



Translation of the

**Unaudited Financial Report  
of the Sava Insurance Group  
and Financial Statements of Sava Re d.d.  
for the Nine Months to 30 September 2022**

Ljubljana, 8 November 2022



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# Business report

This report has been prepared by Sava Re, d.d., Ljubljana, Dunajska 56, in accordance with the Financial Instruments Market Act and the rules of the Ljubljana Stock Exchange. The report will also be posted on the Company's website, at [www.sava-re.si](http://www.sava-re.si), as from 18 November 2022.

# 1 Key figures

EUR, except percentages	Sava Insurance Group	
	1–9/2022	1–9/2021
<b>Total of all operating segments</b>		
<b>Operating revenue</b>	<b>557,955,323</b>	<b>548,763,752</b>
Year-on-year change	1.7%	11.1%
<b>Profit or loss, net of tax</b>	<b>46,485,203</b>	<b>57,233,624</b>
Year-on-year change	-18.8%	20.3%
<b>Comprehensive income</b>	<b>-83,963,191</b>	<b>46,456,391</b>
Year-on-year change	-280.7%	-13.4%
<b>Return on revenue*</b>	<b>8.3%</b>	<b>10.4%</b>
<b>Net expense ratio, including operating revenue*/***</b>	<b>28.5%</b>	<b>27.8%</b>
<b>Return on equity</b>	<b>13.4%</b>	<b>15.9%</b>
<b>Return on equity excluding revaluation surplus</b>	<b>12.3%</b>	<b>17.1%</b>
<b>Earnings or loss per share</b>	<b>2.99</b>	<b>3.69</b>
<b>Return on the investment portfolio*/**</b>	<b>1.3%</b>	<b>1.9%</b>
<b>Reinsurance + non-life</b>		
<b>Gross premiums written</b>	<b>473,905,502</b>	<b>439,580,390</b>
Year-on-year change	7.8%	0.5%
<b>Net incurred loss ratio*</b>	<b>59.9%</b>	<b>56.7%</b>
<b>Net expense ratio</b>	<b>30.8%</b>	<b>30.4%</b>
<b>Net combined ratio*</b>	<b>91.9%</b>	<b>88.3%</b>
<b>Profit or loss before tax</b>	<b>37,985,643</b>	<b>52,321,321</b>
Year-on-year change	-27.4%	36.9%
<b>Life</b>		
<b>Gross premiums written</b>	<b>131,760,553</b>	<b>135,370,151</b>
Year-on-year change	-2.7%	50.8%
<b>Net expense ratio</b>	<b>21.4%</b>	<b>20.0%</b>
<b>Profit or loss before tax</b>	<b>14,705,673</b>	<b>14,394,521</b>
Year-on-year change	2.2%	-24.9%
<b>Total of all operating segments</b>	<b>30 September 2022</b>	<b>31 December 2021</b>
<b>Total assets</b>	<b>2,544,428,302</b>	<b>2,658,322,359</b>
Change on 31 December of prior year	-4.3%	7.7%
<b>Shareholders' equity</b>	<b>396,774,783</b>	<b>504,077,018</b>
Change on 31 December of prior year	-21.3%	9.5%
<b>Net technical provisions</b>	<b>1,699,358,983</b>	<b>1,703,916,399</b>
Change on 31 December of prior year	-0.3%	6.5%
<b>Book value per share</b>	<b>25.60</b>	<b>32.53</b>
<b>Number of employees (full-time equivalent basis)</b>	<b>2,700.0</b>	<b>2,698.9</b>
<b>Solvency ratio under Solvency II rules****</b>	<b>189–199%</b>	<b>198%</b>

For definitions of items and ratios, please refer to the appended glossary.

\* Excluding the effect of exchange differences.

\*\* Excluding subordinated debt expenses.

\*\*\* Excluding the amortisation charge for a customer list.

\*\*\*\* The Group's solvency ratio is calculated annually, and an estimate of the range of the solvency ratio is made for each quarter.

*Achievement of targets in 2022*

EUR million	1–9/2022	2022 plan	As % of plan
Operating revenue	558.0	> 700	79.7%
Profit or loss, net of tax	46.5	> 60	77.5%
Return on equity (ROE)	13.4%	≥ 11.5%	✓
Net expense ratio*	28.5%	31–32%	✓
Investment return**	1.3%	1.4%	✗
Net combined ratio (reinsurance + non-life)*	91.9%	< 94%	✓

\* Excluding the effect of exchange differences.

\*\* Excluding subordinated debt expenses.

*Realising growth targets for consolidated operating revenue by segment*

	1–9/2022	2022 plan
Reinsurance	6%	-16%
Non-life, Slovenia	0%	-2%
Life, Slovenia	-3%	2%
Non-life, international	12%	6%
Life, international	22%	17%
Pensions and AM	6%	13%
Other	31%	4%
<b>Total</b>	<b>1.7%</b>	<b>-1.6%</b>

In the first nine months of 2022, the Sava Insurance Group generated operating revenue of EUR 558.0 million and thus remains on track to hit its revenue target for the full year 2022. Almost all the segments achieved 75% of the annual operating revenue planned. The Group wrote EUR 608.3 million in gross premiums, up 5.2% year on year. With a net profit of EUR 46.5 million, the Company estimates that the profit target for 2022 will be achieved. The net profit for the period in the non-life segment compared to the year-on-year figure was mostly affected by claims inflation, the anticipated rise in motor accident frequency after the pandemic lull, and additional weather-related and other major loss events. The net expense ratio for the first nine months of 2022 was better than planned, driven by all major operating segments, owing to higher revenue and the timing of operating expenses. The net combined ratio is still within the planned range, despite the weaker loss experience in the Slovenian non-life segment. The return on the investment portfolio is only slightly below the level planned for 2022.

*Objectives achieved in the Group's strategic focus areas***Digital transformation and placing the customer at the centre**

We continued to use and upgrade remote digital solutions for customers to optimise the user experience, especially on websites.

Key development activities continued with the introduction of a multi-channel solution in several Sava Insurance Group companies, with focus on managing multi-level processes and additional integrated communication channels. Multi-channel solutions were added in two more companies.

The SavaNet portal, which today includes data of Zavarovalnica Sava and Sava Pokojninska, has seen several improvements based on customer requests and ideas. By the end of 2022, the portal will be upgraded with Save Infond data, and in 2023 there are plans to roll out the portal to two more Group companies, for which an analysis of the necessary adjustments is currently underway.

Paperless business intelligence is being extended to additional business processes, and a solution to automate communications across different communication channels is being rolled out. With the introduction of advanced technologies, we continue to develop and deploy artificial intelligence in various work processes.

By developing the use of additional sources of external databases and optimising a process for consolidating and cleansing customer data, we are looking to increase security and accelerate process



implementation for our customers. At Zavarovalnica Sava, we have created an extended business data dictionary, which enables us to better review and use customer data internally and to share it among various business processes.

A comprehensive redesign of the Zavarovalnica Sava website on the Liferay platform is underway, which will serve as a basis for subsequent redesigns in other Group companies.

### **Information technology initiatives and improvements**

Regarding system improvements, we continued implementing the new application for the Croatian branch (with a focus on the changeover to the euro) and the application to support reinsurance operations at the parent company, while continuing setting up a fraud detection system at Zavarovalnica Sava and integrating data for the IFRS 17 project into a central solution for the companies. We also undertook regular maintenance and development of products in the companies' existing solutions.

Regarding business reporting and data warehouse solutions, we expanded the Zavarovalnica Sava data warehouse with new data sources and integrated the Sava Re data warehouse into the new central reinsurance solution. For IFRS 17 financial reporting purposes, we ran a technical test reporting cycle, supplementing and refining functionalities and data integration, while reviewing the data quality of the target subsidiaries.

In terms of infrastructure, we provided ongoing support for various business application development projects, mitigated risks in infrastructure management through additional preventive and detective IT operations testing, carried out a regular replacement of disk capacity in the Group's main data centre, implemented an IT service management solution to support IT business processes in one company and started rolling it out to other Group companies.

In terms of IT security, we completed the integration of the security patch management system in the workstation environment and will continue with the integration in the server environment. The security policy was adapted so that the methods and periodicity of the different types of independent security tests were more precisely defined. The set of detection rules for suspicious events in the security information and event management system was updated. Currently under way is the integration of the IT service management tool with the above-mentioned system to improve internal handling of security events. The Group started revising its cyber incident response plan to align it with the national cyber incident response plan.

### **Sustainable development**

The Sava Insurance Group adopted a sustainable development strategy for 2020–2022, embarking on the path of introducing ESG criteria into business and decision-making processes. Accordingly, during the strategic period, the focus has been on implementing these criteria in a number of areas: investment management, insurance and reinsurance underwriting, development of insurance services and purchasing.

The Sava Insurance Group has stepped up activities for designing a plan for the next strategy period and is preparing for reporting under the Sustainable Finance Disclosures Regulation, the Taxonomy and the Corporate Sustainability Reporting Directive in terms of training and provision of relevant data. Training was also provided to board members of subsidiaries on how to prepare for reporting under the new regulatory requirements.

Working groups, including representatives of the subsidiaries, worked hard to ensure proper implementation of EU regulations. In August 2022, two EU delegated regulations entered into force: Delegated Regulation 2021/1257 as regards the integration of sustainability factors, risks and preferences into the product oversight and governance requirements for insurance undertakings and insurance distributors and into the rules on conduct of business and investment advice for insurance-based investment products and Delegated Regulation 2021/1256 as regards the integration of sustainability risks in the governance of insurance and reinsurance undertakings. Thus, the companies have produced relevant documents and guidance on the fulfilment of the legal requirements, prepared

## Key figures

appropriate information for customers on sustainability factors for individual insurance products, and coordinated other relevant documents.

Several volunteer projects as part of the “Heart for the World” initiative started in September and are planned to continue in October.

## 2 Sava Re company profile

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
Email	<a href="mailto:info@sava-re.si">info@sava-re.si</a>
Website	<a href="http://www.sava-re.si">www.sava-re.si</a>
ID number	5063825
Tax identification number	SI17986141
LEI code	549300P6F1BDSFSW5T72
Share capital	EUR 71,856,376
Shares	17,219,662 no-par-value shares
Management and supervisory bodies	MANAGEMENT BOARD Marko Jazbec (chairman) Polona Pirš Zupančič Peter Skvarča SUPERVISORY BOARD Davor Ivan Gjivoje Jr (chairman) Keith William Morris (deputy chairman) Klemen Babnik Dr Matej Gomboši Edita Rituper (employee representative) Andrej Gorazd Kunstek (employee representative)
Date of entry into court register	10 December 1990, Ljubljana District Court
Certified auditor <sup>1</sup>	Deloitte Revizija d.o.o. Dunajska cesta 165 1000 Ljubljana Slovenia
Largest shareholder and holding	Slovenian Sovereign Holding 17.7% (no-par-value shares: 3,043,883)
Credit ratings: S&P Global Ratings AM Best	A /stable/; September 2022 A /stable/; October 2022
Contact details for financial and sustainability reports	<a href="mailto:ir@sava-re.si">ir@sava-re.si</a>
The Company has no branches.	

<sup>1</sup> On 23 June 2022, the general meeting appointed Deloitte Revizija d.o.o. as auditor for the financial years 2022, 2023 and 2024.

### 3 Bodies of the Company

#### Management board

In accordance with its articles of association, Sava Re is managed and represented by a two- to five-member management board. To transact business, the Company must be represented jointly by at least two members.

In the third quarter of 2022, there were no changes in the composition of the management board.

##### *Composition of the management board as at 30 September 2022*

Member	Title	Beginning of term	End of term of office
Marko Jazbec	chair	12 May 2017	13 May 2027
Polona Pirš Zupančič	member	14 January 2018	14/01/2023*
Peter Skvarča	member	19 June 2020	19 June 2025

\*Renewal of the five-year term of office until 15 January 2028.

#### Supervisory board

The shareholder representatives on the supervisory board are elected by the Company's general meeting, whereas the two employee representatives are elected by the Company's workers' council.

The composition of the supervisory board remained unchanged in the third quarter of 2022.

##### *Composition of the supervisory board as at 30 September 2022*

Member	Title	Beginning of term	End of term of office
Davor Ivan Gjivoje Jr	chair	8 March 2021	8 March 2025
Keith W. Morris	deputy chair	17 July 2021	17 July 2025
Klemen Babnik	member	17 July 2021	17 July 2025
Dr Matej Gomboši	member	17 July 2021	17 July 2025
Andrej Gorazd Kunstek	member (employee representative)	12 June 2019	12 June 2023
Edita Rituper	member (employee representative)	1 January 2022	12 June 2023

#### *Notes on memberships of management or supervisory bodies of third parties*

Davor Ivan Gjivoje Jr:

- Networkd, Inc./DGG Holdings, Ltd. & Subsidiaries, 89 Headquarters Plaza, North Tower (Suite 1420) Morristown, NJ 07960, USA – managing director
- Sava d.d., Dunajska 152, 1000 Ljubljana, Slovenia – member of the board of directors
- Sava Turizem d.d., Dunajska 152, 1000 Ljubljana, Slovenia – member of the supervisory board

Keith W. Morris:

- HMS Victory Preservation Endowment Fund Ltd, HM Naval Base (PP66) Portsmouth Hampshire PO1 3NH, United Kingdom – chairman of the board of directors

#### Supervisory board committees

In the third quarter of 2022, the composition of the supervisory board's audit committee changed.

**Audit committee***Composition of the supervisory board's audit committee as at 30 September 2022*

Member	Title	Beginning of term	End of term of office
Dr Matej Gomboši	chair	17 July 2021	17 July 2025
Andrej Gorazd Kunstek	member	17 July 2021	12 June 2023
Katarina Sitar Šuštar	external member	17 July 2021	17 July 2025
Dragan Martinović	external member	17 July 2021	17 July 2025

**Risk committee***Composition of the supervisory board's risk committee as at 30 September 2022*

Member	Title	Beginning of term	End of term of office
Keith W. Morris	chair	17 July 2021	17 July 2025
Davor Ivan Gjivoje Jr	member	17 July 2021	8 March 2025
Slaven Mičković*	external member and deputy chair	17 July 2021	17 July 2025
Dr Janez Komelj	external member	17 July 2021	17 July 2025

\* Membership dormant in 2022.

**Nominations and remuneration committee***Composition of the supervisory board's nominations and remuneration committee as at 30 September 2022*

Member	Title	Beginning of term	End of term of office
Klemen Babnik	chair	17 July 2021	17 July 2025
Keith W. Morris	member	17 July 2021	17 July 2025
Davor Ivan Gjivoje Jr	member	8 March 2021	8 March 2025
Dr Matej Gomboši	member	17 July 2021	17 July 2025
Andrej Gorazd Kunstek	member	9 September 2021	12 June 2023

**Fit and proper committee***Composition of the fit and proper committee as at 30 September 2022*

Member	Title	Beginning of term	End of term of office
Keith W. Morris	chair	17 July 2021	17 July 2025
Klemen Babnik	member	17 July 2021	17 July 2025
Rok Saje	external member	17 July 2021	17 July 2025
Klara Hauko	external member	17 July 2021	17 July 2025

**Shareholder meetings**

The Sava Re general meeting of shareholders was not convened in the third quarter of 2022.

#### 4 Significant events in the nine months to 30 September 2022

- The Sava Insurance Group has examined the impact of the war in Ukraine on its operations and estimates that, due to the small volume of business with and low investment exposure to Russia and Ukraine, the changed circumstances will not have a material impact on its business performance. The Sava Insurance Group (through Sava Re) wrote reinsurance contracts with Russian and Ukrainian partners, the annual premium volume of which accounts for only 0.5% of the Group's total planned operating revenue for 2022. All contracts contain so-called sanctions clauses. In the event of sanctions imposed by the European Union or the United Nations, such clauses limit the obligations of Sava Re under relevant contracts if such obligations are contrary to the applicable sanctions. In addition, the reinsurance contracts written exclude coverage related to war. The Group's credit and currency exposure to Russia, Ukraine and Belarus as at 31 December 2021 accounted for just 0.24% of the Group's financial investments. Most of this exposure arises from cash and cash equivalents, and rouble-denominated investments, which are matched to liabilities denominated in the same currency. Only a small part, 0.04%, is invested in securities of Russian issuers; thus, credit risk is also negligible. The Group is aware of the potentially adverse indirect effects on the macroeconomic environment and, consequently, on the Group's operations, which cannot yet be properly assessed at this stage. Some possible financial effects are presented through sensitivity analyses in the 2021 annual report, notes to the financial statements: sections 17.6.4.1.1 "Interest rate risk" and 17.6.4.1.3 "Equity risk".
- Beyond the three quarters of 2022, the focus continues to be on high inflation and, as a result, a more aggressive approach by US and European central banks towards key interest rate hikes. Geopolitical tensions remain elevated on account of Russia's military aggression in Ukraine, which shows no signs of abating and will create considerable uncertainty for financial markets in the future, not least because of relatively high energy prices. Further uncertainty is added by increased tensions over Taiwan and the difficulties of the economy in China, where it seems increasingly likely that the property bubble is about to burst, while the economy is also impacted by the country's zero tolerance to Covid-19. In particular, the rapid rise in central bank interest rates and the expectation of further increases raise the possibility of a recession in the coming quarters, which, in addition to the risks already mentioned, leads to volatility in equity and bond markets. Equities declined for the third consecutive quarter in 2022, and debt markets saw even larger declines. Movements in both asset classes will continue to be strongly influenced by central banks' actions aimed at getting inflation under control, as well as by the increasing likelihood of an economic downturn. The Sava Insurance Group will continue to closely monitor the macroeconomic and geopolitical situation and developments in the capital markets, and it will respond accordingly.
- Jošt Dolničar, who was appointed chairman of the management board of Zavarovalnica Sava on 30 December 2021, was granted a licence to perform this function by the Insurance Supervision Agency on 3 May 2022. His term as a member of the management board of Sava Re ended on 4 May 2022, and he assumed the chairmanship of the management board of Zavarovalnica Sava on 5 May 2022 for a five-year term of office. After the departure of Jošt Dolničar, the Sava Re management board has continued to operate with only three members until further notice.
- In May 2022, the 38th general meeting of shareholders was held.
- In May 2022, the High Court in Dublin ruled in favour of Zavarovalnica Sava, confirming that its business interruption and loss of licence policy wording does not provide cover for losses arising from the Covid-19 pandemic.
- In September 2022, the rating agencies S&P Global Ratings and AM Best affirmed the "A" ratings of Sava Re and Zavarovalnica Sava. The outlook was stable.

## **5 Significant events after the reporting period**

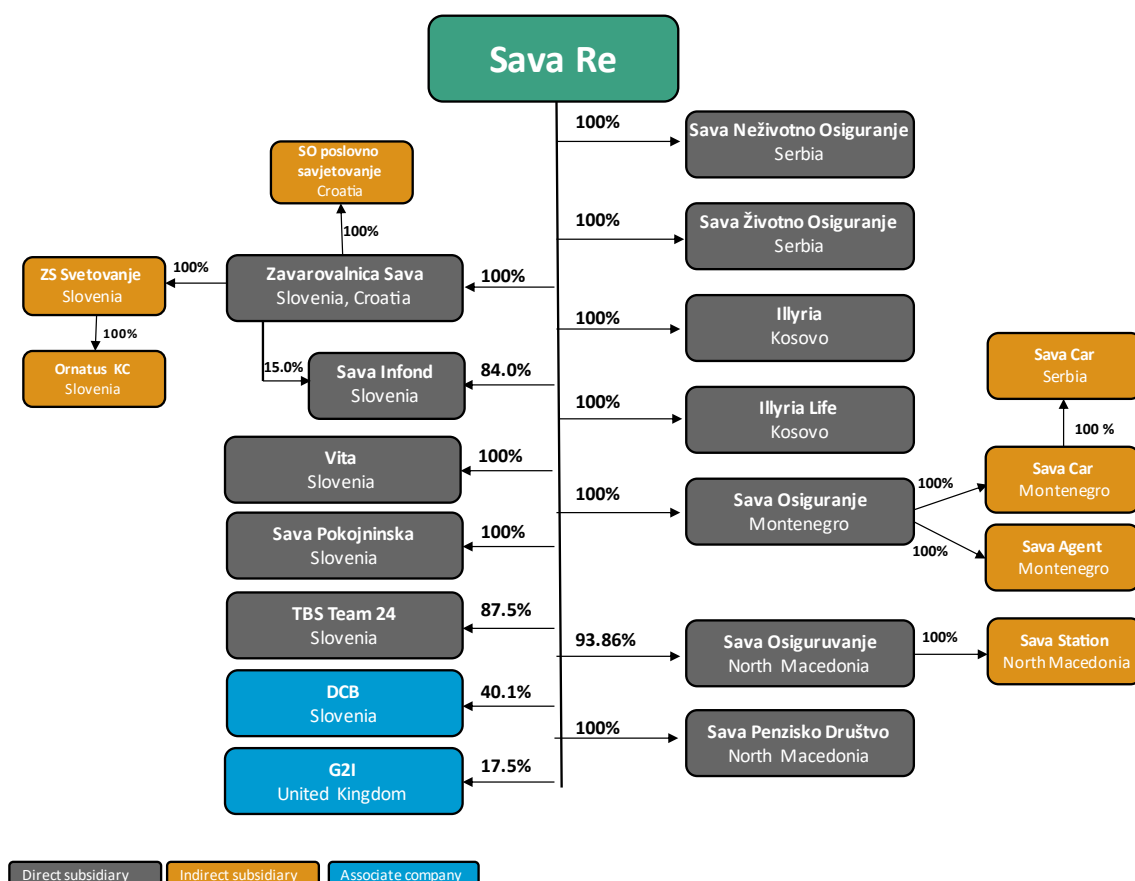
- There have been no significant events up to the time of writing this report.

## 6 Composition of the Sava Insurance Group

Sava Re, the parent company of the Sava Insurance Group, transacts reinsurance business. The insurance part of the Group is composed of eight insurers based in Slovenia and in the countries of the Adriatic region: the composite insurer Zavarovalnica Sava (SVN); the non-life insurers Sava Neživotno Osiguranje (SRB), Sava Osiguranje (MKD), Illyria (RKS) and Sava Osiguranje (MNE); and the life insurers Vita (SVN), Sava Životno Osiguranje (SRB) and Illyria Life (RKS). In addition to these (re)insurers, the Group consists of:

- Sava Pokojninska (SVN): a Slovenian pension company;
- Sava Penzisko Društvo (MKD): a pension fund manager based in North Macedonia managing second- and third-pillar pension funds;
- Sava Infond (SVN): a subsidiary managing investment funds;
- TBS Team 24 (SVN): a company providing assistance services relating to motor, health and homeowners insurance;
- DCB (SVN): an associate company carrying on hospital activities;
- G2I (GBR): an associate company marketing on-line motor policies.

Composition of the Sava Insurance Group as at 30 September 2022<sup>2</sup>



<sup>2</sup> The percentages in the chart relate to equity stakes. The equity stakes provided for G2i, Sava Infond and DCB differ from the voting rights held by these companies. The annual report includes disclosures for all companies, including equity stakes and voting rights. In September 2022, Sava Car (MNE) established Sava Car (SRB) to carry out roadworthiness tests.



*Company names of Sava Insurance Group members*

	Official long name	Short name in this document
	Sava Insurance Group	Sava Insurance Group
1	Pozavarovalnica Sava d.d. / Sava Reinsurance Company d.d.	Sava Re
2	ZAVAROVALNICA SAVA, zavarovalna družba, d.d.	Zavarovalnica Sava (SVN)
	SAVA OSIGURANJE, d.d. – Croatian branch office	Zavarovalnica Sava, Slovenian part (in tables)
		Zavarovalnica Sava, Croatian part (in tables)
3	SAVA NEŽIVOTNO OSIGURANJE AKCIONARSKO DRUŠTVO ZA OSIGURANJE BEOGRAD	Sava Neživotno Osiguranje (SRB)
4	KOMPANIA E SIGURIMEVE " ILLYRIA " SH.A.	Illyria (RKS)
5	SAVA osiguruvanje a.d. Skopje	Sava Osiguruvanje (MKD)
6	AKCIONARSKO DRUŠTVO SAVA OSIGURANJE PODGORICA	Sava Osiguranje (MNE)
7	Kompania për Sigurimin e Jetës " Illyria – Life " SH.A.	Illyria Life (RKS)
8	"SAVA ŽIVOTNO OSIGURANJE" akcionarsko društvo za osiguranje, Beograd	Sava Životno Osiguranje (SRB)
9	Društvo sa ograničenom odgovornošću – SAVA CAR – Podgorica	Sava Car (MNE)
10	ZS Svetovanje, storitve zavarovalnega zastopanja, d.o.o.	ZS Svetovanje (SVN)
11	ORNATUS KLICNI CENTER, podjetje za posredovanje telefonskih klicov, d.o.o.	Ornatus KC (SVN)
12	DRUŠTVO ZA ZASTUPANJE U OSIGURANJU "SAVA AGENT" D.O.O. - Podgorica	Sava Agent (MNE)
13	Društvo za tehničko ispitivanje i analiza na motorni vozila SAVA STEJŠN DOOEL Skopje	Sava Station (MKD)
14	Sava pokojninska družba, d.d.	Sava Pokojninska (SVN)
15	TBS TEAM 24 podjetje za storitvene dejavnosti in trgovino d.o.o.	TBS Team 24 (SVN)
16	Društvo za upravuvanje so zadolžitelni i dobovolin penzisko fondovi SAVA PENZISKO DRUŠTVO A.D Skopje	Sava Penzisko Društvo (MKD)
17	Got2Insure Ltd	G2I (GBR)
18	SAVA INFOND, družba za upravljanje, d.o.o.	Sava Infond (SVN)
19	SO poslovno savjetovanje d.o.o.	SO Poslovno Savjetovanje (HRV)
20	Diagnostični center Bled d.o.o.	DCB (SVN)
21	Vita, življenjska zavarovalnica, d.d. Ljubljana	Vita (SVN)
22	PRIVREDNO DRUŠTVO ZA TEHNIČKI PREGLED I REGISTRACIJU SAVA CAR DOO BEOGRAD	Sava Car (SRB)

## 7 Shareholders and share trading

Driven by the uncertain economic situation and developments in financial markets, the Sava Re share price fell by 27.2% to EUR 20.3 in the first nine months of 2022. During this period, it peaked at EUR 30.4, bottomed at EUR 20.1 and averaged EUR 26.0.

The SXIP (STOXX Europe 600 Insurance) also declined by 14.7% in the first nine months of 2022. The stock index of the Ljubljana Stock Exchange (SBITOP) likewise declined over the period, falling by 23.6%.

*Movement in the POSR share price from 1 October 2021 to 30 September 2022 compared to the SBITOP index and the STOXX Europe 600 insurance index in % (30 September 2021 = 100)*



In the first nine months of 2022, the turnover in Sava Re shares was EUR 15.3 million, a decline on the year-on-year figure of EUR 16.8 million. The average daily turnover in the first nine months of 2022 was EUR 81,141, compared to EUR 90,289 in the first nine months of 2021.

*Basic details about the POSR share*

	30 September 2022	31 December 2021
Share capital	71,856,376	71,856,376
Number of shares	17,219,662	17,219,662
Ticker symbol	POSR	POSR
Number of shareholders	4,312	4,237
Type of share	ordinary	
Listing	Ljubljana Stock Exchange, prime market	
Number of own shares	1,721,966	1,721,966
Consolidated book value per share (EUR)	25.60	32.53
Market capitalisation at end of period (EUR)	314,603,229	432,385,718
	1–9/2022	1–9/2021
Consolidated net earnings per share (EUR)	2.99	3.69
Share price at end of period (EUR)	20.30	27.00
Average share price during reporting period (EUR)	26.03	24.23
Period low (EUR)	20.10	18.50
Period high (EUR)	30.40	29.10
Turnover during the period (EUR)	15,335,631	16,793,714
Average daily turnover (EUR)	81,141	90,289

**Shareholders***Shareholder structure of Sava Re as at 30 September 2022<sup>3</sup>*

Type of investor	Domestic investors	International investors
Insurance and pension companies	18.2%	0.0%
Other financial institutions*	18.0%	15.5%
Republic of Slovenia	13.9%	0.0%
Natural persons	11.1%	0.2%
Investment funds and mutual funds	2.5%	0.0%
Other commercial companies	3.0%	1.0%
Banks	0.0%	16.6%
<b>Total</b>	<b>66.7%</b>	<b>33.3%</b>

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

The composition of shareholders remained largely unchanged in the first nine months of 2022.

<sup>3</sup> Source: Central securities register KDD d.o.o. and own calculations.

## Composition of Sava Re share capital

*Ten largest shareholders and qualifying shareholders under the Slovenian Takeover Act as at 30 September 2022<sup>4</sup>*

	Shareholder	Number of shares	% of share capital	% voting rights
1	Slovenian Sovereign Holding	3,043,883	17.7%	19.6%
2	Intercapital Securities Ltd., fiduciary account	2,524,305	14.7%	16.3%
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	Raiffeisen Bank Austria d.d., fiduciary account	799,106	4.6%	5.2%
6	Modra Zavarovalnica d.d.	714,285	4.1%	4.6%
7	Hrvatska Poštanska Banka, fiduciary account	380,250	2.2%	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	OTP Banka d.d., fiduciary account	204,364	1.2%	1.3%
	<b>Total</b>	<b>11,688,513</b>	<b>67.9%</b>	<b>75.4%</b>
	<b>Sava Re d.d., own shares*</b>	<b>1,721,966</b>	<b>10.0%</b>	<b>-</b>

\* Sava Re holds 1,721,966 own shares with no voting rights attached.

Pursuant to Article 235a of the Slovenian Companies Act (ZGD-1), in April 2022, Sava Re started the process of identifying shareholders who are registered with intermediaries as holders of shares and are not themselves intermediaries (hereafter referred to as: ultimate shareholders). Based on information obtained, on 26 April 2022, Croatia Osiguranje d.d., Vatroslava Jagića 33, 10000 Zagreb, Croatia was registered with the intermediary Intercapital Securities Ltd. as the holder of 2,439,852 POSR shares and Adris Grupa d.d., Obala V. Nazora 1, 52210 Rovinj as the holder of 73,591 POSR shares. Furthermore, the information received indicates that Adris Grupa d.d., Obala V. Nazora 1, 52210 Rovinj, Croatia was registered with the broker Raiffeisen bank Austria as the holder of 764,606 POSR shares as at 26 April 2022. Croatia Osiguranje d.d. thus held 14.17% of all POSR shares or 15.74% of all POSR shares with voting rights as at 26 April 2022, while Adris Grupa d.d. (which owns 66.91% of Croatia Osiguranje) held 4.87% of all POSR shares or 5.41% of all POSR shares with voting rights. As at 26 April 2022, the two companies together held 19.04% of all POSR shares and 21.15% of the shares with voting rights.

There were no significant changes in the holdings of the 10 largest shareholders in the first nine months of 2022. The 10 largest shareholders held a combined share of 67.9% of the share capital and 75.4% of voting rights.

Fiduciary accounts with banks, attorneys and other financial institutions altogether account for 24.6% of all POSR shares.

As at 30 September 2022, the top four largest Sava Re shareholders exceeded the 5% threshold (qualifying holding in accordance with Article 77 of the Slovenian Takeover Act, ZPre-1).

There were some transactions in Sava Re shares by the members of the management and supervisory boards in the first nine months of 2022. Marko Jazbec increased his holdings in Sava Re to 11,500 shares as at 30 September 2022. Jošt Dolničar left the Sava Re board on 4 May 2022, which is why his shares have been removed from the table. The members of the management and supervisory boards hold together 19,348 shares, an equity share of 0.112 %.

*POSR shares held by members of the supervisory and management boards as at 30 September 2022*

	Number of shares	% of share capital
Marko Jazbec	11,500	0.067%
Polona Pirš Zupančič	3,748	0.022%
Peter Skvarča	1,200	0.007%
<b>Total management board</b>	<b>16,448</b>	<b>0.096%</b>
Andrej Gorazd Kunstek	2,900	0.017%
<b>Total supervisory board</b>	<b>2,900</b>	<b>0.017%</b>
<b>Total management and supervisory boards</b>	<b>19,348</b>	<b>0.112%</b>

<sup>4</sup> Source: Central securities register KDD d.o.o. and own calculations.

All Sava Re shares are ordinary registered shares with no par value; all were issued in book-entry form and are of the same class.

The shares give their holders the following rights:

- the right to participate in the Company's management, with one share carrying one vote in the general meeting;
- the right to a proportionate part of the Company's profit (dividend);
- the right to a corresponding part of the remaining assets upon the liquidation or bankruptcy of the Company.

Pursuant to the Sava Re articles of association and the applicable legislation, current Sava Re shareholders also hold pre-emptive rights entitling them to take up shares in proportion to their existing shareholding in any future stock offering; their pre-emptive rights can only be excluded under a resolution to increase share capital adopted by the general meeting by a majority of at least three quarters of the share capital represented.

## Share transfer restrictions

All Sava Re shares are freely transferable.

## Holders of securities carrying special control rights

Sava Re has issued no securities carrying special control rights.

## Own shares

In the period from 1 January 2022 to 30 September 2022, Sava Re did not repurchase any own shares. The total number of own shares as at 30 September 2022 was 1,721,966, representing 10% less one share of all issued shares. The most recent buy-back of treasury shares to exhaust the quota was performed on 11 April 2016. Own shares were acquired in line with a share repurchase programme posted on the Company's website, under Investors / Our share, at <https://www.sava-re.si/en-si/investor-relations/our-share/>.

## Dividend

At the 38th general meeting held on 23 June 2022, the shareholders adopted the proposal of the management and supervisory boards to use EUR 23,246,544.00 of the profits for dividends. The dividend was EUR 1.50 gross per share and was paid out on 12 July 2022 to the shareholders listed in the shareholders' register on 11 July 2022. The amount of the dividend does not put at risk the financial position – the solvency and liquidity – of the Company or the Group and is aligned with the Group's dividend policy.

### Details on dividends<sup>5</sup>

EUR, except percentages	For 2014	For 2015	For 2016	For 2017	For 2018	For 2019	For 2020	For 2021
Amount of dividend payment	9,065,978	12,398,157	12,398,158	12,398,157	14,722,811	0	13,173,042	23,246,544
Dividend/share	0.55	ordinary: 0.65 extraordinary: 0.15	0.80	0.80	0.95	0.00	0.85	1.50
Dividend yield	3.8%	5.8%	5.0%	4.8%	5.6%	-	3.4%	5.7%

<sup>5</sup> Current year dividend distributions from distributable profits of the previous year. The dividend yield has been calculated as the ratio of the dividend per share to the rolling average share price during the payout year. In the most recent year, the rolling average share price during the period 1 October 2021 to 30 September 2022 has been used.

## **Contingent capital**

The Company had no contingent capital as at 30 September 2022.

## 8 Review of operations<sup>6</sup>

The operations of the Sava Insurance Group are organised by these segments: reinsurance, non-life (insurance), life (insurance), pensions, asset management and the “other” segment. The non-life and life segments are further broken down by geography into Slovenia and international.

The operating segments cover the business of the following companies<sup>7</sup>:

- reinsurance: Sava Re (non-Group business);
- non-life, Slovenia: Zavarovalnica Sava (the Slovenian part of non-life insurance business, including FoS business), Vita (non-life insurance business);
- non-life, international: Zavarovalnica Sava (the Croatian part of non-life insurance business), 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, Slovenia: Zavarovalnica Sava (the Slovenian part of life insurance business), Vita (life insurance business), ZS Svetovanje (SVN), Ornatus KC (SVN);
- life, international: Zavarovalnica Sava (the Croatian part of life insurance business), 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) and the equity-accounted companies DCB (SVN) and G2I (GBR). This segment also includes expenses on subordinate debt. S Estate was sold on 1 March 2022 and is therefore no longer included in the consolidated accounts from that date.

The following reallocations were made in the consolidated income statement:

- The effects of reinsurance (retrocession) relating to business with subsidiaries are reallocated to the other segments (Sava Re as the parent company handles the reinsurance of most business of its subsidiaries): in the segment reporting information, reinsurance premiums accepted by the reinsurer from its subsidiaries are reallocated to the segments from where they have arisen. The same applies, by analogy, to reinsurance claims, commission income, the change in unearned premiums, the change in claims provisions, the change in other provisions and the change in deferred acquisition costs due to reinsurance.
- 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 the first nine months of 2022, 66.9% of operating expenses were allocated to operating segments (first nine months of 2021: 67.2%). 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 apportionment of net technical provisions for the rolling year (average balance at the end of the past four quarters).
- The proceeds from the sale of S Estate (RKS) 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.

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<sup>6</sup> A glossary of selected insurance terms and calculation methods for ratios is appended to this report.

- The balance of financial investments associated with the Group's reinsurance share of technical provisions is reallocated from the reinsurance segment to the non-life and life segments using the key for the apportionment of net technical provisions for the rolling year (average balance at the end of the past four quarters).
- The balances of the reinsurers' share of technical provisions (reinsurers' share of unearned premiums, claims provisions and other provisions) and deferred acquisition expenses are reallocated to other segments in the same way as described in point one of the reallocations of income statement items.
- Subordinated liabilities are shown in the "other" segment.

#### Summary consolidated income statement

EUR	1-9/2022	1-9/2021	Index
Net premiums earned	520,725,063	515,547,929	101.0
Income from investments in associates	1,184,085	698,162	169.6
Investment income	27,062,582	24,863,291	108.8
Net realised and unrealised gains on investments of life insurance policyholders who bear the investment risk	0	45,993,533	-
Other technical income	15,160,499	13,912,435	109.0
Other income	22,069,761	19,303,388	114.3
Net claims incurred	-322,603,536	-310,526,097	103.9
Change in other technical provisions	11,827,860	16,486,843	71.7
Change in technical provisions for policyholders who bear the investment risk	43,903,516	-80,661,034	-54.4
Expenses for bonuses and rebates	-59,358	-367,253	16.2
Operating expenses	-165,360,056	-157,946,290	104.7
Expenses for financial assets and liabilities	-11,532,751	-4,327,473	266.5
Net realised and unrealised losses on investments of life insurance policyholders who bear the investment risk	-71,382,546	0	-
Other technical expenses	-12,693,665	-11,077,802	114.6
Other expenses	-1,438,738	-1,318,138	109.1
<b>Profit or loss before tax</b>	<b>56,862,716</b>	<b>70,581,494</b>	<b>80.6</b>

A key impact on the profit for the first nine months of 2022 compared to the same period of 2021 is the weaker underwriting performance and higher claims incurred in the Slovenian non-life segment, driven by several factors: claims inflation, the subsiding impact of the epidemic (with a rise in motor accident frequency) and increased property claims due to major weather-related and other claims. The recent surge in inflation was not expected, neither in Europe nor globally. Hence, insurers could not factor it into setting rates for insurance products. In contrast, claims that occur a year or more after policies are sold must be paid at inflation-adjusted rates. The rate increases on insurance products over the recent months are to compensate for the inflationary increase in claims on newly sold policies. The lower investment result was due to the drop in the market value of investments designated to the FVTPL category as a result of the increase in required yields in the financial markets (net effect of EUR 5.2 million) and the effect of the change on the revaluation of the HTM portfolio of Vita, which was revalued to fair value on its first-time consolidation in 2020.

The Group achieved 77.5% of the planned full-year net profit in the first nine months of 2022, which is an improvement on the 2019 profit, achieved in the last pre-Covid year.

In the income statement, exchange differences are recorded within the items that the exchange differences to. The Group seeks to maintain a balanced foreign currency position and, for the sake of transparency, the following table shows the impact of exchange rate differences on these items as well as the cumulative effect of exchange rate differences on the income statement. The categories most affected by exchange rate differences are explained below, excluding their impact.

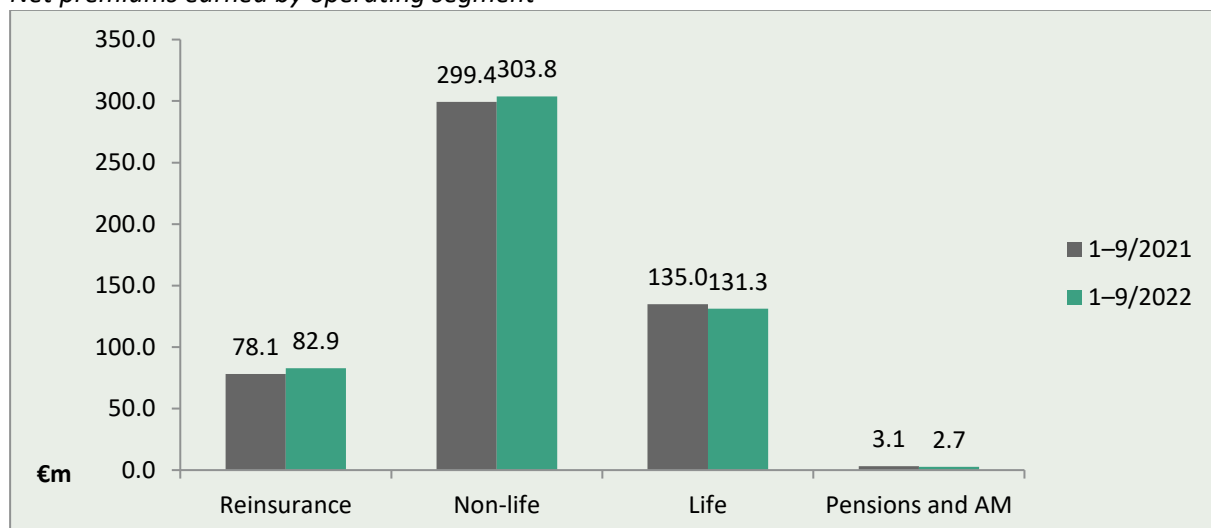


*Effect of exchange differences on the consolidated income statement*

EUR	1-9/2022			1-9/2021		
	Basic statement	Adjusted statement	Effect of exchange differences	Basic statement	Adjusted statement	Effect of exchange differences
Net premiums earned	520,725,063	521,048,968	-323,905	515,547,929	515,801,029	-253,100
Commission income	7,436,075	7,436,878	-803	6,622,118	6,633,386	-11,268
Net claims incurred	322,603,536	317,903,746	-4,699,790	310,526,097	307,732,643	-2,793,454
Change in deferred acquisition costs	-4,123,668	-4,067,617	56,051	-548,498	-513,413	35,085
Net investment income/expenses	16,713,916	11,474,365	5,239,551	21,233,980	18,723,120	2,510,860
Net other technical income/expenses	-4,969,241	-4,763,779	-205,462	-3,787,485	-3,794,254	6,769
			65,642			-505,108

**Net premiums earned<sup>8</sup>***Net premiums earned*

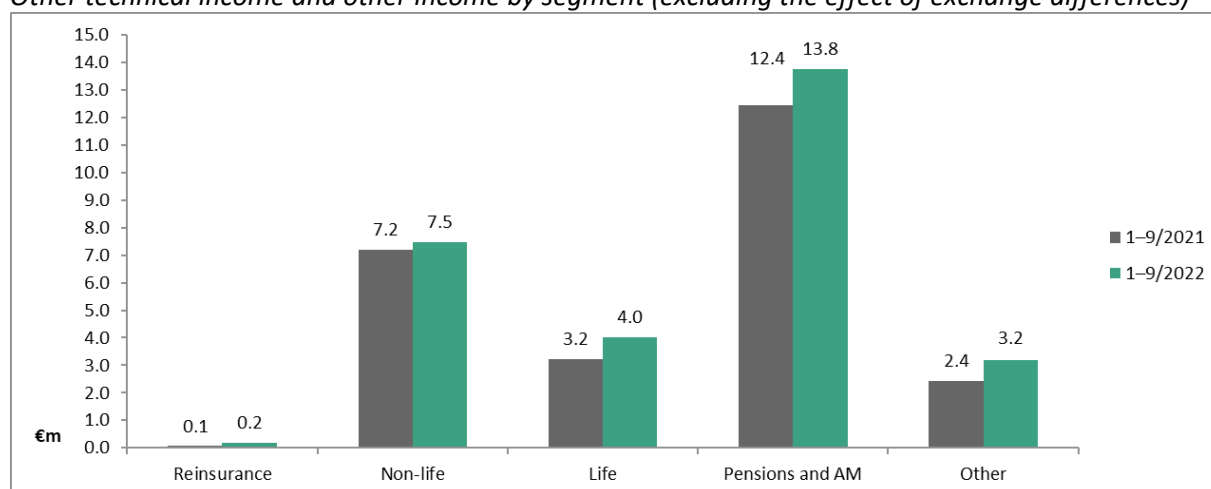
EUR	1-9/2022	1-9/2021	Index
Gross premiums written	608,328,991	578,065,632	105.2
Net premiums earned	520,725,063	515,547,929	101.0

*Net premiums earned by operating segment*

<sup>8</sup> Included are also items of the pensions and asset management segment relating to pension annuity business in the distribution phase.

**Net premiums earned by class of business<sup>9</sup>**

EUR	1-9/2022	1-9/2021	Index
Property	110,842,990	110,158,299	100.6
Land motor vehicles	103,484,795	95,130,148	108.8
Motor vehicle liability	93,337,797	92,862,216	100.5
Unit-linked life	85,169,142	89,264,747	95.4
Traditional life	49,066,189	48,984,321	100.2
Accident, health and assistance	51,786,515	46,763,521	110.7
General liability	15,528,464	19,467,188	79.8
Marine, suretyship and goods in transit	9,613,262	10,587,558	90.8
Other insurance	1,895,909	2,329,931	81.4
<b>Total</b>	<b>520,725,063</b>	<b>515,547,929</b>	<b>101.0</b>

**Other technical income and other income****Other technical income and other income by segment (excluding the effect of exchange differences)<sup>10</sup>****Net claims incurred<sup>11</sup>****Net claims incurred and the change in provisions related to life business**

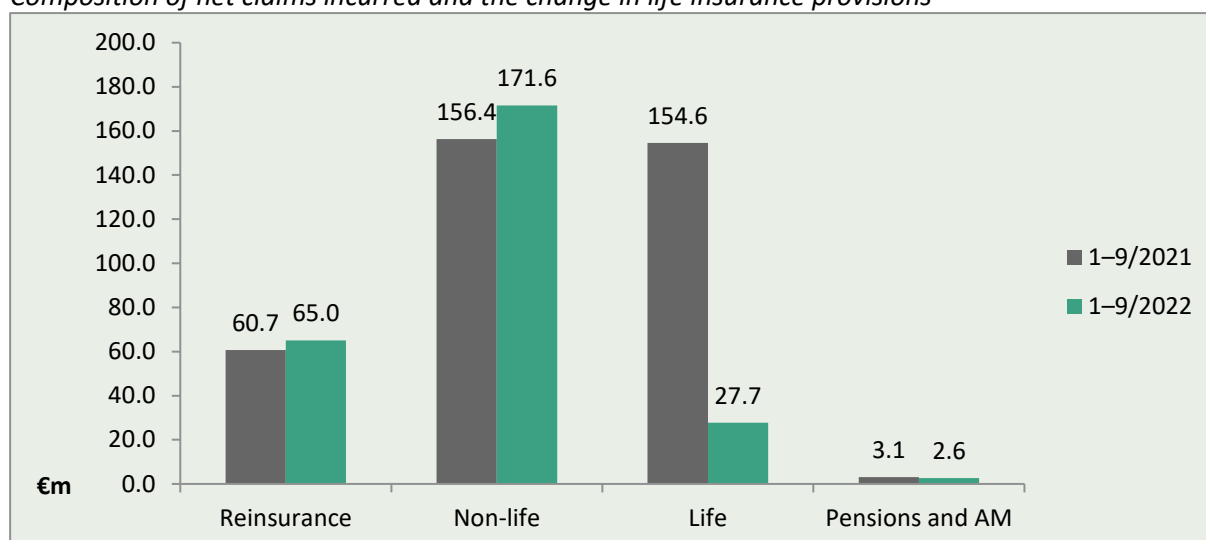
EUR	1-9/2022	1-9/2021	Index
Gross claims paid	342,753,519	288,538,835	118.8
Net claims incurred	322,603,536	310,526,097	103.9
Consolidated net claims incurred, including the change in other provisions* and the change in the provision for unit-linked business	266,872,160	374,700,288	71.2

\* These largely comprise mathematical provisions.

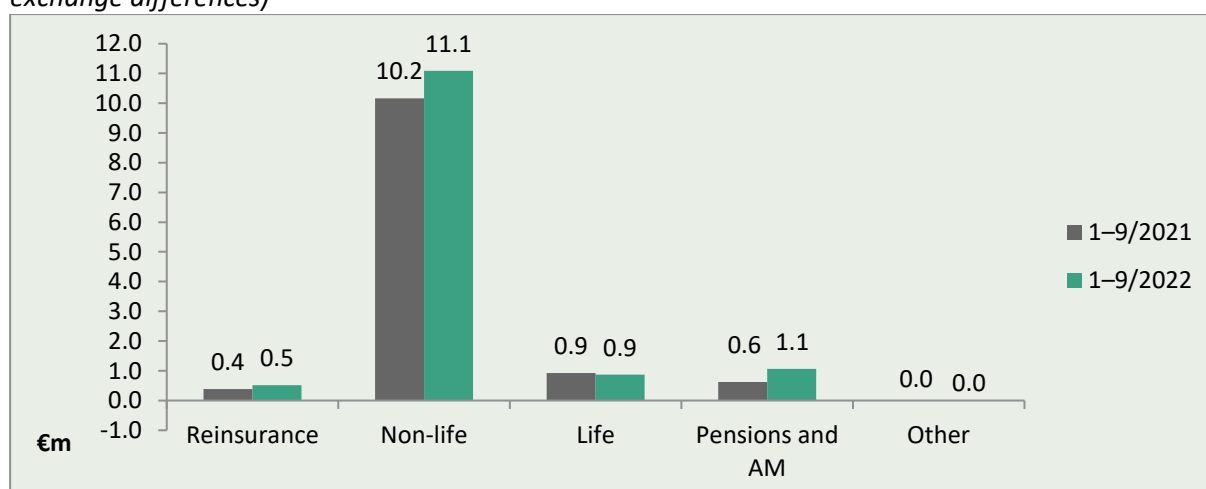
<sup>9</sup> Property insurance comprises the following classes of business (i) fire and natural forces, (ii) other damage to property, (iii) miscellaneous financial loss, and (iv) legal expense insurance. Other insurance comprises aviation and credit insurance.

<sup>10</sup> Commission income and investment property income are not included.

<sup>11</sup> Included are also items of the pensions segment relating to pension annuity business in the distribution phase.

*Composition of net claims incurred and the change in life insurance provisions<sup>12</sup>**Net claims incurred and the change in provisions relate to life business, by class of business<sup>13</sup>*

EUR	1-9/2022	1-9/2021	Index
Property	79,946,851	77,166,533	103.6
Land motor vehicles	71,986,989	56,627,274	127.1
Motor vehicle liability	57,677,257	47,948,851	120.3
Traditional life	21,171,063	29,913,875	70.8
Accident, health and assistance	16,965,437	16,581,846	102.3
Unit-linked life	10,954,551	126,177,842	8.7
Marine, suretyship and goods in transit	5,133,550	11,629,135	44.1
General liability	3,100,574	8,780,172	35.3
Other insurance	-64,112	-125,240	51.2

**Other technical expenses and other expenses***Composition of other technical expenses and other expenses by segment (excluding the effect of exchange differences)*

<sup>12</sup> The net claims incurred by operating segment include the change in other technical provisions and the change in technical provisions for policyholders who bear the investment risk.

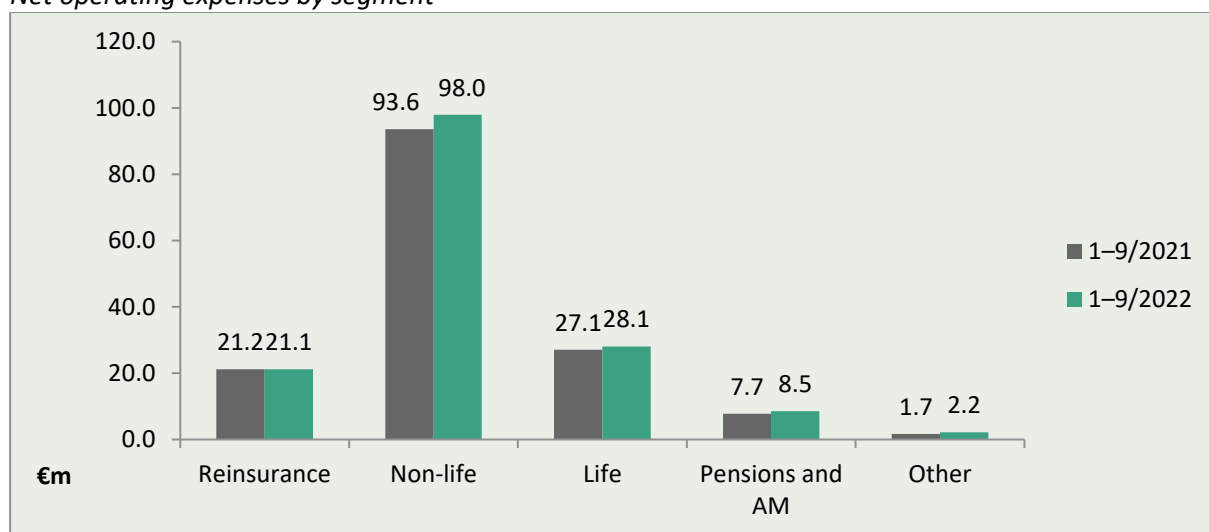
<sup>13</sup> Investment property expenses are excluded. Property insurance comprises the following classes of business (i) fire and natural forces, (ii) other damage to property, (iii) miscellaneous financial loss, and (iv) legal expense insurance. Other insurance comprises aviation and credit insurance.

## Operating expenses

### Operating expenses

EUR	1–9/2022	1–9/2021	Index
Acquisition costs	61,295,014	60,283,807	101.7
Change in deferred acquisition costs (+/-)	-4,123,668	-548,498	751.8
Other operating expenses	108,188,710	98,210,981	110.2
<b>Operating expenses</b>	<b>165,360,056</b>	<b>157,946,290</b>	<b>104.7</b>
Reinsurance commission income	-7,436,075	-6,622,118	112.3
<b>Net operating expenses</b>	<b>157,923,981</b>	<b>151,324,172</b>	<b>104.4</b>

### Net operating expenses by segment



## Net investment income

Net investment income of the investment portfolio also includes the income and expenses relating to investment property. In the income statement these are part of the “other income/expenses” item.

In the first nine months of 2022, the Group achieved a lower net investment income than in the same period last year. Despite the realisation of gains on the sale of investments, the net investment income was lower year on year due to the drop in the market value of FVTPL assets as the result of the increase in the required yields in financial markets. Of the total impact of EUR 6.9 million, EUR 1.4 million relates to the Vita HTM portfolio, which had been remeasured to fair value upon Vita’s first consolidation in 2020.

### Net investment income of the investment portfolio, excluding the effect of exchange differences

EUR	1–9/2022	1–9/2021	Absolute change
Net investment income of the investment portfolio, excluding the effect of exchange differences	12,360,516	19,746,208	-7,385,692

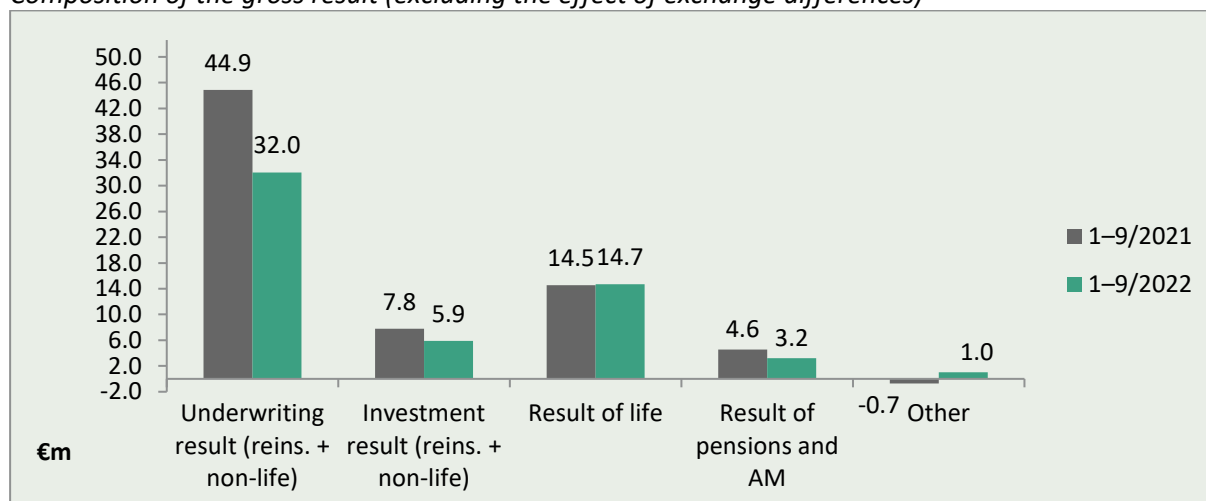
*Income and expenses relating to the investment portfolio, excluding the effect of exchange differences*

EUR	1-9/2022	1-9/2021	Absolute change
<b>Income</b>			
Interest income	11,993,955	12,634,798	-640,843
Gains on change in fair value FVTPL	691,102	1,147,011	-455,909
Gains on disposal of FVTPL	12,142	1,273	10,869
Gains on disposal of other IFRS asset categories	6,392,076	5,714,453	677,623
Income from associate companies	1,184,085	698,164	485,921
Income from dividends and shares – other investments	1,292,553	1,679,427	-386,874
Other income	1,372,967	1,312,681	60,286
Other income from alternative funds	1,246,170	1,071,992	174,178
<b>Income relating to investment portfolio</b>	<b>24,185,050</b>	<b>24,259,799</b>	<b>-74,749</b>
Net unrealised gains on investments of life insurance policyholders who bear the investment risk	0	45,993,533	-45,993,533
<b>Expenses</b>			
Interest expenses	2,343,270	2,236,442	106,828
Losses on change in fair value of FVTPL assets	5,852,366	675,538	5,176,828
Losses on disposals of FVTPL assets	45,857	959	44,898
Losses on disposal of other IFRS asset categories	648,596	209,444	439,152
Impairment losses on investments	398,135	147,712	250,423
Other	2,536,310	1,243,496	1,292,814
<b>Expenses relating to investment portfolio</b>	<b>11,824,534</b>	<b>4,513,591</b>	<b>7,310,943</b>
Net unrealised losses on investments of life insurance policyholders who bear the investment risk	71,382,546	0	71,382,546

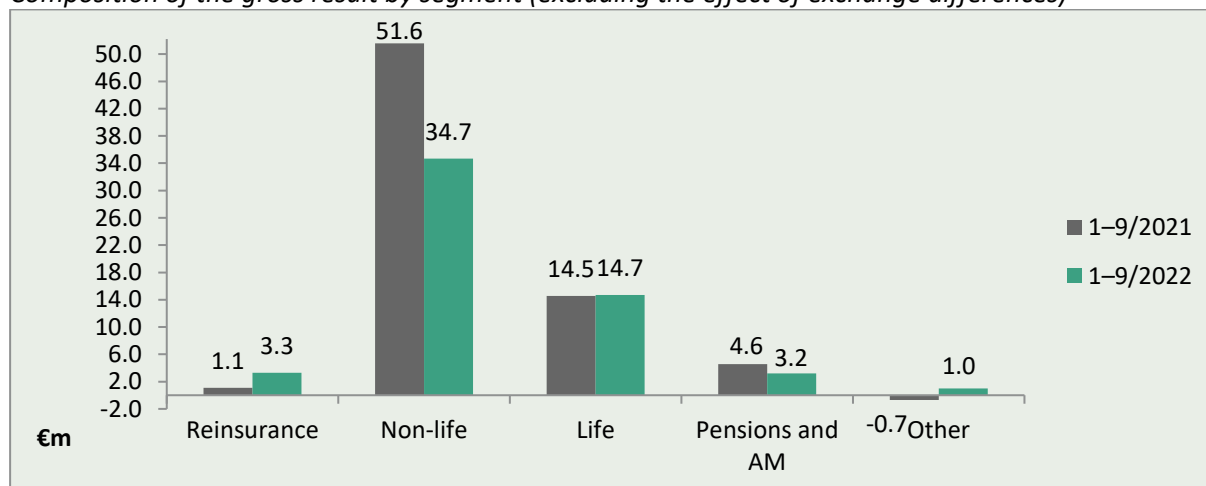
\* Expenses for financial investments differ from the expenses in the income statement item “interest expenses” because the income statement also includes expenses for right-of-use assets (30 September 2022: EUR 99.6 thousand; 30 September 2021: EUR 105.0 thousand).

## Gross profit/loss for the period

*Composition of the gross result (excluding the effect of exchange differences)*



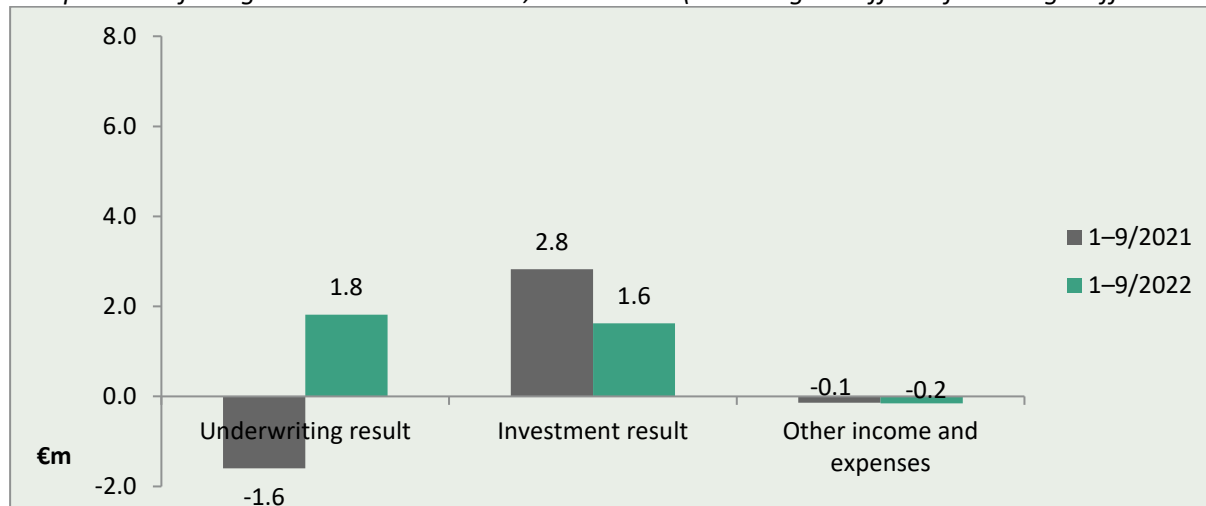
*Composition of the gross result by segment (excluding the effect of exchange differences)*



## 8.1 Reinsurance

The income statement and statement of financial position items by operating segment are presented in the notes to the financial statements, section 13.7 “Segment reporting”. The reinsurance segment primarily captures the developments in the portfolio that Sava Re writes outside Slovenia with non-Group companies.

*Composition of the gross income statement, reinsurance (excluding the effect of exchange differences)*



The improved underwriting performance is mainly due to higher net premiums earned as a result of positive rate developments in global reinsurance markets. The 2022 nine-month investment result was lower year on year due to fair value changes in FVTPL assets.

### Net premiums earned

*Net premiums earned, reinsurance*

EUR	1-9/2022	1-9/2021	Index
Gross premiums written	98,131,207	93,163,162	105.3
Net premiums earned	82,920,217	78,079,728	106.2

The increase in gross premiums written was mainly driven by a 13.3% increase in non-proportional reinsurance premiums. Underwriting year 2022 premiums increased by 9.8%, or EUR 7.5 million, compared to 2021; prior underwriting year premiums dropped by EUR 2.6 million, primarily in the proportional business. Net premiums earned grew in line with gross premiums written.

### Net claims incurred

*Net claims incurred, excluding the effect of exchange differences, reinsurance*

EUR	1-9/2022	1-9/2021	Index
Gross claims paid	58,184,243	36,894,170	157.7
Net claims incurred	64,837,670	61,104,893	106.1

The higher gross claims paid are due to payment of claims from previous underwriting years. As these were paid out of claims provisions set aside in the past, they had no material impact on the result. Net claims incurred grew slower than gross claims paid thanks to appropriate reinsurance protection covering major loss events. Hence, these had no material impact on the result. The third quarter is often impacted by adverse weather events, such as windstorms and hailstorms, which usually result in higher net claims incurred.

Although the incurred loss ratio slightly deteriorated from the half year to 72.1%, it is more favourable than those posted in three quarters of 2021 (first nine months of 2021: 74.6%).

## Operating expenses

### Consolidated operating expenses, reinsurance

EUR	1-9/2022	1-9/2021	Index
Acquisition costs	19,155,665	19,907,199	96.2
Change in deferred acquisition costs (+/-)	-1,074,342	-1,042,765	103.0
Other operating expenses	3,704,147	3,031,463	122.2
<b>Operating expenses</b>	<b>21,785,470</b>	<b>21,895,897</b>	<b>99.5</b>
Reinsurance commission income	-642,771	-664,889	96.7
<b>Net operating expenses</b>	<b>21,142,699</b>	<b>21,231,009</b>	<b>99.6</b>

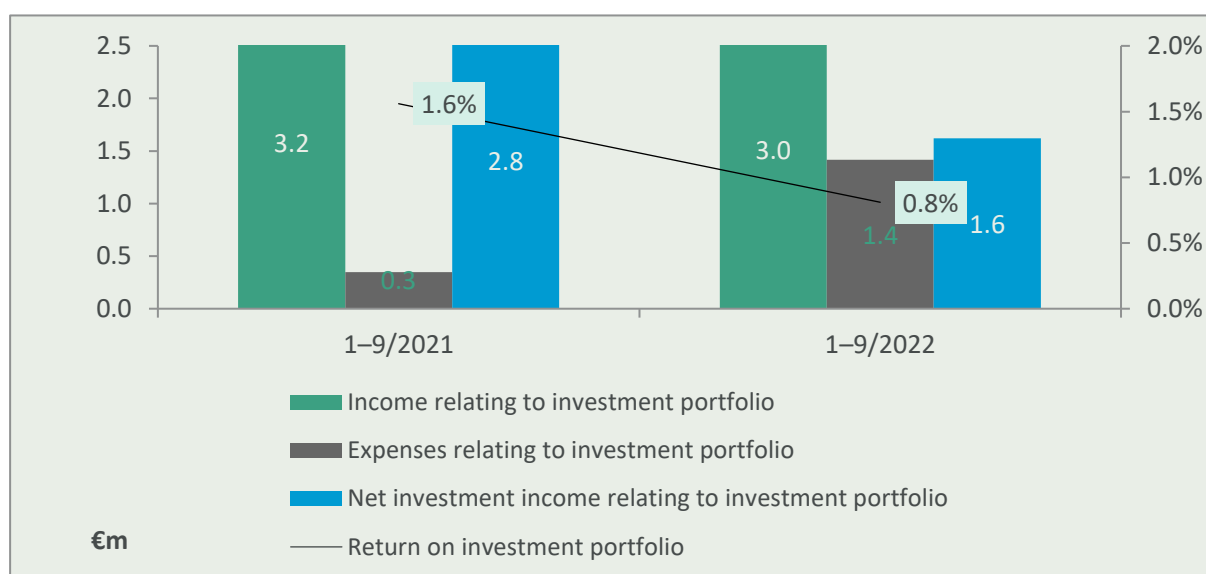
Acquisition costs decreased despite growing gross premiums written because of the faster growth in the non-proportional business with lower underwriting commissions than proportional business. Thus, the share of acquisition costs as a percentage of gross premiums written dropped by 1.8 p.p. compared to the first nine months of 2021 to 19.5%.

Other operating costs were higher due to personnel costs and service costs related to the implementation of new IT solutions.

In the first nine months of 2022, the net expense ratio improved by 1.7 p.p. year on year to 25.5%. The improvement in the ratio was mainly driven by lower policy acquisition expenses.

## Net investment income

### Income, expenses and net investment income of the investment portfolio, excluding the effect of exchange differences (reinsurance)



Income/expenses include income/expenses relating to investment property. In the income statement these are part of the "other income/expenses" item.

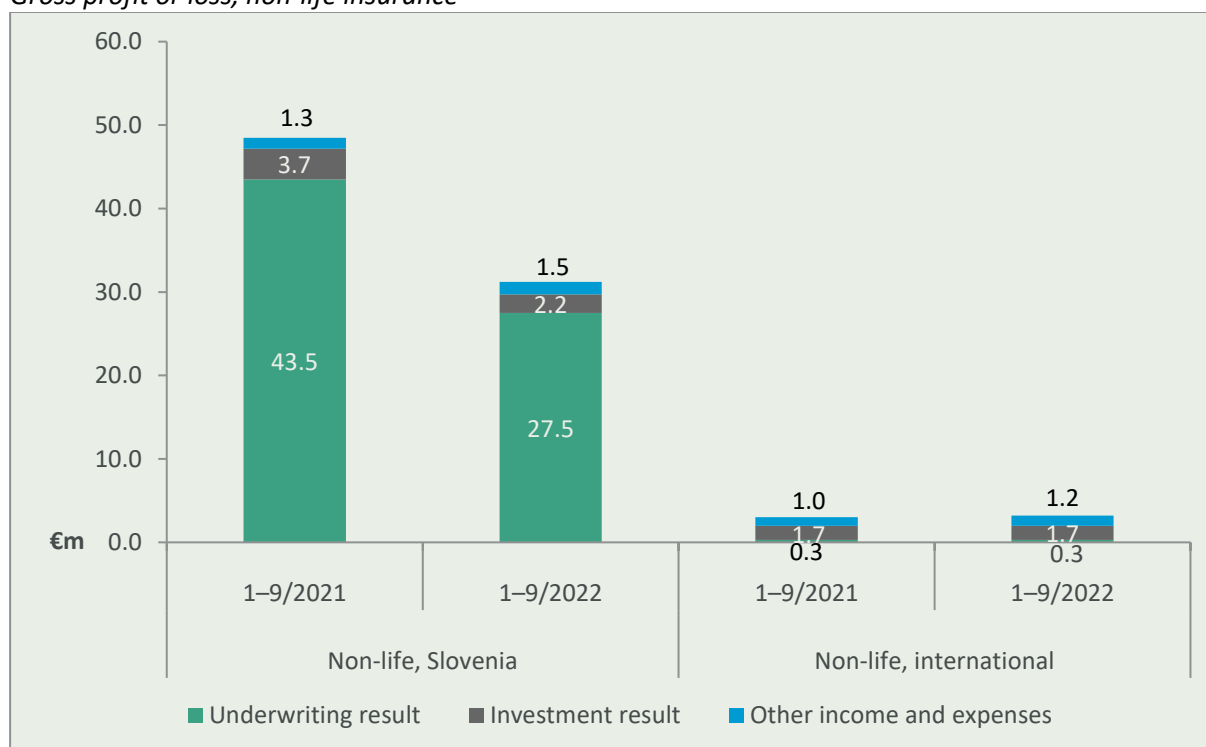
The performance of the investment portfolio in the first nine months of 2022 was impacted by the developments in financial markets, as described in section 4 "Significant events in the first nine months of 2022". Due to the higher expenses for fair value changes in FVTPL assets, net investment income was lower, at EUR 1.6 million, translating into an investment return of 0.8%.



## 8.2 Non-life

The income statement and statement of financial position items by operating segment are presented in the notes to the financial statements, section 13.7 “Segment reporting”.

### Gross profit or loss, non-life insurance



The 2022 nine-month profit of the non-life segment declined year on year, chiefly because of weaker underwriting performance. The largest impact came from higher net claims incurred in the Slovenian part of the segment. This was largely driven by claims inflation. The easing of the pandemic restrictions led to an increase in the frequency of motor claims. In addition, motor and property claims increased due to weather-related loss events, with further increases in property claims because of individual major claims. The international non-life business did not experience these effects to the same extent, posting a EUR 0.3 million better result. The better result of foreign non-life insurers was mainly driven by higher net premiums earned.

Net investment income was similarly exposed to the changed financial market conditions, with the Slovenian part of the segment seeing an increase of EUR 1.9 million in expenses related to fair value changes of FVTPL (fair-value-through-profit-or-loss) assets. On the other hand, investment income was EUR 0.6 million higher, mainly due to higher gains on disposals of investments. However, net investment income generated by the non-Slovenian non-life insurance companies remained at the year-on-year level.

Other income and expenses of the Slovenian non-life companies grew by EUR 0.2 million. The international non-life insurance companies improved their business result by the same amount.

### Net premiums earned

#### Net premiums earned, non-life insurance

EUR	1-9/2022	1-9/2021	Index
Gross premiums written	375,774,295	346,417,228	108.5
Net premiums earned	303,827,410	299,370,604	101.5

*Net premiums earned by region, non-life insurance*

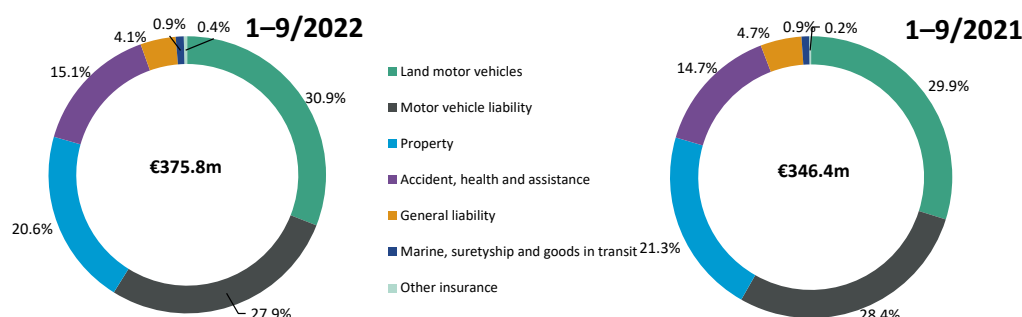
EUR	Slovenia			International		
	1-9/2022	1-9/2021	Index	1-9/2022	1-9/2021	Index
Gross premiums written	302,742,421	284,757,285	106.3	73,031,874	61,659,943	118.4
Net premiums earned	246,577,935	248,324,691	99.3	57,249,475	51,045,914	112.2

*Unconsolidated gross non-life premiums of Sava Insurance Group members*

EUR	1-9/2022	1-9/2021	Index
Zavarovalnica Sava, Slovenian part (non-life)	299,067,206	281,602,059	106.2
Zavarovalnica Sava, Croatian part (non-life)	11,533,852	11,191,907	103.1
Sava Neživotno Osiguranje (SRB)	22,951,899	17,862,464	128.5
Illyria (RKS)	12,101,961	9,919,000	122.0
Sava Osiguruvanje (MKD)	13,242,871	11,609,708	114.1
Sava Osiguranje (MNE)	13,217,307	11,093,873	119.1
Vita (SVN)	3,843,931	3,358,310	114.5
<b>Total</b>	<b>375,959,026</b>	<b>346,637,321</b>	<b>108.5</b>

Growth in gross premiums written was achieved in both the domestic and the international part of the non-life segment. Net premiums earned in the Slovenian part of the segment remained on the year-on-year level, whereas in the international part they grew by 12.2%. This is because, in the Slovenian part of this segment, unearned premiums relating to FoS business declined after being largely discontinued, whereas, due to healthy growth in gross premiums written, gross unearned premiums relating to other non-life business rose. For international business, growth in net premiums earned follows growth in gross premiums written.

While FoS-related gross premiums written dropped by EUR 4.2 million, this premium loss was offset by other non-life premiums both in Slovenia and abroad. Motor business posted the fastest growth in gross premiums written in the non-life operating segment. In Slovenia, these grew mainly in the personal motor segment as the result of an increase in both the number of policies sold and the average premium. The increase in the average premium was driven by higher loss frequency, claims inflation and higher costs of services. Motor insurance also grew in all the Group's foreign markets, especially because of the more stable motor third-party liability market in Serbia, more policies sold and higher average premiums in the remaining markets.

Gross non-life insurance premiums by class of business<sup>14</sup>

As regards the composition of gross premiums written by class of insurance in the first nine months of 2022, there was a year-on-year rise in the proportion of land motor vehicle, accident, health and assistance business and a drop in the proportion of property, motor vehicle liability and general liability business due to the phasing out of FoS business in these classes of insurance.

## Net claims incurred

## Net claims incurred, non-life insurance

EUR	1-9/2022	1-9/2021	Index
Gross claims paid	195,739,755	159,014,201	123.1
Net claims incurred	170,109,727	157,740,457	107.8

## Net claims incurred by region, non-life insurance

EUR	Slovenia			International		
	1-9/2022	1-9/2021	Index	1-9/2022	1-9/2021	Index
Gross claims paid	167,403,411	130,171,783	128.6	28,336,344	28,842,418	98.2
Net claims incurred	141,425,226	132,647,899	106.6	28,684,501	25,092,559	114.3

In the Slovenian non-life segment, net claims incurred rose by EUR 8.8 million. Net claims incurred relating to FoS business decreased, mainly reflecting a drop in gross claims provisions due to the settlement of claims, the closure of some files relating to business that had been discontinued and the release of IBNR provisions set aside to cover business interruption claims associated with Covid-19 after the positive outcome of a judgement in the Republic of Ireland in May 2022. Net claims incurred in other non-life business increased for the reasons already explained in the gross business result section.

The rise in net claims incurred in the international non-life segment, of EUR 3.6 million, mainly relates to the decline in the gross claims provision of the Croatian branch of Zavarovalnica Sava owing to portfolio streamlining and shrinking (this year these remained nearly unchanged), and to the increase in gross claims provisions of the Kosovo and North Macedonian non-life insurers.

<sup>14</sup> Property insurance comprises the following classes of business (i) fire and natural forces, (ii) other damage to property, (iii) miscellaneous financial loss, and (iv) legal expense insurance. Other insurance comprises aviation and credit insurance.

*Unconsolidated gross non-life claims paid by Sava Insurance Group company*

EUR	1–9/2022	1–9/2021	Index
Zavarovalnica Sava, Slovenian part (non-life)	168,884,350	132,425,926	127.5
Zavarovalnica Sava, Croatian part (non-life)	6,306,894	8,039,535	78.4
Sava Neživotno Osiguranje (SRB)	8,046,199	6,028,683	133.5
Illyria (RKS)	5,274,899	5,636,539	93.6
Sava Osiguruvanje (MKD)	5,063,742	5,101,332	99.3
Sava Osiguranje (MNE)	4,493,950	4,063,196	110.6
Vita (SVN)	685,116	603,646	113.5
<b>Total</b>	<b>198,755,151</b>	<b>161,898,857</b>	<b>122.8</b>

In the first nine months of 2022, gross non-life claims grew as the result of growth in Slovenian gross non-life claims of 28.6%, whereas gross claims paid by non-Slovenian non-life insurers dropped by 1.8%.

The rise in gross claims paid by the Slovenian non-life insurers was mainly driven by the rise in gross motor and property claims. Gross motor claims rose as the result of an increase in the number of reported claims compared to the previous year, when Covid-19-related measures were more stringent, and as a result of an increase in the average claim incurred because of additional equipment and assistance systems integrated in vehicles and the related higher costs of repairs and spare parts. Motor claims frequency also rose due to the weather-related loss events in May and June 2022. Gross property claims grew because of individual major loss events and weather-related events.

Gross claims paid by the international insurers dropped by EUR 0.5 million. The biggest drop in gross claims was in motor insurance, as the result of portfolio cleaning in Croatia and fewer reported and settled claims. Personal accident claims also dropped because of the exclusion of certain risks and lower claims on group accident policies.

## Operating expenses

*Operating expenses, non-life segment*

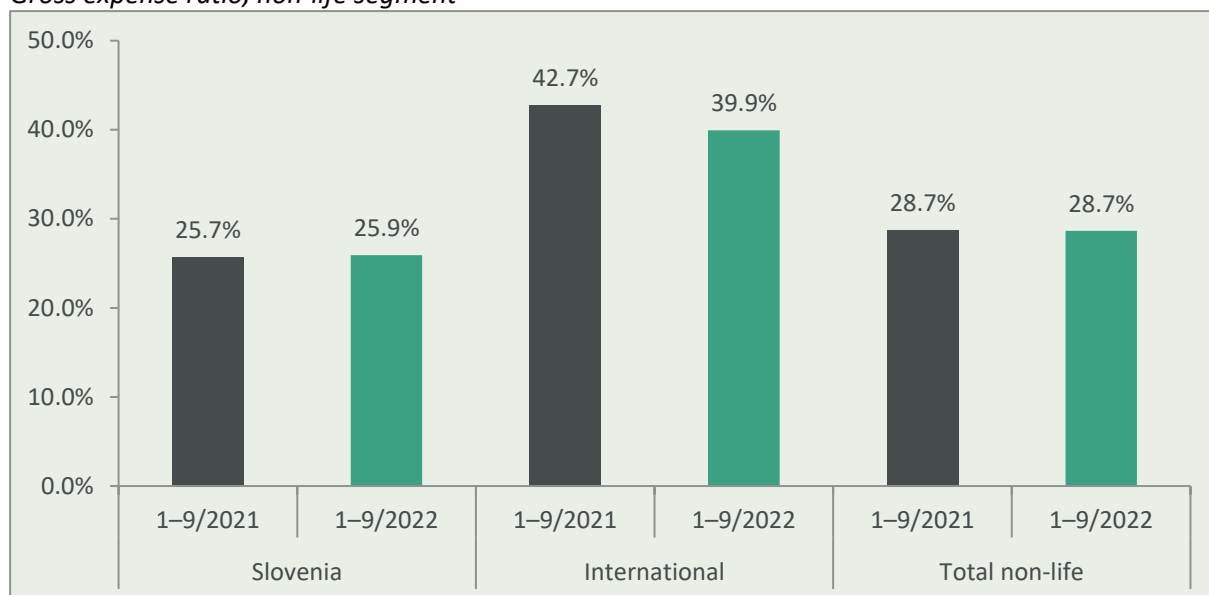
EUR	1–9/2022	1–9/2021	Index
Acquisition costs	31,928,052	31,236,391	102.2
Change in deferred acquisition costs (+/-)	-2,957,302	185,866	-1591.1
Other operating expenses	75,761,675	68,169,728	111.1
<b>Operating expenses</b>	<b>104,732,425</b>	<b>99,591,985</b>	<b>105.2</b>
Reinsurance commission income	-6,781,544	-5,951,583	113.9
<b>Net operating expenses</b>	<b>97,950,881</b>	<b>93,640,401</b>	<b>104.6</b>

*Gross operating expenses by region, non-life segment*

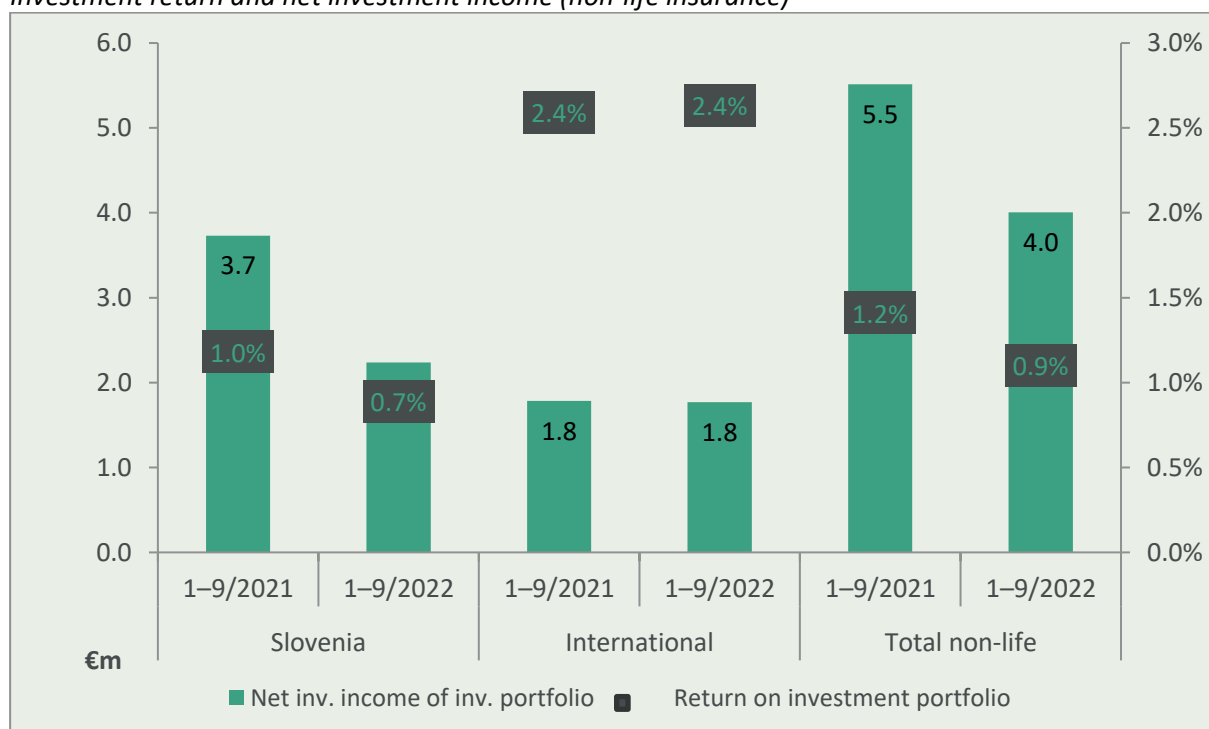
EUR	1–9/2022	1–9/2021	Index
Non-life, Slovenia	78,515,496	73,070,766	107.5
Non-life, international	29,174,231	26,335,353	110.8

Policy acquisition expenses rose by 2.2%, chiefly due to growth in gross premiums written by the international non-life insurers.

Other operating expenses rose by 11.1% in the first nine months of 2022, driven by the payout of a cost-of-living bonus along with higher other personnel costs, higher donation and sponsorship costs, and an increase in the cost of electricity.

**Gross expense ratio, non-life segment**

The gross expense ratio attributable to the non-life segment remained on the year-on-year level. The gross expense ratio of the Slovenian non-life insurers rose by 0.2 p.p. because the relative increase in gross operating expenses was larger than the relative increase in gross premiums written. The gross expense ratio of foreign non-life insurers decreased by 2.8 p.p. as a result of the rise in gross premiums written.

**Net investment income****Investment return and net investment income (non-life insurance)**

In the first nine months of 2022, net investment income of non-life companies totalled EUR 4.0 million, down EUR 1.5 million year on year. Net investment income declined chiefly due to higher expenses for fair value changes of FVTPL assets of EUR 1.4 million. The return on investment for the period was 0.9%.

## 8.3 Life

The income statement and statement of financial position items by operating segment are presented in the notes to the financial statements, section 13.7 “Segment reporting”.

### Net premiums earned

#### Net premiums earned, life insurance

EUR	1–9/2022	1–9/2021	Index
Gross premiums written	131,760,553	135,370,151	97.3
Net premiums earned	131,314,500	134,982,505	97.3

#### Net premiums earned by region, life insurance

EUR	Slovenia			International		
	1–9/2022	1–9/2021	Index	1–9/2022	1–9/2021	Index
Gross premiums written	122,917,985	127,961,122	96.1	8,842,568	7,409,029	119.3
Net premiums earned	122,556,171	127,673,408	96.0	8,758,329	7,309,098	119.8

#### Unconsolidated gross life premiums of Sava Insurance Group companies

EUR	1–9/2022	1–9/2021	Index
Zavarovalnica Sava, Slovenian part (life)	53,351,522	53,700,740	99.3
Zavarovalnica Sava, Croatian part (life)	1,510,556	1,651,983	91.4
Illyria Life (RKS)	3,342,013	2,393,152	139.6
Sava Životno Osiguranje (SRB)	3,989,999	3,363,894	118.6
Vita (SVN)	69,566,462	74,260,382	93.7
<b>Total</b>	<b>131,760,552</b>	<b>135,370,152</b>	<b>97.3</b>

In the first nine months of 2022, gross claims paid by the Slovenian life insurers dropped by 3.9% year on year. Despite strong sales, Vita wrote less in gross premiums written year on year, reflecting fewer single premium contributions than in the previous year, when there were more than average due to the announced introduction of demurrage on assets in private bank accounts, which prompted bank customers to purchase life policies or make single premium contributions to existing policies. Gross premiums written by Zavarovalnica Sava in Slovenia remained roughly on the year-on-year level despite lost premiums due to maturities, deaths and surrenders, as they were offset by new sales.

In the first nine months of 2022, gross premiums written by the non-Slovenian life insurers rose by a full 19.3% year on year. Premium growth was mostly contributed by the Kosovo company, which started sales through a bank in mid-2021, while steadily increasing sales through its own sales network. Gross premiums written by the Serbian insurer also strengthened, driven by its own and external sales channels. The Croatian branch of Zavarovalnica Sava, however, has recently recorded a higher volume of maturities, which it has not been able to offset by new sales.

#### Gross life insurance premiums by class of business



## Net claims incurred

### Net claims incurred, life insurance

EUR	1-9/2022	1-9/2021	Index
Gross claims paid	87,641,624	91,707,091	95.6
Net claims incurred	86,467,542	90,756,782	95.3
Consolidated net claims incurred, including the change in other provisions and the change in the provision for unit-linked business	27,698,097	154,585,702	17.9

### Net claims incurred, life insurance

EUR	Slovenia			International		
	1-9/2022	1-9/2021	Index	1-9/2022	1-9/2021	Index
Gross claims paid	84,098,087	88,667,735	94.8	3,543,537	3,039,356	116.6
Net claims incurred	82,895,013	87,856,199	94.4	3,572,529	2,900,583	123.2
Consolidated net claims incurred, including the change in other provisions and the change in the provision for unit-linked business	22,618,348	149,901,483	15.1	5,079,749	4,684,219	108.4

### Unconsolidated gross life claims paid by Sava Insurance Group companies

EUR	1-9/2022	1-9/2021	Index
Zavarovalnica Sava, Slovenian part (life)	46,196,787	61,823,434	74.7
Zavarovalnica Sava, Croatian part (life)	1,369,319	1,194,435	114.6
Illyria Life (RKS)	631,414	525,606	120.1
Sava Životno Osiguranje (SRB)	1,573,782	1,319,315	119.3
Vita (SVN)	37,901,300	26,844,301	141.2
<b>Total</b>	<b>87,672,602</b>	<b>91,707,091</b>	<b>95.6</b>

In the first nine months of 2022, gross claims paid in Slovenia fell by 5.2% year on year, owing to the decline in gross claims paid by Zavarovalnica Sava. Gross claims paid by Zavarovalnica Sava dropped due to fewer maturities of traditional life insurance policies as well as lower amounts paid for surrenders and death benefits. At Vita, gross claims paid rose, reflecting portfolio maturities and more surrenders at the beginning of the year due to higher unit values in 2021.

The change in technical provisions for the benefit of policyholders who bear the investment risk is mainly due to the change in the value of the investments supporting these liabilities, since the investment risk is borne by the policyholders. The change in the value of the provisions and of the associated investments is recognised in profit or loss, ensuring that the effects of these valuations are shown in a neutral way in the financial statements. The overall change in technical provisions for the benefit of life policyholders is not, as a rule, exactly the same as the change in the value of the related investments, since the level of provisions is affected by factors other than the change in the value of the investments during the period (an increase due to new contributions, a decrease due to claims payments and a decrease due to a deduction of booked expenses). Because of the losses in the Slovenian unit-linked life business, there was also a significant decline in this year's net claims incurred, including the change in other provisions and the provision of unit-linked business.

Gross claims paid by the international insurers in the first nine months of 2022 were up by 16.6% year on year: in Croatia because of maturities, in Kosovo mainly because of death benefits and surrenders, and in Serbia due to increased mortality. Growth in gross claims paid by the foreign insurers, however, largely follows portfolio growth.

## Operating expenses

### Operating expenses, life segment

EUR	1-9/2022	1-9/2021	Index
Acquisition costs	10,186,566	9,116,638	111.7
Change in deferred acquisition costs (+/-)	-92,024	308,401	-29.8
Other operating expenses	17,998,046	17,637,676	102.0
<b>Operating expenses</b>	<b>28,092,588</b>	<b>27,062,715</b>	<b>103.8</b>
Reinsurance commission income	-11,761	-5,646	208.3
<b>Net operating expenses</b>	<b>28,080,828</b>	<b>27,057,069</b>	<b>103.8</b>

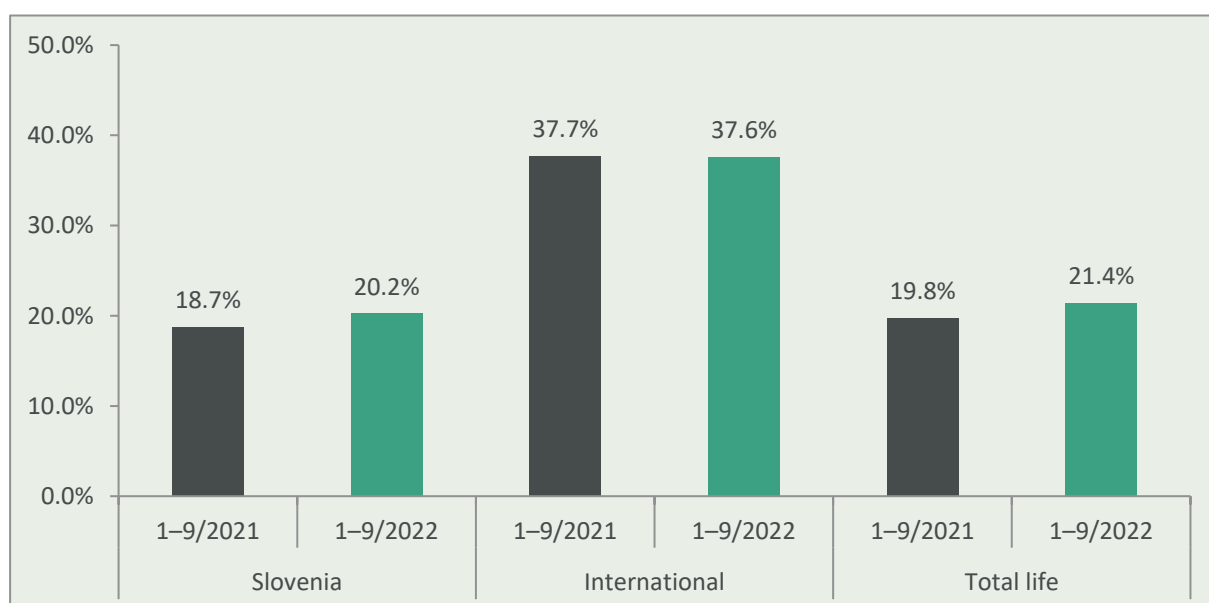
### Gross operating expenses by region, life segment

EUR	1-9/2022	1-9/2021	Index
Life, Slovenia	24,858,993	23,960,546	103.7
Life, international	3,325,619	2,793,768	119.0

In the first nine months of 2022, policy acquisition expenses rose by 11.7% year on year, in line with stronger sales in most of the companies. The difference in the change in deferred acquisition costs between the two years relates to Slovenian life business.

Other operating expenses for the first nine months of 2022 rose by 2.0% year on year, mainly due to increased personnel costs and other prices.

### Gross expense ratio, life segment

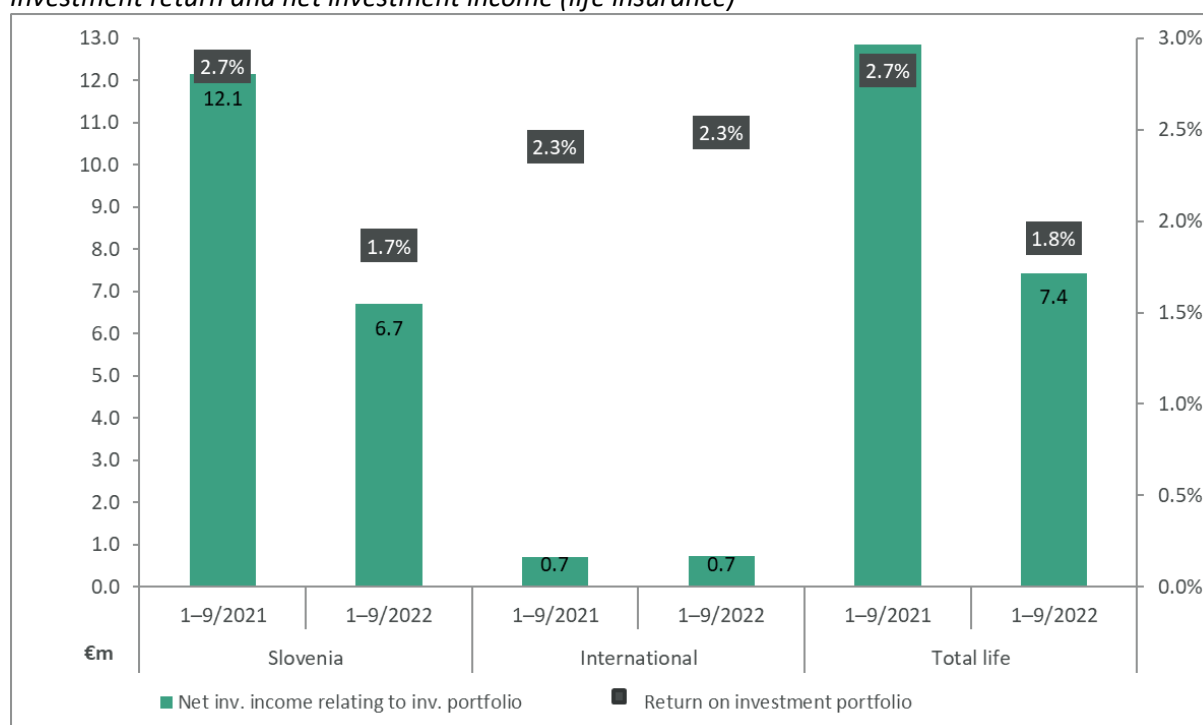


The consolidated gross expense ratio of the Slovenian insurers rose by 1.5 p.p. year on year, reflecting lower gross premiums written and higher policy acquisition costs. The gross expense ratio of the international life insurers remained largely unchanged year on year.



## Net investment income

### Investment return and net investment income (life insurance)



In the first nine months of 2022, net investment income relating to life business totalled EUR 7.4 million, down EUR 5.4 million year on year. Net investment income was lower due to higher expenses for fair value changes of FVTPL assets. In 2022, the Group generated gains on the disposal of investments of EUR 3.6 million in the life segment (nine months of 2021: EUR 5.2 million). The return on the life insurance investment portfolio stands thus at 1.8% in the reporting period.

## 8.4 Pensions and asset management

The income statement and statement of financial position items by operating segment are presented in the notes to the financial statements, section 13.7 “Segment reporting”.

### Annuity part

EUR	1-9/2022	1-9/2021	Index
Gross premiums written	2,662,936	3,115,091	85.5
Gross claims paid	-1,187,897	-923,373	128.6
Change in other net technical provisions (+/-)	-1,410,064	-2,133,116	66.1

Gross premiums written for the first nine months of 2022, which relate to the annuity fund of Sava Pokojninska, fell by 14.5% year on year. Recently, more policyholders have opted to remain in the accumulation part of the scheme even after meeting retirement eligibility requirements.

Gross claims paid include supplementary pension annuity payouts, which increased by 28.6% in the first nine months of 2022 versus the same period last year. Annuity payouts to policyholders increased in line with the rise in annuity fund assets over the recent years (increase upon meeting retirement eligibility requirements).

The change in the technical provisions for annuity funds reflects premiums paid in and claims paid out.

## Accumulation part

### *Other technical and other income (accumulation part, pensions and asset management segment)*

EUR	1–9/2022	1–9/2021	Index
Other technical income and other income	13,763,369	12,446,684	110.6

Other technical and other income, consisting of asset management fees for pension and mutual funds, recorded significant growth in the first nine months of 2022, especially at Sava Infond and Sava Penzisko, reflecting a higher annual average level of assets under management year on year (large increase in assets under management last year).

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

EUR	1–9/2022	1–9/2021	Index
<b>Opening balance of fund assets (1 January)</b>	<b>1,541,670,574</b>	<b>1,241,028,424</b>	<b>124.2</b>
Fund inflows	129,639,795	139,115,229	93.2
Fund outflows	-46,938,949	-31,279,304	150.1
Asset transfers	-9,010,264	-6,481,479	139.0
Net investment income of fund	-136,238,926	97,825,266	-
Entry and exit charges	-1,764,430	-1,757,506	100.4
Fair value reserve and exchange differences	4,012	-331,851	
<b>Closing balance of fund assets (30 September)</b>	<b>1,477,361,811</b>	<b>1,438,118,779</b>	<b>102.7</b>
<b>Index 30 September versus 1 January</b>	<b>95.8</b>	<b>115.9</b>	

Contributions to pension and mutual funds:

- of the group of long-term business funds of the Slovenian pension company increased by 7.3%, as the company managed to increase the average value of contributions;
- of the mandatory and voluntary funds of the North Macedonian pension company increased by 11.5%, mainly due to the higher amount of the average contribution, but also because of the increase in the number of members;
- of the Slovenian mutual fund management company dropped by 21.7% because of the unfavourable trends in financial markets in the third quarter of the year.

The liability funds of the Slovenian pension company achieved a -6.3% return in the first nine months of 2022 (first nine months of 2021: 2.4%), the mandatory and voluntary pension funds managed by the North Macedonian pension company achieved a return of -2.9% (first nine months of 2021: 6.2%) and the Slovenian mutual fund manager a return of -19.3% on mutual funds (first nine months of 2021: 10.7%). The negative returns in the first nine months of 2022 are due to adverse developments in financial markets related to the war in Ukraine, recession expectations, stagflation and increases in base rates, whereas financial market developments in the same period last year were very favourable.

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

EUR	30 September 2022	31 December 2021	Index
Sava Pokojninska (SVN)	161,594,940	167,095,042	96.7
Sava Penzisko Društvo (MKD)	826,148,483	804,026,425	102.8
Sava Infond (SVN)	489,618,388	570,549,108	85.8
<b>Total</b>	<b>1,477,361,811</b>	<b>1,541,670,574</b>	<b>95.8</b>

Since the Slovenian mutual fund manager and the North Macedonian pension company manage policyholder assets (separately from own funds) and have no insurance function, assets under management are not included in the statement of financial position.

## Operating expenses

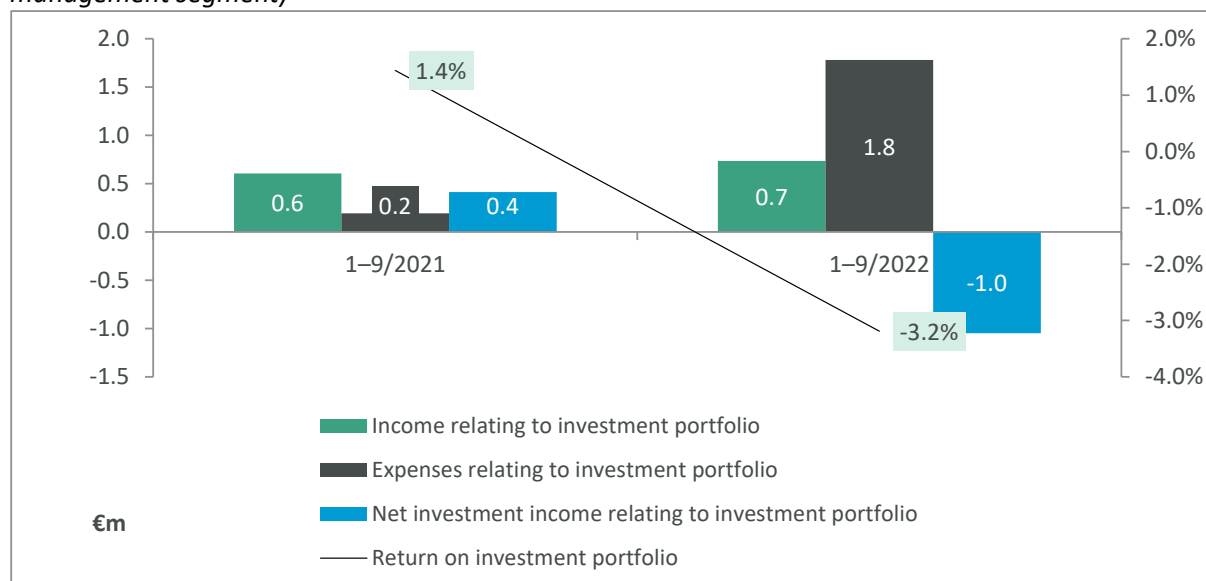
### Operating expenses<sub>7</sub> – pensions and asset management segment

EUR	1–9/2022	1–9/2021	Index
Operating expenses	8,517,057	7,733,628	110.4

Against an increase of 10.6% in other insurance and other income, operating expenses rose by 10.4% in the first nine months of 2022 year on year.

## Net investment income

### Income, expenses and net investment income relating to investment portfolio (pensions and asset management segment)<sup>15</sup>



The return given for the first nine months of 2021 differs from the one stated in the financial report for the first nine months of 2021.

In the first nine months of 2022, net investment income relating to the portfolio of the pension companies totalled EUR 1.0 million, down by EUR 1.5 million year on year, chiefly on account of higher expenses for the change in fair value of FVTPL assets. The investment return for the period was -3.2%.

## Profit or loss for the period

### Profit before tax – pension and asset management section

EUR	1–9/2022	1–9/2021	Index
Profit or loss before tax	3,170,683	4,559,789	69.5

The pre-tax profit dropped, reflecting adverse developments in the financial markets, primarily due to the effect of the falling value of assets measured at fair value through profit or loss and the strengthening of provisions for non-achievement of the guaranteed return by the Slovenian pension company. In the first nine months of 2022, the North Macedonian pension company contributed more to the consolidated profit of the pensions and asset management segment than year on year.

<sup>15</sup> The figure includes the portfolios of Sava Pokojninska (excluding investment contracts), Sava Penzisko Društvo (excluding the return on the funds because the assets managed by Sava Penzisko Društvo are not disclosed in its statement of financial position) and Sava Infond.

## 8.5 Other

The income statement and statement of financial position items by operating segment are presented in the notes to the financial statements, section 13.7 “Segment reporting”.

The “other” segment includes: the subsidiaries TBS Team 24 (SVN) and S Estate (RKS), the two equity-accounted associates DCB (SVN) and G2I (GBR), and interest expenses on subordinated debt.

The following contributed to the significantly better consolidated result of the “other” segment in the first nine months of 2022:

- disposal of the subsidiary S Estate: gain on disposal of EUR 1.0 million,
- subsidiary TBS Team 24: EUR 1.0 million (first nine months of 2021: EUR 0.8 million),
- associate companies DCB and G2I: ERU 1.2 million (first nine months of 2021: EUR 0.7 million).

Interest expense on subordinated debt totalled EUR 2.1 million in the first nine months of 2022, roughly the same year on year.

## 9 Financial position

Sava Insurance Group's balance sheet total of EUR 2,544.4 million at 30 September 2022 was 4.3% lower than at the end of 2021, largely due to the lower value of financial investments as a result of the conditions in financial markets. Below we set out items of assets and liabilities in excess of 5% of total assets as at 30 September 2022 and items that changed by more than 2% of equity. For the sake of providing a full overview, the investment portfolio is presented as made up of financial investments, investment property, financial investments in associates, and cash and cash equivalents (although certain categories do not achieve the threshold mentioned above).

### 9.1 Assets

#### *Consolidated total assets by type*

EUR	30 September 2022	As % of total 30 September 2022	31 December 2021	As % of total 31 December 2021
<b>ASSETS</b>	<b>2,544,428,302</b>	<b>100.0%</b>	<b>2,658,322,359</b>	<b>100.0%</b>
1 Intangible assets	69,107,962	2.7%	67,306,775	2.5%
2 Property, plant and equipment	72,290,232	2.8%	56,337,174	2.1%
3 Right-of-use assets	6,326,461	0.2%	7,386,426	0.3%
4 Deferred tax assets	27,805,782	1.1%	5,487,403	0.2%
5 Investment property	14,252,886	0.6%	14,281,192	0.5%
6 Financial investments in associates	21,753,964	0.9%	20,479,729	0.8%
7 Financial investments	1,298,408,282	51.0%	1,472,688,443	55.4%
8 Assets held for the benefit of policyholders who bear the investment risk	468,513,175	18.4%	517,439,592	19.5%
9 Reinsurers' share of technical provisions	68,188,807	2.7%	57,767,056	2.2%
10 Investment contract assets	168,573,085	6.6%	172,836,349	6.5%
11 Receivables	191,744,112	7.5%	149,940,870	5.6%
12 Deferred acquisition costs	29,646,655	1.2%	22,572,741	0.8%
13 Other assets	5,468,008	0.2%	4,380,387	0.2%
14 Cash and cash equivalents	101,914,637	4.0%	88,647,678	3.3%
15 Non-current assets held for sale	434,254	0.0%	770,544	0.0%

#### 9.1.1 Property, plant and equipment

The increase in property, plant and equipment assets (2) of EUR 16.0 million relates to the construction of a new office building for Zavarovalnica Sava.

#### 9.1.2 Deferred tax assets

Deferred tax assets (4) increased by EUR 22.3 million compared to year-end 2021. The drop in available-for-sale debt securities and the resulting decline in the fair value reserve is the main reason for the change in deferred tax assets.

#### 9.1.3 Investment portfolio

The investment portfolio consists of the following statement of financial position items: financial investments (7), investment property (5), financial investments in associates (6), and cash and cash equivalents (14).

*Sava Insurance Group investment portfolio*

EUR	30 September 2022	31 December 2021	Absolute change	Index
Deposits	18,287,038	18,561,697	-274,659	98.5
Government bonds	711,598,943	718,499,980	-6,901,037	99.0
Corporate bonds	439,876,027	592,136,103	-152,260,076	74.3
Shares	22,159,659	35,965,685	-13,806,026	61.6
Mutual funds	22,249,831	35,861,078	-13,611,247	62.0
Loans granted and other investments	1,516,315	1,674,538	-158,223	90.6
Deposits with cedants	10,763,476	9,610,337	1,153,139	112.0
<b>Total financial investments</b>	<b>1,298,408,282</b>	<b>1,472,688,443</b>	<b>-174,280,161</b>	<b>88.2</b>
Financial investments in associates	21,753,964	20,479,729	1,274,235	106.2
Investment property	14,252,886	14,281,192	-28,306	99.8
Cash and cash equivalents	91,748,297	73,977,512	17,770,785	124.0
<b>Total investment portfolio</b>	<b>1,426,163,429</b>	<b>1,581,426,876</b>	<b>-155,263,447</b>	<b>90.2</b>

As at 30 September 2022, the investment portfolio of the Sava Insurance Group totalled EUR 1,426.2 million, a decline of EUR 155.3 million from year-end 2021. This decline mainly stemmed from the negative change in the fair value reserve on the bond portion of the investment portfolio due to the rise in required yields because of the situation in financial markets. Financial investments in associate companies strengthened by EUR 1.3 million due to the attribution of profits under the equity method.

The share of fixed-rate investments in the investment portfolio shrank by 2.0 p.p. The decreased weighting in equity securities (shares and mutual funds) is mainly due to sales of these investments to align the investment portfolio with the Group's sustainability investment policy. The balance of cash and cash equivalents rose because funds from matured and disposed investments had not been fully reinvested at the balance sheet date. The weighting in infrastructure funds rose due to capital calls and remains in line with the Sava Insurance Group's risk strategy.

*Composition of the investment portfolio*

	30 September 2022	31 December 2021	Change in structure (p.p.) 30 September 2022 - 31 December 2021
Fixed-rate financial investments	82.0%	84.1%	-2.0
Cash and cash equivalents	6.4%	4.7%	1.8
Infrastructure funds	3.8%	2.8%	1.0
Mutual funds	1.6%	2.3%	-0.7
Shares	1.6%	2.3%	-0.7
Real estate funds	1.2%	1.0%	0.2
Property	1.0%	0.9%	0.1
Other*	2.4%	2.0%	0.4
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>0.0</b>

\* The "other" item comprises deposits with cedants, loans granted and financial investments in associates.

*Composition of fixed-rate investments*

EUR	30 September 2022	As % of total 30 September 2022	31 December 2021	As % of total 31 December 2021	Change in structure (p.p.) 30 September 2022 - 31 December 2021
Government bonds	658,566,652	46.2%	660,649,307	41.8%	4.4
Regular corporate bonds	389,495,972	27.3%	502,924,829	31.8%	-4.5
Government-guaranteed bonds	53,032,291	3.7%	57,850,673	3.7%	0.1
Subordinated bonds	34,226,197	2.4%	47,877,472	3.0%	-0.6
Covered bonds	16,153,858	1.1%	41,333,802	2.6%	-1.5
Deposits	18,287,038	1.3%	18,561,697	1.2%	0.1
<b>Total</b>	<b>1,169,762,008</b>	<b>82.0%</b>	<b>1,329,197,780</b>	<b>84.1%</b>	<b>-2.0</b>

#### 9.1.4 Assets held for the benefit of policyholders who bear the investment risk

Assets held for the benefit of policyholders who bear the investment risk are a major asset item (8). Unit-linked products in the Sava Insurance Group are marketed by Zavarovalnica Sava and Vita.

The assets of these policyholders are recorded as financial investments (mainly in mutual funds selected by policyholders) and cash. As at 30 September 2022, financial investments totalled EUR 468.5 million, whereas cash and cash equivalents stood at EUR 10.2 million. Compared to 31 December 2021, total assets decreased by EUR 53.4 million because of a drop in the value of investments in mutual funds and other policyholder assets of EUR 77.8 million, as well as new net inflows of EUR 24.5 million (inflows of EUR 126.5 million, outflows of EUR 102.0 million).

EUR	30 September 2022	31 December 2021	Absolute change	Index
<b>Assets held for the benefit of policyholders who bear the investment risk</b>	<b>478,679,515</b>	<b>532,109,758</b>	<b>-53,430,243</b>	<b>90.0</b>
- Financial investments	468,513,175	517,439,592	-48,926,417	90.5
- Cash and cash equivalents	10,166,340	14,670,166	-4,503,826	69.3

#### 9.1.5 Reinsurers' share of technical provisions

The reinsurers' share of technical provisions (9) increased by EUR 10.4 million, or 18.0%, compared to year-end 2021. The largest increase was in unearned premiums of the Slovenian non-life segment (of EUR 5.4 million) and the reinsurance segment (of EUR 2.1 million). The provision for claims outstanding strengthened by EUR 1.7 million. More specifically, claims provisions of the Slovenian non-life segment increased by EUR 6.5 million (as the result of a major claim, which is largely born by non-Group reinsurers), and claims provisions of the reinsurance segment declined by EUR 4.8 million (due to payouts for catastrophe claims from provisions set aside in 2021).

#### 9.1.6 Investment contract assets

The investment contract assets item (10) includes liability fund assets relating to the group of life cycle funds that have been managed by the Sava Pokojninska pension company for the benefit of policyholders since 1 January 2016 and to part of the assets of the annuity fund the policies of which do not qualify as insurance contracts. As at 30 September 2022, investment contract assets totalled EUR 168.6 million, up 2.5% compared to 31 December 2021.

This decrease was mainly due to a decline in the value of investments of EUR 10.3 million as the result of the situation in financial markets, net inflows of EUR 4.5 million (first nine months of 2022: EUR 9.9 million of inflows and EUR 5.4 million of outflows including exit charges) and a EUR 1.6 million appreciation of assets backing annuity policies.

Assets under the management of Sava Penzisko Društvo are not shown in the Group's statement of financial position; these amounts are disclosed in section 8.4 "Pensions and asset management".

EUR	30 September 2022	31 December 2021	Absolute change	Index
Investment contract assets	168,573,085	172,836,349	-4,263,264	97.5

#### 9.1.7 Receivables

Receivables (11) increased by EUR 41.8 million, or 27.9%, compared to year-end 2021 (30 September 2021: an increase of EUR 16.6 million, or 10.8%, from year-end 2020). Of this, EUR 30.9 million relates to primary insurance claims, most of this sum, EUR 25.6 million, representing not-past-due receivables of the reinsurance and Slovenian non-life segments. In the reinsurance segment, the increase is due to

the renewal of annual reinsurance contracts with cedants and the timing of making estimates for reinsurance business, whereas non-life receivables rose because of renewals of annual insurance contracts with legal entities.

Receivables arising from reinsurance and co-insurance business rose by EUR 6.5 million, or 71.3%, from 31 December 2021, as the result of major loss events in the reinsurance segment.

Current tax assets increased by EUR 2.6 million compared to 31 December 2021, with the majority of the increase coming from the Slovenian non-life segment.

Other receivables increased by EUR 1.8 million compared to year-end 2021 – an increase in the “other” segment because of larger business volumes and the seasonal component of TBS Team 24’s assistance services.

## 9.2 Equity and liabilities

### Balance and composition of equity and liabilities

EUR	30 September 2022	As % of total 30 September 2022	31 December 2021	As % of total 31 December 2021
<b>EQUITY AND LIABILITIES</b>	<b>2,544,428,302</b>	<b>100.0%</b>	<b>2,658,322,359</b>	<b>100.0%</b>
1 Shareholders' equity	396,774,783	15.6%	504,077,018	19.0%
<i>Share capital</i>	71,856,376	2.8%	71,856,376	2.7%
<i>Capital reserves</i>	42,702,320	1.7%	42,702,320	1.6%
<i>Profit reserves</i>	228,962,071	9.0%	229,008,079	8.6%
<i>Own shares</i>	-24,938,709	-1.0%	-24,938,709	-0.9%
<i>Fair value reserve</i>	-110,104,687	-4.3%	21,246,888	0.8%
<i>Reserve due to fair value revaluation</i>	2,164,341	0.1%	1,300,871	0.0%
<i>Retained earnings</i>	142,589,713	5.6%	116,166,406	4.4%
<i>Net profit or loss for the period</i>	46,380,537	1.8%	49,623,843	1.9%
<i>Translation reserve</i>	-3,210,425	-0.1%	-3,256,354	-0.1%
<i>Equity attributable to owners of the controlling company</i>	396,401,537	15.6%	503,709,720	18.9%
<i>Non-controlling interests in equity</i>	373,246	0.0%	367,298	0.0%
2 Subordinated liabilities	77,014,092	3.0%	74,863,524	2.8%
3 Technical provisions	1,287,663,230	50.6%	1,237,500,117	46.6%
4 Technical provisions for the benefit of life insurance policyholders who bear the investment risk	479,884,560	18.9%	524,183,338	19.7%
5 Other provisions	8,417,785	0.3%	9,018,106	0.3%
6 Deferred tax liabilities	3,853,949	0.2%	11,387,395	0.4%
7 Investment contract liabilities	168,420,503	6.6%	172,660,266	6.5%
8 Other financial liabilities	496,205	0.0%	584,924	0.0%
9 Liabilities from operating activities	60,686,475	2.4%	54,783,379	2.1%
10 Lease liability	6,299,187	0.2%	7,224,138	0.3%
11 Other liabilities	54,917,533	2.2%	62,040,154	2.3%

### 9.2.1 Shareholders' equity

Shareholders' equity (1) decreased by 21.3%, or EUR 107.3 million, reflecting mostly a decrease in the fair value reserve as a result of the revaluation of bond investments due to price movements in financial markets. In the first nine months of 2022, dividends of EUR 23.2 million were paid out.



### 9.2.2 Technical provisions

Gross technical provisions (3) are the largest item on the liabilities side. The balance as at 30 September 2022 was an increase of 4.1%, or EUR 50.2 million, over year-end 2021.

#### *Consolidated gross technical provisions*

EUR	30 September 2022	31 December 2021	Index
Gross unearned premiums	257,706,056	207,022,452	124.5
Gross mathematical provisions	430,112,816	443,577,279	97.0
Gross provision for outstanding claims	589,956,918	578,713,597	101.9
Gross provision for bonuses, rebates and cancellations	1,559,545	1,530,854	101.9
Other gross technical provisions	8,327,895	6,655,935	125.1
<b>Gross technical provisions</b>	<b>1,287,663,230</b>	<b>1,237,500,117</b>	<b>104.1</b>

Gross provisions set aside for the non-life segment were up by EUR 44.0 million, or 8.0%, compared to year-end 2021, mainly due to higher unearned premiums, which grew by EUR 41.2 million (first nine months of 2021: EUR 18.7 million) as a result of increased business volumes.

The gross provision of the life insurance segment increased by EUR 20.1 million, or 8.9%, versus year-end 2021. Claims provisions rose by EUR 10.5 million due to adverse movements in exchange rates and some major storms in the third quarter of 2022, whereas unearned premiums increased by EUR 9.4 million due to increases in business volume and the annual dynamics of reinsurance underwriting.

Gross mathematical provisions declined by EUR 13.5 million, or 3.0%, mainly reflecting lower balances at Zavarovalnica Sava and Vita due to maturity payouts. The provisions of the other insurance companies increased driven by portfolio growth and the developments of the existing portfolio.

The provision for bonuses, rebates and cancellations accounted for only a small proportion and remained flat compared to year-end 2021.

Other gross technical provisions include gross provisions for unexpired risks. These increased by EUR 1.7 million from year-end 2021, which chiefly relates to the Slovenian non-life segment (increased business volume in fire insurance and an increase in expected loss ratios due to claims inflation).

### 9.2.3 Technical provisions for the benefit of life insurance policyholders who bear the investment risk

Gross technical provisions for the benefit of life insurance policyholders who bear the investment risk (4) totalled EUR 479.9 million as at 30 September 2022 and decreased by 8.5%, or EUR 44.3 million, mainly due to price movements in financial markets and, consequently, fund unit values.

### 9.2.4 Investment contract liabilities

Investment contract liabilities (7) of Sava Pokojninska totalled EUR 168.4 million as at 30 September 2022, down 2.5%, or EUR 4.2 million, on year-end 2021. Their movement is in line with investment contract assets, driven largely by new premium contributions, payouts and changes in fund unit prices.

## 9.3 Financing sources and their maturity

As at 30 September 2022, the Sava Insurance Group held EUR 396.8 million in equity and EUR 77.0 million in subordinated liabilities. In October 2019, the parent company issued subordinated bonds with a scheduled maturity in 2039 and an early recall option for 7 November 2029. The bond is admitted to trading on the regulated market of the Luxembourg Stock Exchange. As at 30 September

2022, the market price of the bond was 81.819% and the market value EUR 63,883,942 (31 December 2021: the market price 103.532%, the market value EUR 78,065,096).

## 9.4 Cash flow

In the first nine months of 2022, the Sava Insurance Group generated an operating cash flow of EUR 45.2 million (in the first nine months of 2021: EUR 102.6 million). Payments of claims and expenses were higher in this period year on year.

The lower cash flow from core business (EUR -57.4 million) led to lower net outflows in investing activities (less reinvestment).

The Group posted net cash used in financing activities in the amount of EUR 23.5 million (nine months of 2021: EUR 14.1 million) due to a higher dividend payout compared to 2021.

The closing balance of cash at 30 September 2022 was EUR 101.9 million (30 September 2021: EUR 99.6 million). The net cash flow for 2022 was EUR 2.9 million below the year-on-year figure.

## 9.5 Sava Re rating profile

Sava Re is rated by two rating agencies, S&P Global Ratings and AM Best.

### *Financial strength ratings of Sava Re*

Agency	Rating <sup>16</sup>	Outlook	Latest review
S&P Global Ratings	A	stable	September 2022: affirmed existing rating
AM Best	A	stable	September 2022: affirmed existing rating

The reports of both agencies are available online, at <https://www.sava-re.si/en-si/investor-relations/reports-results/>.

<sup>16</sup> 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).

## 10 Personnel

*Number of employees by Sava Insurance Group member*

	30 September 2022	31 December 2021	Change
Zavarovalnica Sava	1,197.5	1,222.6	-25.1
Sava Neživotno Osiguranje (SRB)	358.1	341.0	17.1
Sava Osiguruvanje (MKD)	223.9	229.2	-5.4
Illyria (RKS)	218.8	211.3	7.5
Sava Re	131.3	126.6	4.7
Sava Osiguranje (MNE)	130.0	133.0	-3.0
Sava Životno Osiguranje (SRB)	97.8	105.9	-8.1
Illyria Life (RKS)	59.0	59.0	0.0
Vita (SVN)	53.0	48.0	5.0
Sava Car (MNE)	45.0	43.3	1.8
Sava Penzisko Društvo (MKD)	43.0	37.0	6.0
Sava Infond (SVN)	35.8	33.5	2.3
TBS Team 24 (SVN)	30.5	30.3	0.3
ZS Svetovanje (SVN)	22.0	26.0	-4.0
Sava Agent (MNE)	17.3	16.8	0.5
Sava Pokojninska (SVN)	14.8	13.0	1.8
Ornatus KC (SVN)	13.0	12.0	1.0
Sava Station (MKD)	9.5	10.8	-1.3
<b>Total</b>	<b>2,700.0</b>	<b>2,698.9</b>	<b>1.0</b>

The table above shows the number of employees calculated on a full-time equivalent basis. The decrease in the number of employees at Zavarovalnica Sava and the increase at Sava Neživotno Osiguranje (SRB) reflect fluctuations in the staffing of agency networks.

## 11 Risk management

In their operation, the Group companies are exposed to various categories of risk: insolvency risk, underwriting risk, risk of failing to achieve guaranteed returns, market risk, credit risk, liquidity risk, operational risk and strategic risk. These risks are identified, measured, managed, monitored and reported on in line with prescribed risk management processes. In addition, these processes are also in place at the Group level. The processes and methods of measuring and managing risk, and the exposure of the Group to the various categories of risk are detailed in the 2021 Sava Insurance Group annual report and are therefore not repeated in this report.

In the first nine months, the Sava Insurance Group was affected by an unfavourable macroeconomic and geopolitical situation. The changed circumstances and the associated commodity and energy market shocks further raised inflation expectations and uncertainty regarding future economic activity. The rise in the risk-free interest rate continued in the third quarter, driving up required yields on debt securities, resulting in lower values of debt investments, which in turn led to a decline in the fair value reserve. In the third quarter, credit risk premiums remained on a similar level as in the first half of the year (for more details, see section 11.3.3 “Credit risk”).

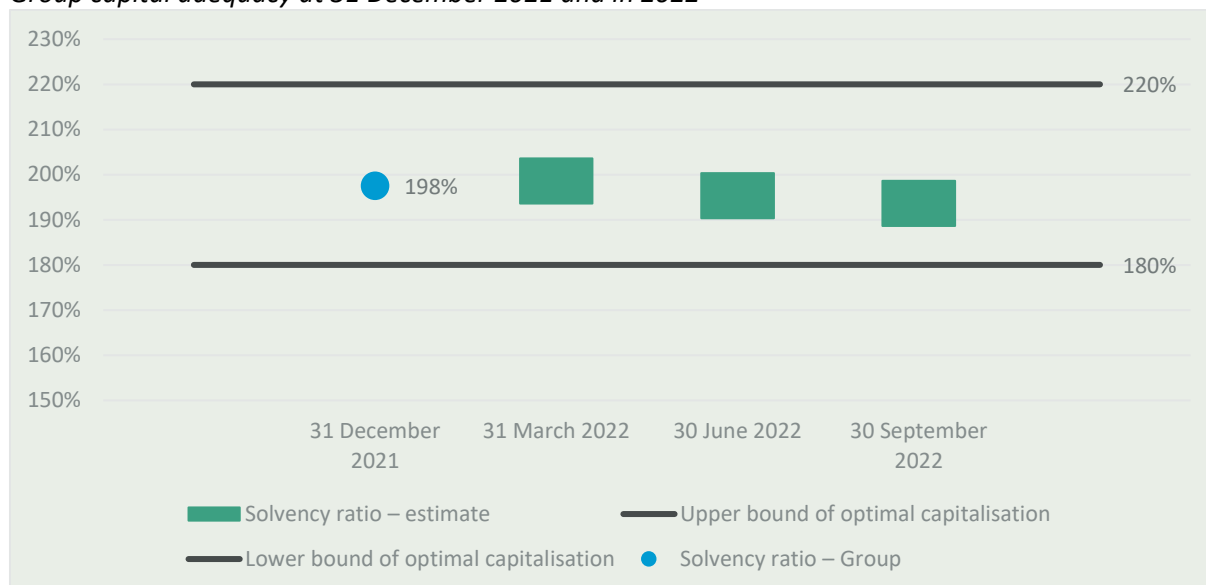
The continued volatility of the macroeconomic environment has also been reflected in equity and currency markets, where we saw falling equity prices and a weakening of the euro. Inflation expectations have indirectly contributed to price hikes, resulting in increased claims inflation. The Sava Insurance Group responded by adjusting prices to limit the impact of claims inflation on the business results. We will continue to monitor inflation over the coming months so we can react promptly to potential adverse changes.

### 11.1 Capital adequacy and capital management

The Sava Insurance Group calculates its solvency position using the Solvency II standard formula. Capital adequacy is calculated annually, whereas the solvency position is assessed each quarter. The quarterly solvency position is shown as an interval within which the Group’s solvency ratio is estimated to lie in the quarter. Thus, the Group’s estimated solvency position as at 30 September 2022 indicates that the Group is well capitalised, with a solvency ratio in the range of 189% to 199% (31 December 2021: 198%). As at 31 December 2021, the Group’s eligible own funds to cover the SCR totalled EUR 601.3 million; however, we estimate that they somewhat decreased by the end of the third quarter, chiefly as the result of the falling value of investments due to adverse developments in financial markets. The Group’s solvency capital requirement (SCR) was EUR 304.4 million at 31 December 2021 and is estimated to have decreased slightly by the end of the third quarter, mainly due to a lower capital requirement for market risks as a result of the decline in the value of investments due to adverse movements in financial markets.

Based on the estimate, we believe that the Group’s solvency as at 30 September 2022 remains high and significantly above the regulatory requirement. The solvency ratio is also in line with the internal criteria set out in the Group’s risk strategy, which foresees an optimal level of solvency ratio between 180% and 220%.

The following 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.

*Group capital adequacy at 31 December 2021 and in 2022*

Sava Re also uses the Solvency II standard formula for the solvency calculation. Capital adequacy is calculated annually, whereas an assessment of the solvency position is made each quarter. The quarterly solvency position is shown as the interval within which the Company's solvency ratio is estimated to lie in the quarter. Thus, the Company's estimated solvency position as at 30 September 2022 indicates that the Company is well capitalised, with a solvency ratio in the range of 269% to 279% (31 December 2021: 282%). As at 31 December 2021, the eligible own funds to cover the SCR totalled EUR 615.7 million; however, we estimate that they somewhat decreased by the end of the third quarter, chiefly as the result of the falling value of investments and participations in subsidiaries due to adverse developments in financial markets. The Company's solvency capital requirement (SCR) was EUR 218.0 million at 31 December 2021 and is estimated to have decreased slightly by the end of the third quarter, mainly due to a lower capital requirement for market risks as a result of the decline in the value of investments and participations in subsidiaries due to adverse movements in financial markets.

The Group and Sava Re have strong solvency ratios, and insolvency risk is small. We estimate that, despite the adverse impact of the macroeconomic environment, the Group and Sava Re will continue to maintain high solvency ratios at the end of 2022, well above the regulatory solvency ratio. The Group and Sava Re also demonstrated the robustness of their solvency positions by two high-impact stress scenarios that were run as part of the 2022 own risk and solvency assessment (ORSA) (the inflation scenario and the EIOPA scenario, in which the EIOPA stress test shocks were applied).

## 11.2 Underwriting risks

The Group's insurance companies assume risk from policyholders and mostly transfer excess risk to Sava Re. Sava Re also assumes risk from other cedants; any excess is retroceded to other reinsurers.

The Group is exposed to the following non-life underwriting risks: premium risk, reserving risk and catastrophe risk. Its life operations are exposed to lapse risk, life expense risk and mortality risk.

An increase in realised underwriting risk would essentially result in an increase in net claims. Because the Group has an adequate retrocession programme in place, it is not exposed to the risk of a sharp increase in net claims, not even in the case of catastrophic loss events. A more likely scenario that the Group is exposed to is the deterioration of the net combined ratio as a result of an increase in claims or expenses along with a decrease in premiums. A one-point rise/drop in the net combined ratio relating to non-life (re)insurance business in the first three quarters of 2022 would result in a decrease/increase in the Group's profit before tax of EUR 4.0 million in the period (first nine months of 2021: EUR 3.9 million).

We estimate that exposure to underwriting risk increased compared to year-end 2021, mainly due to the increased risk of claims inflation in motor and property insurance business.

## 11.3 Financial risks

In their financial operations, individual Group companies are exposed to financial risks arising from the investment portfolio and relating to market, liquidity and credit risk as well as the risk of failure to realise guaranteed returns on life business.

The value of the investment portfolio includes the following balance sheet items: financial investments, investment property, investments in associates and subsidiaries, cash and cash equivalents, and assets held for the benefit of policyholders who bear the investment risk (investments supporting the liabilities of unit-linked life business for which the insurer guarantees unit values).

### 11.3.1 Market risk

As part of market risks, the Group makes assessments of interest rate risk, investment property risk, equity risk and currency risk.

The investment portfolio exposed to market risk totalled EUR 1,375.5 million as at 30 September 2022.

#### Interest rate risk

The total value of investments included in the calculation as at 30 September 2022 was EUR 1,241.8 million (31 December 2021: EUR 1,422.5 million). Of this, EUR 674.4 million (31 December 2021: EUR 743.8 million) related to assets of non-life insurers (including Sava Re) and EUR 567.4 million (31 December 2021: EUR 678.8 million) to assets of life insurers.

The average maturity of non-life business bonds and deposits was 3.5 years as at 30 September 2022 (31 December 2021: 4.1 years), and the expected maturity of non-life and reinsurance obligations was 2.0 years (31 December 2021: 2.1 years).

The average maturity of life insurance assets was 4.8 years as at 30 September 2022 (31 December 2021: 5.4 years), with the average maturity of life liabilities at 5.4 years (31 December 2021: 6.0 years).

In the first nine months of 2022, we saw a significant rise in risk-free interest rates (curves) compared to 2021, mainly driven by the uncertainty regarding inflation trends in the next quarters. Rising interest rates had a negative impact on the valuation of debt securities. We estimate that interest rate risk increased in 2022.

#### Property risk

As at 30 September 2022, the value of the Group's investments exposed to property risk stood at EUR 32.0 million (31 December 2021: EUR 30.1 million) and did not substantially change compared to the previous period.

In addition to investment property, real estate funds shown as alternative investments under financial investments are also exposed to this risk.

The risk of alternative investments was determined based on stressed values. We assumed a 15% decrease in the value of investment property and real estate funds. The selected shock would reduce the value of the Group's investments sensitive to property risk by EUR 4.8 million (31 December 2021: EUR 4.5 million).

Property risk relating to investment property remained at approximately the same level as at year-end 2021.

#### Equity risk

The value of investments that the Group included in the equity risk calculation totalled EUR 84.2 million as at 30 September 2022 (31 December 2021: EUR 98.5 million). A 10% drop in equity prices would result in a decline of EUR 8.4 million (31 December 2021: EUR 9.8 million).

We estimate that, in the first nine months of 2022, the risk increased due to increased exchange rate volatility and uncertainty surrounding economic activity.

### Currency risk

The Group monitors currency matching of assets and liabilities by the ALM aspect (accounting currencies are matched directly, i.e. they are matched with currencies with a high degree of correlation). Accordingly, the position was 98.5% matched as at 30 September 2022 (31 December 2021: 97.5%). However, based strictly on the accounting aspect, i.e. excluding correlations, the currency position was 95.5% matched as at 30 September 2022 (31 December 2021: 96.0%).

Matching risk remained at about the same level in the period compared to year-end 2021.

#### 11.3.2 Liquidity risk

In the reporting period, the Group companies did not change their monitoring or management of liquidity risk. The Group's liquidity position remains good, as liquidity is well-controlled and managed, and the companies hold an adequate level of highly liquid assets. We estimate that liquidity risk remained unchanged and low in the period under review in 2022.

#### 11.3.3 Credit risk

Fixed-rate investments accounted for 85.4% of the total investment portfolio. As at 30 September 2022, fixed-rate investments rated "BBB-" or better accounted for 72.7% of the total fixed-rate portfolio (31 December 2021: 77.9%).

As at 30 September 2022, the exposure to the ten largest issuers was EUR 469.0 million, representing 32.0% of financial investments (31 December 2021: EUR 481.6 million; 29.3%). The largest single issuer of securities to which the Group is exposed is the exposure to Germany (30 September 2022: EUR 121.4 million; 8.3%; 31 December 2021: EUR 108.0 million; 6.6%) and to Slovenia (30 September 2022: EUR 98.2 million; 6.8%; 31 December 2021: EUR 124.1 million; 7.5%), and the maximum single exposure to any commercial issuer was 2.7% of the Group's financial investments and relates to the exposure to cash and cash equivalents.

We estimate that the Sava Insurance Group members managed credit risk well in the first nine months of 2022, mainly due to the reduced exposure to Slovenia, investing in sovereign issuers with a shorter maturity or better credit ratings and increasing diversification by issuer, region and industry.

We estimate that credit risk increased slightly in 2022, in particular due to increased market volatility and uncertainty surrounding economic activity.

#### 11.3.4 Risk of failure to realise guaranteed returns

### Investment contracts

The Group classifies as investment contracts the voluntary supplementary pension insurance (VSPI) business of the Sava Pokojninska pension company during the accumulation phase, which is part of the company's group of liability funds (My-Life-Cycle Funds).

The value of the investments covering investment contract liabilities totalled EUR 168.4 million as at 30 September 2022, down by EUR 4.2 million from 31 December 2021.

The risk of failure to achieve guaranteed returns relates to liabilities of the Moj Zajamčeni fund (My Guaranteed Fund) (30 September 2022: EUR 135.4 million) and increased compared to year-end 2021 due to the depreciation of the fund's debt investments.

### Traditional and unit-linked life insurance contracts with guaranteed return

The Group is exposed to the risk of failure to realise the guaranteed NAVPS (net asset value per share) on its traditional life business and unit-linked life business with interest guarantees. The realised return on financial investments was lower than the guaranteed return on the liabilities side. The shortage for the first nine months of 2022 was EUR 0.8 million (first nine months of 2021: surplus of EUR 3.8 million).

## 11.4 Operational risks

The Group periodically measures operational risks in terms of qualitative assessment of the probability of loss and financial severity of risks listed in the risk register.

Operational risks are not among the Group's most significant risks and are well managed. The Group's exposure to operational risk did not change significantly in the first nine months of 2022 compared to year-end 2021.

## 11.5 Strategic risks

Strategic risks are by nature very diverse, difficult to quantify and heavily dependent on various (including external) factors. The Group and its subsidiaries are exposed to a diverse range of internal and external strategic risks. Owing to the increased uncertainty in the macroeconomic and geopolitical environment, we believe that risk increased compared to year-end 2021.

Strategic risks are assessed qualitatively in the risk register by assessing the probability of loss and the potential financial severity of each event. In addition, we seek to quantify key strategic risks by analysing diverse scenarios.

The Group's strategic risks are actively managed. The Group's exposure to strategic risks remains elevated due to the deterioration in the macroeconomic environment (accelerated inflationary trends and the resulting impact on claims inflation) as well as the unpredictable geopolitical environment in view of the events of the first nine months of the year compared to year-end 2021.

## 11.6 Risk exposure up until year-end 2022

In the first nine months of the year, the macroeconomic and geopolitical situation was uncertain and the energy crisis was escalating, leading to further rises in already high consumer prices; we are therefore monitoring the situation closely. Until the end of 2022, we expect exposure to strategic risks to remain elevated given the situation, and the Group will seek to mitigate the risks accordingly. There will also be a rise in market risk and underwriting risk, especially related to claims inflation. Given that



the realisation of underwriting risks is random, a higher realisation of underwriting risks could also occur in the event of an increase in the number of catastrophic events (either in Slovenia or abroad).

## **Financial statements with notes**

## Declaration of the Management Board of Sava Re d.d.

The management board of Sava Re d.d. hereby approves the condensed financial statements of the Sava Insurance Group and Sava Re for the nine months to 30 September 2022, and the accompanying appendices to the financial statements, accounting policies and notes to the financial statements. The management board also confirms that the condensed financial statements, including the notes, have been prepared on a going concern basis regarding the operations of the Company and the Group, that they comply with Slovenian law and IAS 34 "Interim Reporting" and that they should be read together with the annual financial statements for the financial year ended 31 December 2021. The interim financial statements have not been audited.

The financial statements have been prepared using relevant judgements, estimates and assumptions, including actuarial judgements, applying 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.



Marko Jazbec, Chairman of the Management Board



Polona Pirš Zupančič, Member of the Management Board



Peter Skvarča, Member of the Management Board

Ljubljana, 8 November 2022

## 12 Unaudited condensed financial statements

### 12.1 Unaudited statement of financial position

EUR	Sava Insurance Group		Sava Re	
	30 September 2022	31 December 2021	30 September 2022	31 December 2021
<b>ASSETS</b>	<b>2,544,428,302</b>	<b>2,658,322,359</b>	<b>882,192,583</b>	<b>832,078,756</b>
Intangible assets	69,107,962	67,306,775	3,758,083	3,194,031
Property, plant and equipment	72,290,232	56,337,174	2,593,120	2,464,213
Right-of-use assets	6,326,461	7,386,426	149,851	204,879
Deferred tax assets	27,805,782	5,487,403	8,953,098	3,688,957
Investment property	14,252,886	14,281,192	7,758,956	7,899,693
Financial investments in subsidiaries and associates	21,753,964	20,479,729	324,123,995	324,129,991
Financial investments:	<b>1,298,408,282</b>	<b>1,472,688,443</b>	<b>326,151,586</b>	<b>327,784,595</b>
- Loans and deposits	30,566,829	29,846,572	13,196,340	12,183,310
- Held to maturity	47,912,513	40,023,124	2,049,276	2,816,979
- Available for sale	1,195,097,071	1,368,432,673	303,154,251	303,501,261
- At fair value through profit or loss	24,831,869	34,386,074	7,751,719	9,283,045
Assets held for the benefit of policyholders who bear the investment risk	<b>468,513,175</b>	<b>517,439,592</b>	<b>0</b>	<b>0</b>
Reinsurers' share of technical provisions	68,188,807	57,767,056	58,114,162	48,486,444
Investment contract assets	168,573,085	172,836,349	0	0
Receivables	<b>191,744,112</b>	<b>149,940,870</b>	<b>102,480,311</b>	<b>79,803,172</b>
Receivables arising out of primary insurance business	159,474,776	128,544,723	90,347,346	74,410,185
Receivables arising out of reinsurance and co-insurance business	15,548,331	9,077,165	11,822,829	5,125,596
Current tax assets	2,900,520	330,518	49,594	0
Other receivables	13,820,485	11,988,464	260,542	267,390
Deferred acquisition costs	<b>29,646,655</b>	<b>22,572,741</b>	<b>14,460,373</b>	<b>4,869,156</b>
Other assets	5,468,008	4,380,387	744,964	746,808
Cash and cash equivalents	<b>101,914,637</b>	<b>88,647,678</b>	<b>32,904,083</b>	<b>28,806,817</b>
Non-current assets held for sale	<b>434,254</b>	<b>770,544</b>	<b>0</b>	<b>0</b>
<b>EQUITY AND LIABILITIES</b>	<b>2,544,428,302</b>	<b>2,658,322,359</b>	<b>882,192,583</b>	<b>832,078,756</b>
<b>Shareholders' equity</b>	<b>396,774,783</b>	<b>504,077,018</b>	<b>381,451,073</b>	<b>371,166,000</b>
Share capital	71,856,376	71,856,376	71,856,376	71,856,376
Capital reserves	42,702,320	42,702,320	54,239,757	54,239,757
Profit reserves	228,962,071	229,008,079	229,238,622	229,238,622
Own shares	-24,938,709	-24,938,709	-24,938,709	-24,938,709
Fair value reserve	-110,104,687	21,246,888	-16,958,040	3,619,684
Reserve due to fair value revaluation	2,164,341	1,300,871	151,697	96,544
Retained earnings	142,589,713	116,166,406	13,807,182	10,633,662
Net profit or loss for the period	46,380,537	49,623,843	54,054,188	26,420,064
Translation reserve	-3,210,425	-3,256,354	0	0
<b>Equity attributable to owners of the controlling company</b>	<b>396,401,537</b>	<b>503,709,720</b>	<b>381,451,073</b>	<b>371,166,000</b>
<b>Non-controlling interests in equity</b>	<b>373,246</b>	<b>367,298</b>	<b>0</b>	<b>0</b>
<b>Subordinated liabilities</b>	<b>77,014,092</b>	<b>74,863,524</b>	<b>77,014,092</b>	<b>74,863,524</b>
<b>Technical provisions</b>	<b>1,287,663,230</b>	<b>1,237,500,117</b>	<b>360,198,946</b>	<b>331,812,724</b>
Unearned premiums	257,706,056	207,022,452	70,117,768	52,775,034
Technical provisions for life insurance business	430,112,816	443,577,279	0	0
Provision for outstanding claims	589,956,918	578,713,597	289,139,318	278,281,619
Other technical provisions	9,887,440	8,186,789	941,860	756,071
<b>Technical provisions for the benefit of life insurance policyholders who bear the investment risk</b>	<b>479,884,560</b>	<b>524,183,338</b>	<b>0</b>	<b>0</b>
<b>Other provisions</b>	<b>8,417,785</b>	<b>9,018,106</b>	<b>354,665</b>	<b>421,865</b>
<b>Deferred tax liabilities</b>	<b>3,853,949</b>	<b>11,387,395</b>	<b>886,149</b>	<b>76,227</b>
<b>Investment contract liabilities</b>	<b>168,420,503</b>	<b>172,660,266</b>	<b>0</b>	<b>0</b>
<b>Other financial liabilities</b>	<b>496,205</b>	<b>584,924</b>	<b>0</b>	<b>0</b>
<b>Liabilities from operating activities</b>	<b>60,686,475</b>	<b>54,783,379</b>	<b>52,591,236</b>	<b>46,543,595</b>
Liabilities from primary insurance business	45,448,787	41,669,619	43,528,305	39,556,034
Liabilities from reinsurance and co-insurance business	13,243,702	10,109,076	9,062,930	6,592,809
Current income tax liabilities	1,993,986	3,004,684	0	394,752
<b>Lease liability</b>	<b>6,299,187</b>	<b>7,224,138</b>	<b>150,582</b>	<b>203,730</b>
<b>Other liabilities</b>	<b>54,917,533</b>	<b>62,040,154</b>	<b>9,545,839</b>	<b>6,991,091</b>

## 12.2 Unaudited income statement

EUR	Sava Insurance Group		Sava Re	
	1–9/2022	1–9/2021	1–9/2022	1–9/2021
<b>Net premiums earned</b>	<b>520,725,063</b>	<b>515,547,929</b>	<b>121,200,408</b>	<b>122,695,113</b>
Gross premiums written	608,328,991	578,065,632	163,591,994	158,715,860
Written premiums ceded to reinsurers and co-insurers	-45,575,355	-40,465,249	-31,892,280	-28,495,544
Change in gross unearned premiums	-49,297,138	-27,241,824	-17,342,734	-11,426,584
Change in unearned premiums, reinsurers' and co-insurers' shares	7,268,565	5,189,370	6,843,428	3,901,382
<b>Income from investments in subsidiaries and associates</b>	<b>1,184,085</b>	<b>698,164</b>	<b>51,797,302</b>	<b>36,611,564</b>
Profit from investments in equity-accounted associate companies	1,184,085	698,164	0	0
Other income	0	0	51,797,302	36,611,564
<b>Investment income</b>	<b>27,062,582</b>	<b>24,863,291</b>	<b>10,255,548</b>	<b>5,769,494</b>
Interest income	11,993,955	12,634,798	2,130,426	1,888,481
Other investment income	15,068,627	12,228,493	8,125,121	3,881,013
<b>Net realised and unrealised gains on investments of life insurance policyholders who bear the investment risk</b>	<b>0</b>	<b>45,993,533</b>	<b>0</b>	<b>0</b>
<b>Other technical income</b>	<b>15,160,499</b>	<b>13,912,435</b>	<b>4,428,214</b>	<b>4,329,587</b>
Commission income	7,436,075	6,622,118	4,103,486	3,812,529
Other technical income	7,724,424	7,290,317	324,728	517,059
<b>Other income</b>	<b>22,069,761</b>	<b>19,303,388</b>	<b>767,727</b>	<b>609,735</b>
<b>Net claims incurred</b>	<b>-322,603,536</b>	<b>-310,526,097</b>	<b>-85,607,281</b>	<b>-86,256,230</b>
Gross claims payments, net of income from recourse receivables	-342,753,519	-288,538,835	-104,441,228	-65,331,736
Reinsurers' and co-insurers' shares	28,571,649	6,770,302	26,907,356	6,028,420
Change in the gross provision for outstanding claims	-10,094,983	-40,486,494	-10,857,699	-38,901,851
Change in the provision for outstanding claims, reinsurers' and co-insurers' shares	1,673,317	11,728,930	2,784,289	11,948,936
<b>Change in other technical provisions</b>	<b>11,827,860</b>	<b>16,486,843</b>	<b>-159,859</b>	<b>401,285</b>
<b>Change in technical provisions for policyholders who bear the investment risk</b>	<b>43,903,516</b>	<b>-80,661,034</b>	<b>0</b>	<b>0</b>
<b>Expenses for bonuses and rebates</b>	<b>-59,358</b>	<b>-367,253</b>	<b>-25,929</b>	<b>-46,530</b>
<b>Operating expenses</b>	<b>-165,360,056</b>	<b>-157,946,290</b>	<b>-43,608,775</b>	<b>-44,425,012</b>
Acquisition costs	-61,295,014	-60,283,807	-38,794,687	-37,209,971
Change in deferred acquisition costs	4,123,668	548,498	6,562,467	2,206,551
Other operating expenses	-108,188,710	-98,210,981	-11,376,555	-9,421,593
<b>Expenses for financial assets and liabilities</b>	<b>-11,532,751</b>	<b>-4,327,474</b>	<b>-3,853,282</b>	<b>-2,414,478</b>
Impairment losses on financial assets not at fair value through profit or loss	-398,135	-147,712	0	0
Interest expense	-2,442,841	-2,341,484	-2,182,404	-2,165,571
Other investment expenses	-8,691,775	-1,838,278	-1,670,877	-248,907
<b>Net realised and unrealised losses on investments of life insurance policyholders who bear the investment risk</b>	<b>-71,382,546</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Other technical expenses</b>	<b>-12,693,665</b>	<b>-11,077,802</b>	<b>-294,556</b>	<b>-230,372</b>
<b>Other expenses</b>	<b>-1,438,738</b>	<b>-1,318,138</b>	<b>-255,583</b>	<b>-172,975</b>
<b>Profit or loss before tax</b>	<b>56,862,716</b>	<b>70,581,495</b>	<b>54,643,935</b>	<b>36,871,181</b>
<b>Income tax expense</b>	<b>-10,377,513</b>	<b>-13,347,871</b>	<b>-589,747</b>	<b>-261,607</b>
<b>Net profit or loss for the period</b>	<b>46,485,203</b>	<b>57,233,624</b>	<b>54,054,188</b>	<b>36,609,573</b>
<b>Net profit or loss attributable to owners of the controlling company</b>	<b>46,380,537</b>	<b>57,168,303</b>	<b>-</b>	<b>-</b>
<b>Net profit or loss attributable to non-controlling interests</b>	<b>104,666</b>	<b>65,320</b>	<b>-</b>	<b>-</b>
<b>Earnings per share (basic and diluted)</b>	<b>2.99</b>	<b>3.69</b>	<b>-</b>	<b>-</b>

The change in the weighted average number of shares outstanding is shown in section 13.8.9 “Earnings or loss per share”.

## 12.3 Unaudited statement of other comprehensive income

EUR	Sava Insurance Group		Sava Re	
	1–9/2022	1–9/2021	1–9/2022	1–9/2021
<b>PROFIT OR LOSS FOR THE PERIOD, NET OF TAX</b>	<b>46,485,203</b>	<b>57,233,624</b>	<b>54,054,188</b>	<b>36,609,573</b>
<b>OTHER COMPREHENSIVE INCOME, NET OF TAX</b>	<b>-130,448,394</b>	<b>-10,777,232</b>	<b>-20,522,571</b>	<b>-70,744</b>
<b>a) Items that will not be reclassified subsequently to profit or loss</b>	<b>863,419</b>	<b>207,473</b>	<b>55,153</b>	<b>40,244</b>
Other items that will not be reclassified subsequently to profit or loss	866,365	207,694	55,153	40,244
Tax on items that will not be reclassified subsequently to profit or loss	-2,946	-221	0	0
<b>b) Items that may be reclassified subsequently to profit or loss</b>	<b>-131,311,813</b>	<b>-10,984,705</b>	<b>-20,577,725</b>	<b>-110,988</b>
<b>Net gains/losses on remeasuring available-for-sale financial assets</b>	<b>-160,909,360</b>	<b>-13,453,055</b>	<b>-25,404,598</b>	<b>-121,113</b>
Net change recognised in the fair value reserve	-157,203,932	-8,918,477	-25,404,598	-121,113
Net change transferred from fair value reserve to profit or loss	-3,705,428	-4,528,016	0	0
Other reclassifications	0	-6,562	0	0
<b>Tax on items that may be reclassified subsequently to profit or loss</b>	<b>29,551,412</b>	<b>2,527,583</b>	<b>4,826,874</b>	<b>10,125</b>
<b>Net gains or losses from translation of financial statements of non-domestic companies</b>	<b>46,135</b>	<b>-59,233</b>	<b>0</b>	<b>0</b>
<b>COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAX</b>	<b>-83,963,191</b>	<b>46,456,392</b>	<b>33,531,617</b>	<b>36,538,830</b>
<b>Attributable to owners of the controlling company</b>	<b>-84,061,639</b>	<b>46,392,170</b>	<b>-</b>	<b>-</b>
<b>Attributable to non-controlling interests</b>	<b>98,448</b>	<b>64,221</b>	<b>-</b>	<b>-</b>

## 12.4 Unaudited statement of cash flows

EUR	Sava Insurance Group		Sava Re	
	1–9/2022	1–9/2021	1–9/2022	1–9/2021
<b>A. Cash flows from operating activities</b>				
a) Items of the income statement	122,620,299	10,810,824	1,881,461	-1,747,239
Net profit or loss for the period	46,485,203	57,233,624	54,054,188	36,609,573
Adjustments for:	76,135,096	-46,422,800	-52,172,727	-38,356,812
1 Realised gains or losses on the disposal of subsidiaries	-994,004	0	-994,004	0
2 Realised gains or losses on the disposal of property, plant and equipment assets	-716,193	-264,250	-57,426	3,273
3 Gains or losses of equity-accounted subsidiary	-1,184,085	-698,164	0	0
5 Other financial expenses/income	61,092,267	-63,795,358	-51,660,322	-36,760,347
6 Depreciation/amortisation	7,242,513	7,504,730	523,000	429,418
7 Income tax expense	10,377,513	13,347,871	589,747	261,607
8 Net exchange differences	317,085	-2,517,629	-573,722	-2,290,764
b.) Changes in net operating assets (premium receivables, other receivables, other assets and deferred tax assets/liabilities) of operating items of the statement of financial position	-77,455,118	91,760,033	-11,248,269	30,628,635
1 Change in receivables from primary insurance	-30,930,053	-12,830,382	-15,201,796	-8,722,122
2 Change in receivables from reinsurance	-6,471,166	-559,180	-7,514,017	1,340,502
3 Change in other receivables from (re)insurance business	320,582	-508,076	0	0
4 Change in other receivables and other assets	-12,832,867	-4,027,325	-9,526,598	97,614
5 Change in deferred tax assets	-22,318,379	201,298	0	0
6 Change in inventories	25,023	3,041	0	0
7 Change in liabilities arising out of primary insurance	3,779,168	-1,180,931	0	-1,005,253
8 Change in liabilities arising out of reinsurance business	3,134,626	4,729,331	5,706,016	2,609,027
9 Change in other operating liabilities	7,295,720	6,175,218	2,487,081	3,074,376
10 Change in other liabilities (except unearned premiums)	-7,939,076	-5,430,240	55,153	-618,068
11 Change in technical provisions	70,038	114,984,209	13,407,329	34,123,363
- change in unearned premiums	42,355,907	22,052,454	10,171,972	7,525,203
- change in provision for outstanding claims	13,445,507	28,757,564	3,049,569	26,952,915
- change in other technical provisions	1,628,005	-1,787,845	185,789	-354,755
- change in mathematical provision	-13,455,865	-14,698,998	0	0
- change in mathematical provision for policyholders who bear the investment risk	-43,903,516	80,661,034	0	0
12 Tax expense	-11,588,734	-9,796,930	-661,437	-270,803
c) Net cash from/used in operating activities (a + b)	45,165,180	102,570,857	-9,366,808	28,881,396
<b>B. Cash flows from investing activities</b>				
a) Cash receipts from investing activities	301,089,955	512,504,966	118,873,980	105,530,359
1 Interest received from investing activities	17,343,227	19,054,799	2,764,642	2,725,053
2 Cash receipts from dividends and participation in the profit of others	1,189,325	1,766,973	52,255,376	37,129,729
3 Proceeds from sale of intangible assets	21,137	970,995	0	0
4 Proceeds from sale of property, plant and equipment assets	1,495,581	838,480	73,333	3,273
5 Proceeds from disposal of financial investments	281,040,685	489,873,718	63,780,629	65,672,304
5.1 Proceeds from disposal of subsidiaries and other companies	1,000,000	0	1,000,000	0
5.2 Other proceeds from disposal of financial investments	280,040,685	489,873,718	62,780,629	65,672,304
b) Cash disbursements in investing activities	-309,452,626	-584,742,616	-82,071,677	-113,857,939
1 Purchase of intangible assets	-4,356,538	-3,625,999	-746,085	-782,658
2 Purchase of property, plant and equipment	-12,820,148	-8,044,300	-284,757	-110,479
3 Purchase of long-term financial investments	-292,275,940	-573,072,317	-81,040,835	-112,964,802
3.1 Purchase of subsidiary companies	0	-3,782,579	0	-5,032,579
3.2 Other disbursements to acquire financial investments	-292,275,940	-569,289,738	-81,040,835	-107,932,223
c) Net cash from/used in investing activities (a + b)	-8,362,672	-72,237,650	36,802,303	-8,327,579
<b>C. Cash flows from financing activities</b>				
a) Cash receipts from financing activities	1,149,438	99,289	0	0
2 Proceeds from long-term borrowing	1,149,438	99,289	0	0
b) Cash disbursements in financing activities	-24,684,988	-14,244,450	-23,338,229	-13,227,034
1 Interest paid	-106,963	-55,692	-33,278	-15,291
3 Repayment of long-term financial liabilities	-1,238,981	-948,452	-58,408	-38,702
5 Dividends and other profit participations paid	-23,339,044	-13,240,306	-23,246,544	-13,173,042
c) Net cash from/used in financing activities (a + b)	-23,535,550	-14,145,161	-23,338,229	-13,227,034
C2. Closing balance of cash and cash equivalents	101,914,637	99,646,639	32,904,083	34,406,929
x) Net increase or decrease in cash and cash equivalents for the period (Ac + Bc + Cc)	13,266,959	16,188,045	4,097,266	7,326,783
y) Opening balance of cash and cash equivalents	88,647,678	83,458,594	28,806,817	27,080,146

## 12.5 Unaudited statement of changes in equity

Unaudited statement of changes in equity as at 1 January – 30 September 2022

Sava Insurance Group															
EUR	I. Share capital	II. Capital reserves	III. Profit reserves				IV. Fair value reserve	Reserve due to fair value revaluation	V. Retained earnings	VI. Net profit or loss for the period	VII. Own shares	VIII. Translation reserve	IX. Equity attributable to owners of the controlling company	X. Non-controlling interests in equity	Total (15 + 16)
			Legal reserves and reserves provided for in the articles of association	Reserve for own shares	Catastrophe equalisation reserve	Other									
	1	2	4	5	7	8	9	10	11	12	13	14	15	16	17
Closing balance in previous financial year	71,856,376	42,702,320	12,150,797	24,938,709	11,225,068	180,693,505	21,246,888	1,300,871	116,166,407	49,623,844	-24,938,709	-3,256,354	503,709,721	367,298	504,077,019
Opening balance in the financial period	71,856,376	42,702,320	12,150,797	24,938,709	11,225,068	180,693,505	21,246,888	1,300,871	116,166,407	49,623,844	-24,938,709	-3,256,354	503,709,721	367,298	504,077,019
Comprehensive income for the period, net of tax	0	0	0	0	0	0	-131,351,575	863,470	0	46,380,537	0	45,929	-84,061,639	98,448	-83,963,191
a) Net profit or loss for the period	0	0	0	0	0	0	0	0	0	46,380,537	0	0	46,380,537	104,666	46,485,203
b) Other comprehensive income	0	0	0	0	0	0	-131,351,575	863,470	0	0	0	45,929	-130,442,176	-6,218	-130,448,394
Transactions with owners – payouts	0	0	0	0	0	-46,008	0	0	-23,200,537	0	0	0	-23,246,544	-92,500	-23,339,044
Dividend distributions (accounted)	0	0	0	0	0	0	0	0	-23,246,545	0	0	0	-23,246,544	-92,500	-23,339,044
Allocation of net profit to profit reserve	0	0	0	0	0	-46,008	0	0	46,008	0	0	0	0	0	0
Movements within equity	0	0	0	0	0	0	0	0	49,623,844	-49,623,844	0	0	0	0	0
Transfer of profit	0	0	0	0	0	0	0	0	49,623,844	-49,623,844	0	0	0	0	0
Closing balance in the financial period	71,856,376	42,702,320	12,150,797	24,938,709	11,225,068	180,647,497	-110,104,687	2,164,341	142,589,714	46,380,537	-24,938,709	-3,210,425	396,401,538	373,246	396,774,783

Sava Re												
EUR	I. Share capital	II. Capital reserves	III. Profit reserves				IV. Fair value reserve	Reserve due to fair value revaluation	V. Retained earnings	VI. Net profit or loss for the period	VII. Own shares	Total
			Legal reserves and reserves provided for in the articles of association	Reserve for own shares	Catastrophe equalisation reserve	Other						
	1	2	4	5	7	8	9	10	11	12	13	14
Closing balance in previous financial year	71,856,376	54,239,757	14,986,525	24,938,709	10,000,000	179,313,389	3,619,683	96,544	10,633,662	26,420,064	-24,938,709	371,165,999
Opening balance in the financial period	71,856,376	54,239,757	14,986,525	24,938,709	10,000,000	179,313,389	3,619,683	96,544	10,633,662	26,420,064	-24,938,709	371,165,999
Comprehensive income for the period, net of tax	0	0	0	0	0	0	-20,577,725	55,153	0	54,054,188	0	33,531,617
a) Net profit or loss for the period	0	0	0	0	0	0	0	0	0	54,054,188	0	54,054,188
b) Other comprehensive income	0	0	0	0	0	0	-20,577,725	55,153	0	0	0	-20,522,571
Transactions with owners – payouts	0	0	0	0	0	0	0	0	-23,246,544	0	0	-23,246,544
Dividend distributions (accounted)	0	0	0	0	0	0	0	0	-23,246,544	0	0	-23,246,544
Movements within equity	0	0	0	0	0	0	0	0	26,420,064	-26,420,064	0	0
Transfer of profit	0	0	0	0	0	0	0	0	26,420,064	-26,420,064	0	0
Closing balance in the financial period	71,856,376	54,239,757	14,986,525	24,938,709	10,000,000	179,313,389	-16,958,040	151,697	13,807,182	54,054,188	-24,938,709	381,451,073



## Unaudited statement of changes in equity as at 1 January – 30 September 2021

Sava Insurance Group															
EUR	I. Share capital	II. Capital reserves	III. Profit reserves				IV. Fair value reserve	Reserve due to fair value revaluation	V. Retained earnings	VI. Net profit or loss for the period	VII. Own shares	VIII. Translation reserve	IX. Equity attributable to owners of the controlling company	X. Non-controlling interests in equity	Total (15 + 16)
			Legal reserves and reserves provided for in the articles of association	Reserve for own shares	Catastrophe equalisation reserve	Other									
	1	2	4	5	7	8	9	10	11	12	13	14	15	16	17
Closing balance in previous financial year	71,856,376	43,035,948	11,950,493	24,938,709	11,225,068	154,171,310	40,173,090	964,485	73,413,529	56,197,541	-24,938,709	-3,266,013	459,721,827	492,661	460,214,488
Opening balance in the financial period	71,856,376	43,035,948	11,950,493	24,938,709	11,225,068	154,171,310	40,173,090	964,485	73,413,529	56,197,541	-24,938,709	-3,266,013	459,721,827	492,661	460,214,488
Comprehensive income for the period, net of tax	0	0	0	0	0	0	-10,924,484	207,352	0	57,168,303	0	-59,001	46,392,170	64,221	46,456,391
a) Net profit or loss for the period	0	0	0	0	0	0	0	0	0	57,168,303	0	0	57,168,303	65,320	57,233,623
b) Other comprehensive income	0	0	0	0	0	0	-10,924,484	207,352	0	0	0	-59,001	-10,776,133	-1,099	-10,777,232
Transactions with owners – payouts	0	0	169,325	0	0	119,997	0	0	-13,462,363	0	0	0	-13,173,041	-67,265	-13,240,306
Allocation of net profit to profit reserve	0	0	169,325	0	0	119,997	0	0	-289,322	0	0	0	0	0	0
Movements within equity	0	-333,628	0	0	0	0	0	0	56,197,541	-56,197,541	0	0	-333,628	-148,952	-482,580
Transfer of profit	0	0	0	0	0	0	0	0	56,197,541	-56,197,541	0	0	0	0	0
Acquisition of non-controlling interests	0	-333,628	0	0	0	0	0	0	0	0	0	0	-333,628	-148,952	-482,580
Closing balance in the financial period	71,856,376	42,702,320	12,119,818	24,938,709	11,225,068	154,291,307	29,248,606	1,171,837	116,148,706	57,168,303	-24,938,709	-3,325,014	492,607,327	340,668	492,947,994

Sava Re												
EUR	I. Share capital	II. Capital reserves	III. Profit reserves				IV. Fair value reserve	Reserve due to fair value revaluation	V. Retained earnings	VI. Net profit or loss for the period	VII. Own shares	Total
			Legal reserves and reserves provided for in the articles of association	Reserve for own shares	Catastrophe equalisation reserve	Other						
	1	2	4	5	7	8	9	10	11	12	13	14
Closing balance in previous financial year	71,856,376	54,239,757	14,986,525	24,938,709	10,000,000	152,893,325	6,039,787	46,586	34,797,320	-10,990,617	-24,938,709	333,869,060
Opening balance in the financial period	71,856,376	54,239,757	14,986,525	24,938,709	10,000,000	152,893,325	6,039,787	46,586	34,797,320	-10,990,617	-24,938,709	333,869,060
Comprehensive income for the period, net of tax	0	0	0	0	0	0	-110,988	40,244	0	36,609,573	0	36,538,830
a) Net profit or loss for the period	0	0	0	0	0	0	0	0	0	36,609,573	0	36,609,573
b) Other comprehensive income	0	0	0	0	0	0	-110,988	40,244	0	0	0	-70,744
Transactions with owners – payouts	0	0	0	0	0	0	0	0	-13,173,042	0	0	-13,173,042
Dividend distributions (accounted)	0	0	0	0	0	0	0	0	-13,173,042	0	0	-13,173,042
Movements within equity	0	0	0	0	0	0	0	0	-10,990,617	10,990,617	0	0
Transfer of profit	0	0	0	0	0	0	0	0	-10,990,617	10,990,617	0	0
Closing balance in the financial period	71,856,376	54,239,757	14,986,525	24,938,709	10,000,000	152,893,325	5,928,798	86,831	10,633,662	36,609,573	-24,938,709	357,234,849

## 13 Notes to the condensed consolidated financial statements

The selected notes to the interim financial statements are significant to an understanding of the changes in the financial position of the Group at the end of September 2022 compared to year-end 2021 and the performance of the Group in the first nine months of 2022 compared to the same period in 2021.

### 13.1 Overview of major accounting policies

The financial statements with notes have been prepared in compliance with IAS 34 “Interim Financial Reporting”.

In accordance with IAS 34, explanatory notes are provided for events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the last annual financial report prepared for 2021.

The financial statements with notes as at and for the nine months to 30 September 2022 have not been audited.

The interim condensed financial statements as at 30 September 2022 have been prepared following the same accounting policies and computation methods as the annual financial statements for 2021.

### IFRS 17 “Insurance Contracts”

On 25 June 2020, the International Accounting Standards Board (Board) issued the final accounting standard for insurance contracts IFRS 17, with the effective date 1 January 2023. IFRS 17 implements a completely new concept of accounting for insurance contracts, which significantly changes the existing long-standing practices. At Group level, a dedicated implementation task force was set up to implement IFRS 17 and has been active since 2018. In 2022, activities are underway to complete the project, in particular validating new methodologies and guidelines for the valuation of insurance contracts, setting up new processes to ensure timely reporting, performing transition calculations and the impact of the transition, completing all necessary new disclosures, preparing comparable data for 2022, setting up new and adjusted indicators.

The Group will determine the level of aggregation of insurance contracts into units of account and the method of measurement in accordance with the standard. It will use all three models for measurement, depending on the type of insurance contracts. As a general rule, it will use the general measurement model (GMM) for measurement, while a simpler measurement model (the premium allocation approach, PAA) will be used for insurance contracts with a duration of one year or less. For direct participation contracts, such as investment-linked life insurance contracts, the Group will use the variable fee approach (VFA).

IFRS 17 fundamentally changes the way in which financial statements are prepared and the information they provide. The impact on reported profit or loss will also be significant, especially for long-term contracts. Processes are changing significantly, and their refinement and consistent implementation will be key to the timeliness of the financial statements. Its implementation posed significant challenges for the Group and the Company, as it was necessary to make important adjustments to the actuarial models, to redefine the classification of insurance contracts from all the different aspects required by IFRS 17. It was necessary to implement a completely new tool to support all the necessary calculations, in line with IFRS 17, to ensure quality input data from existing IT systems and to build an adequate database.

Given that the standard introduces significant changes as described above and that the Group and the Company have not yet completed all IFRS 17 reporting activities, it is not currently possible to quantify

the impact on individual items of the balance sheet and income statement. However, we do expect the standard to have a significant impact on the level of profit/loss and equity.

### **13.2 Seasonality and cyclicity of interim operations**

The operations of the Group are not seasonal in nature. Pursuant to underwriting rules, the Group's insurance companies defer the costs (expenses and income) that, by their nature, may or must be deferred at the year end.

### **13.3 Nature and amount of unusual items**

The volatility of the macroeconomic and geopolitical environment in the first nine months also affected the performance and risks of the Group companies. The rise in the risk-free interest rate reduced the value of interest rate sensitive investments, resulting in a decline in the fair value reserve. There were no other extraordinary events affecting the Group's assets, liabilities, shareholders' equity, net profit/loss or cash flows. The impact of the macroeconomic situation and geopolitical events on business is presented in section 11 "Risk management".

### **13.4 Materiality**

Equity was used as a basis for determining a materiality threshold for the condensed consolidated financial statements, specifically 2% thereof, which is EUR 7.9 million as at 30 September 2022. Changes in the balance of statement of financial position items that did not exceed the set materiality threshold have not been disaggregated in the interim condensed financial statements.

### **13.5 Issuance, repurchase and repayment of debt and equity securities**

The Group issued no new debt or equity securities.

### **13.6 Key accounting estimates and judgements**

The Group has prepared this interim report using the same principles concerning estimates as those applied for its annual report.

### **13.7 Segment reporting**

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 circumstance in which companies operate).

The operating segments are reinsurance (reinsurance business), non-life (non-life insurance business), life (life insurance business, broken down into Slovenia and international), pensions and asset management (pension insurance business in Slovenia and North Macedonia, and fund management) and the "other" segment (assistance services associated with motor, home owners and health insurance business). Section 8 "Review of operations" explains in more detail how the companies are included in operating segments.

Performance of these segments is monitored based on different indicators, with profit before tax calculated in accordance with IFRSs a common performance indicator for all segments. The management board monitors performance by segment to the level of underwriting results, net investment income and other aggregated performance indicators, as well as the amounts of assets, equity and technical provisions on a quarterly basis.

*Statement of financial position items by operating segment*

Sava Insurance Group 30 September 2022	Reinsurance	Non-life			Life			Pensions and AM	Other	Total
		Slovenia	International	Total	Slovenia	International	Total			
<b>ASSETS</b>	<b>412,872,776</b>	<b>678,649,983</b>	<b>159,686,324</b>	<b>838,336,307</b>	<b>974,238,602</b>	<b>45,983,291</b>	<b>1,020,221,893</b>	<b>243,805,011</b>	<b>29,192,315</b>	<b>2,544,428,302</b>
Intangible assets	3,758,083	15,587,786	9,134,824	24,722,610	7,654,226	96,904	7,751,130	30,069,787	2,806,352	69,107,962
Property, plant and equipment	2,593,120	51,517,328	13,980,723	65,498,051	1,786,507	1,947,122	3,733,629	441,533	23,899	72,290,232
Right-of-use assets	144,695	2,690,298	3,028,000	5,718,298	279,146	26,061	305,207	148,206	10,055	6,326,461
Deferred tax assets	8,953,098	7,561,618	416,260	7,977,878	10,602,344	250,903	10,853,247	21,559	0	27,805,782
Investment property	7,758,954	2,816,943	3,265,696	6,082,639	34,577	0	34,577	376,716	0	14,252,886
Financial investments in associates	0	0	0	0	0	0	0	0	21,753,964	21,753,964
Financial investments:	<b>238,207,623</b>	<b>440,779,211</b>	<b>83,460,200</b>	<b>524,239,410</b>	<b>459,727,031</b>	<b>39,740,075</b>	<b>499,467,106</b>	<b>36,494,143</b>	<b>0</b>	<b>1,298,408,282</b>
- Loans and deposits	8,566,487	3,245,144	13,352,312	16,597,455	18,709	1,722,786	1,741,494	3,661,392	0	30,566,829
- Held to maturity	1,503,723	1,510,598	3,025,893	4,536,492	20,434,069	7,725,520	28,159,589	13,712,709	0	47,912,513
- Available for sale	222,449,335	427,219,953	66,920,122	494,140,075	435,096,337	29,606,905	464,703,243	13,804,418	0	1,195,097,071
- At fair value through profit or loss	5,688,077	8,803,516	161,872	8,965,388	4,177,916	684,864	4,862,779	5,315,624	0	24,831,869
Assets held for the benefit of policyholders who bear the investment risk	0	0	0	0	468,026,904	486,271	468,513,175	0	0	468,513,175
Reinsurers' share of technical provisions	21,492,783	38,678,203	7,423,077	46,101,280	566,941	27,803	594,744	0	0	68,188,807
Investment contract assets	0	0	0	0	0	0	0	168,573,085	0	168,573,085
Receivables	<b>87,600,517</b>	<b>77,127,130</b>	<b>20,119,915</b>	<b>97,247,045</b>	<b>1,527,988</b>	<b>799,810</b>	<b>2,327,798</b>	<b>1,010,897</b>	<b>3,557,855</b>	<b>191,744,112</b>
Receivables arising out of primary insurance business	75,508,943	69,024,012	13,298,046	82,322,058	983,652	656,691	1,640,343	3,432	0	159,474,776
Receivables arising out of reinsurance and co-insurance business	11,822,828	2,474,494	1,198,644	3,673,138	49,977	2,388	52,365	0	0	15,548,331
Current tax assets	49,594	2,506,209	343,034	2,849,243	0	1,683	1,683	0	0	2,900,520
Other receivables	219,152	3,122,415	5,280,191	8,402,606	494,359	139,048	633,407	1,007,465	3,557,855	13,820,485
Deferred acquisition costs	8,714,856	14,963,897	5,688,075	20,651,972	178,023	101,804	279,827	0	0	29,646,655
Other assets	744,964	2,163,541	1,038,249	3,201,790	217,074	82,811	299,885	570,015	651,354	5,468,008
Cash and cash equivalents	32,904,083	24,490,418	11,970,662	36,461,080	23,637,841	2,423,727	26,061,568	6,099,070	388,836	101,914,637
Non-current assets held for sale	0	273,610	160,644	434,254	0	0	0	0	0	434,254

*Statement of financial position items by operating segment*

Sava Insurance Group 30 September 2022	Reinsurance	Non-life			Life			Pensions and AM	Other	Total
		Slovenia	International	Total	Slovenia	International	Total			
<b>EQUITY AND LIABILITIES</b>	<b>428,004,627</b>	<b>647,449,102</b>	<b>164,678,243</b>	<b>812,127,345</b>	<b>922,119,479</b>	<b>46,226,568</b>	<b>968,346,047</b>	<b>220,578,305</b>	<b>115,371,978</b>	<b>2,544,428,302</b>
Subordinated liabilities	0	0	0	0	0	0	0	0	77,014,092	77,014,092
Technical provisions	246,128,815	482,459,968	111,474,076	593,934,044	399,280,468	32,862,113	432,142,581	15,457,790	0	1,287,663,230
Unearned premiums	36,615,787	174,669,182	45,170,026	219,839,208	815,648	435,413	1,251,061	0	0	257,706,056
Mathematical provisions	0	0	0	0	383,144,379	31,512,658	414,657,037	15,455,779	0	430,112,816
Provision for outstanding claims	208,869,822	301,736,694	63,113,908	364,850,602	15,320,441	914,042	16,234,483	2,011	0	589,956,918
Other technical provisions	643,206	6,054,092	3,190,142	9,244,234	0	0	0	0	0	9,887,440
Technical provisions for the benefit of life insurance policyholders who bear the investment risk	0	0	0	0	478,931,616	952,944	479,884,560	0	0	479,884,560
Other provisions	354,665	4,992,188	1,028,607	6,020,795	1,183,854	10,086	1,193,940	782,109	66,276	8,417,785
Deferred tax liabilities	886,149	2,245,527	129,340	2,374,867	-14,638	185	-14,453	607,386	0	3,853,949
Investment contract liabilities	0	0	0	0	0	0	0	168,420,503	0	168,420,503
Other financial liabilities	-3	0	495,373	495,373	0	835	835	0	0	496,205
Liabilities from operating activities	36,758,821	9,730,662	4,996,684	14,727,346	8,393,146	504,513	8,897,659	121,703	180,946	60,686,475
Liabilities from primary insurance business	27,695,891	7,448,728	2,553,635	10,002,363	7,275,265	475,268	7,750,533	0	0	45,448,787
Liabilities from reinsurance and co-insurance business	9,062,930	2,117,158	1,977,568	4,094,726	70,733	15,313	86,046	0	0	13,243,702
Current income tax liabilities	0	164,776	465,481	630,257	1,047,148	13,932	1,061,080	121,703	180,946	1,993,986
Lease liability	144,418	2,798,242	3,151,290	5,949,532	0	29,782	29,782	157,794	17,661	6,299,187
Other liabilities	9,732,262	27,248,853	6,498,022	33,746,875	3,826,526	784,842	4,611,368	1,657,769	5,169,259	54,917,533
Shareholders' equity										396,774,783
Equity attributable to owners of the controlling company										396,401,537
Non-controlling interests in equity										373,246

## Statement of financial position items by operating segment

Sava Insurance Group 31 December 2021	Reinsurance	Non-life			Life			Pensions and AM	Other	Total
		Slovenia	International	Total	Slovenia	International	Total			
<b>ASSETS</b>	<b>370,861,211</b>	<b>694,187,221</b>	<b>153,666,435</b>	<b>847,853,656</b>	<b>1,118,810,072</b>	<b>46,822,190</b>	<b>1,165,632,261</b>	<b>248,579,384</b>	<b>25,395,846</b>	<b>2,658,322,359</b>
Intangible assets	3,194,031	13,861,616	8,916,376	22,777,992	7,608,332	46,759	7,655,091	30,871,429	2,808,232	67,306,775
Property, plant and equipment	2,464,212	35,377,174	14,216,375	49,593,549	1,849,234	1,896,304	3,745,538	489,457	44,418	56,337,174
Right-of-use assets	192,886	2,730,815	3,762,553	6,493,368	430,632	29,558	460,190	207,331	32,651	7,386,426
Deferred tax assets	3,688,957	1,115,818	24,199	1,140,017	626,942	9,933	636,875	21,554	0	5,487,403
Investment property	7,899,693	2,771,050	3,192,081	5,963,131	35,583	0	35,583	382,785	0	14,281,192
Financial investments in associates	0	0	0	0	0	0	0	0	20,479,729	20,479,729
Financial investments:	228,470,510	512,785,009	86,829,981	599,614,990	568,792,382	41,504,468	610,296,850	34,306,093	0	1,472,688,443
- Loans and deposits	7,574,664	3,202,386	12,961,392	16,163,778	15,772	1,622,720	1,638,492	4,469,639	0	29,846,572
- Held to maturity	1,971,444	1,900,803	2,975,617	4,876,421	24,909,197	1,248,300	26,157,497	7,017,762	0	40,023,124
- Available for sale	212,403,436	496,888,334	70,670,982	567,559,316	538,001,848	37,883,084	575,884,932	12,584,989	0	1,368,432,673
- At fair value through profit or loss	6,520,966	10,793,486	221,989	11,015,475	5,865,565	750,364	6,615,929	10,233,703	0	34,386,074
Assets held for the benefit of policyholders who bear the investment risk	0	0	0	0	516,900,819	538,773	517,439,592	0	0	517,439,592
Reinsurers' share of technical provisions	24,217,574	26,777,147	6,233,981	33,011,128	497,659	40,695	538,354	0	0	57,767,056
Investment contract assets	0	0	0	0	0	0	0	172,836,349	0	172,836,349
Receivables	65,891,719	64,687,883	15,081,699	79,769,582	1,399,676	857,186	2,256,862	1,179,991	842,716	149,940,870
Receivables arising out of primary insurance business	60,539,206	57,802,959	8,590,216	66,393,175	897,128	677,557	1,574,685	37,657	0	128,544,723
Receivables arising out of reinsurance and co-insurance business	5,125,596	3,002,694	944,338	3,947,032	1,006	3,531	4,537	0	0	9,077,165
Current tax assets	0	18,581	220,043	238,624	88,879	1,683	90,562	1,332	0	330,518
Other receivables	226,917	3,863,649	5,327,102	9,190,751	412,663	174,415	587,078	1,141,002	842,716	11,988,464
Deferred acquisition costs	5,288,004	12,460,262	4,556,330	17,016,592	182,641	85,504	268,145	0	0	22,572,741
Other assets	746,808	1,462,435	898,809	2,361,244	379,729	100,254	479,983	468,238	324,114	4,380,387
Cash and cash equivalents	28,806,817	19,847,044	9,494,476	29,341,520	20,106,442	1,712,756	21,819,198	7,816,157	863,986	88,647,678
Non-current assets held for sale	0	310,969	459,575	770,544	0	0	0	0	0	770,544

*Statement of financial position items by operating segment*

Sava Insurance Group 31 December 2021	Reinsurance	Non-life			Life			Pensions and AM	Other	Total
		Slovenia	International	Total	Slovenia	International	Total			
<b>EQUITY AND LIABILITIES</b>	<b>393,961,667</b>	<b>664,179,708</b>	<b>156,379,206</b>	<b>820,558,914</b>	<b>1,065,381,650</b>	<b>46,781,050</b>	<b>1,112,162,699</b>	<b>225,318,988</b>	<b>106,320,085</b>	<b>2,658,322,359</b>
<b>Subordinated liabilities</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>74,863,524</b>	<b>74,863,524</b>
<b>Technical provisions</b>	<b>226,015,867</b>	<b>449,275,943</b>	<b>100,615,847</b>	<b>549,891,790</b>	<b>416,324,878</b>	<b>31,220,556</b>	<b>447,545,434</b>	<b>14,047,026</b>	<b>0</b>	<b>1,237,500,117</b>
Unearned premiums	27,169,894	140,791,194	37,832,354	178,623,548	823,015	405,995	1,229,010	0	0	207,022,452
Mathematical provisions	0	0	0	0	399,577,869	29,953,695	429,531,564	14,045,715	0	443,577,279
Provision for outstanding claims	198,362,627	303,333,536	60,231,263	363,564,799	15,923,994	860,866	16,784,860	1,311	0	578,713,597
Other technical provisions	483,346	5,151,213	2,552,230	7,703,443	0	0	0	0	0	8,186,789
<b>Technical provisions for the benefit of life insurance policyholders who bear the investment risk</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>523,134,539</b>	<b>1,048,799</b>	<b>524,183,338</b>	<b>0</b>	<b>0</b>	<b>524,183,338</b>
<b>Other provisions</b>	<b>421,865</b>	<b>5,678,863</b>	<b>1,021,274</b>	<b>6,700,137</b>	<b>1,370,287</b>	<b>9,949</b>	<b>1,380,236</b>	<b>449,402</b>	<b>66,466</b>	<b>9,018,106</b>
<b>Deferred tax liabilities</b>	<b>76,227</b>	<b>3,119,986</b>	<b>133,758</b>	<b>3,253,744</b>	<b>7,206,457</b>	<b>91,047</b>	<b>7,297,504</b>	<b>759,920</b>	<b>0</b>	<b>11,387,395</b>
<b>Investment contract liabilities</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>172,660,266</b>	<b>0</b>	<b>172,660,266</b>
<b>Other financial liabilities</b>	<b>0</b>	<b>0</b>	<b>584,172</b>	<b>584,172</b>	<b>0</b>	<b>259</b>	<b>259</b>	<b>493</b>	<b>0</b>	<b>584,924</b>
<b>Liabilities from operating activities</b>	<b>30,836,632</b>	<b>11,100,202</b>	<b>4,157,629</b>	<b>15,257,831</b>	<b>7,730,272</b>	<b>498,458</b>	<b>8,228,730</b>	<b>362,392</b>	<b>97,794</b>	<b>54,783,379</b>
Liabilities from primary insurance business	23,849,071	7,148,115	2,575,844	9,723,959	7,654,233	442,356	8,096,589	0	0	41,669,619
Liabilities from reinsurance and co-insurance business	6,592,809	2,046,399	1,375,017	3,421,416	76,039	18,812	94,851	0	0	10,109,076
Current income tax liabilities	394,752	1,905,688	206,768	2,112,456	0	37,290	37,290	362,392	97,794	3,004,684
<b>Lease liability</b>	<b>191,824</b>	<b>2,826,494</b>	<b>3,925,946</b>	<b>6,752,440</b>	<b>0</b>	<b>30,900</b>	<b>30,900</b>	<b>216,243</b>	<b>32,731</b>	<b>7,224,138</b>
<b>Other liabilities</b>	<b>7,072,154</b>	<b>39,446,744</b>	<b>6,117,494</b>	<b>45,564,238</b>	<b>4,298,488</b>	<b>725,932</b>	<b>5,024,420</b>	<b>1,841,264</b>	<b>2,538,078</b>	<b>62,040,154</b>
<b>Shareholders' equity</b>										<b>504,077,018</b>
<b>Equity attributable to owners of the controlling company</b>										<b>503,709,720</b>
<b>Non-controlling interests in equity</b>										<b>367,298</b>



*Income statement by operating segment*

Sava Insurance Group EUR 1–9/2022	Reinsurance	Non-life			Life			Pensions and AM	Other	Total
		Slovenia	International	Total	Slovenia	International	Total			
<b>Net premiums earned</b>	<b>82,920,217</b>	<b>246,577,935</b>	<b>57,249,475</b>	<b>303,827,410</b>	<b>122,556,171</b>	<b>8,758,329</b>	<b>131,314,500</b>	<b>2,662,936</b>	<b>0</b>	<b>520,725,063</b>
Gross premiums written	98,131,207	302,742,421	73,031,874	375,774,295	122,917,985	8,842,568	131,760,553	2,662,936	0	608,328,991
Written premiums ceded to reinsurers and co-insurers	-7,886,372	-27,698,745	-9,656,774	-37,355,519	-291,006	-42,458	-333,464	0	0	-45,575,355
Change in gross unearned premiums	-9,445,894	-32,478,501	-7,358,698	-39,837,199	15,457	-29,502	-14,045	0	0	-49,297,138
Change in unearned premiums, reinsurers' and co-insurers' shares	2,121,276	4,012,760	1,233,073	5,245,833	-86,265	-12,279	-98,544	0	0	7,268,565
<b>Income from investments in subsidiaries and associates</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,184,085</b>	<b>1,184,085</b>
Profit from investments in equity-accounted associate companies	0	0	0	0	0	0	0	0	1,184,085	1,184,085
<b>Investment income</b>	<b>7,981,331</b>	<b>4,434,135</b>	<b>1,549,062</b>	<b>5,983,196</b>	<b>10,533,647</b>	<b>836,143</b>	<b>11,369,791</b>	<b>734,264</b>	<b>994,000</b>	<b>27,062,582</b>
Interest income	1,533,004	1,599,950	1,455,398	3,055,348	6,134,463	818,863	6,953,326	452,277	0	11,993,955
Other investment income	6,448,327	2,834,184	93,664	2,927,848	4,399,184	17,281	4,416,465	281,987	994,000	15,068,627
<b>Other technical income</b>	<b>672,970</b>	<b>6,542,428</b>	<b>4,362,210</b>	<b>10,904,638</b>	<b>3,348,545</b>	<b>82,782</b>	<b>3,431,327</b>	<b>151,565</b>	<b>0</b>	<b>15,160,499</b>
Commission income	642,771	3,919,754	2,861,790	6,781,544	5,325	6,436	11,761	0	0	7,436,075
Other technical income	30,199	2,622,674	1,500,420	4,123,094	3,343,220	76,346	3,419,566	151,565	0	7,724,424
<b>Other income</b>	<b>766,829</b>	<b>2,261,314</b>	<b>1,652,810</b>	<b>3,914,124</b>	<b>534,504</b>	<b>60,115</b>	<b>594,619</b>	<b>13,611,804</b>	<b>3,182,385</b>	<b>22,069,761</b>
<b>Net claims incurred</b>	<b>-64,837,670</b>	<b>-141,425,226</b>	<b>-28,684,502</b>	<b>-170,109,728</b>	<b>-82,895,012</b>	<b>-3,572,529</b>	<b>-86,467,541</b>	<b>-1,188,597</b>	<b>0</b>	<b>-322,603,536</b>
Gross claims payments, net of income from recourse receivables	-58,184,243	-167,403,411	-28,336,344	-195,739,755	-84,098,087	-3,543,537	-87,641,624	-1,187,897	0	-342,753,519
Reinsurers' and co-insurers' shares	8,699,593	17,239,182	2,567,034	19,806,215	66,011	-171	65,840	0	0	28,571,649
Change in the gross provision for outstanding claims	-10,506,952	2,342,632	-2,882,656	-540,024	981,514	-28,821	952,693	-700	0	-10,094,983
Change in the provision for outstanding claims, reinsurers' and co-insurers' shares	-4,846,068	6,396,371	-32,535	6,363,836	155,549	0	155,549	0	0	1,673,317
<b>Change in other technical provisions</b>	<b>-159,859</b>	<b>-851,199</b>	<b>-616,947</b>	<b>-1,468,146</b>	<b>16,442,913</b>	<b>-1,576,984</b>	<b>14,865,929</b>	<b>-1,410,064</b>	<b>0</b>	<b>11,827,860</b>
<b>Change in technical provisions for policyholders who bear the investment risk</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>43,833,752</b>	<b>69,764</b>	<b>43,903,516</b>	<b>0</b>	<b>0</b>	<b>43,903,516</b>
<b>Expenses for bonuses and rebates</b>	<b>0</b>	<b>-19,136</b>	<b>-40,222</b>	<b>-59,358</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-59,358</b>
<b>Operating expenses</b>	<b>-21,785,470</b>	<b>-76,655,596</b>	<b>-28,076,829</b>	<b>-104,732,425</b>	<b>-24,783,131</b>	<b>-3,309,457</b>	<b>-28,092,588</b>	<b>-8,541,788</b>	<b>-2,207,785</b>	<b>-165,360,056</b>
Acquisition costs	-19,155,665	-26,319,061	-5,608,991	-31,928,052	-9,580,260	-606,306	-10,186,566	-24,731	0	-61,295,014
Change in deferred acquisition costs	1,074,342	1,859,900	1,097,402	2,957,302	75,862	16,162	92,024	0	0	4,123,668
Other operating expenses	-3,704,147	-52,196,435	-23,565,240	-75,761,675	-15,278,733	-2,719,313	-17,998,046	-8,517,057	-2,207,785	-108,188,710
<b>Expenses for financial assets and liabilities</b>	<b>-1,257,887</b>	<b>-2,230,804</b>	<b>-170,998</b>	<b>-2,401,802</b>	<b>-3,830,233</b>	<b>-106,291</b>	<b>-3,936,524</b>	<b>-1,784,610</b>	<b>-2,151,928</b>	<b>-11,532,751</b>
Impairment losses on financial assets not at fair value through profit or loss	0	0	0	0	-398,135	0	-398,135	0	0	-398,135
Interest expense	-31,826	-105,667	-105,088	-210,755	-33,074	-150	-33,224	-15,108	-2,151,928	-2,442,841
Other investment expenses	-1,226,061	-2,125,137	-65,910	-2,191,047	-3,399,024	-106,141	-3,505,165	-1,769,502	0	-8,691,775
<b>Net unrealised losses on investments of life insurance policyholders who bear the investment risk</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-71,330,586</b>	<b>-51,960</b>	<b>-71,382,546</b>	<b>0</b>	<b>0</b>	<b>-71,382,546</b>
<b>Other technical expenses</b>	<b>-294,556</b>	<b>-6,665,973</b>	<b>-3,856,569</b>	<b>-10,522,542</b>	<b>-711,054</b>	<b>-166,798</b>	<b>-877,852</b>	<b>-998,715</b>	<b>0</b>	<b>-12,693,665</b>
<b>Other expenses</b>	<b>-465,813</b>	<b>-772,224</b>	<b>-117,592</b>	<b>-889,816</b>	<b>-12,429</b>	<b>-4,528</b>	<b>-16,957</b>	<b>-66,112</b>	<b>-40</b>	<b>-1,438,738</b>
<b>Profit or loss before tax</b>	<b>3,540,092</b>	<b>31,195,654</b>	<b>3,249,897</b>	<b>34,445,550</b>	<b>13,687,088</b>	<b>1,018,586</b>	<b>14,705,674</b>	<b>3,170,683</b>	<b>1,000,717</b>	<b>56,862,716</b>
Income tax expense										-10,377,513
<b>Net profit or loss for the period</b>										<b>46,485,203</b>
<b>Net profit or loss attributable to owners of the controlling company</b>										<b>46,380,537</b>
<b>Net profit or loss attributable to non-controlling interests</b>										<b>104,666</b>

*Income statement by operating segment*

Sava Insurance Group (EUR) 1–9/2021	Reinsurance	Non-life			Life			Pensions and AM	Other	Total
		Slovenia	International	Total	Slovenia	International	Total			
<b>Net premiums earned</b>	<b>78,079,728</b>	<b>248,324,691</b>	<b>51,045,914</b>	<b>299,370,604</b>	<b>127,673,408</b>	<b>7,309,098</b>	<b>134,982,505</b>	<b>3,115,091</b>	<b>0</b>	<b>515,547,929</b>
Gross premiums written	93,163,162	284,757,285	61,659,943	346,417,228	127,961,122	7,409,029	135,370,151	3,115,091	0	578,065,632
Written premiums ceded to reinsurers and co-insurers	-7,735,501	-24,569,749	-7,807,742	-32,377,491	-321,714	-30,543	-352,257	0	0	-40,465,249
Change in gross unearned premiums	-8,335,850	-15,860,072	-3,065,661	-18,925,733	77,664	-57,905	19,759	0	0	-27,241,824
Change in unearned premiums, reinsurers' and co-insurers' shares	987,917	3,997,227	259,373	4,256,600	-43,664	-11,483	-55,148	0	0	5,189,370
<b>Income from investments in subsidiaries and associates</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>698,164</b>	<b>698,164</b>
Profit from investments in equity-accounted associate companies	0	0	0	0	0	0	0	0	698,164	698,164
<b>Investment income</b>	<b>4,700,876</b>	<b>3,820,015</b>	<b>1,574,080</b>	<b>5,394,095</b>	<b>13,437,870</b>	<b>724,792</b>	<b>14,162,662</b>	<b>605,658</b>	<b>0</b>	<b>24,863,291</b>
Interest income	1,322,067	1,729,878	1,427,804	3,157,681	6,990,573	757,271	7,747,845	407,205	0	12,634,798
Other investment income	3,378,809	2,090,138	146,276	2,236,414	6,447,296	-32,479	6,414,817	198,453	0	12,228,493
<b>Net unrealised gains on investments of life insurance policyholders who bear the investment risk</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>45,945,099</b>	<b>48,434</b>	<b>45,993,533</b>	<b>0</b>	<b>0</b>	<b>45,993,533</b>
<b>Other technical income</b>	<b>882,882</b>	<b>6,117,220</b>	<b>3,908,305</b>	<b>10,025,525</b>	<b>2,905,036</b>	<b>-53,932</b>	<b>2,851,104</b>	<b>152,927</b>	<b>0</b>	<b>13,912,435</b>
Commission income	664,889	3,471,453	2,480,130	5,951,583	0	5,646	5,646	0	0	6,622,118
Other technical income	217,993	2,645,767	1,428,175	4,073,942	2,905,036	-59,578	2,845,458	152,927	0	7,290,317
<b>Other income</b>	<b>608,838</b>	<b>2,182,440</b>	<b>1,495,761</b>	<b>3,678,201</b>	<b>263,484</b>	<b>38,832</b>	<b>302,316</b>	<b>12,293,757</b>	<b>2,420,276</b>	<b>19,303,388</b>
<b>Net claims incurred</b>	<b>-61,104,893</b>	<b>-132,647,899</b>	<b>-25,092,559</b>	<b>-157,740,458</b>	<b>-87,856,198</b>	<b>-2,900,583</b>	<b>-90,756,781</b>	<b>-923,965</b>	<b>0</b>	<b>-310,526,097</b>
Gross claims payments, net of income from recourse receivables	-36,894,170	-130,171,783	-28,842,419	-159,014,202	-88,667,735	-3,039,356	-91,707,091	-923,373	0	-288,538,835
Reinsurers' and co-insurers' shares	679,907	3,559,717	2,456,279	6,015,996	73,085	1,314	74,399	0	0	6,770,302
Change in the gross provision for outstanding claims	-36,742,739	-5,183,734	709,240	-4,474,494	564,592	166,739	731,331	-592	0	-40,486,494
Change in the provision for outstanding claims, reinsurers' and co-insurers' shares	11,852,109	-852,099	584,340	-267,759	173,860	-29,280	144,579	0	0	11,728,930
<b>Change in other technical provisions</b>	<b>401,285</b>	<b>1,248,533</b>	<b>138,027</b>	<b>1,386,560</b>	<b>18,561,319</b>	<b>-1,729,205</b>	<b>16,832,114</b>	<b>-2,133,116</b>	<b>0</b>	<b>16,486,843</b>
<b>Change in technical provisions for policyholders who bear the investment risk</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-80,606,603</b>	<b>-54,431</b>	<b>-80,661,034</b>	<b>0</b>	<b>0</b>	<b>-80,661,034</b>
<b>Expenses for bonuses and rebates</b>	<b>0</b>	<b>-292,957</b>	<b>-74,296</b>	<b>-367,253</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-367,253</b>
<b>Operating expenses</b>	<b>-21,895,897</b>	<b>-73,712,461</b>	<b>-25,879,524</b>	<b>-99,591,985</b>	<b>-24,285,813</b>	<b>-2,776,902</b>	<b>-27,062,715</b>	<b>-7,733,628</b>	<b>-1,662,065</b>	<b>-157,946,290</b>
Acquisition costs	-19,907,199	-26,580,817	-4,655,574	-31,236,391	-8,728,071	-388,567	-9,116,638	-23,579	0	-60,283,807
Change in deferred acquisition costs	1,042,765	-641,695	455,829	-185,866	-325,267	16,866	-308,401	0	0	548,498
Other operating expenses	-3,031,463	-46,489,949	-21,679,779	-68,169,728	-15,232,475	-2,405,201	-17,637,676	-7,710,049	-1,662,065	-98,210,981
<b>Expenses for financial assets and liabilities</b>	<b>-194,814</b>	<b>-331,364</b>	<b>-135,200</b>	<b>-466,564</b>	<b>-1,296,196</b>	<b>-24,102</b>	<b>-1,320,298</b>	<b>-195,745</b>	<b>-2,150,054</b>	<b>-4,327,474</b>
Impairment losses on financial assets not at fair value through profit or loss	0	-13,246	0	-13,246	-134,466	0	-134,466	0	0	-147,712
Interest expense	-16,707	-51,417	-117,028	-168,445	-4,169	-568	-4,737	-1,541	-2,150,054	-2,341,484
<b>Other investment expenses</b>	<b>-178,107</b>	<b>-266,701</b>	<b>-18,172</b>	<b>-284,873</b>	<b>-1,157,561</b>	<b>-23,534</b>	<b>-1,181,095</b>	<b>-194,204</b>	<b>0</b>	<b>-1,838,278</b>
<b>Other technical expenses</b>	<b>-230,372</b>	<b>-5,565,233</b>	<b>-3,793,814</b>	<b>-9,359,047</b>	<b>-819,756</b>	<b>-102,738</b>	<b>-922,494</b>	<b>-565,890</b>	<b>0</b>	<b>-11,077,802</b>
<b>Other expenses</b>	<b>-313,388</b>	<b>-668,370</b>	<b>-274,233</b>	<b>-942,603</b>	<b>-3,746</b>	<b>-2,644</b>	<b>-6,390</b>	<b>-55,300</b>	<b>-458</b>	<b>-1,318,138</b>
<b>Profit or loss before tax</b>	<b>934,245</b>	<b>48,474,616</b>	<b>2,912,461</b>	<b>51,387,076</b>	<b>13,917,903</b>	<b>476,619</b>	<b>14,394,521</b>	<b>4,559,789</b>	<b>-694,137</b>	<b>70,581,495</b>
Income tax expense										-13,347,871
<b>Net profit or loss for the period</b>										<b>57,233,624</b>
<b>Net profit or loss attributable to owners of the controlling company</b>										<b>57,168,303</b>
<b>Net profit or loss attributable to non-controlling interests</b>										<b>65,320</b>

*Inter-segment business*

EUR	Reinsurance		Non-life		Life		Pensions		Other	
	1-9/2022	1-9/2021	1-9/2022	1-9/2021	1-9/2022	1-9/2021	1-9/2022	1-9/2021	1-9/2022	1-9/2021
Gross premiums written	65,460,787	30,339,527	184,733	120,466	-1,109,529	-1,006,287	1,109,529	1,006,287	0	0
Net premiums earned	57,563,947	21,250,353	-56,847,263	-21,049,144	-1,747,040	-1,170,446	1,109,529	1,006,287	0	0
Gross claims paid	-46,256,985	-9,828,252	-137,411	-137,411	0	0	0	0	0	0
Net claims incurred	-46,607,732	-9,670,028	46,089,062	7,927,964	380,657	361,914	0	0	0	0
Operating expenses	-14,336,679	-5,518,948	-1,688,429	-378,673	-638,887	-233,409	-40,705	-16,791	-692,321	-218,874
Investment income	41,244	14,783	0	0	3,795	0	2,107	1,585	0	0
Other technical income	294,529	96,713	158,896	44,877	502,103	166,019	0	0	1,128,955	339,834
Other income	897	299	196,400	8,195	23,846	0	0	0	2,105,627	1,818,039

## 13.8 Notes to significant changes in the statement of financial position

### 13.8.1 Property, plant and equipment

*Movement in cost and accumulated depreciation / impairment losses of property, plant and equipment assets*

EUR	Land	Buildings	Equipment	Other items of property, plant and equipment	Property, plant and equipment in progress	Total
<b>Cost</b>						
1 January 2022	5,578,484	56,069,050	25,704,990	589,920	9,460,484	97,402,928
Additions	0	30,859	1,022,626	213,018	18,706,097	19,972,600
Reclassification	-19,838	-804,590	16,325	2,725	0	-805,378
Transfer to use	0	384,392	1,467,314	0	-1,851,706	0
Disposals	0	0	-1,282,692	-265,405	0	-1,548,097
Reductions – subsidiaries – disposal	-5,376	0	0	0	0	-5,376
Exchange differences	-465	7,437	3,050	108	2	10,130
30 September 2022	5,552,805	55,687,148	26,931,613	540,366	26,314,877	115,026,807
<b>Accumulated depreciation and impairment losses</b>						
1 January 2022	0	22,100,341	18,779,149	186,263	0	41,065,753
Additions	0	788,611	2,278,089	25,976	0	3,092,676
Reclassification	0	-278,351	16,093	2,589	0	-259,669
Disposals	0	0	-1,154,239	-12,641	0	-1,166,880
Exchange differences	0	2,569	2,125	2	0	4,696
30 September 2022	0	22,613,170	19,921,217	202,189	0	42,736,576
<b>Carrying amount as at 1 January 2022</b>	<b>5,578,484</b>	<b>33,968,709</b>	<b>6,925,841</b>	<b>403,657</b>	<b>9,460,484</b>	<b>56,337,174</b>
<b>Carrying amount as at 30 September 2022</b>	<b>5,552,804</b>	<b>33,073,978</b>	<b>7,010,397</b>	<b>338,176</b>	<b>26,314,876</b>	<b>72,290,232</b>

Property, plant and equipment in progress relate to the construction of a new office building for Zavarovalnica Sava.

### 13.8.2 Deferred tax assets and liabilities

Deferred tax assets increased by EUR 22.3 million to EUR 27,805,782 in the period (31 December 2021: EUR 5,487,403). In the same period, deferred tax liabilities decreased by EUR 7.5 million to EUR 3,853,949 (31 December 2021: EUR 11,387,395). The drop in the prices of available-for-sale debt securities and the resulting decline in the fair value reserve is the main reason for the change in deferred tax assets and liabilities.

### 13.8.3 Financial investments

As at 30 September 2022, financial investments totalled EUR 1,298.4 million, down by EUR 174.3 million on year-end 2021. Compared to the end of the previous year, there was a decrease in assets classified as “available for sale” and “at fair value through profit or loss” due to revaluation effects. The value of assets classified as “held to maturity” and “loans and receivables” increased.

EUR	Held-to-maturity	FVTPL	Available for sale	Loans and receivables	Total
		Non-derivative			
		Designated to this category			
30 September 2022					
Debt instruments	47,912,513	21,201,551	1,082,360,906	19,803,353	1,171,278,323
Deposits and CDs	0	0	0	18,287,038	18,287,038
Government bonds	36,422,559	438,156	674,738,228	0	711,598,943
Corporate bonds	11,489,954	20,763,395	407,622,678	0	439,876,027
Loans granted	0	0	0	1,516,315	1,516,315
Equity instruments	0	3,630,318	40,779,172	0	44,409,490
Shares	0	220,312	21,939,347	0	22,159,659
Mutual funds	0	3,410,006	18,839,825	0	22,249,831
Investments in infrastructure funds	0	0	54,219,081	0	54,219,081
Investments in real-estate funds	0	0	17,737,912	0	17,737,912
Financial investments of reinsurers i.r.o. reinsurance contracts with cedants	0	0	0	10,763,476	10,763,476
Total	47,912,513	24,831,869	1,195,097,071	30,566,829	1,298,408,282

EUR	Held-to-maturity	FVTPL	Available for sale	Loans and receivables	Total
		Non-derivative			
		Designated to this category			
31 December 2021					
Debt instruments	40,023,124	29,300,362	1,241,312,597	20,236,235	1,330,872,318
Deposits and CDs	0	0	0	18,561,697	18,561,697
Government bonds	28,338,756	1,613,883	688,547,341	0	718,499,980
Corporate bonds	11,684,368	27,686,479	552,765,256	0	592,136,103
Loans granted	0	0	0	1,674,538	1,674,538
Equity instruments	0	5,085,712	66,741,051	0	71,826,763
Shares	0	258,154	35,707,531	0	35,965,685
Mutual funds	0	4,827,558	31,033,520	0	35,861,078
Investments in infrastructure funds	0	0	44,532,966	0	44,532,966
Investments in real-estate funds	0	0	15,846,059	0	15,846,059
Financial investments of reinsurers i.r.o. reinsurance contracts with cedants	0	0	0	9,610,337	9,610,337
Total	40,023,124	34,386,074	1,368,432,673	29,846,572	1,472,688,443

### 13.8.4 Assets held for the benefit of policyholders who bear the investment risk

#### *Assets held for the benefit of policyholders who bear the investment risk*

Assets held for the benefit of policyholders who bear the investment risk				
EUR	Held to maturity	FVTPL	Available for sale	Total
		Non-derivative		
		Designated to this category		
30 September 2022				
Debt instruments	2,396,541	1,067,533	50,769,619	54,233,693
Government bonds	504,292	0	31,801,112	32,305,404
Corporate bonds	1,892,249	1,067,533	18,968,507	21,928,289
Equity instruments	0	412,627,350	1,652,132	414,279,482
Mutual funds	0	412,627,350	1,652,132	414,279,482
Total	2,396,541	413,694,883	52,421,751	468,513,175

EUR	Held to maturity	FVTPL	Available for sale	Loans and receivables	Total
		Non-derivative			
		Designated to this category			
31 December 2021					
Debt instruments	4,078,892	1,338,186	60,882,191	2,008,600	68,307,868
Deposits and CDs	0	0	0	2,008,600	2,008,600
Government bonds	513,310	0	35,488,138	0	36,001,448
Corporate bonds	3,565,582	1,338,186	25,394,053	0	30,297,820
Equity instruments	0	447,154,643	1,977,081	0	449,131,723
Mutual funds	0	447,154,643	1,977,081	0	449,131,723
Total	4,078,892	448,492,829	62,859,271	2,008,600	517,439,592

## 13.8.5 Reinsurers' share of technical provisions

EUR	30 September 2022	31 December 2021
From unearned premiums	17,457,060	8,788,390
From provisions for claims outstanding	50,668,945	48,937,470
From other technical provisions	62,802	41,196
<b>Total</b>	<b>68,188,807</b>	<b>57,767,056</b>

The reinsurers' and co-insurers' share of technical provisions increased by EUR 10.4 million, or 18.0%. In addition, unearned premiums increased by EUR 8.7 million as the result of underwriting dynamics. Claims provisions also grew, fastest in the Slovenian non-life segment (by EUR 15.9 million), as the result of a major individual claim of a Group cedant, which will be largely born by retrocessionaires. In the reinsurance segment, however, they declined because of payouts from previously established provisions.

## 13.8.6 Receivables

Receivables rose by EUR 41.8 million compared to year-end 2021, mainly due to higher receivables due by policyholders (by EUR 29.0 million), while not-past-due receivables rose by EUR 31.4 million. Receivable increased due to the renewal of most annual non-life (re)insurance contracts with major policyholders (legal entities or cedants) and the timing of making estimates for reinsurance business.

*Receivables by type*

EUR	30 September 2022			31 December 2021		
	Gross amount	Allowance	Receivables	Gross amount	Allowance	Receivables
Receivables due from policyholders	175,156,754	-19,606,813	155,549,941	146,939,903	-20,410,622	126,529,281
Receivables due from insurance intermediaries	3,403,501	-865,136	2,538,365	2,412,729	-871,452	1,541,277
Other receivables arising out of primary insurance business	1,522,297	-135,827	1,386,470	621,026	-146,861	474,165
<b>Receivables arising out of primary insurance business</b>	<b>180,082,552</b>	<b>-20,607,776</b>	<b>159,474,776</b>	<b>149,973,658</b>	<b>-21,428,935</b>	<b>128,544,723</b>
Receivables for shares in claims	14,308,886	-227,527	14,081,359	7,993,897	-227,525	7,766,372
Other receivables arising out of co-insurance and reinsurance business	1,466,972	0	1,466,972	1,310,793	0	1,310,793
<b>Receivables arising out of reinsurance and co-insurance business</b>	<b>15,775,858</b>	<b>-227,527</b>	<b>15,548,331</b>	<b>9,304,690</b>	<b>-227,525</b>	<b>9,077,165</b>
<b>Current tax assets</b>	<b>2,900,520</b>	<b>0</b>	<b>2,900,520</b>	<b>330,518</b>	<b>0</b>	<b>330,518</b>
Other short-term receivables arising out of insurance business	16,022,508	-13,107,785	2,914,723	17,365,268	-14,129,963	3,235,305
Receivables arising out of investments	446,613	-167,230	279,383	440,212	-167,108	273,104
Other receivables	12,950,899	-2,324,520	10,626,379	10,846,117	-2,366,062	8,480,055
<b>Other receivables</b>	<b>29,420,020</b>	<b>-15,599,535</b>	<b>13,820,485</b>	<b>28,651,597</b>	<b>-16,663,133</b>	<b>11,988,464</b>
<b>Total</b>	<b>228,178,950</b>	<b>-36,434,838</b>	<b>191,744,112</b>	<b>188,260,463</b>	<b>-38,319,593</b>	<b>149,940,870</b>

*Movements in allowance for receivables*

EUR	1 January 2022	Additions	Collection	Write-offs	Exchange differences	30 September 2022
<b>30 September 2022</b>						
Receivables due from policyholders	-20,410,622	-1,420,569	436,753	1,827,936	-40,311	-19,606,813
Receivables due from insurance intermediaries	-871,452	-53,885	56,719	4,297	-815	-865,136
Other receivables arising out of primary insurance business	-146,861	-52	11,195	0	-109	-135,827
<b>Receivables arising out of primary insurance business</b>	<b>-21,428,935</b>	<b>-1,474,506</b>	<b>504,667</b>	<b>1,832,233</b>	<b>-41,235</b>	<b>-20,607,776</b>
Receivables for shares in claims	-227,525	0	0	0	-2	-227,527
<b>Receivables arising out of reinsurance and co-insurance business</b>	<b>-227,525</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-2</b>	<b>-227,527</b>
<b>Current tax assets</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Other short-term receivables arising out of insurance business	-14,129,963	-952	275,802	748,635	-1,307	-13,107,785
Receivables arising out of investments	-167,108	0	0	0	-122	-167,230
Other short-term receivables	-2,366,062	-30,208	73,385	0	-1,635	-2,324,520
<b>Other receivables</b>	<b>-16,663,133</b>	<b>-31,160</b>	<b>349,187</b>	<b>748,635</b>	<b>-3,064</b>	<b>-15,599,535</b>
<b>Total</b>	<b>-38,319,593</b>	<b>-1,505,666</b>	<b>853,854</b>	<b>2,580,868</b>	<b>-44,301</b>	<b>-36,434,838</b>

*Receivables ageing analysis*

EUR	Not past due	Past due up to 180 days	Past due from 181 days to 1 year	Past due over 1 year	Total
<b>30 September 2022</b>					
Receivables due from policyholders	124,296,197	25,454,743	3,351,573	2,447,428	155,549,941
Receivables due from insurance intermediaries	851,890	1,681,904	3,476	1,095	2,538,365
Other receivables arising out of primary insurance business	150,104	958,010	205,217	73,139	1,386,470
<b>Receivables arising out of primary insurance business</b>	<b>125,298,191</b>	<b>28,094,657</b>	<b>3,560,266</b>	<b>2,521,662</b>	<b>159,474,776</b>
Receivables for reinsurers' shares in claims	10,452,379	3,097,922	84,662	446,396	14,081,359
Other receivables arising out of co-insurance and reinsurance business	1,286,449	150,412	16,218	13,893	1,466,972
<b>Receivables arising out of reinsurance and co-insurance business</b>	<b>11,738,828</b>	<b>3,248,334</b>	<b>100,880</b>	<b>460,289</b>	<b>15,548,331</b>
<b>Current tax assets</b>	<b>2,900,520</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2,900,520</b>
Other short-term receivables arising out of insurance business	1,111,642	490,833	308,501	1,003,747	2,914,723
Short-term receivables arising out of financing	254,498	6,256	0	18,629	279,383
Other short-term receivables	7,749,147	2,783,285	75,755	18,192	10,626,379
<b>Other receivables</b>	<b>9,115,287</b>	<b>3,280,374</b>	<b>384,256</b>	<b>1,040,568</b>	<b>13,820,485</b>
<b>Total</b>	<b>149,052,826</b>	<b>34,623,365</b>	<b>4,045,402</b>	<b>4,022,519</b>	<b>191,744,112</b>

EUR	Not past due	Past due up to 180 days	Past due from 181 days to 1 year	Past due over 1 year	Total
<b>31 December 2021</b>					
Receivables due from policyholders	98,895,556	22,197,060	2,829,707	2,606,958	126,529,281
Receivables due from insurance intermediaries	713,272	816,404	11,601	0	1,541,277
Other receivables arising out of primary insurance business	129,697	269,177	38,540	36,751	474,165
<b>Receivables arising out of primary insurance business</b>	<b>99,738,525</b>	<b>23,282,641</b>	<b>2,879,848</b>	<b>2,643,709</b>	<b>128,544,723</b>
Receivables for reinsurers' shares in claims	7,144,678	145,244	77,148	399,302	7,766,372
Other receivables arising out of co-insurance and reinsurance business	1,292,332	3,616	14,845	0	1,310,793
<b>Receivables arising out of reinsurance and co-insurance business</b>	<b>8,437,010</b>	<b>148,860</b>	<b>91,993</b>	<b>399,302</b>	<b>9,077,165</b>
<b>Current tax assets</b>	<b>330,518</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>330,518</b>
Other short-term receivables arising out of insurance business	1,165,644	650,917	353,473	1,065,271	3,235,305
Short-term receivables arising out of financing	248,083	2,313	3,555	19,153	273,104
Other short-term receivables	7,766,242	665,100	14,866	33,847	8,480,055
<b>Other receivables</b>	<b>9,179,969</b>	<b>1,318,330</b>	<b>371,894</b>	<b>1,118,271</b>	<b>11,988,464</b>
<b>Total</b>	<b>117,686,022</b>	<b>24,749,831</b>	<b>3,343,735</b>	<b>4,161,282</b>	<b>149,940,870</b>

## 13.8.7 Cash and cash equivalents

EUR	30 September 2022	31 December 2021
Cash in hand	20,894	16,632
Cash in bank accounts	68,566,306	54,118,887
Cash equivalents	33,327,437	34,512,159
<b>Total</b>	<b>101,914,637</b>	<b>88,647,678</b>

Compared to year-end 2021, the balance of cash and cash equivalents increased by EUR 13.3 million. The main reason for the increase in cash and cash equivalents compared to the year end is matured bonds sold but not reinvested by the reporting date.

## 13.8.8 Shareholders' equity

Shareholders' equity decreased by 21.3%, or EUR 107.3 million, compared to year-end 2021. This decline in shareholders' equity was mainly due to the fair value reserve and the dividend payout.

## 13.8.8.1 Fair value reserve

EUR	2022	2021
<b>As at 1 January</b>	<b>21,246,888</b>	<b>40,173,090</b>
Change in fair value	-157,196,851	-18,093,438
Transfer from fair value reserve to the IS due to disposal	-3,705,428	-5,105,275
Deferred tax	29,550,704	4,212,833
Other reclassifications	0	59,678
<b>Total fair value reserve</b>	<b>-110,104,687</b>	<b>21,246,888</b>

## 13.8.8.2 Retained earnings

Retained earnings increased by EUR 26.4 million compared to year-end 2021, because of the net effect of the transfer of net profit of EUR 49.6 and the dividend payout of EUR 23.2.

## 13.8.9 Earnings or loss per share

The weighted average number of shares outstanding in the financial period was 15,497,696. As at 30 September 2022, the parent company held 1,721,966 own shares, which are subtracted when calculating the weighted average number of shares.

*Earnings or loss per share*

EUR	1-9/2022	1-9/2021
Net profit or loss for the period	46,485,203	57,233,624
Net profit or loss for the period attributable to owners of the controlling company	46,380,537	57,168,303
Weighted average number of shares	15,497,696	15,497,696
<b>Earnings or loss per share</b>	<b>2.99</b>	<b>3.69</b>

*Comprehensive income per share*

EUR	1-9/2022	1-9/2021
Comprehensive income for the period	-83,963,191	46,456,391
Comprehensive income for the period attributable to owners of the controlling company	-84,061,639	46,392,170
Weighted average number of shares	15,497,696	15,497,696
<b>Comprehensive income per share</b>	<b>-5.42</b>	<b>2.99</b>



### 13.8.10 Technical provisions and technical provisions for the benefit of life insurance policyholders who bear the investment risk

Technical provisions increased by EUR 50.2 million, or 4.1%, compared to 31 December 2021.

- The highest increase was in gross unearned premiums, up by EUR 50.7 million, or 24.5%, in line with the underwriting dynamics and also with the growth in non-life insurance premiums.
- Claims provisions grew by EUR 11.2 million, or 1.9%, chiefly due to inflation adjustments, individual large claims, summer weather-related losses on the Slovenian portfolio, unfavourable exchange rate movements and some major storms that hit the inwards reinsurance portfolio in the third quarter.
- The technical provisions for life insurance business (mathematical provisions for traditional life insurance) decreased by EUR 13.5 million, or 3.0%, due to the payouts for policy maturities in the Slovenian part of the portfolio.

Gross provisions for unit-linked business decreased by EUR 44.3 million, reflecting lower fund unit prices due to the trends in financial markets.

#### Movements in gross technical provisions

EUR	1 January 2022	Additions	Uses	Reversals	Exchange differences	30 September 2022
Gross unearned premiums	207,022,452	287,772,614	-237,383,722	-70,834	365,546	257,706,056
Technical provisions for life insurance business	443,577,279	31,635,500	-44,197,133	-914,892	12,062	430,112,816
Gross provision for outstanding claims	578,713,597	230,633,588	-99,576,644	-124,673,229	4,859,606	589,956,918
Gross provision for bonuses, rebates and cancellations	1,530,854	1,292,258	-1,263,668	0	101	1,559,545
Other gross technical provisions	6,655,935	6,800,871	-5,118,127	-12,554	1,770	8,327,895
<b>Total</b>	<b>1,237,500,117</b>	<b>558,134,831</b>	<b>-387,539,294</b>	<b>-125,671,509</b>	<b>5,239,085</b>	<b>1,287,663,230</b>
Net technical provision for the benefit of life insurance policyholders who bear the investment risk	524,183,338	20,473,616	-63,722,575	-1,049,819	0	479,884,560

### 13.8.11 Liabilities from operating activities

Liabilities from operating activities rose by EUR 5.9 million compared to year-end 2021. The largest increases are in liabilities to policyholders, up by EUR 2.9 million, and reinsurance and co-insurance liabilities, up by EUR 3.1 million, due to the renewal of annual reinsurance contracts.

EUR	30 September 2022	31 December 2021
Liabilities to policyholders	16,874,560	13,902,460
Liabilities to insurance intermediaries	3,985,998	5,078,410
Other liabilities from primary insurance business	24,588,229	22,688,749
<b>Liabilities from primary insurance business</b>	<b>45,448,787</b>	<b>41,669,619</b>
Liabilities for reinsurance and co-insurance premiums	13,190,306	9,958,801
Liabilities for shares in reinsurance claims	53,396	116,011
Other liabilities from reinsurance and co-insurance business	0	34,264
<b>Liabilities from reinsurance and co-insurance business</b>	<b>13,243,702</b>	<b>10,109,076</b>
<b>Current income tax liabilities</b>	<b>1,993,986</b>	<b>3,004,684</b>
<b>Total</b>	<b>60,686,475</b>	<b>54,783,379</b>

EUR 30 September 2022	Contractual maturity		
	From 1 to 5 years	Up to 1 year	Total
Liabilities to policyholders	1,386,397	15,488,163	16,874,560
Liabilities to insurance intermediaries	0	3,985,998	3,985,998
Other liabilities from primary insurance business	430,580	24,157,649	24,588,229
<b>Liabilities from primary insurance business</b>	<b>1,816,977</b>	<b>43,631,810</b>	<b>45,448,787</b>
Liabilities for reinsurance and co-insurance premiums	15,960	13,174,346	13,190,306
Liabilities for shares in reinsurance claims	0	53,396	53,396
<b>Liabilities from reinsurance and co-insurance business</b>	<b>15,960</b>	<b>13,227,742</b>	<b>13,243,702</b>
<b>Current income tax liabilities</b>	<b>0</b>	<b>1,993,986</b>	<b>1,993,986</b>
<b>Total</b>	<b>1,832,937</b>	<b>58,853,538</b>	<b>60,686,475</b>

EUR 31 December 2021	Contractual maturity		
	From 1 to 5 years	Up to 1 year	Total
Liabilities to policyholders	1,295,018	12,607,442	13,902,460
Liabilities to insurance intermediaries	0	5,078,410	5,078,410
Other liabilities from primary insurance business	408,355	22,280,394	22,688,749
<b>Liabilities from primary insurance business</b>	<b>1,703,373</b>	<b>39,966,246</b>	<b>41,669,619</b>
Liabilities for reinsurance and co-insurance premiums	158	9,958,643	9,958,801
Liabilities for shares in reinsurance claims	0	116,011	116,011
Other liabilities from reinsurance and co-insurance business	0	34,264	34,264
<b>Liabilities from reinsurance and co-insurance business</b>	<b>158</b>	<b>10,108,918</b>	<b>10,109,076</b>
<b>Current income tax liabilities</b>	<b>0</b>	<b>3,004,684</b>	<b>3,004,684</b>
<b>Total</b>	<b>1,703,531</b>	<b>53,079,848</b>	<b>54,783,379</b>

### 13.8.12 Other liabilities

#### *Other liabilities by maturity*

EUR 30 September 2022	Contractual maturity		
	Over 1 year	Up to 1 year	Total
Other liabilities	291,173	30,336,000	30,627,174
Short-term provisions (deferred income and accrued expenses)	0	24,290,359	24,290,359
<b>Total</b>	<b>291,173</b>	<b>54,626,359</b>	<b>54,917,533</b>

EUR 31 December 2021	Contractual maturity		
	Over 1 year	Up to 1 year	Total
Other liabilities	447,147	29,363,572	29,810,719
Short-term provisions (deferred income and accrued expenses)	0	32,229,435	32,229,435
<b>Total</b>	<b>447,147</b>	<b>61,593,007</b>	<b>62,040,154</b>

#### *Other liabilities*

EUR	30 September 2022	31 December 2021
Short-term liabilities due to employees	3,883,917	3,787,253
Diverse other short-term liabilities for insurance business	5,406,578	4,827,142
Short-term trade liabilities	13,873,416	11,590,073
Diverse other short-term liabilities	7,172,089	9,159,104
Other long-term liabilities	291,173	447,147
<b>Total</b>	<b>30,627,174</b>	<b>29,810,719</b>

*Change in short-term provisions*

EUR	1 January 2022	Additions	Uses	Reversals	Exchange differences	30 September 2022
Short-term accrued expenses	8,549,454	26,327,728	-22,019,839	-6,548	1,176	12,851,971
Other accrued costs (expenses) and deferred revenue	23,679,981	20,843,154	-33,083,789	-4,063	3,105	11,438,388
<b>Total</b>	<b>32,229,435</b>	<b>47,170,882</b>	<b>-55,103,628</b>	<b>-10,611</b>	<b>4,281</b>	<b>24,290,359</b>

## 13.8.13 Fair values of assets and liabilities

*Financial assets measured at fair value by level of the fair value hierarchy*

EUR 30 September 2022	Carrying amount	Fair value				Difference between FV and CA
		Level 1	Level 2	Level 3	Total fair value	
<b>Investments measured at fair value</b>	<b>1,219,928,940</b>	<b>1,030,167,788</b>	<b>113,623,958</b>	<b>76,137,194</b>	<b>1,219,928,940</b>	<b>0</b>
<i>FVTPL</i>	<i>24,831,869</i>	<i>9,390,367</i>	<i>14,059,541</i>	<i>1,381,961</i>	<i>24,831,869</i>	<i>0</i>
<i>Designated to this category</i>	<i>24,831,869</i>	<i>9,390,367</i>	<i>14,059,541</i>	<i>1,381,961</i>	<i>24,831,869</i>	<i>0</i>
Debt instruments	21,201,551	5,771,637	14,059,541	1,370,373	21,201,551	0
Equity instruments	3,630,318	3,618,730	0	11,588	3,630,318	0
<b>Available for sale</b>	<b>1,195,097,071</b>	<b>1,020,777,421</b>	<b>99,564,417</b>	<b>74,755,233</b>	<b>1,195,097,071</b>	<b>0</b>
Debt instruments	1,082,360,906	982,383,887	99,149,090	827,929	1,082,360,906	0
Equity instruments	40,779,172	38,393,534	415,327	1,970,311	40,779,172	0
Investments in infrastructure funds	54,219,081	0	0	54,219,081	54,219,081	0
Investments in real-estate funds	17,737,912	0	0	17,737,912	17,737,912	0
Investments for the benefit of life policyholders who bear the investment risk	466,116,634	464,167,548	1,949,086	0	466,116,634	0
<b>Investments not measured at fair value</b>	<b>78,479,342</b>	<b>33,642,517</b>	<b>7,669,889</b>	<b>34,930,380</b>	<b>76,242,785</b>	<b>-2,236,557</b>
<i>Held-to-maturity assets</i>	<i>47,912,513</i>	<i>33,642,517</i>	<i>7,669,889</i>	<i>4,363,550</i>	<i>45,675,956</i>	<i>-2,236,557</i>
Debt instruments	47,912,513	33,642,517	7,669,889	4,363,550	45,675,956	-2,236,557
<b>Loans and receivables</b>	<b>30,566,829</b>	<b>0</b>	<b>0</b>	<b>30,566,830</b>	<b>30,566,829</b>	<b>0</b>
Deposits	18,287,038	0	0	18,287,039	18,287,038	0
Loans granted	1,516,315	0	0	1,516,315	1,516,315	0
Deposits with cedants	10,763,476	0	0	10,763,476	10,763,476	0
Investments for the benefit of life policyholders who bear the investment risk	2,396,541	2,378,696	0	0	2,378,696	-17,845
<b>Total investments</b>	<b>1,298,408,282</b>	<b>1,063,810,305</b>	<b>121,293,847</b>	<b>111,067,574</b>	<b>1,296,171,725</b>	<b>-2,236,557</b>
<b>Total investments for the benefit of life policyholders who bear the investment risk</b>	<b>468,513,175</b>	<b>466,546,244</b>	<b>1,949,086</b>	<b>0</b>	<b>468,495,330</b>	<b>-17,845</b>

*Financial assets measured at fair value by level of the fair value hierarchy*

EUR 31 December 2021	Carrying amount	Fair value				Difference between FV and CA
		Level 1	Level 2	Level 3	Total fair value	
<b>Investments measured at fair value</b>	<b>1,402,818,747</b>	<b>1,096,267,790</b>	<b>236,756,942</b>	<b>69,794,015</b>	<b>1,402,818,747</b>	<b>0</b>
<i>FVTPL</i>	<i>34,386,074</i>	<i>17,194,823</i>	<i>15,708,219</i>	<i>1,483,032</i>	<i>34,386,074</i>	<i>0</i>
<i>Designated to this category</i>	<i>34,386,074</i>	<i>17,194,823</i>	<i>15,708,219</i>	<i>1,483,032</i>	<i>34,386,074</i>	<i>0</i>
Debt instruments	29,300,362	12,120,683	15,708,219	1,471,460	29,300,362	0
Equity instruments	5,085,712	5,074,140	0	11,572	5,085,712	0
<b>Available for sale</b>	<b>1,368,432,673</b>	<b>1,079,072,967</b>	<b>221,048,723</b>	<b>68,310,983</b>	<b>1,368,432,673</b>	<b>0</b>
Debt instruments	1,241,312,597	1,014,982,697	220,365,284	5,964,616	1,241,312,597	0
Equity instruments	66,741,051	64,090,270	683,439	1,967,342	66,741,051	0
Investments in infrastructure funds	44,532,966	0	0	44,532,966	44,532,966	0
Investments in real-estate funds	15,846,059	0	0	15,846,059	15,846,059	0
Investments for the benefit of policyholders who bear the investment risk	511,352,100	509,280,047	2,072,053	0	511,352,100	0
<b>Investments not measured at fair value</b>	<b>69,869,696</b>	<b>21,855,896</b>	<b>18,909,719</b>	<b>30,694,309</b>	<b>71,459,924</b>	<b>1,590,228</b>
<i>Held-to-maturity assets</i>	<i>40,023,124</i>	<i>21,855,896</i>	<i>18,909,719</i>	<i>847,737</i>	<i>41,613,352</i>	<i>1,590,228</i>
Debt instruments	40,023,124	21,855,896	18,909,719	847,737	41,613,352	1,590,228
<b>Loans and receivables</b>	<b>29,846,572</b>	<b>0</b>	<b>0</b>	<b>29,846,572</b>	<b>29,846,572</b>	<b>0</b>
Deposits	18,561,697	0	0	18,561,697	18,561,697	0
Loans granted	1,674,538	0	0	1,674,538	1,674,538	0
Deposits with cedants	9,610,337	0	0	9,610,337	9,610,337	0
Investments for the benefit of policyholders who bear the investment risk	6,087,492	3,990,270	276,810	2,008,600	6,275,680	188,188
<b>Total investments</b>	<b>1,472,688,443</b>	<b>1,118,123,686</b>	<b>255,666,661</b>	<b>100,488,324</b>	<b>1,474,278,671</b>	<b>1,590,228</b>
<b>Total investments for the benefit of life policyholders who bear the investment risk</b>	<b>517,439,592</b>	<b>513,270,317</b>	<b>2,348,863</b>	<b>2,008,600</b>	<b>517,627,780</b>	<b>188,188</b>

*Movements in level 3 FVTPL financial assets*

EUR	Debt instruments		Equity instruments		Investments in infrastructure funds		Investments in real-estate funds	
	30 September 2022	31 December 2021	30 September 2022	31 December 2021	30 September 2022	31 December 2021	30 September 2022	31 December 2021
<b>Opening balance</b>	<b>7,436,076</b>	<b>1,773,017</b>	<b>1,978,914</b>	<b>1,911,070</b>	<b>44,532,966</b>	<b>27,436,469</b>	<b>15,846,059</b>	<b>14,340,307</b>
Exchange differences	144,695	0	0	0	-1	-2	0	0
Additions	0	80,104	0	0	8,484,731	16,069,997	125,508	0
Disposals	-1,165,700	0	0	0	-362,694	-955,057	0	0
Maturities	-4,525,151	-417,985	0	0	0	0	0	0
Revaluation to fair value	-20,465	-31,952	-12,108	67,844	1,564,079	1,981,559	1,766,345	1,505,752
Reclassification into other levels	0	0	0	0	0	0	0	0
Reclassification into level	328,847	6,032,892	15,093	0	0	0	0	0
<b>Closing balance</b>	<b>2,198,302</b>	<b>7,436,076</b>	<b>1,981,899</b>	<b>1,978,914</b>	<b>54,219,081</b>	<b>44,532,966</b>	<b>17,737,912</b>	<b>15,846,059</b>

*Reclassification of assets and financial liabilities between levels*

EUR	Level 1	Level 2	Level 3
<b>30 September 2022</b>			
<b>FVTPL</b>	<b>-173,333</b>	<b>173,333</b>	<b>0</b>
Debt securities designated to this category reclassified from level 1 into level 2	-173,333	173,333	0
<b>Available for sale</b>	<b>-2,982,603</b>	<b>2,638,662</b>	<b>343,940</b>
Debt instruments	-2,982,603	2,653,756	328,847
Reclassification from level 1 into level 2	-4,899,354	4,899,354	0
Reclassification from level 2 into level 1	1,916,751	-1,916,751	0
Reclassification from level 2 into level 3	0	-328,847	328,847
Equity instruments	0	-15,093	15,093
Reclassification from level 2 into level 3	0	-15,093	15,093
<b>Total</b>	<b>-3,155,936</b>	<b>2,811,996</b>	<b>343,940</b>

The Group primarily measures its debt assets based on BID CBBT prices, which are unadjusted quoted prices, thus meeting the criteria for classification into level 1. If no CBBT price is available for a debt security in the OTC market, the BVAL price is used. An additional criterion to be applied is the BVAL score and the number of direct observations. The BVAL score is the basis for assessing the quality of the BVAL price, with a higher score indicating a better price quality in the market.

## 13.9 Related-party transactions

The Group makes separate disclosures for the following groups of related parties:

- owners and related enterprises;
- key management personnel: the management board and the supervisory board, including its committees;
- subsidiary companies;
- associates.

### Owners and related enterprises

The Group's largest shareholder is Slovenian Sovereign Holding, with a 17.7% stake.

### Management board and supervisory board, including its committees

Fixed remuneration of management board members for performing their function in the first nine months of 2022 totalled EUR 484,111 (first nine months of 2021: EUR 554,100), and variable remuneration in the first nine months of 2022 was EUR 402,625 (first nine months of 2021: EUR 207,158). Benefits in kind were EUR 24,142 (first nine months of 2021: EUR 25,390).

#### Remuneration of management board members:

EUR 1–9/2022	Gross salary – fixed amount	Gross salary – variable amount	Benefits in kind – insurance premiums	Benefits in kind – use of company car	Total
Marko Jazbec	155,386	155,623	369	2,563	313,941
Jošt Dolničar	61,425	140,082	1,750	1,010	204,267
Polona Pirš Zupančič	133,650	53,460	4,131	6,658	197,899
Peter Skvarča	133,650	53,460	4,139	3,522	194,771
<b>Total</b>	<b>484,111</b>	<b>402,625</b>	<b>10,389</b>	<b>13,753</b>	<b>910,878</b>

The variable portion of remuneration paid out in May 2022 relates to the financial year 2021. At the end of their term of office, the retained part of variable remuneration for the period 2018–2021 was paid to two members of the management board, EUR 111,745 to Marko Jazbec and EUR 100,568 to Jošt Dolničar. The payment of variable remuneration is not charged to the 2022 result.

EUR 1–9/2021	Gross salary – fixed amount	Gross salary – variable amount	Benefits in kind – insurance premiums	Benefits in kind – use of company car	Total
Marko Jazbec	149,550	59,400	385	3,178	212,513
Jošt Dolničar	134,850	53,460	4,160	2,850	195,320
Polona Pirš Zupančič	134,850	53,460	4,134	2,071	194,515
Peter Skvarča	134,850	40,838	4,129	4,483	184,300
<b>Total</b>	<b>554,100</b>	<b>207,158</b>	<b>12,808</b>	<b>12,582</b>	<b>786,648</b>

#### Liabilities to management board members based on gross remuneration

EUR	30 September 2022	31 December 2021
Marko Jazbec	18,000	16,500
Jošt Dolničar	0	14,850
Polona Pirš Zupančič	14,850	14,850
Peter Skvarča	14,850	14,850
<b>Total</b>	<b>47,700</b>	<b>61,050</b>

As at 30 September 2022, the Company disclosed liabilities for potential payment of the variable part of pay of management board members in respect of 2018, 2019, 2020 and 2021 payable subject to certain conditions, in the amount of EUR 132,889.

As at 30 September 2022, 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 1,200, severance pay upon retirement and contributions to voluntary supplementary pension insurance. Management board members are not entitled to jubilee benefits for 10, 20 or 30 years of service.

*Remuneration of supervisory board members and the members of its committees in 1–9/2022*

EUR		Attendance fees	Remuneration for performing the function	Reimbursement of expenses and training	Benefits in kind – insurance premiums	Total
<b>Supervisory board members</b>						
Davor Ivan Gjivoje	chair	2,090	14,625	29,900	81	46,696
Keith William Morris	deputy chair	2,090	10,728	3,836	81	16,732
Klemen Babnik	member	2,090	9,750	0	81	11,921
Dr Matej Gomboši	member	2,090	9,750	1,211	81	13,132
Gorazd Andrej Kunstek	member	2,090	9,750	260	81	12,181
Edita Rituper	member	2,090	9,750	0	81	11,921
<b>Total supervisory board members</b>		<b>12,540</b>	<b>64,350</b>	<b>35,207</b>	<b>486</b>	<b>112,583</b>
<b>Audit committee members</b>						
Dr Matej Gomboši	chair	1,936	3,656	1,402	0	6,994
Gorazd Andrej Kunstek	member	1,936	2,437	301	0	4,674
Katarina Sitar Šuštar	external member	0	7,850	73	0	7,923
Dragan Martinović	external member	0	4,751	0	0	4,751
<b>Total audit committee members</b>		<b>3,872</b>	<b>18,694</b>	<b>1,776</b>	<b>0</b>	<b>24,342</b>
<b>Members of the nominations and remuneration committee</b>						
Klemen Babnik	chair	440	3,656	0	0	4,096
Davor Ivan Gjivoje	member	440	2,437	19,671	0	22,548
Keith William Morris	member	440	2,437	1,009	0	3,886
Dr Matej Gomboši	member	440	2,437	319	0	3,196
Gorazd Andrej Kunstek	member	440	1,625	69	0	2,946
<b>Total nominations committee members</b>		<b>2,200</b>	<b>13,404</b>	<b>21,068</b>	<b>0</b>	<b>36,672</b>
<b>Members of the risk committee</b>						
Keith William Morris	chair	1,100	3,656	2,523	0	7,279
Davor Ivan Gjivoje	member	1,100	2,437	19,671	0	23,208
Dr Janez Komelj	external member	0	4,967	0	0	4,967
<b>Total risk committee members</b>		<b>2,200</b>	<b>11,060</b>	<b>22,194</b>	<b>0</b>	<b>35,454</b>
<b>Members of the fit and proper committee</b>						
Keith William Morris	chair	440	3,656	1,009	0	5,105
Klemen Babnik	member	440	2,437	0	0	2,877
Rok Saje	external member	440	2,437	0	0	2,877
Klara Hauko	external member	440	2,437	0	0	2,877
<b>Total members of the fit and proper committee</b>		<b>1,760</b>	<b>10,967</b>	<b>1,009</b>	<b>0</b>	<b>13,736</b>

*Remuneration of supervisory board members and the members of its committees in 1–9/2021*

EUR		Attendance fees	Remuneration for performing the function	Reimbursement of expenses and training	Benefits in kind – insurance premiums	Total
<b>Supervisory board members</b>						
Davor Ivan Gjivoje	chair	2,970	11,095	15,485	69	29,619
Keith William Morris	deputy chair	2,970	10,725	295	69	14,059
Klemen Babnik	member	825	2,167	0	69	3,061
Matej Gomboši	member	825	2,167	577	69	3,638
Gorazd Andrej Kunstek	member	2,695	8,667	0	69	11,431
Mateja Živec	member	2,695	8,667	0	69	11,431
Mateja Lovšin Herič	chair until 16 July 2021	1,870	9,750	0	0	11,620
Andrej Kren	member until 16 July 2021	1,870	6,500	0	0	8,370
<b>Total supervisory board members</b>		<b>16,720</b>	<b>59,738</b>	<b>16,357</b>	<b>414</b>	<b>93,229</b>
<b>Audit committee members</b>						
Matej Gomboši	chair	220	813	192	0	1,225
Gorazd Andrej Kunstek	member	220	542	0	0	762
Katarina Sitar Šuštar	external member	0	1,500	22	0	1,522
Dragan Martinović	external member	0	1,200	0	0	1,200
Andrej Kren	chair until 16 July 2021	2,420	2,438	0	0	4,858
Mateja Lovšin Herič	member until 16 July 2021	2,420	1,625	0	0	4,045
Ignac Dolenšek	external member until 16 July 2021	0	9,038	0	0	9,038
<b>Total audit committee members</b>		<b>5,280</b>	<b>17,156</b>	<b>214</b>	<b>0</b>	<b>22,650</b>
<b>Members of the nominations and remuneration committee</b>						
Klemen Babnik	chair	0	813	0	0	813
Davor Ivan Gjivoje	member	1,540	2,437	10,037	0	14,014
Keith William Morris	member	660	2,437	82	0	3,179
Matej Gomboši	member	0	542	0	0	542
Gorazd Andrej Kunstek	member	880	740	0	0	1,620
Mateja Lovšin Herič	chair until 16 July 2021	1,540	2,438	0	0	3,978
Andrej Kren	member until 16 July 2021	660	1,625	0	0	2,285
<b>Total nominations committee members</b>		<b>5,280</b>	<b>11,032</b>	<b>10,119</b>	<b>0</b>	<b>26,431</b>
<b>Members of the risk committee</b>						
Keith William Morris	chair	1,100	2,437	137	0	3,674
Davor Ivan Gjivoje	member	1,100	3,656	7,169	0	11,925
Slaven Mičković	external member	0	10,025	0	0	10,025
Janez Komelj	external member	0	750	0	0	750
<b>Total risk committee members</b>		<b>2,200</b>	<b>16,868</b>	<b>7,306</b>	<b>0</b>	<b>26,374</b>
<b>Members of the fit and proper committee</b>						
Keith William Morris	chair	440	2,774	55	0	3,629
Klemen Babnik	member	220	542	0	0	762
Rok Saje	external member	1,056	2,167	0	0	3,223
Klara Hauko	external member	220	542	0	0	762
Mateja Živec	chair until 16 July 2021	660	2,438	0	0	3,098
Andrej Kren	alternate member until 16 July 2021	396	1,625	0	0	2,021
Gorazd Andrej Kunstek	alternate member	2440	542	0	0	982
Davor Ivan Gjivoje	alternate member	440	542	2,868	0	3,850
<b>Total members of the fit and proper committee</b>		<b>3,872</b>	<b>11,172</b>	<b>2,923</b>	<b>0</b>	<b>17,967</b>

As at 30 September 2022, 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.

## Transactions with subsidiaries

### Investments in and amounts due from Group companies

EUR	30 September 2022	31 December 2021
Loans granted to Group companies	1,521,921	1,359,945
Receivables for premiums arising out of reinsurance assumed	14,653,416	13,594,556
Other short-term receivables	41,389	40,472
Short-term deferred acquisition costs	4,343,633	1,144,493
<b>Total</b>	<b>20,560,359</b>	<b>16,139,465</b>

### Liabilities to Group companies

EUR	30 September 2022	31 December 2021
Technical provisions	114,070,130	105,796,856
- Unearned premiums	33,501,981	25,605,140
- Provision for outstanding claims	80,269,495	79,918,992
- Other technical provisions	298,654	272,725
Liabilities for shares in reinsurance claims due to Group companies	12,540,463	12,577,473
Other liabilities from co-insurance and reinsurance	3,291,951	3,129,491
Other short-term liabilities	4,426	19,633
<b>Total</b>	<b>129,906,970</b>	<b>121,523,453</b>

### Income and expenses relating to Group companies

EUR	1-9/2022	1-9/2021
Gross premiums written	65,460,786	65,552,698
Change in gross unearned premiums	-7,896,840	-3,090,735
Gross claims payments	-46,911,665	-29,209,188
Change in the gross provision for outstanding claims	-350,747	-2,159,112
Income from gross recourse receivables	654,681	771,623
Change in gross provision for bonuses, rebates and cancellations	-25,929	0
Other operating expenses	-175,110	-171,023
Dividend income	51,797,302	36,611,564
Interest income	41,243	40,874
Acquisition costs	-19,639,021	-17,302,771
Change in deferred acquisition costs	5,488,125	1,163,786
Other technical income	294,529	299,821
<b>Total</b>	<b>48,737,354</b>	<b>52,507,536</b>

## Transactions with the state and majority state-owned entities

### Investments in and receivables due from the state and companies that are majority state-owned

EUR	30 September 2022	31 December 2021
Interests in companies	3,223,387	4,562,784
Debt securities and loans	64,666,354	83,165,547
Receivables due from policyholders	1,500,398	557,981
<b>Total</b>	<b>69,390,138</b>	<b>88,286,313</b>

### Liabilities to the state and majority state-owned companies

EUR	30 September 2022	31 December 2021
Liabilities for shares in claims	274	1,191

### Income and expenses relating to majority state-owned companies

EUR	1-9/2022	1-9/2021
Gross premiums written	12,032,179	12,264,181
Gross claims payments	2,909,442	1,671,083
Dividend income	294,171	61,493
Interest income	1,023,184	1,256,358
Other investment income	347,312	504,357
Other investment expenses	-473,200	0
<b>Total</b>	<b>16,133,088</b>	<b>15,757,471</b>

Related-party transactions were conducted on an arms-length basis.



*Characteristics of loans granted to subsidiaries*

Sava Re				
EUR Borrower	Principal	Type of loan	Maturity	Interest rate
Illyria (RKS)	500,000	subordinated	27 June 2029	5.00%
Sava Pokojninska (SLO)	1,000,000	subordinated	28 June 2027	6.00%
<b>Total</b>	<b>1,500,000</b>			



## **Appendix – Glossary of selected terms and calculation methodologies for indicators**

## Appendix – Glossary of selected terms and calculation methodologies for indicators

Accounting currency. A 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.
Administrative expense ratio. Operating expenses, net of acquisition costs and the change in deferred acquisition costs, as a percentage of gross premiums written.
Associate entity. An entity over which the investor has significant influence (the power to participate in the financial and operating policy decisions) and that is neither a subsidiary nor an interest in a joint venture.
Book value per share. Ratio of total equity to weighted average number of shares outstanding.
Business continuity plan. Document that includes procedures for ensuring the continuous operation of key business processes and systems. The contingency plan is an integral part of the business continuity plan and sets out technical and organisational measures to restore operations and mitigate the consequences of severe business disruptions.
BVAL price (Bloomberg valuation). Price obtained from the Bloomberg information system.
Capital fund. Assets representing the capital of the Company.
CBBT price (Composite Bloomberg Bond Trader). Closing price published by the Bloomberg system based on binding bids.
Cedant, cede, cession. A cedant is the client of a reinsurance company. To cede is to transfer part of any risk an insurer has underwritten to a reinsurer. The part thus transferred to any reinsurer is called a cession.
Claims inflation. The change in the expected claims cost level over time. This includes the cost for an individual claim (severity effects), but also changes in the likelihood of claiming (frequency effects).
CODM (chief operating decision maker) may refer to a person responsible for monitoring an operating segment or to a group of persons responsible for allocating resources, and monitoring and assessing performance.
Composite insurance company. Insurer that writes both life and non-life business.
Comprehensive income. Comprehensive income is made up of two parts. The first part is net profit for the period net of tax as in the income statement; the second part is other comprehensive income for the period, net of tax, comprising the effects of other gains and losses not recognised in the income statement that affect equity, mainly through the fair value reserve.
Consolidated book value per share. Ratio of consolidated total equity to weighted average number of shares outstanding.
Consolidated earnings or loss per share. Ratio of net profit/loss attributable to equity holders of the controlling company as a percentage of the weighted average number of shares outstanding.
Credit risk. The risk of loss of or adverse change in the financial situation of the insurer, resulting from fluctuations in the credit standing of issuers of securities, counterparties and any debtors to which insurance undertakings are exposed, in the form of counterparty default risk, spread risk or market risk concentrations.
Currency risk. The sensitivity of the values of assets, liabilities and financial instruments to changes in the level or in the volatility of market prices of equities.
Dividend yield. Ratio of dividend per share to the rolling average price per share in the 12-month period.
EIOPA (European Insurance and Occupational Pensions Authority). European Insurance and Occupational Pensions Authority
Eligible own funds. Own funds eligible to cover the solvency capital requirement.
Equity risk. The sensitivity of the values of assets, liabilities and financial instruments to changes in the level or volatility of market prices of shares and infrastructure funds.
Excess of loss reinsurance. A type of reinsurance in which the insurer agrees to pay a specified portion of a claim and the reinsurer agrees to pay all or a part of the claim above the specified currency amount or “retention”.
Facultative reinsurance. A type of reinsurance under which the ceding company has the option to cede and the reinsurer has the option to accept or decline individual risks of the underlying policy. Typically used to reinsure large individual risks or for amounts in excess of limits on risks already reinsured elsewhere.
FATCA (Foreign Account Tax Compliance Act).
Financial investments. Financial investments do not include financial investments in associates, investment property, or cash and cash equivalents.
Financial risk. It comprises the risk of failure to achieve the guaranteed return, market risk (interest rate risk, equity risk, currency risk and property risk), credit risk and liquidity risk.
FoS (freedom of service). Business written within the European Economic Area based on the freedom of services right to provide services on a cross-border basis.
FVTPL (fair value through profit or loss). Financial instruments measured at fair value through profit or loss.
Gross claims paid. Claims and benefits booked during a given period for claims resolved either fully or in part, including loss adjustment expenses, and net of recourse receivables. Gross claims paid are claims before deduction of reinsurance.
Gross claims payments. Claims and benefits booked during a given period for claims resolved either fully or in part, including loss adjustment expenses. Gross/net: before or after deduction of reinsurance. Gross claim payments less realised income from recourse receivables (short: gross claims paid) Net claim payments, net of realised income from recourse receivables (short: net claims paid).
Gross expense ratio. The ratio of operating expenses as a percentage of gross premiums written. The Group's ratio is calculated for the reinsurance, non-life insurance and life insurance operating segments.

Gross incurred loss ratio. Gross claims paid, including the change in the gross provision for outstanding claims, as a percentage of gross premiums written, including the change in gross unearned premiums. The Group's ratio is calculated for the reinsurance and non-life insurance operating segments.
Gross insurance premiums written. The total premiums on all policies written or renewed during a given period regardless of what portions have been earned. Gross/net: before or after deduction of reinsurance. Gross premiums written (short: gross premiums). Net premiums written (short: net premiums).
Gross operating expenses. Operating expenses, net of the change in deferred acquisition costs (policy acquisition costs and other operating expenses).
Gross premiums written. The total premiums on all policies written or renewed during a given period regardless of what portions have been earned. Gross premiums written are premiums before deduction of reinsurance.
Gross/net. In insurance terminology, the terms gross and net usually denote figures before or after deduction of reinsurance.
IBNER (incurred but not enough reported). Provision for claims that are incurred but not enough reported.
IBNR (incurred but not reported). Provision for claims incurred but no reported.
Insurance density. Gross premiums written as a percentage of the number of inhabitants.
Insurance penetration. Gross premiums written as a percentage of gross domestic product.
Interest rate risk. The sensitivity of the values of assets, liabilities and financial instruments to changes in the term structure of interest rates, or in the volatility of interest rates.
Investment portfolio. The investment portfolio includes financial investments in associates, investment property, and cash and cash equivalents.
IRLF (investment risk liability fund). Liability fund for unit-linked life insurance business.
IS Income statement.
Life insurance register of assets. Register of assets used to cover mathematical provisions.
Liquidity risk. Liquidity risk is the risk that the company will not have sufficient liquid assets to meet its obligations as they fall due, and will have to sell its less liquid assets at a discount or raise new loans.
Market risk. It includes interest rate risk, equity risk, currency risk and property risk.
Minimum capital requirement. The minimum capital requirement is equal to the amount of eligible basic own funds below which policyholders, insured persons and other beneficiaries of insurance contracts would be exposed to an unacceptable level of risk if the insurer was allowed to continue operating.
Net (insurance) premiums earned. Net premiums written for a given period, including the change in net unearned premiums.
Net claims incurred. Net claims payments, net of income from recourse receivables (short: net claims paid) in the period, including the change in the net provision for outstanding claims.
Net claims paid. Claims and benefits booked during a given period for claims resolved either fully or in part, including loss adjustment expenses, and net of recourse receivables and reinsurers' and co-insurers' share of claims paid.
Net combined ratio. Ratio of total expenses (other than investment) to total income (other than investment). The Group's ratio is calculated for the reinsurance and non-life insurance operating segments.
Net earnings or loss per share. Net profit or loss as a percentage of the weighted average number of shares outstanding.
Net expense ratio. For (re)insurance operating segments, the ratio is calculated as operating expenses, net of commission income, as a percentage of net earned premiums. For the Group, the ratio is calculated as the ratio of operating expenses, net of commission income, to the sum of net premiums earned, other technical income and other income. Not included are one-off impacts on operations and amortisation of client lists or contractual customer relationships.
Net incurred loss ratio. Net claims incurred gross of the change in other technical provisions as a percentage of net premiums earned. The Group's ratio is calculated for the reinsurance and non-life insurance operating segments.
Net investment income from the investment portfolio. Calculated from income statements items: income from investments in subsidiaries and associates plus investment income plus income from investment property minus expenses for investments in associates and impairment losses on goodwill less expenses for financial assets and liabilities less expenses for investment property. Income from and expenses for investment property are included in the other income / other expenses item. Net investment income relating to the investment portfolio does not include net realised and unrealised gains or losses on investments of life insurance policyholders who bear the investment risk as these do not affect the income statement. These items move in line with the mathematical provision of policyholders who bear the investment risk.
Net operating expenses. Operating expenses net of commission income.
Net premiums written. The total premiums on all policies written or renewed during a given period regardless of what portions have been earned. Net premiums written are premiums after deduction of reinsurance.
Net/gross. In insurance terminology, the terms gross and net usually denote figures before or after deduction of reinsurance.
Non-life insurance register of assets. Register of assets used to cover non-life technical provisions.
Non-proportional reinsurance (excess reinsurance). A reinsurance arrangement whereby the reinsurer indemnifies a ceding company above a specified level (usually a monetary amount) of losses that the ceding company has underwritten. A deductible amount (priority) is set; any loss exceeding that amount is paid by the reinsurer.
Operating revenue. Total income less investment income.

Operational limit. Operational limits for particular areas are determined on the basis of expressed risk tolerance limits. In absolute terms, this is the maximum amount acceptable for a particular risk so that the Company remains within its risk appetite framework.
Operational risk. Risk of loss arising from inadequate or failed internal processes, personnel or systems, or from external events.
ORSA (own risk and solvency assessment). 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.
OTC market. (Engl. over-the-counter). A transaction in the OTC market is one between two parties in securities or other financial instruments outside a regulated market.
Paid loss ratio. Gross claims paid as a percentage of gross premiums written.
Primary (direct) insurance company. Insurance company that has a direct contractual relationship with the holder of the insurance policy (private individual, firm or organisation).
Property risk. The risk that the value of property will decrease due to fluctuations in real estate markets.
Proportional reinsurance. A reinsurance arrangement whereby the reinsurer indemnifies a ceding company for a pre-agreed proportion of premiums and losses of each policy that the ceding company has underwritten. It can be subdivided into two main types: quota-share reinsurance and surplus reinsurance.
RBNS (reported but not settled). Provision for claims that are reported but not settled.
Realised recourse receivables (short: recourse receivables). Amount of recourse claims recognised in the period as recourse receivables based on (i) any agreement with recourse debtors, (ii) court decisions, or (iii) for credit business – settlement of an insurance claim.
Reserving risk. Risk that technical provisions are not sufficient to cover the commitments of the (re)insurance business assumed.
Retention ratio. Net premiums written as a percentage of gross premiums written.
Retention. The amount or portion of risk (claim) that a ceding company retains for its own account, and does not reinsure. The claim and loss adjustment expenses in excess of the retention level are then paid by the reinsurer to the ceding company up to the limit of indemnity, if any, set out in the reinsurance contract. In proportional reinsurance, the retention may be a percentage of the original policy's limit. In non-proportional insurance, the retention is usually a monetary amount of the claim, a percentage of the claim or a claim-to-premium ratio.
Retrocession. The reinsurance bought by reinsurers; a transaction by which a reinsurer cedes risks to another reinsurer.
Return on equity. The ratio of net profit for the period as a percentage of average equity in the period.
Return on revenue. Ratio of net profit for the year to operating revenues. All one-off effects on operations are excluded.
Return on the investment portfolio. The ratio of net investment income relating to the investment portfolio to average invested assets. It includes the following statement of financial position items: investment property, financial investments in subsidiaries and associates, financial investments, and cash and cash equivalents. The average amount is calculated based on figures as at the reporting date and as at the end of the prior year.
Risk appetite. Risk level that a company is willing to take in order to meet its strategic goals.
Risk register. List of all major identified risks periodically maintained, monitored, assessed and reported on by a company.
SFP. Statement of financial position.
Solvency Capital Requirement (SCR). An amount based on the regulatory calculation of risk, including non-life underwriting risk, life underwriting risk, health underwriting risk, market risk, counterparty default risk and operational risk.
Solvency ratio. The ratio of eligible own funds as a percentage of the SCR. A solvency ratio in excess of 100% indicates that the firm has sufficient resources to meet the SCR.
Standard formula. Set of calculations prescribed by Solvency II regulations used for generating the solvency capital requirement.
Strategic risk. The risk of an unexpected decrease in a company's value due to the adverse effects of management decisions, changes in business and legal environment and market developments.
Subsidiary entity. An entity that is controlled by another entity.
TP. Technical provisions.
Transaction currency. The currency in which reinsurance contract transactions are processed.
Underwriting result. Profit or loss realised from insurance operations as opposed to that realised from investments or other items.
Underwriting risk. Risk of loss or of adverse change in the value of insurance liabilities due to inadequate pricing and provisioning assumptions. Underwriting risk comprises non-life, life and health underwriting risk.
Unearned premiums. That part of premiums written relating to the unexpired portion of the policy period and is attributable to and recognised as income in future years.