



**Statement of Results  
of the Sava Insurance Group  
for January–September 2024**

Ljubljana, 12 November 2024

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## 1 Financial highlights

EUR million	1–9/2024	1–9/2023	Change	Index
Business volume	814.7	710.3	104.4	114.7
Insurance revenue	593.9	517.7	76.3	114.7
Insurance service result	76.4	44.3	32.1	172.5
Finance result	15.2	11.0	4.2	137.9
Net other operating expenses	-13.9	-10.2	-3.7	136.1
Net profit or loss for the period	62.1	36.5	25.6	170.0
	30 September 2024	31 December 2023	Change	Index
Equity	619.6	585.7	33.9	105.8
Contractual service margin	174.6	155.3	19.3	112.4
Investment portfolio	1,596.3	1,503.3	93.0	106.2
Total assets	2,771.3	2,568.5	202.7	107.9
Assets under management	2,713.5	2,325.0	388.5	116.7
	1–9/2024	1–9/2023	Change	Index
Combined ratio	91.7%	96.3%	-4.6 pp	-
Return on equity (ROE)	12.9%	8.2%	+4.7 pp	-
Return on investment portfolio	2.5%	2.0%	+0.5 pp	-
Solvency ratio	198%–204%	178%–184%	-	-

The terms and ratios are defined in the appended glossary.

## 2 Macroeconomic environment

According to Eurostat, euro area GDP grew by 0.6% year on year in the second quarter of 2024 and is forecast to grow by 0.8% in 2024. Euro area annual inflation was 1.7% in September 2024, below the target of 2.0% for the first time in a long while. According to Eurostat's latest forecasts, euro area inflation is expected to be 2.5% in 2024 and 2.1% in 2025.

In September, the European Central Bank cut its key (deposit) rate by a further 25 basis points to 3.5%. The US Federal Reserve also cut its key interest rate by 50 basis points for the first time this year. Risk-free bond yields fell slightly in the third quarter of 2024, which had a positive impact on bond prices. Bond market yields will continue to be strongly influenced by inflation and economic conditions and, consequently, by movements in key central bank interest rates. Equity markets remain optimistic in the third quarter of 2024, with higher valuations mainly driven by stable corporate earnings and falling interest rates.

Geopolitical risks remained elevated in the third quarter of 2024, influenced by developments both outside the EU (war in Ukraine, war in the Middle East, the Taiwan–China conflict) and within (rising French debt).

## 3 Review of Group operations

The Group's **business volume** increased by 14.7% to EUR 814.7 million. It grew in all segments, with the strongest growth in the non-life and life segments. The non-life business grew through both price increases and new business, whereas the life business grew mainly through strong sales.

These were the main factors contributing to the 14.7% increase in **insurance revenue**.

The **underwriting result** of EUR 76.4 million increased by EUR 32.1 million, mainly due to the EU non-life segment, primarily as a result of the growth in insurance revenue, but also due to a more favourable claims experience, as last summer was more claims intensive than this year due to the frequency of hailstorms and floods. The reinsurance and EU life segments also recorded an improved

underwriting result due to more favourable claims experience, while the life segment also recorded an increase in revenues.

Revenue growth and more favourable claims experience, combined with a slower increase in expenses, also contributed to an improvement in the **combined ratio** by 4.6 percentage points to a favourable 91.7%.

The **finance result** of EUR 15.2 million improved by EUR 4.2 million, mainly due to higher interest income resulting from the investment of cash flows from operating activities and the reinvestment of maturing investments at higher interest rates.

**Net profit for the period**<sup>1</sup> was EUR 62.1 million, an increase of 70.0% year on year. The increase in net profit also led to an increase in the **return on equity**, which was 12.9% on an annualised basis.

**Equity** stood at EUR 619.6 million, up by 5.8% compared to the end of the previous year, reflecting the effect of the net profit for the period, partially offset by the dividend payout.

The **contractual service margin** increased by EUR 19.3 million or 12.4%, primarily in the life segment, where it grew by EUR 14.6 million, in the reinsurance segment, where it was up by EUR 3.2 million, and in the non-life and pension segments, where it grew by a total of EUR 1.4 million.

The **investment portfolio** increased by 6.2% to EUR 1,596.3 million. Fixed-rate financial investments remained the largest asset class, at 86.5%. The **return on the investment portfolio** was 2.5%, up by 0.5 percentage points compared to last year, reflecting more favourable financial market developments and higher investment yields.

**Assets under management** increased by 16.7% to EUR 2,713.5 million, driven by favourable financial market developments and positive net inflows. The increase was achieved by all of our pensions and asset management businesses, as well as our unit-linked assets.

The estimated solvency position as at 30 September 2024 demonstrates that the Group is well capitalised, with an estimated **solvency ratio** between 198% and 204% (31 December 2023: 191%).

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<sup>1</sup> On 1 January 2024, an amendment to the Slovenian Act on Reconstruction, Development and Provision of Financial Resources (ZORZFS) came into force, which provides for a temporary increase in the corporate income tax rate from 19% to 22% (for the period from 2024 to 2028).

### 3.1 Non-life segment

EUR	1–9/2024	1–9/2023	Change	Index
<b>Gross premiums written</b>	<b>522,830,584</b>	<b>447,447,521</b>	<b>75,383,063</b>	<b>116.8</b>
EU	436,352,061	372,266,997	64,085,065	117.2
Non-EU	86,478,522	75,180,524	11,297,998	115.0
<b>Insurance revenue</b>	<b>461,799,455</b>	<b>384,843,816</b>	<b>76,955,639</b>	<b>120.0</b>
EU	384,217,453	319,070,115	65,147,338	120.4
Non-EU	77,582,002	65,773,701	11,808,301	118.0
<b>Insurance service result</b>	<b>40,422,922</b>	<b>12,569,309</b>	<b>27,853,613</b>	<b>321.6</b>
EU	37,453,933	9,096,038	28,357,895	411.8
Non-EU	2,968,989	3,473,271	-504,282	85.5
<b>Finance result</b>	<b>9,470,434</b>	<b>4,022,675</b>	<b>5,447,759</b>	<b>235.4</b>
EU	6,647,999	2,327,512	4,320,487	285.6
Non-EU	2,822,435	1,695,163	1,127,272	166.5
<b>Net other operating expenses</b>	<b>-11,511,203</b>	<b>-9,278,402</b>	<b>-2,232,800</b>	<b>124.1</b>
EU	-9,333,454	-7,820,428	-1,513,027	119.3
Non-EU	-2,177,748	-1,457,974	-719,774	149.4
<b>Profit before tax</b>	<b>38,382,153</b>	<b>7,313,582</b>	<b>31,068,571</b>	<b>524.8</b>
EU	34,768,477	3,603,121	31,165,356	965.0
Non-EU	3,613,676	3,710,460	-96,785	97.4
<b>Combined ratio</b>	<b>93.7%</b>	<b>99.1%</b>	<b>-5.4 pp</b>	-
EU	92.7%	99.6%	-6.9 pp	-
Non-EU	98.8%	96.8%	+2.0 pp	-

**Gross written premiums** grew at a strong rate of 16.8%. Growth was achieved in both the EU (17.2%) and non-EU markets (15.0%). In the EU markets, gross written premiums grew most strongly in the motor insurance business, particularly in the private car segment. However, there were also significant increases in gross written premiums in the private and commercial property lines of business. The increase in gross written premiums was primarily due to price increases but also driven by increased policy sales. In the non-EU markets, the main growth was in motor premiums, driven by price increases. The growth in property premiums was driven by bancassurance sales, higher premiums from existing policyholders and an increase in the number of policies, reflecting the acquisition of new policyholders. In most of the other lines of business, premiums increased in all markets.

**Insurance revenue** grew to 77 million, up by 20.0%, driven by growth in gross written premiums. It increased by EUR 65.1 million, or 20.4%, in the EU markets and by EUR 11.8 million, or 18.0%, in the non-EU markets.

The **insurance service result** grew by EUR 27.9 million, or 221.6%, compared to the previous year. In the EU markets, the improvement in the insurance service result of EUR 28.4 million was mainly driven by an increase in insurance revenue as a result of price increases and an increase in the number of policies sold, combined with more favourable claims experience for both major natural catastrophes (last year Slovenia was affected by flooding in addition to hailstorms) and for other claims. In the non-EU markets, the insurance service result declined by EUR 0.5 million, partly due to a deteriorated claims experience in the health business and partly due to higher expenses for reinsurance protection.

The **combined ratio** was 93.7%, an improvement of 5.4 percentage points. The EU markets improved (by 6.9 percentage points) as a result of improvements in both the loss ratio and the expense ratio. The loss ratio improved for the reasons described above on both the insurance revenue and claims incurred sides, whereas the expense ratio improved because expenses grew more slowly than insurance revenue. In the non-EU markets, the ratio deteriorated by 2.0 percentage points due to a worsening of the loss ratio, as explained earlier in this report.

The **finance result** was EUR 9.5 million, an increase of 135.4% over the same period last year. It was EUR 4.3 million higher in the EU markets and EUR 1.1 million higher in the non-EU markets. The improvement in the finance result was driven by higher realised interest income as a result of the increased investment portfolio and the full impact of higher interest rates on the reinvestment of investments and the investment of cash flows from operating activities, as well as higher net income from financial investments measured at FVTPL.

**Net other operating expenses** increased by EUR 2.2 million as a result of higher non-attributable expenses and one-off expenses.

**Profit before tax** increased by EUR 31.1 million compared to the same period last year for the above reasons. In the EU markets, it improved by EUR 31.1 million, whereas in the non-EU markets it slightly decreased for the reasons described above.

### 3.2 Life segment

EUR	1–9/2024	1–9/2023	Change	Index
<b>Gross premiums written</b>	<b>153,209,204</b>	<b>137,022,173</b>	<b>16,187,031</b>	<b>111.8</b>
EU	143,518,345	128,530,473	14,987,872	111.7
Non-EU	9,690,859	8,491,700	1,199,159	114.1
<b>Insurance revenue</b>	<b>55,817,174</b>	<b>49,209,629</b>	<b>6,607,545</b>	<b>113.4</b>
EU	49,641,800	44,362,230	5,279,570	111.9
Non-EU	6,175,374	4,847,399	1,327,975	127.4
<b>Insurance service result</b>	<b>16,931,357</b>	<b>14,921,525</b>	<b>2,009,832</b>	<b>113.5</b>
EU	15,612,745	13,706,396	1,906,350	113.9
Non-EU	1,318,612	1,215,129	103,483	108.5
<b>Finance result</b>	<b>4,252,312</b>	<b>4,843,428</b>	<b>-591,115</b>	<b>87.8</b>
EU	3,765,148	4,332,562	-567,415	86.9
Non-EU	487,165	510,865	-23,701	95.4
<b>Net other operating expenses</b>	<b>-4,491,144</b>	<b>-3,779,353</b>	<b>-711,791</b>	<b>118.8</b>
EU	-4,240,244	-3,870,554	-369,689	109.6
Non-EU	-250,900	91,202	-342,102	-275.1
<b>Profit before tax</b>	<b>16,692,526</b>	<b>15,985,600</b>	<b>706,926</b>	<b>104.4</b>
EU	15,137,650	14,168,404	969,246	106.8
Non-EU	1,554,877	1,817,196	-262,320	85.6
	<b>30 September 2024</b>	<b>31 December 2023</b>	<b>Change</b>	<b>Index</b>
<b>Contractual service margin</b>	<b>156,276,122</b>	<b>141,629,289</b>	<b>14,646,833</b>	<b>110.3</b>
EU	147,337,596	132,599,225	14,738,371	111.1
Non-EU	8,938,526	9,030,064	-91,538	99.0

**Gross written premiums** in the EU markets grew by 11.7%, driven by strong sales of all products, particularly single premium unit-linked policies. The 14.1% growth in non-EU gross written premiums was also driven by continued strong sales of protection products.

**Insurance revenue** grew by 13.4%, reflecting growth in gross written premiums. In the non-EU markets, insurance revenue increased by 27.4%, driven by methodological adjustments and improved sales.

The **insurance service result** increased by EUR 2.0 million to EUR 16.9 million. The increase was mainly in the EU markets, driven by sales growth and slightly more favourable claims experience than in the same period last year.

The **finance result** decreased by EUR 0.6 million due to lower investment income in the EU markets. Interest income decreased due to the reduction in the portfolio of traditional life business.

**Net other operating expenses** increased by EUR 0.7 million, largely due to an increase in non-attributable expenses as a result of higher development project costs.

**Profit before tax** increased by EUR 1.0 million in the EU markets due to the insurance service result but was lower in the non-EU markets due to the aforementioned net other operating expenses.

The 10.3% increase in the **contractual service margin** was driven by both new business written (EUR 18.0 million) and a favourable change in expected cash flows, reflecting the continued profitability of the life portfolio. The change in expected cash flows mainly reflects top-up premiums on existing unit-linked policies and favourable movements in financial markets. Both effects increase the value of the unit-linked assets and thus the future income from the management of these assets.

### 3.3 Reinsurance segment

EUR	1–9/2024	1–9/2023	Change	Index
Gross premiums written	112,805,155	104,582,023	8,223,132	107.9
Insurance revenue	75,925,763	83,295,558	-7,369,795	91.2
Insurance service result	18,903,357	16,655,643	2,247,713	113.5
Finance result	795,065	1,738,083	-943,018	45.7
Net other operating expenses	-3,601,390	-2,662,310	-939,080	135.3
Profit before tax	16,097,031	15,731,418	365,613	102.3
Combined ratio	79.8%	83.2%	-3.4 pp	-
	<b>30 September 2024</b>	<b>31 December 2023</b>	<b>Change</b>	<b>Index</b>
Contractual service margin	8,702,653	5,455,348	3,247,305	159.5

**Gross written premiums** grew by 7.9%. The increase in gross written premiums was driven by price increases as well as new reinsurance business. **Insurance revenue** declined by 8.8% due to a change in an assumption for premium estimates.

The **insurance service result** improved by 13.5% due to more favourable claims experience than in the previous year.

As a result, the **combined ratio** improved markedly over the same period last year to a very favourable 79.8%.

The **finance result** decreased by EUR 0.9 million, mainly as a result of exchange rate differences. The net investment result improved by EUR 1.7 million due to higher interest income, whereas the insurance finance result decreased by EUR 0.6 million due to higher discount rates.

**Net other operating expenses** increased by EUR 0.9 million, reflecting an increase in non-attributable expenses.

**Profit before tax** of EUR 16.1 million increased by 2.3% for the aforementioned reasons.

The **contractual service margin** as at 30 September 2024 was EUR 8.7 million, an increase of EUR 3.2 million or 59.5%. The movement in CSM in the portfolio of accepted reinsurance business is strongly influenced by treaty renewals. As a larger proportion of treaties is renewed in the first quarter of the year, the CSM peaks at the end of the first quarter and then gradually declines until the end of the year in line with service delivery.

### 3.4 Pensions and asset management segment

EUR	1–9/2024	1–9/2023	Change	Index
<b>Business volume</b>	<b>20,015,530</b>	<b>16,979,261</b>	<b>3,036,269</b>	<b>117.9</b>
Asset management revenue	17,236,804	14,441,283	2,795,521	119.4
Gross premiums written (annuities)	2,778,726	2,537,978	240,748	109.5
<b>Expenses</b>	<b>-11,406,227</b>	<b>-9,780,037</b>	<b>-1,626,190</b>	<b>116.6</b>
<b>Cost-to-income ratio</b>	<b>64.4%</b>	<b>65.4%</b>	<b>-1.1 pp</b>	<b>-</b>
<b>Profit before tax</b>	<b>6,810,389</b>	<b>5,767,159</b>	<b>1,043,230</b>	<b>118.1</b>
EUR	30 September 2024	31 December 2023	Change	Index
<b>Assets under management</b>	<b>1,996,853,265</b>	<b>1,716,420,951</b>	<b>280,432,314</b>	<b>116.3</b>

**Business volume** increased by EUR 3.0 million, representing a growth of 17.9%, mainly due to strong growth in assets under management and the resulting higher income from asset management. Gross annuity premiums also increased as a result of more policyholders reaching retirement eligibility.

**Expenses** rose by EUR 1.6 million, or 16.6%, primarily due to increased commission expenses as a result of higher assets under management and the impact of inflation.

The **cost-to-income ratio (CIR)** improved by 1.1 percentage points, driven by strong revenue growth and a relatively lower increase in expenses.

For these reasons, **profit before tax** was EUR 1.0 million, or 18.1%, higher than in the previous period.

**Assets under management** increased by 16.3% to almost EUR 2.0 billion, driven by strong returns and net inflows into funds.

### 3.5 “Other” segment

EUR	1–9/2024	1–9/2023	Change	Index
Revenue	7,516,249	6,436,625	1,079,624	116.8
Expenses	7,791,490	6,134,152	1,657,338	127.0
<b>Profit before tax</b>	<b>-275,241</b>	<b>302,473</b>	<b>-577,714</b>	<b>-</b>

**Profit before tax** was EUR 0.6 million lower and would have been only EUR 0.3 million lower without the effect of the sale of the associate G2I in the previous year. In addition, the profit was lower because of weaker profits from healthcare services and the results of two small subsidiaries that did not exist last year.

## 4 Financial position

EUR	30 September 2024	31 December 2023	Change	Index
Equity	619,597,671	585,663,613	33,934,058	105.8
Contractual service margin	174,630,355	155,307,485	19,322,870	112.4
Risk margin	99,043,496	90,366,848	8,676,648	109.6
Investment portfolio	1,596,332,022	1,503,282,095	93,049,927	106.2
Total assets	2,771,289,500	2,568,546,136	202,743,364	107.9
Assets under management	2,713,472,226	2,324,952,679	388,519,547	116.7

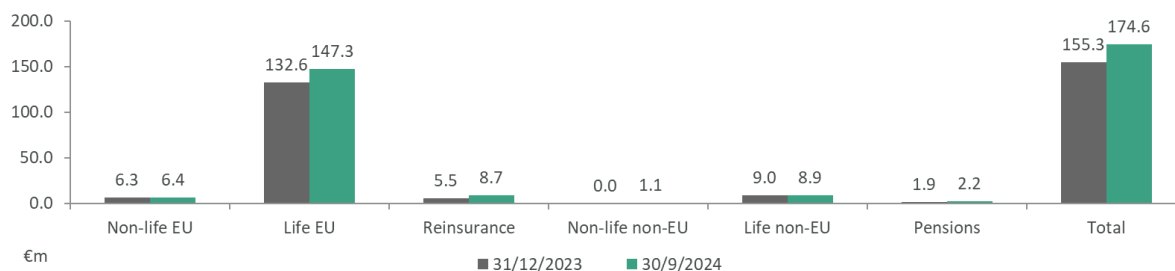


## 4.1 Equity and solvency

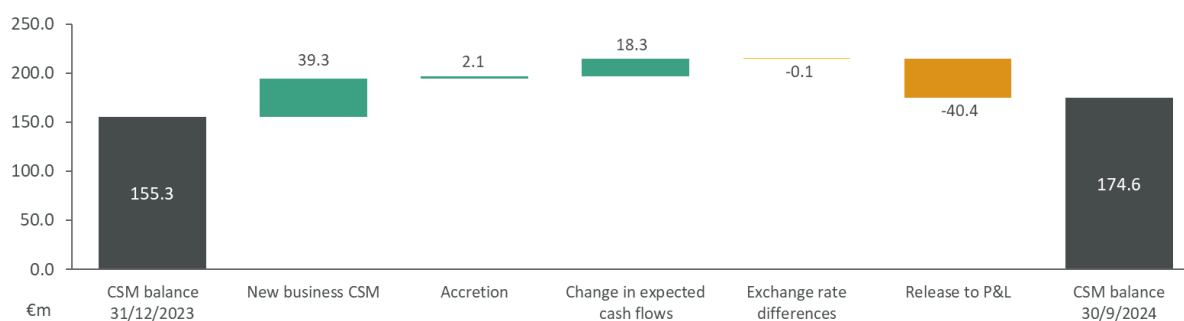
**Equity** totalled EUR 619.6 million, up by 5.8% compared to the end of the previous year. It increased by the amount of the profit for the period, partially offset by the dividend cost.

The **contractual service margin** as at 30 September 2024 was EUR 174.6 million (net contractual service margin: EUR 165.0 million).

### Contractual service margin by segment



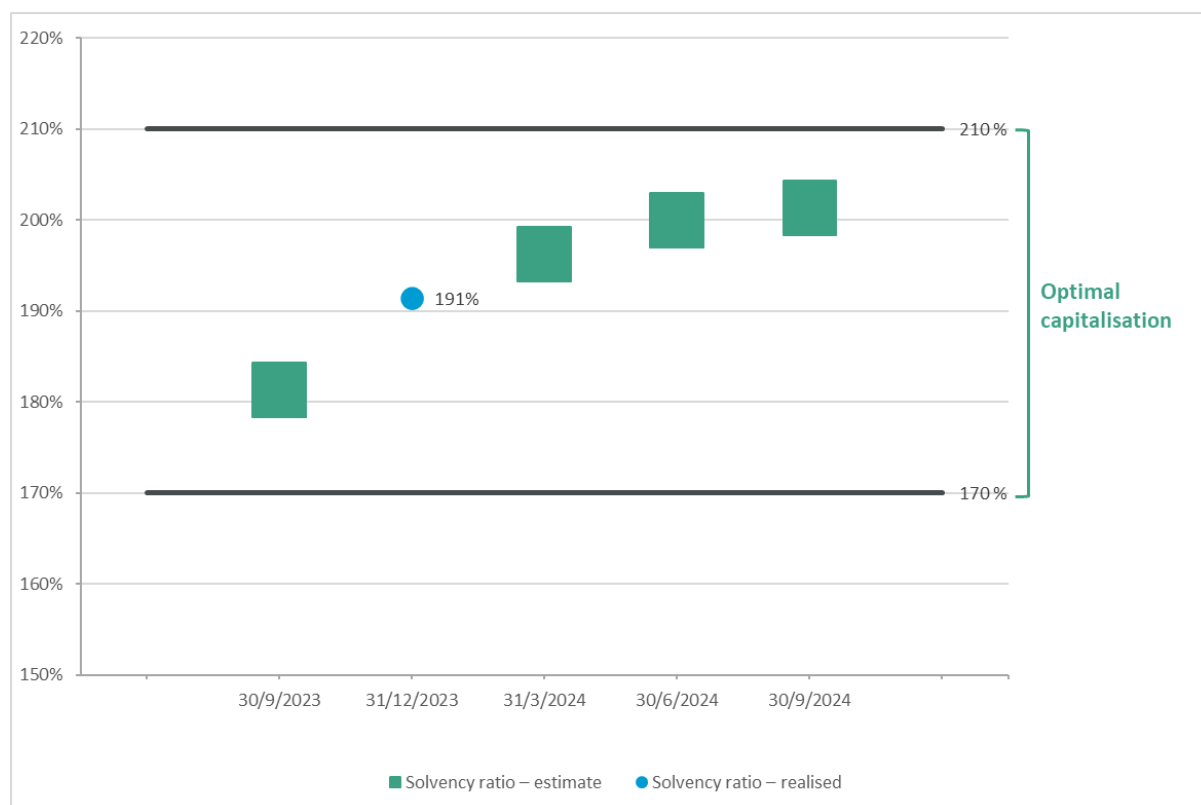
### Movement in contractual service margin



In the nine months to 30 September 2024, the contractual service margin grew by EUR 19.3 million, or 12.4%, of which the life segment contributed EUR 14.6 million and the reinsurance segment EUR 3.2 million. The contractual service margin increased as a result of the change in expected cash flows: in the life segment due to top-up premiums on existing policies and improved financial market conditions (EUR 10.3 million), and in the reinsurance segment due to a change in assumptions or a higher level of premiums than originally expected (EUR 9.4 million). The release of the contractual service margin to the income statement exceeded the contractual service margin on new policies by EUR 1.0 million due to the reinsurance segment as a result of the large change in expected cash flows described above. In the life segment, the contractual service margin on new business exceeded the release by EUR 3.1 million.

The Group's estimated solvency position as at 30 September 2024, taking into account the foreseeable dividend payouts in 2024, shows that the Group is well capitalised, with an expected **solvency ratio** of between 198% and 204% (31 December 2023: 191%). Eligible own funds are estimated to have increased in the first nine months owing to the favourable performance of the Group companies. The solvency capital requirement (SCR) also increased due to slightly higher capital requirements for non-life underwriting risk. The Group has a solvency ratio well above the regulatory requirement of 100% and is well capitalised according to its internal criteria, which define the range for an optimal solvency ratio as between 170% and 210%.

## Capital adequacy of the Sava Insurance Group from 30 September 2023 to 30 September 2024



## 4.2 Investment portfolio

The **Group's investment portfolio** totalled EUR 1,596.3 million, up by 6.2% compared to the end of the year. Fixed-rate investments accounted for the largest portion of the investment portfolio (86.5%), with over 75.4% of the investments rated "A-" or better and 89.3% rated "BBB-" or better. In order to maintain a high-quality and liquid portfolio during the period, funds were primarily invested in debt securities with credit ratings above "A-".

### Investment portfolio<sup>2</sup>

EUR	30 September 2024	31 December 2023	Change	Index
<b>Investment portfolio</b>	<b>1,596,323,023</b>	<b>1,503,282,095</b>	<b>93,049,928</b>	<b>106.2</b>
EUR	1-9/2024	1-9/2023	Change	Index
<b>Net investment income on investment portfolio</b>	<b>28,569,058</b>	<b>21,809,611</b>	<b>6,759,447</b>	<b>131.0</b>
Interest income	19,940,841	15,360,799	4,580,042	129.8
Change in fair value of FVTPL investments	3,044,861	1,392,967	1,651,894	218.6
Dividends and income from alternative funds	2,838,185	2,727,250	110,935	104.1
Income from associate companies	1,644,522	2,139,612	-495,090	76.9
Other investment income	1,100,649	188,983	911,666	582.4
<b>Return on investment portfolio</b>	<b>2.5%</b>	<b>2.0%</b>	<b>+0.5 pp</b>	-

**Net investment income and the return on the investment portfolio** increased year on year due to more favourable movements in the financial markets and higher interest rates on investments. Net investment income for the period was EUR 28.6 million, representing a return of 2.5%.

<sup>2</sup> A more detailed breakdown of the investment portfolio is provided in appendix 6.

## 5 Shareholder value

### 5.1 Earnings or loss per share

Earnings per share increased to EUR 4.00 in the first nine months of 2024 (up 70.2% compared to the first nine months of 2023). Sava Re's share price rose from EUR 23.60 (30 September 2023) to EUR 39.80 (30 September 2024), which corresponds to an increase of 68.6%. In addition to the favourable stock market conditions, the Company's performance also contributed to the increase in the share price. The turnover in Sava Re shares was EUR 11.8 million and EUR 23.1 million in the first nine months of 2023 and 2024, respectively.

	1-9/2024	1-9/2023
Number of shares (excluding treasury shares)	15,497,696	15,497,696
Net earnings or loss per share (EUR)	4.00	2.35
Book value per share at end of period (EUR)	39.98	35.37
Share price at end of period (EUR)	39.80	23.60

### 5.2 Return on equity

Return on equity increased by 4.7 percentage points to 12.9% compared to the first nine months of 2023 (first nine months of 2023: 8.2%).

## 6 Risk management

The risks to which the Group is exposed did not change significantly in the first nine months of 2024 from those described in section 16.7 "Risk management" of the 2023 annual report of the Sava Insurance Group. Information on macroeconomic, geopolitical and other impacts, as well as risk expectations until the end of 2024, is provided below.

The general macroeconomic and geopolitical environment in the first nine months of 2024 is described in section 2 "Macroeconomic environment". The macroeconomic and geopolitical situation remains uncertain, and we will continue to monitor it closely in the fourth quarter of the year and respond appropriately. Until the end of 2024, we expect the exposure to strategic risks to remain elevated given the situation, and the Group will seek to mitigate the risks accordingly. Should the macroeconomic or geopolitical situation deteriorate during the remainder of 2024, this could have a negative impact on the Sava Insurance Group, especially on the asset side. We therefore expect market risks to remain somewhat elevated as the year progresses. In terms of underwriting risk, there was some impact from weather-related catastrophes in the first nine months of 2024, but the overall impact for the period remained within the planned range. Given the random nature of underwriting risk, we cannot rule out an increase in the number of claims (either domestic or international) in the last quarter. In our view, liquidity risk is well managed in the Group, and we do not expect any significant increase in this risk until the end of 2024.

## 7 Progress on the business plan

In the first nine months, the Sava Insurance Group made strong progress against its 2024 business plan, achieving 88.1% of the planned business volume for the full year 2024. Net profit for the period was EUR 62.1 million, representing 88.7% of the lower end of the 2024 full-year target range for net profit. All other key performance indicators were also well ahead of their pro-rata annual targets.

Provided there is no material deterioration in claims experience in the fourth quarter and financial market conditions remain stable, the management board expects the Group to exceed its 2024 profit guidance.

### *Actuals versus targets in 2024*

EUR million	1–9/2024	2024 plan	As % of plan
Business volume	814.7	> 925	88.1%
Business volume growth	14.7%	> 5%	✓
Return on equity	12.9%	> 10.5%	✓
Profit, net of tax	62.1	> 70	88.7%
Solvency ratio	198%–204%	170%–210%	✓
Combined ratio	91.7%	< 95%	✓
Return on investment portfolio	2.5%	2.2%	✓

## 8 Significant events in the reporting period

On 22 February 2024, Sava Re signed a contract to acquire a 2.5% stake in TBS Team 24. Upon completion of the transaction on 27 February 2024, Sava Re held a 90% stake in the company.

In accordance with the Company's 2024 financial calendar, the 40th general meeting of shareholders was held on 27 May 2024. At the general meeting, the shareholders approved, among other things, the proposal of the management and supervisory boards to use EUR 27,120,968.00 of the profit for the distribution of dividends. The dividend of EUR 1.75 gross per share was paid out on 12 June 2024 to the shareholders of record on 11 June 2024. This represents a gross dividend yield of 6.4%. The general meeting re-elected Davor I. Gjivoje Jr as a shareholder representative on the Company's supervisory board for a new four-year term beginning on 9 March 2025. The Company published all the resolutions passed at the 40th general meeting of shareholders on its website immediately after the meeting.

In July 2024, the rating agency S&P Global Ratings affirmed the "A" ratings of Sava Re and Zavarovalnica Sava. The outlook was stable.

## 9 Significant events after the reporting date

In October 2024, following its regular annual rating review, the rating agency AM Best published its ratings for Sava Re and affirmed its "A" ratings (with a stable outlook).

On 4 October 2024, Sava Re issued a tier 3 subordinated bond with a maturity of five years. The aggregate principal amount of the subordinated bond issue was EUR 50 million. The principal amount of the bond is payable in full in a single amount on 4 October 2029. The principal bears a fixed rate of interest of 5.20% per annum, payable annually. Demand for the bond (over EUR 75 million) exceeded supply. Over 20 qualified investors participated in the bond subscription. The bonds were admitted to trading on the Luxembourg Stock Exchange. The issue was structured and managed by Erste Group Bank AG.

In October 2024, Sava Re's supervisory board reappointed Peter Skvarča, whose five-year term of office is due to expire on 19 June 2025, as a member of the management board for a further term. His new five-year term starts on 20 June 2025.

Katarina Sitar Šuštar submitted a letter of resignation from her position as an external member of the supervisory board's audit committee on 22 October 2024, with immediate effect.

## **10 About the Sava Insurance Group**

The Sava Insurance Group is a customer-centric, flexible and sustainability-oriented insurance group doing business in over 110 insurance and reinsurance markets worldwide. The Group is a provider of primary insurance, reinsurance, asset management and retirement solutions. Sava Re d.d., the parent company and reinsurer, serves more than 450 clients worldwide. With a presence in six countries in the Adriatic region, the Group is one of the larger insurance groups based in south-eastern Europe. Sava Re's long-term financial strength ratings were affirmed by both S&P Global Ratings and AM Best at the "A" level with a stable outlook. The Group ended 2023 with a business volume of over EUR 910 million and a net profit of EUR 65 million. The annual report of the Sava Insurance Group for 2023 is available at [www.sava-re.si/media/store/savare/en-si/2024/Sava\\_Re\\_Annual\\_Report\\_2023.pdf](http://www.sava-re.si/media/store/savare/en-si/2024/Sava_Re_Annual_Report_2023.pdf)

## **11 Cautionary statements and notes**

### **Forward-looking statements**

This document may contain forward-looking statements relating to the expectations, plans or goals of the Sava Insurance Group (the Group), which are based on estimates and assumptions made by the management of Sava Re (the Company). By their nature, forward-looking statements involve known and unknown risks and uncertainties. As a result, actual developments, in particular performance, may differ materially from the expectations, plans and goals set out in this document; therefore, persons should not rely on forward-looking statements.

### **Duty to update**

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

### **Alternative performance measures**

This document may contain certain alternative performance measures used by the Company's management to monitor the business, financial performance and financial position of the Group and to provide investors with additional information that management believes may be useful and relevant to understanding the Group's results. These alternative performance measures or benchmarks generally do not have a standardised meaning and therefore may not be comparable to similarly defined benchmarks used by other companies. Therefore, such measures should not be considered in isolation from, or in place of, the Group's consolidated financial statements and the related notes prepared in accordance with IFRS standards.

### **Data not audited**

The consolidated financial statements presented in this document are unaudited.

### **Rounding**

All calculations are based on exact figures, including decimals, which is why rounding differences may occur.

**Legal basis for the preparation of this document**

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

The Company's supervisory board reviewed this document at its session on 21 November 2024. The document is available on the Company's website.

**Translation**

This document was originally prepared in Slovenian. While every effort has been made to ensure a complete and accurate translation into English, some linguistic inconsistencies may still occur in such translations. Please note that only the Slovenian original is binding.

# Appendices

## 1. Consolidated income statement by operating segment

EUR	Non-life, EU		Non-life, non-EU		Life, EU		Life, non-EU		Reinsurance		Pensions and asset management		Other		Total	
	1-9/2024	1-9/2023	1-9/2024	1-9/2023	1-9/2024	1-9/2023	1-9/2024	1-9/2023	1-9/2024	1-9/2023	1-9/2024	1-9/2023	1-9/2024	1-9/2023	1-9/2024	1-9/2023
	Insurance revenue	384,217,453	319,070,115	77,582,002	65,773,701	49,641,800	44,362,230	6,175,374	4,847,399	75,925,763	83,295,558	400,010	313,403	0	0	593,942,402
Insurance service expenses	-341,690,461	-375,491,710	-71,551,221	-62,192,044	-33,776,227	-30,503,885	-4,849,331	-3,522,286	-48,246,238	-67,431,298	-283,539	-186,477	0	0	-500,397,017	-539,327,700
Claims incurred	-247,844,782	-285,521,214	-44,820,782	-39,600,057	-11,746,260	-11,239,432	-2,023,105	-1,473,172	-40,546,699	-59,300,379	-76,118	-62,582	0	0	-347,057,746	-397,196,836
Operating expenses	-97,372,684	-86,129,108	-26,582,624	-22,792,141	-21,348,062	-19,095,189	-2,687,794	-2,347,313	-7,319,332	-8,180,538	-87,927	-84,406	0	0	-155,398,423	-138,628,695
Onerous contracts	3,527,005	-3,841,388	-147,815	200,154	-681,905	-169,264	-138,432	298,199	-380,207	49,619	-119,494	-39,489	0	0	2,059,152	-3,502,169
<b>Result before reinsurance</b>	<b>42,526,992</b>	<b>-56,421,595</b>	<b>6,030,781</b>	<b>3,581,657</b>	<b>15,865,573</b>	<b>13,858,345</b>	<b>1,326,043</b>	<b>1,325,113</b>	<b>27,679,525</b>	<b>15,864,260</b>	<b>116,471</b>	<b>126,926</b>	<b>0</b>	<b>0</b>	<b>93,545,385</b>	<b>-21,665,294</b>
Reinsurance service result	-5,073,059	65,517,633	-3,061,792	-108,386	-252,828	-151,949	-7,431	-109,984	-8,776,168	791,383	0	0	0	0	-17,171,278	65,938,697
<b>Insurance service result</b>	<b>37,453,933</b>	<b>9,096,038</b>	<b>2,968,989</b>	<b>3,473,271</b>	<b>15,612,745</b>	<b>13,706,396</b>	<b>1,318,612</b>	<b>1,215,129</b>	<b>18,903,357</b>	<b>16,655,643</b>	<b>116,471</b>	<b>126,926</b>	<b>0</b>	<b>0</b>	<b>76,374,107</b>	<b>44,273,403</b>
Net investment result	9,130,158	4,996,726	3,360,070	2,111,021	6,365,741	6,839,924	974,994	693,686	5,815,275	4,101,135	1,278,298	927,506	0	0	26,924,536	19,669,999
Net insurance finance income or expenses	-2,467,131	-2,665,368	-524,614	-410,075	-2,599,749	-2,506,134	-478,652	-161,650	-4,435,926	-3,868,705	-568,453	-491,308	0	0	-11,074,525	-10,103,240
Net foreign exchange gains/losses	-15,028	-3,846	-13,021	-5,783	-845	-1,228	-9,177	-21,171	-584,284	1,505,653	-145	-1,497	0	0	-622,500	1,472,128
Finance result	6,647,999	2,327,512	2,822,435	1,695,163	3,765,148	4,332,562	487,165	510,865	795,065	1,738,083	709,700	434,701	0	0	15,227,511	11,038,887
Non-insurance revenue	0	0	0	0	0	0	0	0	0	0	17,236,804	14,441,283	5,861,528	4,286,041	23,098,332	18,727,324
Other expenses	-11,535,600	-10,673,373	-4,015,625	-4,125,644	-4,452,388	-3,505,810	-574,794	-472,674	-3,044,184	-2,352,724	-11,318,300	-9,695,631	-5,623,705	-3,979,670	-40,564,597	-34,805,526
Income from investments in subsidiaries and associates	0	0	0	0	0	0	0	0	1	-1	0	0	1,644,522	2,139,613	1,644,522	2,139,612
Net other operating income or expenses	2,202,146	2,852,945	1,837,877	2,667,670	212,145	-364,744	323,894	563,876	-557,207	-309,584	65,714	459,880	-2,157,586	-2,143,511	1,926,983	3,726,531
<b>Profit before tax</b>	<b>34,768,477</b>	<b>3,603,121</b>	<b>3,613,676</b>	<b>3,710,460</b>	<b>15,137,650</b>	<b>14,168,404</b>	<b>1,554,877</b>	<b>1,817,196</b>	<b>16,097,031</b>	<b>15,731,418</b>	<b>6,810,389</b>	<b>5,767,159</b>	<b>-275,241</b>	<b>302,473</b>	<b>77,706,858</b>	<b>45,100,232</b>
Income tax expense															-15,621,396	-8,573,212
<b>Net profit or loss for the period</b>															<b>62,085,462</b>	<b>36,527,020</b>

In the review of operations section of this financial report, the income statement has been adjusted to present certain categories in a more meaningful way, as in the 2023 annual report.



## 2. Consolidated statement of financial position by operating segment

EUR	Non-life, EU		Non-life, non-EU		Life, EU		Life, non-EU		Reinsurance		Pensions and asset management		Other		Total	
	30 September 2024	31 December 2023	30 September 2024	31 December 2023	30 September 2024	31 December 2023	30 September 2024	31 December 2023	30 June 2024	31 December 2023	30 September 2024	31 December 2023	30 September 2024	31 December 2023	30 September 2024	31 December 2023
<b>ASSETS</b>																
Intangible assets and goodwill	13,291,277	13,627,701	9,622,811	9,325,953	4,279,503	4,428,761	192,975	233,499	5,651,629	4,674,935	27,947,456	28,757,254	3,953,887	4,100,728	64,939,538	65,148,831
Property, plant and equipment	37,074,059	38,886,005	11,144,682	11,321,042	5,157,322	5,249,059	1,090,888	1,060,243	2,538,596	2,675,158	484,776	417,230	807,822	78,061	58,298,145	59,686,798
Investment property	11,242,128	11,730,934	5,562,059	5,544,277	31,893	32,900	0	0	7,469,446	7,582,167	0	0	0	0	24,305,526	24,890,278
Right-of-use assets	4,156,408	3,915,031	3,759,511	3,133,713	1,095,893	1,116,305	208,910	154,707	228,033	209,205	1,198,973	44,437	116,214	0	10,763,942	8,573,398
Investments in associates and joint ventures	0	0	0	0	0	0	0	0	0	0	0	0	25,479,142	23,834,620	25,479,142	23,834,620
Deferred tax assets	3,883,913	3,548,166	0	0	-2,184,572	-1,299,657	0	0	4,103,514	5,087,419	-647,571	-751,528	0	0	5,155,284	6,584,400
Financial investments	604,896,964	535,119,867	102,759,844	89,686,313	1,143,413,897	1,066,267,612	34,035,125	30,860,472	263,787,098	237,893,483	56,415,339	52,704,887	0	0	2,205,308,268	2,012,532,633
Investment contract assets	0	0	0	0	0	0	0	0	0	0	194,357,938	180,628,137	0	0	194,357,938	180,628,137
Insurance contract assets	3,554,400	3,686,689	9,972	16,211	1,225,903	753,959	328,327	184,190	4,671,384	4,966,239	0	0	0	0	9,789,986	9,607,288
Reinsurance contract assets	66,090,120	77,665,255	5,194,671	4,949,262	139,041	271,639	25,740	0	16,834,129	24,595,405	0	0	0	0	88,283,701	107,481,560
Current tax assets	0	0	293,451	435,426	2,803,421	0	1,683	0	0	0	0	0	0	7,507	3,098,555	444,616
Trade and other receivables	4,217,195	3,389,546	6,105,918	5,599,934	600,514	563,570	444,987	573,186	63,223	123,348	1,638,972	1,199,140	4,770,981	2,822,634	17,841,790	14,271,358
Non-current assets held for sale	400,000	191,021	68,863	68,628	0	0	0	0	0	0	0	0	0	0	468,863	259,649
Cash and cash equivalents	17,633,519	17,871,533	4,250,795	4,004,142	19,287,629	14,774,669	813,379	753,814	11,394,361	8,284,753	3,003,964	2,670,941	1,474,402	2,200,112	57,858,048	50,559,964
Other assets	1,988,641	1,235,294	554,223	419,561	267,357	394,674	66,732	41,483	996,147	715,114	895,792	763,264	571,882	473,216	5,340,774	4,042,606
<b>Total assets</b>	<b>768,428,624</b>	<b>710,867,042</b>	<b>149,326,799</b>	<b>134,504,462</b>	<b>1,176,117,801</b>	<b>1,092,553,491</b>	<b>37,208,746</b>	<b>33,863,277</b>	<b>317,737,560</b>	<b>296,807,225</b>	<b>285,295,639</b>	<b>266,433,762</b>	<b>37,174,330</b>	<b>33,516,878</b>	<b>2,771,289,500</b>	<b>2,568,546,137</b>
<b>LIABILITIES</b>																
Subordinated liabilities	0	0	0	0	0	0	0	0	0	0	0	0	77,143,699	74,987,535	77,143,699	74,987,535
Deferred tax liabilities	1,250	54,689	629,690	578,579	89,356	86,516	770,464	696,551	0	0	1,734,848	1,784,777	210,031	235,479	3,435,639	3,436,591
Insurance contract liabilities	500,504,457	463,154,147	75,094,645	64,660,233	1,013,562,941	917,651,804	20,335,002	17,396,207	162,820,997	163,562,295	27,205,298	24,597,561	0	0	1,799,523,340	1,651,022,247
Reinsurance contract liabilities	-72,481	103,984	1,372,766	942,342	81,646	307,990	0	0	2,256,721	287,726	0	0	0	0	3,638,652	1,642,043
Investment contract liabilities	0	0	0	0	0	0	0	0	0	0	194,158,299	180,437,695	0	0	194,158,299	180,437,695
Provisions	6,063,539	5,619,443	302,450	308,683	1,079,774	1,186,602	16,674	16,617	438,883	419,660	441,159	462,626	60,624	60,624	8,403,103	8,074,255
Lease liability	4,324,283	4,096,675	3,875,948	3,212,030	1,109,484	1,116,412	212,696	156,186	231,473	210,798	1,210,089	52,636	0	0	10,963,973	8,844,737
Other financial liabilities	7,157	7,154	602,354	728,545	1	0	256	1,386	0	1	81	-1	0	0	609,849	737,085
Current tax liabilities	2,134,517	116,825	660,386	670,658	141,210	2,363,508	34,342	27,152	-485,485	6,319,991	505,290	276,482	396,777	156,214	3,387,037	9,930,830
Other liabilities	21,860,973	22,980,315	5,858,107	5,664,583	3,558,173	3,154,137	1,117,734	1,374,904	8,649,244	4,718,067	1,976,280	1,739,401	7,407,727	4,138,098	50,428,238	43,769,508
<b>Total liabilities</b>	<b>534,823,695</b>	<b>496,133,232</b>	<b>88,396,346</b>	<b>76,765,653</b>	<b>1,019,622,585</b>	<b>925,866,969</b>	<b>22,487,168</b>	<b>19,669,003</b>	<b>173,911,834</b>	<b>175,518,538</b>	<b>227,231,343</b>	<b>209,351,177</b>	<b>85,218,858</b>	<b>79,577,950</b>	<b>2,151,691,829</b>	<b>1,982,882,526</b>
<b>Total equity</b>															<b>619,597,671</b>	<b>585,663,613</b>
<b>Total liabilities and equity</b>															<b>2,771,289,500</b>	<b>2,568,546,136</b>

### 3. Non-life segment

#### Gross premiums written – non-life insurance

EUR	1–9/2024	1–9/2023	Change	Index
Slovenia	422,524,500	358,730,183	63,794,316	117.8
Croatia	13,827,562	13,536,813	290,749	102.1
<b>EU</b>	<b>436,352,061</b>	<b>372,266,996</b>	<b>64,085,065</b>	<b>117.2</b>
Serbia	37,445,859	30,639,612	6,806,247	122.2
North Macedonia	16,949,385	15,607,214	1,342,171	108.6
Montenegro	17,587,662	16,176,424	1,411,238	108.7
Kosovo	14,495,616	12,757,274	1,738,343	113.6
<b>Non-EU</b>	<b>86,478,522</b>	<b>75,180,524</b>	<b>11,297,998</b>	<b>115.0</b>
<b>Total non-life insurance</b>	<b>522,830,584</b>	<b>447,447,520</b>	<b>75,383,063</b>	<b>116.8</b>

#### Gross non-life insurance premiums by class of business<sup>3</sup>

EUR	1–9/2024		1–9/2023	
	Amount	Share	Amount	Share
Land motor vehicles	173,637,236	33.2%	146,001,554	32.6%
Motor vehicle liability	147,617,439	28.2%	125,673,228	28.1%
Property	99,258,659	19.0%	82,331,103	18.4%
Accident, health and assistance	76,222,865	14.6%	68,952,303	15.4%
General liability	19,471,778	3.7%	17,946,012	4.0%
Marine, suretyship and goods in transit	5,071,220	1.0%	4,312,116	1.0%
Other insurance	1,551,387	0.3%	2,231,203	0.5%
<b>Total non-life insurance</b>	<b>522,830,584</b>	<b>100.0%</b>	<b>447,447,520</b>	<b>100.0%</b>

### 4. Life segment

#### Gross premiums written – life insurance

EUR	1–9/2024	1–9/2023	Change	Index
Slovenia	141,677,357	126,970,672	14,706,685	111.6
Croatia	1,840,988	1,559,801	281,187	118.0
<b>EU</b>	<b>143,518,345</b>	<b>128,530,473</b>	<b>14,987,872</b>	<b>111.7</b>
Serbia	6,347,664	5,198,097	1,149,566	122.1
Kosovo	3,343,196	3,293,603	49,593	101.5
<b>Non-EU</b>	<b>9,690,859</b>	<b>8,491,700</b>	<b>1,199,159</b>	<b>114.1</b>
<b>Total life</b>	<b>153,209,204</b>	<b>137,022,173</b>	<b>16,187,031</b>	<b>111.8</b>

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

EUR	1–9/2024		1–9/2023	
	Amount	Share	Amount	Share
Unit-linked life	102,610,872	67.0%	88,729,605	64.8%
Traditional life	50,598,333	33.0%	48,292,568	35.2%
<b>Total life</b>	<b>153,209,204</b>	<b>100.0%</b>	<b>137,022,173</b>	<b>100.0%</b>

<sup>3</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.

## 5. Pensions and asset management segment

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

EUR	1–9/2024	1–9/2023	Index
Opening balance of fund assets (1 January)	1,716,420,951	1,435,329,886	119.6
Fund inflows	176,060,064	122,286,126	144.0
Fund outflows	-38,530,905	-30,419,848	126.7
Asset transfers	-8,024,530	-11,516,538	69.7
Net investment income of funds	151,075,208	97,188,065	155.4
Entry and exit charges	-3,193,641	-1,547,942	206.3
Exchange differences and fair value reserve	3,046,117	-1,694,734	-179.7
Closing balance of fund assets (30 September)	1,996,853,265	1,609,625,014	124.1

### Closing balance of funds under management (accumulation part)

EUR	30 September 2024	31 December 2023	Index
Slovenia	868,346,593	721,203,887	120.4
North Macedonia	1,128,506,672	995,217,064	113.4
Total	1,996,853,265	1,716,420,951	116.3

## 6. Investment portfolio of the Sava Insurance Group

### Investment portfolio

EUR	30 September 2024	31 December 2023	Change	Index
Government bonds	861,294,703	818,836,368	42,458,335	105.2
Corporate bonds	493,159,530	457,974,606	35,184,924	107.7
Alternative funds	71,673,935	71,228,051	445,884	100.6
Shares and mutual funds	44,549,778	40,318,822	4,230,956	110.5
Deposits and CDs	27,113,013	25,616,171	1,496,842	105.8
Loans granted	569,957	754,141	-184,184	75.6
<b>Total financial investments</b>	<b>1,498,360,915</b>	<b>1,414,728,159</b>	<b>83,632,756</b>	<b>105.9</b>
Cash and cash equivalents	48,186,440	39,829,039	8,357,401	121.0
Investments in associates	25,479,142	23,834,620	1,644,522	106.9
Investment property	24,305,526	24,890,278	-584,752	97.7
<b>Total investment portfolio</b>	<b>1,596,332,023</b>	<b>1,503,282,096</b>	<b>93,049,927</b>	<b>106.2</b>
Assets held for the benefit of policyholders who bear the investment risk, of which:				
– Financial investments	716,618,960	608,535,398	108,083,562	117.8
– Cash and cash equivalents	706,947,353	597,804,473	109,142,880	118.3
– Cash and cash equivalents	9,671,607	10,730,924	-1,059,318	90.1
Investment contract assets	194,357,938	180,628,137	13,729,801	107.6

### Composition of the investment portfolio

EUR	30 September 2024	Share 30 September 2024	31 December 2023	Share 31 December 2023	% change (pp)
Fixed-rate financial investments	1,381,567,246	86.5%	1,302,427,145	86.6%	-0.1
Alternative funds	71,673,935	4.5%	71,228,051	4.7%	-0.2
Cash and cash equivalents	48,186,440	3.0%	39,829,039	2.6%	0.4
Investments in associates	25,479,142	1.6%	23,834,620	1.6%	0.0
Property	24,305,526	1.5%	24,890,278	1.7%	-0.1
Shares and mutual funds	44,549,778	2.8%	40,318,822	2.7%	0.1
Other	569,957	0.0%	754,141	0.1%	0.0
<b>Total</b>	<b>1,596,332,023</b>	<b>100.0%</b>	<b>1,503,282,096</b>	<b>100.0%</b>	<b>0.0</b>

*Composition of fixed-rate financial investments*

EUR	30 September 2024	Share 30 September 2024	31 December 2023	Share 31 December 2023	% change (pp)
Government bonds	776,949,113	56.2%	760,045,073	58.4%	-2.1
Regular corporate bonds	414,901,136	30.0%	374,739,651	28.8%	1.3
Government-guaranteed bonds	84,345,591	6.1%	59,038,019	4.5%	1.6
Covered bonds	54,605,939	4.0%	52,439,089	4.0%	-0.1
Deposits and CDs	27,113,013	2.0%	25,616,171	2.0%	0.0
Subordinated bonds	23,652,451	1.7%	30,549,141	2.3%	-0.6
<b>Total</b>	<b>1,381,567,244</b>	<b>100.0%</b>	<b>1,302,427,144</b>	<b>100.0%</b>	

## 7. Glossary of selected terms and calculation methods for indicators

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