sava Re		
	31 December 2024	31 December 2023	Distributable/ non-distributable	31 December 2024	31 December 2023	Distributable/ non-distributable
Legal reserves and reserves provided for by the articles of association	12,210,226	12,176,144	non-distributable	14,986,525	14,986,525	non-distributable
Capital redemption reserve	24,938,709	24,938,709	non-distributable	24,938,709	24,938,709	non-distributable
Credit risk equalisation reserve	-	-	non-distributable	-	-	non-distributable
Catastrophe equalisation reserve	-	1,225,068	non-distributable	-	-	non-distributable
Other profit reserves	270,872,856	243,353,745	distributable	268,151,390	242,034,225	distributable
Total	308,021,790	281,693,666		308,076,624	281,959,459	

Profit reserves are retained from previous years' profits, primarily to offset potential future losses. In accordance with ZGD-1, the management board, when adopting the 2024 annual report, allocated half of the net profit amounting to EUR 26,117,165.13 to "other profit reserves" (2023: EUR 24,737,401.17).

3.7.24 Treasury shares

As at 31 December 2024, the Company held a total of 1,721,966 own shares (2023: 1,721,966) traded on the Ljubljana Stock Exchange under the ticker symbol "POSR" (accounting for 10% less one share of the issued shares) for a value of EUR 24,938,709 (2023: EUR 24,938,709).

Treasury shares are a contra account of equity. Treasury shares are not pledged.

3.7.25 Accumulated other comprehensive income

EUR	Sava Insurance Group		Sava Re	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023
Accumulated other comprehensive income from financial investments	-56,075,854	-76,271,988	-7,749,916	-11,603,021
Accumulated other comprehensive income on insurance contracts	27,591,860	46,400,360	-95,956	2,089,191
Accumulated other comprehensive income on reinsurance contracts	926,752	-194,443	855,186	-431,371
Provisions for employees	1,821,822	1,870,419	166,588	178,886
Total	-25,735,420	-28,195,652	-6,824,097	-9,766,315

The movement in accumulated other comprehensive income from insurance and reinsurance contracts is described in note [3.7.16 "Finance income or expenses from \(re\)insurance contracts"](#). Provisions for employees comprise actuarial gains and losses arising from recognising provisions for severance pay upon retirement. Movements are shown in section [3.7.31 "Other provisions"](#).

3.7.26 Profit or loss for the period

The net consolidated profit for 2024 totalled EUR 87.8 million (2023: EUR 64.7 million).

The Company ended the 2024 financial year with a net profit of EUR 52.2 million (2023: EUR 49.5 million).

Earnings or loss per share

EUR	Sava Insurance Group		Sava Re	
	1-12/2024	1-12/2023	1-12/2024	1-12/2023
Net profit or loss for the period	87,846,542	64,657,171	52,234,329	49,474,802
Net profit or loss attributable to owners of the controlling company	87,655,725	64,464,804	-	-
Weighted average number of shares outstanding	15,497,696	15,497,696	15,497,696	15,497,696
Earnings or loss per share	5.66	4.16	-	-

The Company's earnings per share for the financial year 2024 were EUR 3.37 (2023: EUR 3.19).

Comprehensive income per share

EUR	Sava Insurance Group		Sava Re	
	1-12/2024	1-12/2023	1-12/2024	1-12/2023
Comprehensive income for the period	90,388,937	81,804,162	55,176,547	54,005,216
Comprehensive income for the owners of the controlling company	90,199,818	81,614,473	-	-
Weighted average number of shares outstanding	15,497,696	15,497,696	15,497,696	15,497,696
Comprehensive income per share	5.82	5.27	-	-

The Company's comprehensive income per share for the financial year 2024 was EUR 3.56 (2023: EUR 3.48).

The weighted number of shares takes into account the annual average calculated on the basis of monthly averages of ordinary shares less the number of treasury shares. The weighted average number of shares outstanding in the financial period was 15,497,696 and the same as in 2023. The parent does not have potentially dilutive capital instruments, which is why basic earnings per share equal diluted earnings per share.

3.7.27 Retained earnings

The Company's retained earnings as at 31 December 2024 are EUR 2.4 million lower than at 31 December 2023 (2023: increase of EUR 8.6 million).

In 2024, the Company paid out EUR 27,120,968 in dividends (2023: EUR 24,796,314). The distributable profit for 2024 totals EUR 56.5 million (2023: EUR 57.5 million).

In 2024, the Group's retained earnings increased due to the recognition of profits for the period of EUR 39.7 million (2023: an increase of EUR 18.7 million) and the payment dividends of EUR 27.3 million (2023: EUR 24.9 million).

Statement of distributable profit or loss

Sava Re		
EUR	2024	2023
Net profit or loss for the period	52,234,330	49,474,802
Retained earnings	30,425,642	32,809,209
Carry-forward of the previous year	30,425,642	16,994,304
Impact of the transition to the new standards	-	15,814,904
Additions to other reserves as per resolution of the management and supervisory boards	-26,117,165	-24,737,401
Distributable profit to be allocated by the general meeting	56,542,807	57,546,610
- to shareholders	not yet published	27,120,968
- to be carried forward to the next year	-	30,425,642

3.7.28 Foreign currency translation reserve

Sava Insurance Group		
EUR	31 December 2024	31 December 2023
Foreign currency translation reserve	2,965,039	3,049,094
Total	2,965,039	3,049,094

The translation reserve relates to exchange differences arising from the translation or consolidation of the financial statements of subsidiaries. Translation differences mainly relate to the change in the value of the Serbian dinar and the North Macedonian denar.

3.7.29 Non-controlling interests in equity

► Non-controlling interests in equity

Sava Insurance Group		
EUR	31 December 2024	31 December 2023
Sava Osiguruvanje (MKD)	470,090	442,431
Sava Station	13,661	8,742
TBS Team 24	132,112	138,181
Vita S Holding (MKD)	233,219	261,417
Total	849,083	850,771

3.7.30 Subordinated liabilities

The parent company has two subordinated bonds in issue. The first was issued in October 2019, maturing in 2039, with ISIN code XS2063427574 and an early recall option for 7 November 2029. The second was issued in October 2024 and matures in 2029, with ISIN code XS2884012332.

The total issue size of the first subordinated bond is EUR 75.0 million. Until the early recall option of the bond, the annual interest rate is fixed at 3.75% and the coupon is payable annually. If the issuer does not exercise the early recall option, the annual interest rate after the date of the early recall will be 4.683% over the three-month Euribor, with coupons payable quarterly.

The bond is admitted to trading on the regulated market of the Luxembourg Stock Exchange. As at 31 December 2024, the market price of the bond was 86.862% and the market value EUR 65,146,500 (31 December 2023: price 77.717% and market value EUR 58,702,709). The book value of the bond as at 31 December 2024 was EUR 75,053,218 (31 December 2023: EUR 74,987,535). The effective interest rate on the first bond issued (calculated from the early recall option) is 3.86%.

The total issue size of the second subordinated bond is EUR 50.0 million. Until the recall of the bond, the annual interest rate is fixed at 5.2%, and the coupon is payable annually.

The bond is admitted to trading on the regulated market of the Luxembourg Stock Exchange. As at 31 December 2024, the market price of the bond was 99.66% and the market value EUR 49,830,000. The book value of the bond as at 31 December 2024 was EUR 50,005,256. The effective interest rate on the bond issued this year is 5.5%.

Sava Re				
EUR	31 December 2023	Increase	Decrease	31 December 2024
XS2063427574	74,987,535	2,878,183	-2,812,500	75,053,218
XS2884012332	0	50,005,256	0	50,005,256
Total	74,987,535	52,883,439	-2,812,500	125,058,474

The increase includes the new issue, accrued interest until the end of 2024 and amortisation of issuance costs until maturity. The decrease represents interest paid (coupon).

Finance costs consist of interest on subordinated debt of EUR 3,569,778 (2023: EUR 2,875,679) and interest on leases of EUR 399,695 (2023: EUR 239,318).

3.7.31 Other provisions

EUR	Sava Insurance Group		Sava Re	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023
Provision for severance pay upon retirement	4,825,115	4,660,639	321,119	270,203
Provision for jubilee benefits	2,994,345	2,688,742	153,144	149,457
Other provisions	762,958	724,874	-	-
Total	8,582,417	8,074,255	474,263	419,660



► Movement in the provision for severance pay upon retirement and jubilee benefits

EUR	Sava Insurance Group			Sava Re		
	Provision for severance pay upon retirement	Provision for jubilee benefits	Total	Provision for severance pay upon retirement	Provision for jubilee benefits	Total
31 December 2023	4,660,639	2,688,742	7,349,381	270,203	149,457	419,660
Interest expense (IS)	148,426	88,573	237,000	9,193	5,245	14,438
Current service cost (IS)	369,199	325,073	694,271	35,185	20,969	56,153
Past service cost (IS)	11,411	40,279	51,690	-	-	-
Payout of benefits (-)	-391,877	-362,986	-754,863	-5,760	-12,723	-18,483
Actuarial losses (IS)	34,441	214,639	249,080	-	-9,804	-9,804
Actuarial losses (SFP)	-7,373	-	-7,373	12,298	-	12,298
Additions – acquisition of subsidiary	-	-	-	-	-	-
Exchange differences	249	25	273	-	-	-
Balance as at 31 December 2024	4,825,115	2,994,345	7,819,459	321,119	153,144	474,263

EUR	Sava Insurance Group			Sava Re		
	Provision for severance pay upon retirement	Provision for jubilee benefits	Total	Provision for severance pay upon retirement	Provision for jubilee benefits	Total
31 December 2022	4,244,938	2,648,899	6,893,840	266,392	126,248	392,640
Interest expense (IS)	135,247	85,644	220,891	8,608	4,164	12,772
Current service cost (IS)	327,284	269,498	596,782	31,569	19,947	51,516
Past service cost (IS)	62,514	22,299	84,813	-	-	-
Payout of benefits (-)	-300,920	-295,900	-596,820	-9,302	-9,716	-19,018
Actuarial losses (IS)	7,160	-41,639	-34,479	-	8,813	8,813
Actuarial losses (SFP)	184,499	-	184,499	-27,064	-	-27,064
Additions – acquisition of subsidiary	-	-	-	-	-	-
Exchange differences	-83	-59	-142	-	-	-
Balance as at 31 December 2023	4,660,639	2,688,742	7,349,381	270,203	149,457	419,660



The main assumptions used in the calculation of provisions for jubilee benefits and severance pay upon retirement are as follows: The interest rate curves used for discounting are those published by EIOPA for the calculation of capital adequacy. The expected increase in salaries and jubilee benefits is calculated using real growth based on historical data for individual companies (Sava Re: 0.9%) and long-term inflation of 2.2%. The expected early departure rates used vary by age group and are based on the historical departure

rates of each company (Sava Re: 3.1% under 35 years, 3.9% between 35 and 45 years, 5.3% over 45 years). Expected mortality is determined on the basis of the population mortality tables of the country of incorporation of each Group company.

Below we provide a sensitivity analysis of the provision for severance pay upon retirement and the provision for jubilee benefits.

Sava Insurance Group	Provision for severance pay upon retirement		Provision for jubilee benefits	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023
Impact on the level of provisions (EUR)				
Decrease in discount rate of 1%	509,640	501,220	243,312	218,070
Increase in discount rate of 1%	-436,522	-424,964	-212,112	-190,105
Decrease in real income growth of 0.5%	-228,952	-222,041	-94,609	-85,735
Increase in real income growth of 0.5%	241,962	238,993	100,267	90,870
Decrease in staff turnover of 10%	177,664	170,790	90,715	79,575
Increase in staff turnover of 10%	-170,868	-160,718	-86,189	-75,777
Decrease in mortality rate of 10%	32,141	33,696	12,845	11,570
Increase in mortality rate of 10%	-36,252	-33,359	-12,746	-11,480

Sava Re	Provision for severance pay upon retirement		Provision for jubilee benefits	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023
Impact on the level of provisions (EUR)				
Decrease in discount rate of 1%	35,877	32,755	11,969	11,520
Increase in discount rate of 1%	-30,633	-27,872	-10,482	-10,083
Decrease in real income growth of 0.5%	-16,200	-14,808	0	0
Increase in real income growth of 0.5%	17,632	16,160	0	0
Decrease in staff turnover of 10%	19,521	17,805	5,685	5,422
Increase in staff turnover of 10%	-18,081	-16,461	-5,364	-5,113
Decrease in mortality rate of 10%	2,492	2,192	365	351
Increase in mortality rate of 10%	-2,466	-2,168	-363	-349

Sava Insurance Group						
EUR	31 December 2023	Additions	Uses and reversals	Additions – acquisition of subsidiary	Exchange differences	31 December 2024
Other provisions	724,874	146,575	-108,505	-	15	762,958
Total	724,874	146,575	-108,505	0	15	762,958

Sava Insurance Group						
EUR	31 December 2022	Additions	Uses and reversals	Additions – acquisition of subsidiary	Exchange differences	31 December 2023
Other provisions	1,079,617	144,103	-498,766	-	-80	724,874
Total	1,079,617	144,103	-498,766	0	-80	724,874

Other provisions include provisions for the guarantee fund, lawsuits and the deferred part of management board bonuses.

3.7.32 Other financial liabilities

EUR	Sava Insurance Group		Sava Re	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023
Other financial liabilities	431,656	737,085	-	-

Other financial liabilities relate to a loan payable to a subsidiary in Serbia with a maturity of up to one year.

3.7.33 Current tax liabilities

EUR	Sava Insurance Group		Sava Re	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023
Current income tax liabilities	1,471,324	9,930,830	-	6,319,991

Current tax liabilities recognised in accordance with tax legislation at the end of the financial year are settled by the Group companies within the statutory period of less than one year.

3.7.34 Other liabilities

EUR	Sava Insurance Group		Sava Re	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023
Other liabilities	34,734,486	30,896,035	3,372,076	2,898,365
Short-term provisions (deferred income and accrued expenses)	15,681,610	12,873,471	2,667,846	1,951,655
Other liabilities	50,416,096	43,769,505	6,039,922	4,850,021

Sava Insurance Group			
EUR	Contractual maturity		
2024	Over 1 year	Up to 1 year	Total
Other liabilities	312,500	50,103,596	50,416,096

Sava Insurance Group			
EUR	Contractual maturity		
2023	Over 1 year	Up to 1 year	Total
Other liabilities	312,500	43,457,005	43,769,505

Sava Re			
EUR	Contractual maturity		
2024	1-5 years	Up to 1 year	Total
Other liabilities	312,500	5,727,422	6,039,922

Sava Re			
EUR	Contractual maturity		
2023	1-5 years	Up to 1 year	Total
Other liabilities	312,500	4,537,521	4,850,021

Other liabilities mainly comprise liabilities that are settled by the companies within the financial year, so all such liabilities are classified as due within one year. Other liabilities with a maturity of more than one year relate to the payment of the purchase price for the subsidiary ASP, which is due in 2026.

Other liabilities and short-term provisions (deferred income and accrued expenses) are unsecured.



► Other liabilities

EUR	Sava Insurance Group		Sava Re	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023
Current liabilities due to employees	4,861,104	4,530,558	751,651	685,475
Diverse other current liabilities arising from insurance business outside the scope of IFRS 17	12,090,438	11,405,144	-	-
Short-term trade liabilities	9,918,493	14,620,197	702,740	1,900,391
Diverse other current liabilities	7,864,452	340,136	1,917,685	312,500
Total	34,734,486	30,896,035	3,372,076	2,898,365

Diverse other current liabilities arising from insurance business outside the scope of IFRS 17 mainly comprise commissions payable to insurance intermediaries.

Diverse other current liabilities mainly comprise investment settlement liabilities, payroll contributions and taxes, VAT and securities received.

► Current accrued costs (expenses) and deferred revenue

EUR	Sava Insurance Group		Sava Re	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023
Accrued costs and expenses due to Group companies	-	87,433	-	-
Accrued costs and expenses due to other companies	11,271,810	9,448,306	2,206,418	1,569,772
Other accrued costs (expenses) and deferred revenue	4,409,800	3,337,732	461,428	381,884
Total	15,681,610	12,873,471	2,667,846	1,951,655

Short-term provisions mainly comprise accrued charges for unused vacation, termination benefits to employees, and commissions payable to intermediaries.

Other accrued costs (expenses) and deferred revenue mainly comprise provisions for employee bonuses and the share of premiums paid into a damage prevention fund under the Montenegrin Insurance Act.

► Change in short-term provisions

Sava Insurance Group					
EUR	31 December 2023	Additions	Uses	Exchange differences	31 December 2024
Short-term accrued expenses	9,535,739	31,839,936	-30,104,398	533	11,271,810
Other accrued costs (expenses) and deferred revenue	3,337,732	4,627,052	-3,558,511	3,527	4,409,800
Total	12,873,471	36,466,987	-33,662,909	4,060	15,681,610

Sava Insurance Group					
EUR	31 December 2022	Additions	Uses	Exchange differences	31 December 2023
Short-term accrued expenses	8,157,437	33,961,425	-32,582,797	-326	9,535,739
Other accrued costs (expenses) and deferred revenue	2,440,920	3,039,028	-2,141,058	-1,158	3,337,732
Total	10,598,357	37,000,453	-34,723,855	-1,484	12,873,471

Sava Re					
EUR	31 December 2023	Additions	Uses	Exchange differences	31 December 2024
Short-term accrued expenses	1,569,772	2,939,468	-2,302,822	-	2,206,418
Other accrued costs (expenses) and deferred revenue	381,884	79,544	-	-	461,428
Total	1,951,655	3,019,013	-2,302,822	-	2,667,846

Sava Re					
EUR	31 December 2022	Additions	Uses	Exchange differences	31 December 2023
Short-term accrued expenses	1,586,407	1,874,080	-1,890,715	-	1,569,772
Other accrued costs (expenses) and deferred revenue	302,499	79,385	-	-	381,884
Total	1,888,906	1,953,465	-1,890,715	-	1,951,655



3.7.35 Fair values of assets and liabilities

► Financial assets by level of the fair value hierarchy

Sava Insurance Group						
EUR		Fair value				
31 December 2024	Carrying amount	Level 1	Level 2	Level 3	Total fair value	Difference between FV and CA
Investments measured at fair value	2,253,357,492	2,068,244,982	112,495,412	72,617,098	2,253,357,492	0
Investments measured at fair value through profit or loss	814,694,920	732,157,318	9,920,504	72,617,098	814,694,920	0
Mandatorily measured at fair value through profit or loss, not held for trading	814,694,920	732,157,318	9,920,504	72,617,098	814,694,920	0
Debt instruments	9,355,534	3,840,413	5,515,122	-	9,355,534	0
Equity instruments	732,978,080	728,316,905	4,405,382	255,792	732,978,080	0
Investments in infrastructure funds	59,777,426	-	-	59,777,426	59,777,426	0
Investments in real-estate funds	12,583,880	-	-	12,583,880	12,583,880	0
Investments measured at fair value through other comprehensive income	1,438,662,572	1,336,087,664	102,574,908	0	1,438,662,572	0
Debt instruments	1,420,696,781	1,318,121,873	102,574,908	-	1,420,696,781	0
Equity instruments	17,965,791	17,965,791	-	-	17,965,791	0
Investments not measured at fair value	75,722,712	37,572,932	9,612,220	28,486,422	75,671,574	-51,138
Investments measured at amortised cost	75,722,712	37,572,932	9,612,220	28,486,422	75,671,574	-51,138
Debt instruments (bonds)	47,754,988	37,572,932	9,612,220	-	47,185,152	-569,836
Deposits and CDs	27,299,953	-	-	27,786,346	27,786,346	486,393
Loans granted	667,771	-	-	700,076	700,076	32,305



Sava Insurance Group

EUR	Carrying amount	Fair value			Total fair value	Difference between FV and CA
		Level 1	Level 2	Level 3		
31 December 2023						
Investments measured at fair value	1,936,229,467	1,746,868,840	117,886,785	71,473,842	1,936,229,467	0
Investments measured at fair value through profit or loss	660,082,422	569,956,001	18,652,579	71,473,842	660,082,422	0
Mandatorily measured at fair value through profit or loss, not held for trading	660,082,422	569,956,001	18,652,579	71,473,842	660,082,422	0
Debt instruments	19,701,111	5,568,931	14,132,180	-	19,701,111	0
Equity instruments	569,153,261	564,387,070	4,520,399	245,792	569,153,261	0
Investments in infrastructure funds	57,339,858	-	-	57,339,858	57,339,858	0
Investments in real-estate funds	13,888,192	-	-	13,888,192	13,888,192	0
Investments measured at fair value through other comprehensive income	1,276,147,045	1,176,912,839	99,234,206	0	1,276,147,045	0
Debt instruments	1,260,177,155	1,160,942,949	99,234,206	-	1,260,177,155	0
Equity instruments	15,969,890	15,969,890	-	-	15,969,890	0
Investments not measured at fair value	76,303,166	39,689,221	8,640,004	26,896,788	75,226,013	-1,077,153
Investments measured at amortised cost	76,303,166	39,689,221	8,640,004	26,896,788	75,226,013	-1,077,153
Debt instruments (bonds)	49,932,856	39,689,221	8,640,004	-	48,329,225	-1,603,631
Deposits and CDs	25,616,171	-	-	26,105,652	26,105,652	489,481
Loans granted	754,139	-	-	791,136	791,136	36,997



Sava Re						
EUR						
31 December 2024	Carrying amount	Fair value			Total fair value	Difference between FV and CA
		Level 1	Level 2	Level 3		
Investments measured at fair value	438,708,282	387,021,609	25,717,787	25,968,887	438,708,282	0
Investments measured at fair value through profit or loss	38,507,315	7,792,840	4,745,588	25,968,887	38,507,315	0
Mandatorily measured at fair value through profit or loss, not held for trading	38,507,315	7,792,840	4,745,588	25,968,887	38,507,315	0
Debt instruments	2,006,571	-	2,006,571	-	2,006,571	0
Equity instruments	10,531,858	7,792,840	2,739,018	-	10,531,858	0
Investments in infrastructure funds	22,403,584	-	-	22,403,584	22,403,584	0
Investments in real-estate funds	3,565,302	-	-	3,565,302	3,565,302	0
Investments measured at fair value through other comprehensive income	400,200,967	379,228,769	20,972,198	0	400,200,967	0
Debt instruments	400,200,967	379,228,769	20,972,198	-	400,200,967	0
Investments not measured at fair value	5,677,769	2,146,747	0	3,644,427	5,791,174	113,404
Investments measured at amortised cost	5,677,769	2,146,747	0	3,644,427	5,791,174	113,404
Debt instruments (bonds)	2,076,258	2,146,747	-	-	2,146,747	70,489
Deposits and CDs	1,022,920	-	-	1,041,806	1,041,806	18,886
Loans granted	2,578,592	-	-	2,602,621	2,602,621	24,030



Sava Re						
EUR						
31 December 2023	Carrying amount	Fair value			Total fair value	Difference between FV and CA
		Level 1	Level 2	Level 3		
Investments measured at fair value	348,572,420	290,130,414	33,473,129	24,968,877	348,572,420	0
Investments measured at fair value through profit or loss	37,286,800	5,030,865	7,287,059	24,968,877	37,286,800	0
Mandatorily measured at fair value through profit or loss, not held for trading	37,286,800	5,030,865	7,287,059	24,968,877	37,286,800	0
Debt instruments	4,320,636	-	4,320,636	-	4,320,636	0
Equity instruments	7,997,287	5,030,865	2,966,422	-	7,997,287	0
Investments in infrastructure funds	21,084,448	-	-	21,084,448	21,084,448	0
Investments in real-estate funds	3,884,428	-	-	3,884,428	3,884,428	0
Investments measured at fair value through other comprehensive income	311,285,620	285,099,550	26,186,070	0	311,285,620	0
Debt instruments	311,285,620	285,099,550	26,186,070	-	311,285,620	0
Investments not measured at fair value	5,811,776	2,167,835	0	3,785,768	5,953,603	141,827
Investments measured at amortised cost	5,811,776	2,167,835	0	3,785,768	5,953,603	141,827
Debt instruments (bonds)	2,075,525	2,167,835	-	-	2,167,835	92,311
Deposits and CDs	1,021,347	-	-	1,041,806	1,041,806	20,458
Loans granted	2,714,904	-	-	2,743,962	2,743,962	29,058



As at 31 December 2024, a large proportion of the debt securities portfolio is valued at the CBBT bid price, which represents the unadjusted quoted price and thus meets the criteria for a tier 1 classification. Mutual funds and listed equity securities that meet the criteria of an active market, as well as debt securities valued at BVAL bid prices that meet the relevant price quality criteria, are also classified into this level.

As at 31 December 2024, level 1 investments represented 90.4% (31 December 2023: 88.8%) of the value of the Group's financial investments measured at fair value.

Debt securities for which no CBBT bid price exists at the classification date, but a BVAL bid price of lower quality is available, are classified into Level 2. We classify into the same Level investments valued based on an internal model that uses directly and indirectly observable market inputs, such as the risk-free interest rate curve, yield of similar financial instruments, and credit and liquidity risk premiums. Equity securities valued using stock exchange prices that meet the criteria for a non-functioning market are also classified into this Level.

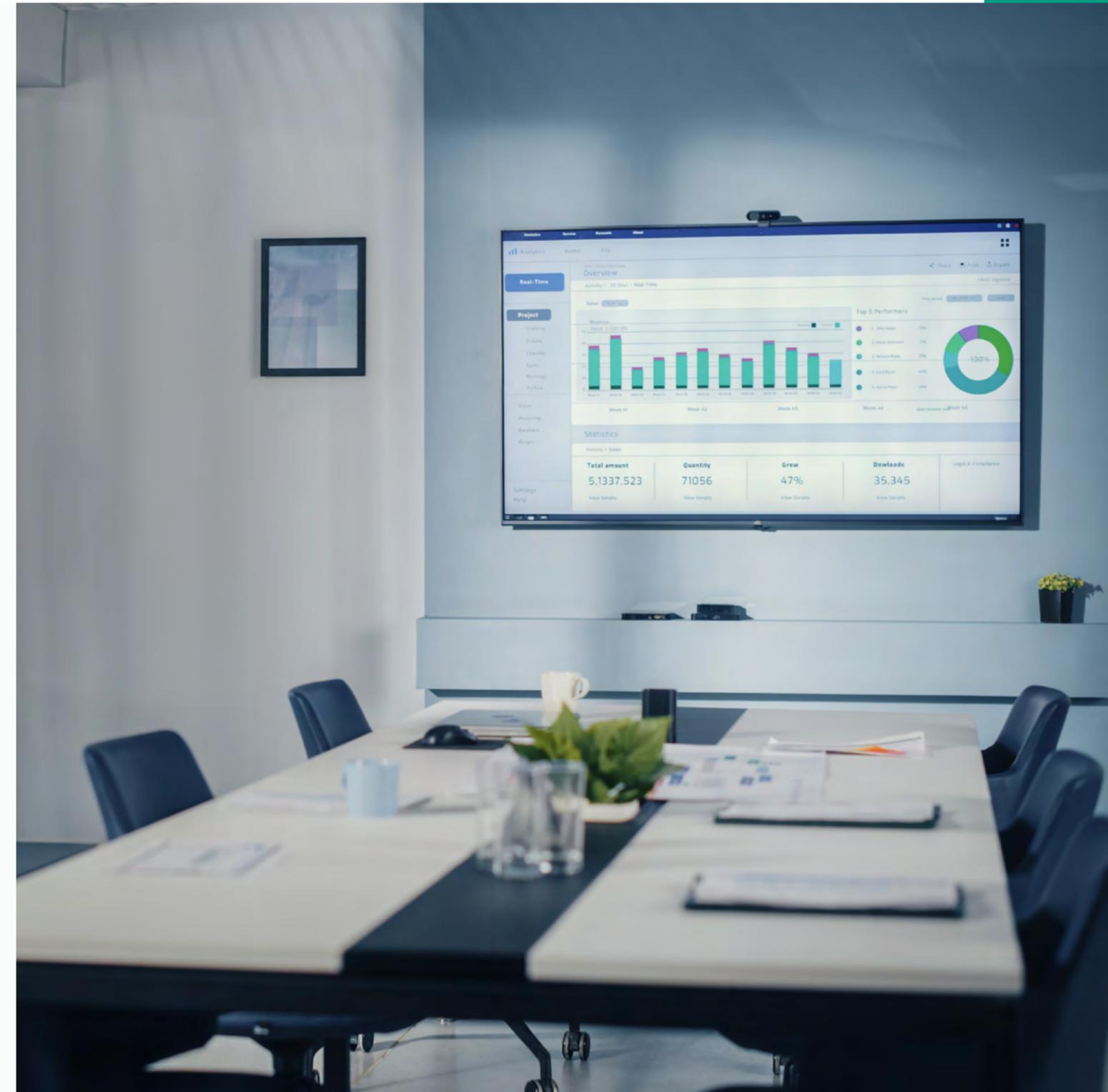
The Group classifies into Level 3 shares measured at cost, loans granted measured at amortised cost and investments in alternative funds, such as real-estate funds, infrastructure funds, private debt funds,

private equity funds and the like. Alternative funds are valued by fund managers in the form of fund unit values or as the value of invested assets, being the best approximation of fair value. Assets are valued based on material non-public information on assets invested in funds. The Group has only limited access to input data as used by fund managers, which is why the Group does not carry out own valuations nor is it possible for the Group to run sensitivity analyses.

In order to value fund assets, managers of such funds generally use methods that comply with International Private Equity and Venture Capital Valuation standards, such as discounting of cash flows and the multiples method.

Valuation techniques for all items described above are defined in accounting policies. The method is described for investment property in section [3.4.11 "Investment property"](#), for investments in subsidiaries and associates in section [3.4.12 "Investments in subsidiaries and associates"](#) and for financial investments in section [3.4.13 "Financial investments"](#).

The fair value of the Company's investment property as at 31 December 2024 was EUR 10,007,145 (2023: EUR 10,007,145), that of the Group at EUR 28,519,381 (2023: 28,591,968). The Company and the Group classify investment property as level 3 assets.



► Movements in level 3 financial assets measured at fair value

Sava Insurance Group			
	Equity instruments	Investments in infrastructure funds	Investments in real-estate funds
EUR	31 December 2024	31 December 2024	31 December 2024
Opening balance	245,792	57,339,858	13,888,192
Exchange differences	-	-	1
Additions	-	3,443,404	-
Disposals	-	-4,238,814	-
Revaluation to fair value	-	3,232,977	-1,304,313
Reclassification between levels (from L1 or L2 to L3)	10,000	-	-
Closing balance	255,792	59,777,426	12,583,880
Income	-	1,167,400	126,510
Unrealised gains/losses	-	959,583	-319,126

Sava Insurance Group				
	Debt instruments	Equity instruments	Investments in infrastructure funds	Investments in real-estate funds
EUR	31 December 2023	31 December 2023	31 December 2023	31 December 2023
Opening balance	7,208,718	257,367	53,856,375	16,497,061
Exchange differences	1	25	2	-1
Additions	-	-	4,230,418	-
Disposals	-587,952	-11,600	-2,004,341	-
Maturity	-1,313,725	-	-	-
Revaluation to fair value	696,363	-	1,257,404	-2,608,868
Reclassification into other levels (from L3 to L2 or L1)	-6,003,405	-	-	-
Closing balance	0	245,792	57,339,858	13,888,192
Income	-	750	2,046,833	287,511
Unrealised gains/losses	23,483	-	1,567,201	-2,192,884

Sava Re		
	Investments in infrastructure funds	Investments in real-estate funds
EUR	31 December 2024	31 December 2024
Opening balance	21,084,449	3,884,428
Exchange differences	-	-
Increase	1,751,995	-
Disposals	-1,815,119	-
Revaluation to fair value	1,382,261	-319,126
Reclassification into other levels (from L3 to L2 or L1)	-	-
Closing balance	22,403,584	3,565,302
Income	1,167,400	959,583
Unrealised gains/losses	103,239	-319,126

Sava Re			
	Debt instruments	Investments in infrastructure funds	Investments in real-estate funds
EUR	31 December 2023	31 December 2023	31 December 2023
Opening balance	3,416,149	18,843,871	4,584,214
Exchange differences	-	1	-1
Additions	-	2,567,159	-
Maturity	-1,313,725	-711,560	-
Revaluation to fair value	297,701	384,977	-699,785
Reclassification into other levels (from L3 to L2 or L1)	-2,400,124	-	-
Closing balance	0	21,084,449	3,884,428
Income	-	921,507	86,504
Unrealised gains/losses	-	606,629	-699,785



► **Reclassification of assets and financial liabilities between levels**

Sava Insurance Group			
EUR			
31 December 2024	Level 1	Level 2	Level 3
Investments measured at fair value through profit or loss	287,827	-297,827	10,000
Mandatorily measured at fair value through profit or loss, not held for trading	287,827	-297,827	10,000
Debt instruments	297,827	-297,827	-
Debt securities reclassified from level 2 into level 1	297,827	-297,827	-
Equity instruments	-10,000	-	10,000
Equity instruments reclassified from level 1 into level 3	-10,000	-	10,000
Investments measured at fair value through other comprehensive income	175,089	-175,089	0
Debt instruments	175,089	-175,089	-
Reclassification from level 1 into level 2	-6,351,179	6,351,179	-
Reclassification from level 2 into level 1	6,526,268	-6,526,268	-

Sava Insurance Group			
EUR			
31 December 2023	Level 1	Level 2	Level 3
Investments measured at fair value through profit or loss	195,614	4,876,288	-5,071,902
Mandatorily measured at fair value through profit or loss, not held for trading	195,614	4,876,288	-5,071,902
Debt securities reclassified from level 1 into level 3	195,614	-	-195,614
Debt securities reclassified from level 3 into level 2	-	4,876,288	-4,876,288
Investments measured at fair value through other comprehensive income	-1,216,784	3,079,790	-1,863,006
Debt instruments	-608,392	1,539,895	-931,503
Reclassification from level 1 into level 2	-608,392	608,392	-
Reclassification from level 3 into level 2	-	931,503	-931,503

Sava Re			
EUR			
31 December. 2024	Level 1	Level 2	Level 3
Investments measured at fair value through other comprehensive income	1,045,393	-1,045,393	0
Debt instruments	1,045,393	-1,045,393	-
Reclassification from level 1 into level 2	-3,579,936	3,579,936	-
Reclassification from level 2 into level 1	4,625,328	-4,625,328	-

Sava Re			
EUR			
31 December 2023	Level 1	Level 2	Level 3
Investments measured at fair value through profit or loss	0	1,913,925	-1,913,925
Mandatorily measured at fair value through profit or loss, not held for trading	-	1,913,925	-1,913,925
Debt securities reclassified from level 3 into level 2	-	1,913,925	-1,913,925
Investments measured at fair value through other comprehensive income	-237,554	1,209,953	-972,399
Debt instruments	-118,777	604,976	-486,199
Reclassification from level 1 into level 2	-118,777	118,777	-
Reclassification from level 3 into level 2	-	486,199	-486,199

3.7.36 Insurance revenue and insurance service expenses

EUR	Sava Insurance Group						Sava Re	
	2024			2023			2024	2023
	Non-life	Life	Total	Non-life	Life	Total	Non-life	
Insurance revenue	725,769,172	75,444,466	801,213,638	630,737,533	66,825,278	697,562,811	171,664,689	167,804,126
Amounts recoverable from insurance contracts ceded to reinsurers	-53,617,054	-253,281	-53,870,334	-42,824,599	-247,178	-43,071,777	-38,193,095	-30,235,703
Total insurance service expenses	-610,814,375	-51,535,640	-662,350,015	-611,082,703	-46,042,815	-657,125,518	-115,918,533	-174,490,918
Total amounts recovered from reinsurers	23,437,974	178,181	23,616,154	85,877,898	234,348	86,112,246	14,702,386	73,904,850

3.7.36.1 Analysis of insurance revenue (contracts for which the PAA has not been applied)

EUR 31 December 2024	Sava Insurance Group			Sava Re
	Non-life	Life	Total	Non-life
Insurance contracts not measured using the premium allocation approach (PAA)				
Amounts relating to changes in the liability for remaining coverage	104,456,230	63,390,148	167,846,378	154,101,154
Expected claims expenses and other insurance service expenses	64,751,163	39,163,716	103,914,879	99,140,770
Release of the risk adjustment for non-financial risk for risk expired	11,180,591	4,482,385	15,662,976	16,627,725
Amount of the contractual service margin recognised in profit or loss to reflect the transfer of services	23,168,478	20,156,099	43,324,577	44,616,850
Other amounts (e.g. experience adjustments for premium receipts)	5,355,998	-412,052	4,943,945	-6,284,191
Refund of insurance acquisition cash flows	11,367,206	12,054,318	23,421,524	8,410,926
Total	115,823,436	75,444,466	191,267,902	162,512,080
Insurance contracts measured using the premium allocation approach	609,945,736	0	609,945,736	9,152,609
Insurance revenue	725,769,172	75,444,466	801,213,638	171,664,689

EUR 31 December 2023	Sava Insurance Group			Sava Re
	Non-life	Life	Total	Non-life
Insurance contracts not measured using the premium allocation approach (PAA)				
Amounts relating to changes in the liability for remaining coverage	107,140,544	57,267,502	164,408,046	148,942,159
Expected claims expenses and other insurance service expenses	59,831,277	35,847,950	95,679,227	90,884,369
Release of the risk adjustment for non-financial risk for risk expired	9,989,677	4,468,442	14,458,119	14,358,334
Amount of the contractual service margin recognised in profit or loss to reflect the transfer of services	27,461,070	17,409,416	44,870,486	43,583,041
Other amounts (e.g. experience adjustments for premium receipts)	9,858,520	-458,306	9,400,214	116,415
Refund of insurance acquisition cash flows	10,785,511	9,557,779	20,343,290	8,889,287
Total	117,926,055	66,825,281	184,751,336	157,831,445
Insurance contracts measured using the premium allocation approach	512,811,476	0	512,811,476	9,972,681
Insurance revenue	630,737,531	66,825,281	697,562,812	167,804,126



3.7.36.2 Insurance service expenses

EUR 31 December 2024	Sava Insurance Group				Sava Re			
	Non-life			Life	Non-life			
	Insurance contracts not measured using the PAA	Insurance contracts measured using the PAA	Total	Insurance contracts not measured using the PAA	Insurance contracts not measured using the PAA	Insurance contracts measured using the PAA	Total	
Insurance service expenses	-53,911,445	-376,828,642	-430,740,087	-17,867,109	-94,815,999	-9,216,291	-104,032,290	
Insurance service operating expenses	-16,978,268	-163,096,020	-180,074,287	-33,668,531	-11,547,670	-338,572	-11,886,242	
Acquisition costs	-11,367,206	-92,123,284	-103,490,489	-12,054,318	-8,410,926	-119,711	-8,530,637	
Losses on onerous contracts	-243,356	2,292,627	2,049,271	-854,821	-107,603	-	-107,603	
Administrative expenses	-5,367,707	-73,265,363	-78,633,069	-20,759,391	-3,029,141	-218,861	-3,248,003	
Insurance service expenses	-70,889,713	-539,924,662	-610,814,375	-51,535,640	-106,363,669	-9,554,864	-115,918,533	

EUR 31 December 2023	Sava Insurance Group				Sava Re			
	Non-life			Life	Non-life			
	Insurance contracts not measured using the PAA	Insurance contracts measured using the PAA	Total	Insurance contracts not measured using the PAA	Insurance contracts not measured using the PAA	Insurance contracts measured using the PAA	Total	
Insurance service expenses	-76,067,916	-371,851,682	-447,919,598	-17,554,556	-114,069,334	-48,638,961	-162,708,295	
Insurance service operating expenses	-14,689,617	-148,473,487	-163,163,104	-28,488,257	-11,417,291	-365,332	-11,782,623	
Acquisition costs	-10,785,511	-80,522,287	-91,307,798	-9,557,779	-8,889,287	-182,343	-9,071,629	
Losses on onerous contracts	303,334	-2,814,659	-2,511,325	424,984	245,208	-	245,208	
Administrative expenses	-4,207,440	-65,136,541	-69,343,981	-19,355,462	-2,773,212	-182,989	-2,956,202	
Insurance service expenses	-90,757,533	-520,325,169	-611,082,702	-46,042,813	-125,486,624	-49,004,293	-174,490,918	



3.7.37 Reinsurance revenue and reinsurance service expenses

EUR 31 December 2024	Sava Insurance Group			Sava Re
	Non-life	Life	Total	Non-life
Reinsurers' share of insurance revenue, of which:	-53,617,054	-253,281	-53,870,334	-38,193,095
Contracts not measured using the premium allocation approach (PAA)	-34,789,218	-253,281	-35,042,498	-28,328,505
Contracts measured using the premium allocation approach (PAA)	-18,827,836	0	-18,827,836	-9,864,590
Reinsurers' share of claims, of which:	23,437,974	178,181	23,616,154	14,702,386
Contracts not measured using the premium allocation approach (PAA)	3,316,842	178,181	3,495,023	-317,753
Contracts measured using the premium allocation approach (PAA)	20,121,132	0	20,121,132	15,020,139
Net reinsurance revenue / service expenses	-30,179,080	-75,100	-30,254,180	-23,490,709

EUR 31 December 2023	Sava Insurance Group			Sava Re
	Non-life	Life	Total	Non-life
Reinsurers' share of insurance revenue, of which:	-42,824,599	-247,179	-43,071,778	-30,235,703
Contracts not measured using the premium allocation approach (PAA)	-36,248,168	-247,180	-36,495,348	-30,235,703
Contracts measured using the premium allocation approach (PAA)	-6,576,428	0	-6,576,428	0
Reinsurers' share of claims, of which:	85,877,893	234,348	86,112,241	73,904,850
Contracts not measured using the premium allocation approach (PAA)	77,909,179	234,349	78,143,528	73,904,850
Contracts measured using the premium allocation approach (PAA)	7,968,712	0	7,968,712	0
Net reinsurance revenue / service expenses	43,053,294	-12,831	43,040,463	43,669,147



EUR 31 December 2024	Sava Insurance Group			Sava Re
	Non-life	Life	Total	Non-life
Reinsurers' shares of insurance revenue				
Expected recovery for insurance service expenses incurred in the period	-32,040,503	-120,011	-32,160,514	-20,281,079
Changes in the risk adjustment for non-financial risk	-3,997,917	3,465	-3,994,452	-3,274,385
Finance income/expenses recognised in profit or loss	-17,578,634	-136,734	-17,715,368	-14,637,630
Allocation of reinsurers' shares of premiums	-53,617,054	-253,281	-53,870,334	-38,193,095
Reinsurers' share of claims and other insurance service expenses in the period	46,227,845	189,042	46,416,887	39,241,029
Changes in amounts recoverable arising from changes in liabilities for incurred claims	-22,752,252	-10,861	-22,763,113	-24,538,643
Changes in fulfilment cash flows which relate to onerous underlying contracts	-37,620	-	-37,620	-
Reinsurers' shares of insurance service expenses	23,437,974	178,181	23,616,154	14,702,386
Net reinsurance revenue / service expenses	-30,179,080	-75,100	-30,254,180	-23,490,709

EUR 31 December 2023	Sava Insurance Group			Sava Re
	Non-life	Life	Total	Non-life
Reinsurers' shares of insurance revenue				
Expected recovery for insurance service expenses incurred in the period	-18,608,747	-138,846	-18,747,593	-9,717,955
Changes in the risk adjustment for non-financial risk	-4,805,562	4,148	-4,801,414	-4,227,733
Finance income/expenses recognised in profit or loss	-19,410,291	-112,479	-19,522,770	-16,290,016
Allocation of reinsurers' shares of premiums	-42,824,600	-247,177	-43,071,777	-30,235,703
Reinsurers' share of claims and other insurance expenses in the period	89,494,581	124,348	89,618,929	77,958,868
Changes in amounts recoverable arising from changes in liabilities for incurred claims	-3,656,185	110,000	-3,546,185	-4,054,018
Changes in fulfilment cash flows which relate to onerous underlying contracts	39,496	-	39,496	-
Reinsurers' shares of insurance service expenses	85,877,892	234,348	86,112,240	73,904,850
Net reinsurance revenue / service expenses	43,053,292	-12,829	43,040,463	43,669,147



3.7.38 Investment income and expenses

Investment income by IFRS categories

Investment income by IFRS categories for 2024

Sava Insurance Group									
EUR	Interest income	Change in fair value of FVTPL investments	Gains on disposal of FVTPL investments	Gains on disposal of investments of other IFRS categories	Income from dividends and shares of other investments	Exchange gains	Change in expected credit losses (ECL)	Diverse other income	Total
Investments measured at amortised cost	3,309,114	0	0	31,148	0	691,589	575,099	0	4,606,950
Debt instruments	1,788,864	-	-	31,148	-	31,909	31,766	-	1,883,687
Cash and cash equivalents	424,466	-	-	-	-	659,493	-	-	1,083,958
Deposits and CDs	1,055,068	-	-	-	-	187	502,679	-	1,557,934
Loans	40,716	-	-	-	-	-	40,653	-	81,370
Investments measured at fair value through profit or loss	567,340	143,959,767	1,449,491	0	344,716	1,289,311	0	2,942,770	150,553,394
Mandatorily measured at fair value through profit or loss, not held for trading	567,340	143,959,767	1,449,491	0	344,716	1,289,311	0	2,942,770	150,553,394
Debt instruments	567,340	730,230	6,629	-	-	-	-	-	1,304,198
Equity instruments	-	139,276,561	1,442,862	-	344,716	211,965	-	-	141,276,105
Investments in infrastructure funds	-	3,770,249	-	-	-	1,077,345	-	2,582,922	7,430,516
Investments in real-estate funds	-	182,727	-	-	-	-	-	359,848	542,575
Investments measured at fair value through other comprehensive income	24,293,303	0	0	374,734	708,807	7,152,054	963,197	16,417	33,508,513
Debt instruments	24,293,303	-	-	374,734	-	7,152,054	963,197	3,055	32,786,343
Equity instruments	-	-	-	-	708,807	-	-	13,363	722,170
Investment property	0	0	0	0	0	0	0	1,700,920	1,700,920
Investment property	-	-	-	-	-	-	-	1,700,920	1,700,920
Total investment income	28,169,757	143,959,767	1,449,491	405,882	1,053,524	9,132,954	1,538,296	4,660,107	190,369,777



► Investment income by IFRS categories for 2023

Sava Insurance Group

EUR	Interest income	Change in fair value of FVTPL investments	Gains on disposal of FVTPL investments	Gains on disposal of investments of other IFRS categories	Income from dividends and shares of other investments	Exchange gains	Change in expected credit losses (ECL)	Diverse other income	Total
Investments measured at amortised cost	2,640,198	0	0	0	0	1,518,696	524,179	0	4,683,073
Debt instruments	1,718,644	-	-	-	-	30,787	15,999	-	1,765,430
Cash and cash equivalents	119,718	-	-	-	-	1,452,543	-	-	1,572,261
Deposits and CDs	738,694	-	-	-	-	35,366	484,259	-	1,258,319
Loans	63,142	-	-	-	-	-	23,921	-	87,063
Investments measured at fair value through profit or loss	809,053	106,098,756	487,591	0	434,362	977,080	5,194	2,340,151	111,152,187
Mandatorily measured at fair value through profit or loss, not held for trading	809,053	106,098,756	487,591	0	434,362	977,080	5,194	2,340,151	111,152,187
Debt instruments	809,053	1,852,682	1,293	-	-	-	5,194	-	2,668,222
Equity instruments	-	104,246,074	486,298	-	434,362	977,080	-	-	106,143,814
Investments in infrastructure funds	-	-	-	-	-	-	-	2,046,833	2,046,833
Investments in real-estate funds	-	-	-	-	-	-	-	293,318	293,318
Investments measured at fair value through other comprehensive income	18,465,996	0	0	67,299	664,699	6,768,940	555,405	56,855	26,579,194
Debt instruments	18,465,996	-	-	67,299	-	6,768,940	555,405	7,268	25,864,908
Equity instruments	-	-	-	-	664,699	-	-	49,577	714,276
Other investments	-	-	-	-	-	-	-	10	10
Investment property	0	0	0	0	0	0	0	1,444,938	1,444,938
Investment property	-	-	-	-	-	-	-	1,444,938	1,444,938
Total investment income	21,915,247	106,098,756	487,591	67,299	1,099,061	9,264,716	1,084,778	3,841,944	143,859,392



► Investment income by IFRS categories for 2024

Sava Re

EUR	Interest income	Change in fair value of FVTPL investments	Gains on disposal of FVTPL investments	Gains on disposal of investments of other IFRS categories	Income from dividends and shares of other investments	Exchange gains	Change in expected credit losses (ECL)	Diverse other income	Total
Investments measured at amortised cost	493,225	0	0	0	0	624,552	38,401	0	1,156,178
Debt instruments	103,216	-	-	-	-	-	25	-	103,241
Cash and cash equivalents	176,587	-	-	-	-	624,552	-	-	801,139
Deposits and CDs	71,167	-	-	-	-	-	6,061	-	77,228
Loans	142,256	-	-	-	-	-	32,315	-	174,571
Investments measured at fair value through profit or loss	139,055	3,806,392	5,020	0	140,821	936,642	0	1,270,639	6,298,569
Mandatorily measured at fair value through profit or loss, not held for trading	139,055	3,806,392	5,020	0	140,821	936,642	0	1,270,639	6,298,569
Debt instruments	139,055	180,822	1,275	-	-	-	-	-	321,151
Equity instruments	-	1,782,383	3,745	-	140,821	136,474	-	-	2,063,423
Investments in infrastructure funds	-	1,787,699	-	-	-	800,169	-	1,167,400	3,755,268
Investments in real-estate funds	-	55,488	-	-	-	-	-	103,239	158,727
Investments measured at fair value through other comprehensive income	7,187,066	0	0	91,912	0	6,911,565	162,388	0	14,352,930
Debt instruments	7,187,066	-	-	91,912	-	6,911,565	162,388	-	14,352,930
Investment property	0	0	0	0	0	0	0	959,359	959,359
Investment property	-	-	-	-	-	-	-	959,359	959,359
Total investment income	7,819,346	3,806,392	5,020	91,912	140,821	8,472,760	200,788	2,229,998	22,767,037



► Investment income by IFRS categories for 2023

Sava Re

EUR	Interest income	Change in fair value of FVTPL investments	Gains on disposal of FVTPL investments	Gains on disposal of investments of other IFRS categories	Income from dividends and shares of other investments	Exchange gains	Change in expected credit losses (ECL)	Diverse other income	Total
Investments measured at amortised cost	279,456	0	0	0	0	1,413,257	18,130	0	1,710,843
Debt instruments	102,760	-	-	-	-	-	2	-	102,763
Cash and cash equivalents	12,488	-	-	-	-	1,413,257	-	-	1,425,745
Deposits and CDs	41,806	-	-	-	-	-	2,940	-	44,746
Loans	122,402	-	-	-	-	-	15,188	-	137,590
Investments measured at fair value through profit or loss	230,222	3,903,887	9,388	0	217,967	672,816	0	1,008,011	6,042,291
Mandatorily measured at fair value through profit or loss, not held for trading	230,222	3,903,887	9,388	0	217,967	672,816	0	1,008,011	6,042,291
Debt instruments	230,222	433,741	-	-	-	-	-	-	663,964
Equity instruments	-	3,470,146	9,388	-	217,967	672,816	-	-	4,370,316
Investments in infrastructure funds	-	-	-	-	-	-	-	921,507	921,507
Investments in real-estate funds	-	-	-	-	-	-	-	86,504	86,504
Investments measured at fair value through other comprehensive income	4,455,595	0	0	12,456	0	6,521,397	71,790	0	11,061,238
Debt instruments	4,455,595	-	-	12,456	-	6,521,397	71,790	-	11,061,238
Investment property	0	0	0	0	0	0	0	867,573	867,573
Investment property	-	-	-	-	-	-	-	867,573	867,573
Total investment income	4,965,273	3,903,887	9,388	12,456	217,967	8,607,469	89,921	1,875,584	19,681,945



Investment expenses by IFRS category

Investment expenses by IFRS category for 2024

Sava Insurance Group

EUR	Interest expenses	Change in fair value of FVTPL investments	Losses on disposal of FVTPL investments	Losses on disposal of investments of other IFRS categories	Exchange losses	Change in expected credit losses (ECL)	Other	Total
Investments measured at amortised cost	1,835	0	0	3,044	1,311,548	571,218	95,091	1,982,736
Debt instruments	-	-	-	3,044	45,929	35,329	78,427	162,729
Cash and cash equivalents	-	-	-	-	1,265,103	-	-	1,265,103
Deposits and CDs	1,835	-	-	-	516	499,036	16,664	518,052
Loans granted	-	-	-	-	-	36,852	-	36,852
Investments measured at fair value through profit or loss	0	43,222,306	159,873	0	642,376	0	438	44,024,992
Mandatorily measured at fair value through profit or loss, not held for trading	0	43,222,306	159,873	0	642,376	0	438	44,024,992
Debt instruments	-	159,627	-	-	33,167	-	-	192,793
Equity instruments	-	40,470,205	159,873	-	100,027	-	438	40,730,543
Investments in infrastructure funds	-	1,105,434	-	-	509,182	-	-	1,614,617
Investments in real-estate funds	-	1,487,040	-	-	-	-	-	1,487,040
Investments measured at fair value through other comprehensive income	0	0	0	243,085	5,882,067	384,512	129,443	6,639,106
Debt instruments	-	-	-	243,085	5,882,067	384,512	10,622	6,520,285
Other investments	-	-	-	-	-	-	118,821	118,821
Investment property	0	0	0	0	0	0	608,912	608,912
Investment property	-	-	-	-	-	-	608,912	608,912
Total investment expenses	1,835	43,222,306	159,873	246,129	7,835,991	955,729	833,883	53,255,746



► Investment expenses by IFRS category for 2023

Sava Insurance Group								
EUR	Interest expenses	Change in fair value of FVTPL investments	Losses on disposal of FVTPL investments	Losses on disposal of investments of other IFRS categories	Exchange losses	Change in expected credit losses (ECL)	Other	Total
Investments measured at amortised cost	767	0	0	0	3,259,089	582,666	5,590	3,848,112
Debt instruments	-	-	-	-	41,720	24,860	880	67,460
Cash and cash equivalents	-	-	-	-	3,168,264	-	-	3,168,264
Deposits and CDs	767	-	-	-	49,105	550,833	4,710	605,415
Loans granted	-	-	-	-	-	6,973	-	6,973
Investments measured at fair value through profit or loss	0	47,756,284	406,002	0	1,333,568	0	14,603	49,510,457
Mandatorily measured at fair value through profit or loss, not held for trading	0	47,756,284	406,002	0	1,333,568	0	14,603	49,510,457
Debt instruments	-	387,857	16,669	-	-	-	-	404,526
Equity instruments	-	46,952,443	389,333	-	1,333,568	-	14,603	48,689,947
Investments in real-estate funds	-	415,984	-	-	-	-	-	415,984
Investments measured at fair value through other comprehensive income	0	0	0	888,628	10,221,916	158,318	128,471	11,397,333
Debt instruments	-	-	-	888,628	10,221,916	158,318	18,394	11,287,256
Other investments	-	-	-	-	-	-	110,077	110,077
Receivables	0	0	0	0	0	0	136,182	136,182
Other investments	-	-	-	-	-	-	136,182	136,182
Investment property	0	0	0	0	0	0	542,567	542,567
Investment property	-	-	-	-	-	-	542,567	542,567
Total investment expenses	767	47,756,284	406,002	888,628	14,814,573	740,984	827,413	65,434,651



► Investment expenses by IFRS category for 2024

Sava Re								
EUR	Interest expenses	Change in fair value of FVTPL investments	Losses on disposal of FVTPL investments	Losses on disposal of investments of other IFRS categories	Exchange losses	Change in expected credit losses (ECL)	Other	Total
Investments measured at amortised cost	0	0	0	0	1,221,389	31,782	0	1,253,172
Debt instruments	-	-	-	-	-	8	-	8
Cash and cash equivalents	-	-	-	-	1,221,389	-	-	1,221,389
Deposits and CDs	-	-	-	-	-	4,488	-	4,488
Loans granted	-	-	-	-	-	27,286	-	27,286
Investments measured at fair value through profit or loss	0	2,604,587	160	0	442,865	0	0	3,047,611
Mandatorily measured at fair value through profit or loss, not held for trading	0	2,604,587	160	0	442,865	0	0	3,047,611
Debt instruments	-	48,917	-	-	-	-	-	48,917
Equity instruments	-	1,352,940	160	-	65,374	-	-	1,418,474
Investments in infrastructure funds	-	828,116	-	-	377,491	-	-	1,205,607
Investments in real-estate funds	-	374,614	-	-	-	-	-	374,614
Investments measured at fair value through other comprehensive income	0	0	0	46,895	5,842,972	72,089	241	5,962,197
Debt instruments	-	-	-	46,895	5,842,972	72,089	241	5,962,197
Investment property	0	0	0	0	0	0	236,804	236,804
Investment property	-	-	-	-	-	-	236,804	236,804
Total investment expenses	0	2,604,587	160	46,895	7,507,225	103,871	237,046	10,499,785



► Investment expenses by IFRS category for 2023

Sava Re								
EUR	Interest expenses	Change in fair value of FVTPL investments	Losses on disposal of FVTPL investments	Losses on disposal of investments of other IFRS categories	Exchange losses	Change in expected credit losses (ECL)	Other	Total
Investments measured at amortised cost	0	0	0	0	3,124,503	23,954	0	3,148,457
Debt instruments	-	-	-	-	-	10	-	10
Cash and cash equivalents	-	-	-	-	3,124,503	-	-	3,124,503
Deposits and CDs	-	-	-	-	-	23,399	-	23,399
Loans granted	-	-	-	-	-	545	-	545
Investments measured at fair value through profit or loss	0	2,692,105	158,893	0	919,266	0	0	3,770,264
Mandatorily measured at fair value through profit or loss, not held for trading	0	2,692,105	158,893	0	919,266	0	0	3,770,264
Debt instruments	-	78,616	15,456	-	-	-	-	94,072
Equity instruments	-	2,613,489	143,437	-	919,266	-	-	3,676,192
Investments measured at fair value through other comprehensive income	0	0	0	132,904	10,047,293	11,541	6,905	10,198,643
Debt instruments	-	-	-	132,904	10,047,293	11,541	6,905	10,198,643
Investment property	0	0	0	0	0	0	220,196	220,196
Investment property	-	-	-	-	-	-	220,196	220,196
Total investment expenses	0	2,692,105	158,893	132,904	14,091,062	35,495	227,101	17,337,560



Investment income and expenses by source of funds

The Group records investment income and expenses separately by source of funds, i.e. separately for own fund assets, non-life insurance register assets and life insurance register assets. Own fund investments support the Group's equity; non-life insurance register assets support (re)insurance contract liabilities relating to non-life business, whereas life insurance register assets support (re)insurance contract liabilities relating to life insurance business.

► Investment income – non-life insurance business

	Sava Insurance Group		Sava Re	
	Liability fund	Liability fund	Liability fund	Liability fund
	2024	2023	2024	2023
EUR				
Interest income	13,339,584	8,393,085	6,225,685	4,091,965
Change in fair value and gains on disposal of FVTPL assets	7,691,602	8,083,070	3,584,520	3,828,337
Gains on disposal of other IFRS asset categories	151,804	42,381	91,912	21,844
Income from dividends and shares – other investments	282,091	377,731	100,903	197,197
Exchange gains	8,965,606	9,092,627	8,470,560	8,605,716
Change in expected credit losses (ECL)	848,348	569,613	166,215	84,298
Diverse other income	4,466,653	3,662,301	2,220,164	1,865,515
Total investment income – liability fund	35,745,688	30,220,808	20,859,958	18,694,872
	Capital fund	Capital fund	Capital fund	Capital fund
	2024	2023	2024	2023
Interest income	4,043,422	2,469,129	1,593,661	873,308
Change in fair value and gains on disposal of FVTPL assets	424,745	362,758	226,893	75,550
Gains on disposal of other IFRS asset categories	95,507	10,798	-	-
Income from dividends and shares – other investments	39,918	21,520	39,918	20,770
Exchange gains	2,286	1,813	2,200	1,754
Change in expected credit losses (ECL)	92,067	73,818	34,574	5,622
Diverse other income	156,811	119,970	9,834	10,069
Total investment income – capital fund	4,854,755	3,059,806	1,907,079	987,073
Total investment income – non-life business	40,600,443	33,280,614	22,767,037	19,681,945



► Investment income – life insurance business

EUR	Sava Insurance Group	
	Assets supporting life business	Assets supporting life business
	2024	2023
Interest income	8,279,186	8,917,868
Change in fair value and gains on disposal of FVTPL assets	137,190,124	97,489,188
Gains on disposal of other IFRS asset categories	107,216	466,971
Income from dividends and shares – other investments	731,515	699,810
Exchange gains	106,299	111,507
Change in expected credit losses (ECL)	510,076	349,494
Diverse other income	36,633	59,673
Total investment income – life insurance liability fund	146,961,048	108,094,511
	Capital fund	Capital fund
	2024	2023
Interest income	2,507,564	2,135,165
Change in fair value and gains on disposal of FVTPL assets	102,786	163,740
Gains on disposal of other IFRS asset categories	51,356	34,740
Income from dividends and shares – other investments	-	-
Exchange gains	58,764	58,769
Change in expected credit losses (ECL)	87,805	91,853
Diverse other income	11	-
Total investment income – capital fund	2,808,286	2,484,267
Total investment income – life business	149,769,334	110,578,778

► Expenses for financial assets and liabilities – non-life business

EUR	Sava Insurance Group		Sava Re	
	Liability fund	Liability fund	Liability fund	Liability fund
	2024	2023	2024	2023
Interest expenses	1,835	767	-	-
Change in fair value and losses on disposal of FVTPL assets	4,391,618	5,740,499	2,526,387	2,665,061
Losses on disposal of other IFRS asset categories	133,265	469,967	46,895	276,341
Exchange losses	7,699,535	14,589,799	7,506,058	14,089,188
Change in expected credit losses (ECL)	629,724	522,246	69,184	31,242
Other	547,742	549,575	231,262	222,052
Total investment expenses – liability fund	13,403,718	21,872,853	10,379,787	17,283,884
	Capital fund	Capital fund	Capital fund	Capital fund
	2024	2023	2024	2023
Interest expenses	-	-	-	-
Change in fair value and losses on disposal of FVTPL assets	137,647	79,524	78,359	27,044
Losses on disposal of other IFRS asset categories	10,029	16,315	-	15,456
Exchange losses	1,413	2,039	1,167	1,875
Change in expected credit losses (ECL)	56,417	37,295	34,687	4,253
Other	83,301	13,112	5,784	5,049
Total investment expenses – capital fund	288,807	148,285	119,998	53,677
Total investment expenses – non-life business	13,692,526	22,021,138	10,499,785	17,337,560



► Expenses for financial assets and liabilities – life business

EUR	Sava Insurance Group	
	Assets supporting life business	Assets supporting life business
	2024	2023
Interest expenses	-	-
Change in fair value and losses on disposal of FVTPL assets	38,852,893	41,866,122
Losses on disposal of other IFRS asset categories	89,678	572,783
Exchange losses	72,187	146,908
Change in expected credit losses (ECL)	253,006	25,109
Other	124,794	255,806
Total investment expenses – life insurance liability fund	39,392,558	42,866,728
EUR	Capital fund	
	2024	2023
	2024	2023
Interest expenses	-	-
Change in fair value and losses on disposal of FVTPL assets	20	70,139
Losses on disposal of other IFRS asset categories	13,157	235,565
Exchange losses	62,857	75,827
Change in expected credit losses (ECL)	16,582	156,334
Other	78,046	8,920
Total investment expenses – capital fund	170,662	546,785
Total investment expenses – life business	39,563,221	43,413,513

► Net investment income from non-life and life business

EUR	Sava Insurance Group		Sava Re	
	2024	2023	2024	2023
Non-life insurance	26,907,917	11,259,476	12,267,252	2,344,384
Life insurance	110,206,113	67,165,265	-	-
Total	137,114,030	78,424,741	12,267,252	2,344,384

The Group's net investment income in 2024 was EUR 137.1 million (2023: EUR 78.4 million) and includes the return on investments supporting the liabilities of life insurance policyholders who bear the investment risk (direct participating contracts).

The return on the investments supporting the liabilities of life policyholders who bear the investment risk in 2024 was EUR 99.2 million (31 December 2023: EUR 56.0 million). The majority of the return relates to the change in the fair value of unit-linked life insurance mutual funds (31 December 2024: EUR 99.2 million, 31 December 2023: EUR 55.4 million). The majority of this return has no impact on profit or loss, as accordingly finance expenses on unit-linked life insurance contracts have also been recognised.

The return on the Group's investments for 2024, net of exchange differences and net of the return on investments supporting the liabilities of life policyholders who bear the investment risk, is EUR 36.7 million. The most significant part of this is the interest income of EUR 27.5 million.

Net investment income of Sava Re in 2024 was EUR 12.3 million (2023: EUR 2.3 million). Net investment income increased in 2024, mainly due to lower foreign exchange differences. Excluding foreign exchange differences, the 2024 return of EUR 11.3 million would be higher than the 2023 return of EUR 7.8 million, mainly due to higher interest income.



3.7.39 Asset management revenue

EUR	Sava Insurance Group		Sava Re
	2024	2023	2024
Entry fee income	3,010,097	2,565,242	-
Exit fee income	25,488	22,400	-
Management fee income	20,624,748	17,001,768	4,034
Total	23,660,332	19,589,410	4,034

3.7.40 Operating expenses

The Group monitors operating expenses by nature. Compared to 2023, these expenses rose by 22.3%, or EUR 56.2 million, (2023: EUR 23.3 million).

The Company's operating expenses increased by 20.4% or by EUR 11.0 million (2023: EUR -6.4 million).

► Operating expenses by nature

EUR	Sava Insurance Group		Sava Re	
	2024	2023	2024	2023
Acquisition costs (commissions)	124,594,176	84,253,993	43,152,474	34,982,281
Depreciation/amortisation of operating assets	12,208,794	11,645,260	756,973	671,812
Personnel costs	108,915,203	98,735,179	13,210,765	11,305,985
– Salaries and wages	82,174,535	74,381,931	10,489,906	8,807,034
– Social and pension insurance costs	11,748,620	10,665,861	1,732,638	1,457,342
– Other personnel costs	14,992,048	13,687,387	988,222	1,041,610
Costs of services by natural persons not performing business, incl. of contributions	1,204,273	1,210,564	521,308	469,080
Other operating expenses	60,902,408	55,806,322	7,068,393	6,321,946
Total	307,824,855	251,651,318	64,709,913	53,751,104

EUR	Sava Insurance Group		Sava Re	
	2024	2023	2024	2023
Attributable expenses	250,901,769	200,636,773	48,527,528	39,945,596
Non-attributable expenses	31,079,973	29,432,276	16,182,385	13,805,508
Expenses of non-insurance companies	25,843,113	21,582,269	-	-
Total	307,824,855	251,651,318	64,709,913	53,751,104

The main items of other operating expenses, excluding audit expenses, are as follows.

EUR	Sava Insurance Group		Sava Re	
	2024	2023	2024	2023
Other operating expenses	60,047,842	54,951,844	6,779,036	6,051,684
– Cost of materials	1,572,893	1,952,616	76,452	66,464
– Energy costs	1,929,204	2,281,062	137,087	138,347
– Rental costs	4,858,347	4,704,807	1,149,934	1,083,886
– Employee reimbursements and training costs	2,112,575	1,820,193	464,794	414,330
– Cost of other services	17,246,453	15,741,976	1,732,561	891,023
– Transaction costs	2,715,485	2,581,785	273,659	276,763
– Costs of intellectual and personal services	15,639,258	12,931,395	1,658,755	2,253,531
– Insurance premiums	694,449	489,718	205,817	171,571
– Cost of advertising, promotion and entertainment	7,888,665	7,735,539	284,118	214,010
– Provisions for pensions and other provisions	1,743,245	1,449,206	135,698	130,900
– Cost of donations, sponsorship, membership fees	3,647,270	3,263,547	660,162	410,858
Total	60,047,842	54,951,844	6,779,036	6,051,684



► **Audit fees**

EUR	Sava Insurance Group		Sava Re	
	2024	2023	2024	2023
Audit of annual report	587,299	709,774	123,011	217,017
Other assurance services	267,267	144,705	166,346	53,245
Total	854,566	854,479	289,357	270,262

The cost of auditing the annual report includes audit costs incurred by each Group company, and additionally for the Company, in addition to the cost of auditing the separate financial statements, the cost of auditing the consolidated financial statements of the Sava Insurance Group. Other audit services relate to assurance services for reports drawn up by the Company and the Group under Solvency II requirements, and for other reports for which the auditor provides assurance services (letter of comfort, sustainability report, related parties report, ESEF compliance report, reporting to the Insurance Supervision Agency, remuneration report, approval of financial statements for foreign regulators and similar).

3.7.41 Income and expenses relating to investments in subsidiaries and associates

In 2024, the Group generated income from profit distributions of associates of EUR 1,781,075 (2023: EUR 2,169,860).

No impairment losses on goodwill were recognised in 2023 or 2024.

In 2024, the Company recognised EUR 39,035,925 (2023: EUR 30,642,415) of dividend income and profit distributions. In 2024 and 2023, no impairment losses on shares of subsidiaries were recognised.

3.7.42 Other operating income and expenses

► **Other operating income and expenses**

EUR	Sava Insurance Group		Sava Re	
	1-12/2024	1-12/2023	1-12/2024	1-12/2023
Income from outsourced internal audit services	-	-	395,705	395,705
Penalties and damages received	452,528	497,291	-	18,169
Operating income from revaluation	38,512	77,611	-	-
Revenue from other services	5,184,983	4,772,343	108,329	93,705
Operating revenue	9,811,469	9,147,731	-	-
Insurance revenue outside the scope of IFRS 17	2,149,282	2,441,442	-	-
Other income	17,636,775	16,936,418	504,034	507,579
Net exchange differences	-348,323	-4,743	-348,361	-4,997
Operating expenses from revaluation	-33,367	-119,356	-	-
Expenses for other services	-3,962,805	-4,819,796	-194,526	-268,260
Expenses of non-insurance companies	-25,843,113	-21,582,269	-	-
Other expenses	-30,187,608	-26,526,164	-542,887	-273,256
Net other operating income and expenses	-12,550,833	-9,589,746	-38,853	234,323

Income from other services comprises gains on the disposal of items of property, plant and equipment, extraordinary interest income and income from the use of holiday facilities.

Operating income mainly includes income from assistance services.

Expenses for other services include allowances for and impairment losses on other receivables, indirect operating expenses relating to investment property, expenses due to impairment losses on property, plant and equipment assets for own use and other extraordinary expenses.



3.7.43 Income tax expense

► Tax expense recognised in the income statement

EUR	Sava Insurance Group		Sava Re	
	2024	2023	2024	2023
Income tax expense	23,273,185	13,119,837	3,990,564	2,893,138
Deferred tax expense	-1,317,327	1,836,345	98,626	1,221,269
Total tax expense recognised in the income statement	21,955,857	14,956,182	4,089,191	4,114,406

► Tax expense recognised in other comprehensive income – items that will not be reclassified to profit or loss

Sava Insurance Group	2024			2023		
	EUR	Before taxes	Tax	After taxes	Before taxes	Tax
Other comprehensive income	1,935,866	-2,124	1,933,742	845,648	-26,777	818,871
Total	1,935,866	-2,124	1,933,742	845,648	-26,777	818,871

Sava Re	2024			2023		
	EUR	Before taxes	Tax	After taxes	Before taxes	Tax
Other comprehensive income	-12,298	-	-12,298	27,063	-624	26,439
Total	-12,298	0	-12,298	27,063	-624	26,439

► Tax expense recognised in other comprehensive income – items that will be reclassified to profit or loss

Sava Insurance Group	2024			2023		
	EUR	Before taxes	Tax	After taxes	Before taxes	Tax
Net gains/losses on financial instruments at FVOCI	23,709,774	-5,366,442	18,343,331	50,080,928	-7,282,958	42,797,970
Net finance income or expenses from insurance contracts	-21,201,880	2,393,184	-18,808,696	-33,063,968	5,032,586	-28,031,382
Net finance income or expenses from reinsurance contracts	1,623,603	-502,281	1,121,323	1,378,743	-685,098	693,645
Realised net gains/losses on financial investments at FVOCI	-131,650	-	-131,650	661,574	-	661,574
Other comprehensive income	3,999,847	-3,475,539	524,309	19,057,277	-2,935,470	16,121,807

Sava Re	2024			2023		
	EUR	Before taxes	Tax	After taxes	Before taxes	Tax
Net gains/losses on financial instruments at FVOCI	4,984,894	-1,086,773	3,898,121	9,832,360	-1,444,764	8,387,596
Net finance income or expenses from insurance contracts	-2,801,470	616,323	-2,185,146	-3,038,396	1,096,411	-1,941,985
Net finance income or expenses from reinsurance contracts	1,649,432	-362,875	1,286,557	1,304,240	-148,746	1,155,494
Realised net gains/losses on financial investments at FVOCI	-45,016	-	-45,016	120,448	-	120,448
Other comprehensive income	3,787,841	-833,325	2,954,516	8,218,652	-497,099	7,721,553

► Tax rate reconciliation

EUR	Sava Insurance Group		Sava Re	
	2024	2023	2024	2023
Profit or loss before tax	109,802,399	79,613,353	56,323,520	53,589,208
Income tax expense at statutory tax rate (local)	31,458,293	21,521,834	12,391,174	10,181,950
Adjustment to actual rates	-1,420,645	-1,187,948	-	-
Tax effect of income deductible for tax purposes	-8,239,754	-6,333,947	-8,654,276	-5,878,076
Tax effect of expenses not tax deductible	1,100,746	1,478,267	99,882	94,737
Tax effect of income that increases tax base	454,107	389,626	430,993	292,976
Tax relief	-1,076,589	-3,104,414	-277,209	-1,798,449
Temporarily unrecognised deferred tax	-1,321,284	322,597	98,626	-
Other	1,000,983	1,870,167	-	1,221,269
Total income tax expense in the income statement	21,955,857	14,956,182	4,089,190	4,114,406
Effective tax rate	20.00%	18.79%	7.26%	7.68%

Pillar Two international tax reform disclosure

Under Article 17 of the Slovenian Minimum Tax Act (MTA), the Sava Insurance Group is considered an international group of companies in the initial phase of its international activities. The Sava Insurance Group is considered to have constituent entities in a maximum of six jurisdictions and the sum of the carrying amounts of the property, plant and equipment assets of all constituent entities located in all jurisdictions other than the reference jurisdiction (the jurisdiction in which the constituent entities have the highest total value of property, plant and

equipment assets in a financial year) does not exceed EUR 50 million. Therefore, under the MTA, the Sava Insurance Group is entitled to a tax reduction, including the domestic top-up tax in Slovenia, up to nil over the five-year transitional period. As a result, no tax expense has been calculated hereunder for the 2024 financial year.

In accordance with paragraph 4A of the Appendix to IAS 12, the Group and the Company have not recognised deferred tax assets and liabilities for the minimum tax (under Pillar Two Rules).

3.8 Contingent assets and liabilities

EUR	Sava Insurance Group		Sava Re	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023
Outstanding recourse receivables	37,425,326	35,689,636	-	-
Receivables from the cancellation of subordinated financial instruments	37,960,300	37,960,300	10,038,000	10,038,000
Other potential receivables	2,766,185	1,870,961	225,565	225,565
Contingent assets	78,151,810	75,520,897	10,263,565	10,263,565

EUR	Sava Insurance Group		Sava Re	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023
Guarantees issued	11,263,641	11,446,639	3,536,146	2,432,816
Other contingent liabilities	1,940,520	-	507,000	673,875
Contingent liabilities	13,204,162	11,446,639	4,043,146	3,106,691

For 2024 and 2023, the Group and the Company recognised contingent assets equal to their cancelled subordinated instruments, in respect of which they continue to take action to protect their interests. In December 2016, claims were filed against the issuing banks of the subordinated financial instruments held by the Group and the Company prior to their cancellation.

Securities given mostly represent potential liabilities arising from investments in alternative funds. At the time of signing the subscription, which represents a commitment to make future payments into the alternative fund, the Company recognises the amount of the commitment as a contingent liability, which is then reduced by the amount drawn at each call.



3.9 Related party disclosures

The Group makes separate disclosures for the following groups of related parties:

- owners and related enterprises,
- key management personnel: management board, supervisory board including its committees, and employees not subject to the tariff section of the collective agreement,
- subsidiary companies,
- associates.

Owners and related enterprises

The Group's largest shareholder is Slovenian Sovereign Holding and the Republic of Slovenia with a 31.6% stake. The ultimate beneficial owner of Slovenian Sovereign Holding is the Republic of Slovenia.

► Remuneration of management board members in 2024

EUR	Gross salary – fixed amount	Gross salary – variable amount	Benefits in kind – insurance premiums	Benefits in kind – use of company car	Total
Marko Jazbec	217,800	64,800	466	10,066	293,132
Polona Pirš	196,200	58,136	5,600	6,707	266,643
Peter Skvarča	196,200	57,915	5,471	2,989	262,574
David Benedek	195,758	45,430	3,497	5,711	250,397
Total	805,958	226,281	15,033	25,473	1,072,746

► Remuneration of management board members in 2023

EUR	Gross salary – fixed amount	Gross salary – variable amount	Benefits in kind – insurance premiums	Benefits in kind – use of company car	Total
Marko Jazbec	217,800	62,816	421	3,862	284,899
Polona Pirš	195,586	139,706	5,486	8,120	348,898
Peter Skvarča	194,850	53,460	5,426	3,842	257,578
David Benedek	153,235	0	2,726	5,596	161,557
Total	761,471	255,982	14,059	21,419	1,052,931

► Liabilities to management board members based on gross remuneration

EUR	31 December 2024	31 December 2023
Marko Jazbec	18,000	18,000
Polona Pirš	16,200	16,200
Peter Skvarča	16,200	16,200
David Benedek	16,200	16,200
Total	66,600	66,600

As at 31 December 2024, the Company disclosed liabilities for potential payment of the variable part of pay of management board members in respect of 2021, 2022 and 2023 subject to certain conditions in the amount of EUR 348,393.

As at 31 December 2024, the Company had no receivables due from the management board members. Management board members are not remunerated for their functions in subsidiary companies. They have other entitlements under employment contracts, i.e. an allowance for annual leave of EUR 1,800, severance pay upon retirement and contributions to voluntary supplementary pension insurance. The management board members are not entitled to jubilee benefits for years of service in the Company.

► Remuneration of the supervisory board and its committees in 2024

EUR		Attendance fees	Remuneration for performing the function	Reimbursement of expenses and training	Benefits in kind – insurance premiums	Total	
Supervisory board members							
	Davor Ivan Gjivoje Jr	chairman	2,145	19,500	64,995	103	86,743
	Keith William Morris	deputy chairman	2,420	14,300	5,862	103	22,685
	Klemen Babnik	SB member	2,420	13,000	55	103	15,578
	Matej Gomboši	SB member	2,420	13,000	2,183	103	17,706
	Edita Rituper	SB member	2,420	13,000	0	103	15,523
	Blaž Garbajs	member	2,420	13,000	0	103	15,523
	Total supervisory board members		14,245	85,800	73,095	618	173,758
Audit committee members							
	Matej Gomboši	chairman	2,420	4,875	2,729	0	10,024
	Blaž Garbajs	member	2,200	3,250	0	0	5,450
	Katarina Sitar Šuštar (until 22 October 2024)	external member	1,320	6,627	169	0	8,116
	Dragan Martinović	external member	1,760	8,058	0	0	9,818
	Simona Korošec Lavrič (from 21 November 2024)	external member	220	840	18	0	1,078
	Total audit committee members		7,920	23,650	2,916	0	34,486
Members of the nominations and remuneration committee							
	Klemen Babnik	chairman	1,320	4,875	37	0	6,232
	Davor Ivan Gjivoje Jr	member	880	3,656	33,331	0	37,867
	Keith William Morris	member	1,540	3,250	4,663	0	9,453
	Matej Gomboši	member	1,320	3,250	1,488	0	6,058
	Edita Rituper	member	1,320	3,250	0	0	4,570
	Blaž Garbajs	member	1,540	3,250	0	0	4,790
	Total nominations and remuneration committee members		7,920	21,531	39,519	0	68,970
Members of the risk committee							
	Keith William Morris	chairman	1,100	4,875	3,331	0	9,306
	Davor Ivan Gjivoje Jr	member	1,100	3,250	41,664	0	46,014
	Slaven Mičković	external member	880	7,518	0	0	8,398
	Janez Komelj	external member	880	7,169	0	0	8,049
	Total risk committee members		3,960	22,812	44,995	0	71,767
Members of the fit and proper committee							
	Keith William Morris	chairman	880	4,875	2,665	0	8,420
	Klemen Babnik	member	660	3,250	19	0	3,929
	Rok Saje	external member	836	3,250	0	0	4,086
	Klara Hauko	external member	880	3,250	0	0	4,130
	Davor Ivan Gjivoje Jr	alternate member	0	812	0	0	812
	Total fit and proper committee members		3,256	15,437	2,684	0	21,377

As at 31 December 2024, the Company had no receivables due from the supervisory board members and had no liabilities due to any members of the supervisory board or its committees based on gross remuneration.

► Remuneration of the supervisory board and its committees in 2023

EUR		Attendance fees	Remuneration for performing the function	Reimbursement of expenses and training	Benefits in kind – insurance premiums	Total	
Supervisory board members							
	Davor Ivan Gjivoje Jr	chairman	2,695	19,500	77,922	84	100,201
	Keith William Morris	deputy chairman	2,695	14,300	6,679	84	23,758
	Klemen Babnik	SB member	2,695	13,000	186	84	15,965
	Matej Gomboši	SB member	2,695	13,000	2,353	84	18,132
	Gorazd Andrej Kunstek (until 12 June 2023)	SB member	1,375	5,850	0	0	7,225
	Edita Rituper	SB member	2,695	13,000	0	84	15,779
	Blaž Garbajs (from 13 June 2023)	member	1,320	7,150	0	84	8,554
	Total supervisory board members		16,170	85,800	87,140	504	189,614
Audit committee members							
	Matej Gomboši	chairman	1,980	4,875	2,161	0	9,016
	Gorazd Andrej Kunstek (until 12 June 2023)	member	1,100	1,462	0	0	2,562
	Blaž Garbajs (from 13 June 2023)	member	880	1,787	0	0	2,667
	Katarina Sitar Šuštar	external member	0	7,725	179	0	7,904
	Dragan Martinović	external member	0	6,825	0	0	6,825
	Total audit committee members		3,960	22,674	2,340	0	28,974
Members of the nominations and remuneration committee							
	Klemen Babnik	chairman	660	4,875	57	0	5,592
	Davor Ivan Gjivoje Jr	member	660	3,250	23,854	0	27,764
	Keith William Morris	member	660	3,250	2,045	0	5,955
	Matej Gomboši	member	660	3,250	720	0	4,630
	Gorazd Andrej Kunstek (until 12 June 2023)	alternate member	440	1,462	0	0	1,902
	Edita Rituper (from 13 June 2023)	member	220	1,787	0	0	2,007
	Blaž Garbajs (from 14 December 2023)	member	0	157	0	0	157
	Total nominations and remuneration committee members		3,300	18,031	26,676	0	48,007
Members of the risk committee							
	Keith William Morris	chairman	1,320	4,875	4,089	0	10,284
	Davor Ivan Gjivoje Jr	member	1,320	3,250	47,707	0	52,277
	Slaven Mičković	external member	0	11,996	0	0	11,996
	Janez Komelj	external member	0	3,914	0	0	3,914
	Total risk committee members		2,640	24,035	51,796	0	78,471
Members of the fit and proper committee							
	Keith William Morris	chairman	440	4,875	1,363	0	6,678
	Klemen Babnik	member	440	3,250	38	0	3,728
	Rok Saje	external member	440	3,250	0	0	3,690
	Klara Hauko	external member	440	3,250	0	0	3,690
	Total fit and proper committee members		1,760	14,625	1,401	0	17,786



Subsidiaries

► Investments in and amounts due from Group companies

Sava Re			31 December 2024	31 December 2023
EUR				
Loans granted to Group companies	gross		2,341,628	2,341,628
Other short-term receivables	gross		115,137	75,017
Total			2,456,765	2,416,645

► Liabilities to Group companies

Sava Re			31 December 2024	31 December 2023
EUR				
Other current liabilities			12,583	183,074

Other current liabilities include liabilities that are settled by the companies within the financial year, so all such liabilities are classified as liabilities with a maturity of up to one year.

► Income and expenses relating to Group companies

Sava Re			2024	2023
EUR				
Insurance revenue			72,317,796	63,774,722
Insurance service expenses			-56,559,226	-92,996,538
Finance result from insurance contracts			-3,302,066	-1,073,693
Other operating expenses			-290,947	-465,061
Dividend income			39,035,925	30,642,415
Other income			395,705	0
Interest income			119,764	71,052
Total			51,716,951	-47,103



Associate companies

No material income or expenses from operations with associates are recorded in 2024 and 2023.

Majority state-owned companies

Disclosures relating to state-owned companies are prepared for state-owned companies that are monthly updated on the website of SSH – Equity Investments.

► Receivables due from the state and majority state-owned companies

EUR	Sava Insurance Group		Sava Re	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023
Interests in companies	1,935,724	2,543,434	1,935,724	2,543,434
Debt securities and loans	63,519,019	61,574,140	16,244,093	15,504,669
Receivables due from policyholders	659,912	1,058,180	-	-
Total	66,114,655	65,175,755	18,179,816	18,048,104

► Liabilities to majority state-owned companies

EUR	Sava Insurance Group	
	31 December 2024	31 December 2023
Liabilities for shares in claims	-	3,070
Total	0	3,070

► Income and expenses relating to majority state-owned companies

EUR	Sava Insurance Group		Sava Re	
	2024	2023	2024	2023
Dividend income	56,535	90,000	56,535	90,000
Interest income at effective interest rate	1,137,034	1,186,857	267,488	254,769
Other investment income	3,745	3,962	3,745	3,835
Other investment expenses	-30,767	-72,572	-3,405	-72,218
Gross premiums written	7,748,982	6,230,252	-	-
Gross claims payments	-5,538,820	-3,007,147	-	-
Total	3,376,710	4,431,352	324,363	276,386

► Characteristics of loans granted to subsidiaries

Sava Re				
Borrower	Principal	Type of loan	Maturity	Interest rate
Sava Osiguruvanje (MKD)	1,300,000	ordinary	20 October 2038	4.31%
Sava Pokojninska (SVN)	1,000,000	subordinated	28 June 2027	6.00%
Total	2,300,000			



4 Significant events after the reporting date

In early 2025, the subsidiary Vita S Holding established the private healthcare provider PZU Vita S Skopje.

In January 2025, a petition was filed to initiate the dissolution of Asistim under the summary procedure without liquidation.

Davor I. Gjivoje Jr began his third four-year term as a member of the supervisory board on 9 March 2025. The supervisory board of Sava Re elected him chairman of the supervisory board for the new term.



5 Appendices to the financial statements with notes (unaudited)

Appendix A – Glossary of selected terms and calculation methodologies for indicators

Business volume. Gross premiums written and non-insurance revenue.

Combined ratio. 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.

Contractual Service Margin (CSM). 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.

Emerging risks. New risks, or risks that have been identified previously but which arise in new or unknown circumstances and the impact of which is not fully understood.

EURIBOR (Euro Interbank Offered Rate). The European Interbank Offered Rate is the average interest rate at which euro area banks lend money.

Exchange Traded Fund (ETF). Closed-end investment fund.

FVTPL (Fair Value Through Profit or Loss) investments. Financial investments measured at fair value through profit or loss.

Gross premiums written. The total premiums from all policies written or renewed during a given period, regardless of what portions have been earned.

Highly liquid assets. Highly liquid investments include L1A assets (ECB methodology), investments in US bonds, investments in sovereign and supranational issuers rated AA+ or better, and cash and cash equivalents.

IBOR (Interbank Offered Rate). An interbank reference interest rate is the average interest rate at which banks borrow money (e.g., LIBOR, EURIBOR).

Investment portfolio. It includes investment property; investments in associates and subsidiaries; financial investments other than unit-linked assets; and cash and cash equivalents other than those related to unit-linked life insurance contracts.

Loss ratio. 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.

NSLT health insurance. Health insurance provided on a technical basis similar to that of non-life insurance.

Own risk and solvency assessment (ORSA). Own assessment of the risks associated with a company's or the Group's business and strategic plan and assessment of the adequacy of own funds to cover them.

SCR. Solvency Capital Requirement.

SLT health insurance. Health insurance provided on a technical basis similar to that of life insurance.

Solvency ratio. The ratio of eligible own funds to the solvency capital requirement, expressed as a percentage. A solvency ratio greater than 100% indicates that the company has sufficient resources to meet the solvency capital requirement.

Ultimate loss. Total amount of loss after all claims have been paid. Prior to final settlement, the estimated ultimate loss includes reported claims and provisions for incurred but not reported (IBNR) claims.



Appendix B – Fund assets not included in the consolidated financial statements of the Sava Insurance Group

Name and type of fund	Sava Insurance Group company managing the fund	Net asset value as at 31 December 2024
Infond Umbrella Fund	Sava Infond, Družba za Upravljanje, d.o.o.	851,821,605
Infond Dividendni, equity sub-fund of developed markets	Sava Infond, Družba za Upravljanje, d.o.o.	9,599,349
Infond Družbeno Odgovorni, equity sub-fund of developed markets	Sava Infond, Družba za Upravljanje, d.o.o.	26,904,099
Infond Evropa, equity sub-fund	Sava Infond, Družba za Upravljanje, d.o.o.	8,864,925
Infond Globalni Defenzivni, mixed sub-fund	Sava Infond, Družba za Upravljanje, d.o.o.	30,252,237
Infond Globalni Delniški, equity sub-fund	Sava Infond, Družba za Upravljanje, d.o.o.	84,631,985
Infond Globalni Fleksibilni, mixed flexible subfund	Sava Infond, Družba za Upravljanje, d.o.o.	24,764,649
Infond Globalni Uravnoteženi, mixed sub-fund	Sava Infond, Družba za Upravljanje, d.o.o.	92,278,929
Infond Kitajska, equity sub-fund	Sava Infond, Družba za Upravljanje, d.o.o.	4,082,595
Infond Kratkoročne Obveznice (Infond Short-Term Bonds) – EUR, bond sub-fund	Sava Infond, Družba za Upravljanje, d.o.o.	49,755,736
Infond Megatrendi, equity sub-fund of developed markets	Sava Infond, Družba za Upravljanje, d.o.o.	5,153,718
Infond Naložbeni Cilj 2040, target date fund	Sava Infond, Družba za Upravljanje, d.o.o.	5,087,623
Infond Obvezniški (Infond Bonds) – EUR, bond sub-fund	Sava Infond, Družba za Upravljanje, d.o.o.	9,705,646
Infond Razviti trgi, equity sub-fund of developed markets	Sava Infond, Družba za Upravljanje, d.o.o.	118,199,207
Infond Select, equity sub-fund of developed markets	Sava Infond, Družba za Upravljanje, d.o.o.	28,947,559
Infond Surovine in Energija, bond sub-fund	Sava Infond, Družba za Upravljanje, d.o.o.	8,519,635
Infond Tehnologija, equity sub-fund	Sava Infond, Družba za Upravljanje, d.o.o.	245,847,581
Infond Trgi v Razvoju, equity sub-fund	Sava Infond, Družba za Upravljanje, d.o.o.	34,959,937
Infond ZDA, equity sub-fund	Sava Infond, Družba za Upravljanje, d.o.o.	24,074,850
Infond Zdravstvo, equity sub-fund	Sava Infond, Družba za Upravljanje, d.o.o.	40,191,345
Sava Penziski Fond Mandatory Fund	Sava Penzisko Društvo a.d.	1,147,703,444
Sava Penzija Plus Voluntary Fund	Sava Penzisko Društvo a.d.	34,412,931



Appendix C – Discount rates

► Term structure of interest rates for IFRS 17 measurement of non-life and life insurance contracts without an investment component using the BBA and PAA methods

Currency	EUR		USD		MKD		RSD		
	Date of measurement / year	31 December 2024	31 December 2023						
1		2.41%	3.54%	4.35%	4.91%	2.41%	3.54%	4.65%	5.84%
2		2.33%	2.99%	4.25%	4.32%	2.33%	2.99%	4.55%	5.93%
3		2.37%	2.80%	4.22%	4.00%	2.37%	2.80%	4.50%	6.31%
4		2.41%	2.74%	4.19%	3.85%	2.41%	2.74%	4.64%	6.61%
5		2.44%	2.73%	4.17%	3.78%	2.44%	2.73%	4.88%	6.83%
6		2.48%	2.74%	4.21%	3.76%	2.48%	2.74%	5.13%	7.05%
7		2.51%	2.76%	4.20%	3.77%	2.51%	2.76%	5.34%	7.28%
8		2.54%	2.78%	4.23%	3.78%	2.54%	2.78%	5.51%	7.50%
9		2.57%	2.81%	4.21%	3.81%	2.57%	2.81%	5.62%	7.66%
10		2.59%	2.84%	4.23%	3.84%	2.59%	2.84%	5.69%	7.78%
15		2.66%	2.92%	4.33%	3.96%	2.66%	2.92%	5.74%	7.83%
20		2.60%	2.87%	4.35%	3.99%	2.60%	2.87%	5.62%	7.51%
25		2.61%	2.88%	4.30%	3.89%	2.61%	2.88%	5.47%	7.13%
30		2.67%	2.92%	4.21%	3.81%	2.67%	2.92%	5.33%	6.79%
35		2.73%	2.97%	4.14%	3.76%	2.73%	2.97%	5.21%	6.50%
40		2.78%	3.02%	4.06%	3.72%	2.78%	3.02%	5.11%	6.27%
45		2.83%	3.06%	3.99%	3.70%	2.83%	3.06%	5.03%	6.07%
50		2.88%	3.09%	3.93%	3.67%	2.88%	3.09%	4.96%	5.92%



► **Term structure of interest rates for IFRS 17 measurement of life insurance contracts with an investment component using the BBA and VFA methods**

Currency	EUR		RSD		
	Date of measurement / year	31 December 2024	31 December 2023	31 December 2024	31 December 2023
1		2.50%	3.64%	4.97%	6.16%
2		2.45%	3.14%	4.89%	6.37%
3		2.50%	2.97%	4.85%	6.84%
4		2.56%	2.93%	5.01%	7.19%
5		2.60%	2.93%	5.27%	7.44%
6		2.64%	2.95%	5.55%	7.69%
7		2.67%	2.97%	5.79%	7.95%
8		2.70%	3.00%	5.97%	8.19%
9		2.73%	3.03%	6.08%	8.36%
10		2.75%	3.06%	6.16%	8.50%
15		2.83%	3.15%	6.17%	8.53%
20		2.76%	3.10%	5.99%	8.13%
25		2.77%	3.10%	5.79%	7.67%
30		2.81%	3.12%	5.61%	7.25%
35		2.85%	3.15%	5.46%	6.90%
40		2.90%	3.17%	5.33%	6.62%
45		2.93%	3.20%	5.22%	6.39%
50		2.97%	3.22%	5.13%	6.20%



► Term structure of interest rates for IFRS 17 measurement of reinsurance held and issued using the BBA and PAA methods

Currency	EUR		USD		KRW		CNY		INR	
Date of measurement / year	31 December 2024	31 December 2023								
1	2.41%	3.54%	4.35%	4.91%	2.85%	3.69%	1.25%	1.73%	7.76%	8.25%
2	2.33%	2.99%	4.25%	4.32%	2.78%	3.59%	1.27%	2.06%	7.54%	8.52%
3	2.37%	2.80%	4.22%	4.00%	2.79%	3.50%	1.29%	2.29%	7.52%	8.62%
4	2.41%	2.74%	4.19%	3.85%	2.81%	3.50%	1.33%	2.49%	7.52%	8.69%
5	2.44%	2.73%	4.17%	3.78%	2.83%	3.48%	1.38%	2.65%	7.52%	8.73%
6	2.48%	2.74%	4.21%	3.76%	2.84%	3.47%	1.42%	2.75%	7.51%	8.77%
7	2.51%	2.76%	4.20%	3.77%	2.85%	3.47%	1.46%	2.82%	7.47%	8.82%
8	2.54%	2.78%	4.23%	3.78%	2.87%	3.48%	1.51%	2.89%	7.42%	8.87%
9	2.57%	2.81%	4.21%	3.81%	2.89%	3.49%	1.58%	2.94%	7.37%	8.93%
10	2.59%	2.84%	4.23%	3.84%	2.88%	3.49%	1.66%	3.00%	7.32%	8.97%
15	2.66%	2.92%	4.33%	3.96%	2.70%	3.47%	2.08%	3.26%	7.04%	8.80%
20	2.60%	2.87%	4.35%	3.99%	2.61%	3.50%	2.44%	3.46%	6.80%	8.42%
25	2.61%	2.88%	4.30%	3.89%	2.64%	3.52%	2.73%	3.61%	6.60%	8.03%
30	2.67%	2.92%	4.21%	3.81%	2.70%	3.52%	2.95%	3.72%	6.43%	7.70%
35	2.73%	2.97%	4.14%	3.76%	2.76%	3.52%	3.12%	3.82%	6.30%	7.43%
40	2.78%	3.02%	4.06%	3.72%	2.81%	3.52%	3.26%	3.89%	6.20%	7.21%
45	2.83%	3.06%	3.99%	3.70%	2.86%	3.52%	3.38%	3.96%	6.11%	7.03%
50	2.88%	3.09%	3.93%	3.67%	2.90%	3.51%	3.47%	4.01%	6.04%	6.88%

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Sava Re d.d.

Dunajska Cesta 56, P.O.B. 318
SI-1001 Ljubljana, Slovenia
T +386 1 47 50 200
info@sava-re.si
www.sava-re.si

