



**Unaudited financial report
of the Sava Insurance Group
and financial statements of Sava Re d.d.
for January–March 2022**

Ljubljana, 10 May 2022

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Introduction

1 Introduction

In accordance with the Financial Instruments Market Act and the rules of the Ljubljana Stock Exchange, Sava Re d.d., with registered office at Dunajska 56, Ljubljana, hereby publishes the “Unaudited financial report of the Sava Insurance Group and financial statements of Sava Re d.d. for the period January–March 2022”, also available from the Company’s website, at www.sava-re.si, as from 19 May 2022.

1.1 Key financials

EUR, except percentages	Sava Insurance Group	
	1–3/2022	1–3/2021
Total of all operating segments		
Operating revenue	177,826,454	177,870,283
Year-on-year change	0.0%	18.2%
Profit or loss before tax	20,314,914	29,126,889
Year-on-year change	-30.3%	121.6%
Profit or loss, net of tax	16,767,625	23,473,148
Year-on-year change	-28.6%	127.9%
Comprehensive income	-31,565,075	17,081,516
Year-on-year change	-284.8%	-334.2%
Return on revenue*	9.4%	13.2%
Net expense ratio, including operating revenue*/***	27.4%	27.4%
Return on equity	13.4%	18.9%
Return on equity excluding revaluation surplus	13.3%	20.4%
Earnings or loss per share	1.08	1.52
Return on the investment portfolio*/**	1.3%	1.4%
Reinsurance + non-life		
Gross premiums written	182,193,310	167,677,546
Year-on-year change	8.7%	-3.9%
Net incurred loss ratio*	58.4%	50.5%
Net expense ratio	31.0%	30.8%
Net combined ratio*	90.8%	82.8%
Profit or loss before tax	13,108,520	23,693,411
Year-on-year change	-44.7%	108.9%
Life		
Gross premiums written	48,398,243	46,526,134
Year-on-year change	4.0%	111.7%
Net expense ratio	18.7%	18.6%
Profit or loss before tax	5,339,586	4,434,189
Year-on-year change	20.4%	87.9%
Total of all operating segments		
	31 March 2022	31 December 2021
Total assets	2,643,737,386	2,658,322,359
Change on 31 December of prior year	-0.5%	7.7%
Shareholders' equity	472,511,943	504,077,018
Change on 31 December of prior year	-6.3%	9.5%
Net technical provisions	1,715,319,025	1,703,916,399
Change on 31 December of prior year	0.7%	6.5%
Book value per share	30.49	32.53
Number of employees (full-time equivalent basis)	2,695.2	2,698.9
Solvency ratio under Solvency II rules	-	198%

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

* Excluding the effect of exchange differences.

** Subordinated debt expenses are excluded.

*** The amortisation charge for a customer list is excluded.

The table below compares actual figures against the 2022 full-year plan:

EUR million	1–3/2022	2022 plan	As % of plan
Operating revenue	177.8	> 700	25.4%
Profit or loss, net of tax	16.8	> 60	27.9%
Return on equity (ROE)	13.4%	≥ 11.5%	✓
Net expense ratio*	27.4%	31–32%	✓
Investment return*/**	1.3%	1.4%	✗
Net combined ratio (reins. + non-life)*	90.8%	< 94%	✓

Because exchange differences were not factored into the plan, the table shows ratios excluding the effect of exchange differences.

* Excluding the effect of exchange differences.

** Subordinated debt expenses are excluded.

In the first quarter of 2022, the Sava Insurance Group wrote EUR 177.8 million in operating revenue, largely unchanged year on year and a quarter of the operating revenue planned for the whole of 2022. In the first quarter of 2022, almost all operating segments reached about one quarter of the revenue planned for the full year.

The net profit for the period was EUR 16.8 million, which is 28.6% below the year-on-year figure and 27.9% of the lower end of the full-year 2022 target range.

The first-quarter 2022 net expense ratio was better than planned. The improvement in the expense ratio was chiefly due to the Slovenian life and non-life segments because of higher revenues and the dynamics of operating expenses. The return on the investment portfolio declined modestly year on year and was lower than the 2022 target.

Realising target increases/decreases in consolidated operating revenue by segment

	1–3/2022	2022 plan
Reinsurance	-5%	-16%
Non-life, Slovenia	-4%	-2%
Life, Slovenia	4%	2%
Non-life, international	6%	6%
Life, international	30%	17%
Pensions and AM	19%	13%
Other	29%	4%

Objectives achieved in the Group's strategic focus areas:

Digital transformation & 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 multichannel solution in several Sava Insurance Group companies, with an emphasis on the management of multilevel processes and additional integrated communication channels.

We launched and upgraded the SavaNet portal, now containing data on Zavarovalnica Sava and Sava Pokojninska. The addition of Sava Infond data is planned for 2022.

The first paperless business communication processes were implemented in the Group, and additional business communication processes will be integrated going forward. 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, we are looking to increase security and accelerate process implementation for our customers.

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

IT overhaul

As part of our IT overhaul projects for core insurance systems:

- we continued implementing the IT solution supporting insurance operations in the Croatian branch of Zavarovalnica Sava, with the “Kasko” and “Putno” insurance products going into production;
- we continued work on the operational part of the project for implementing a reinsurance IT solution at Sava Re;
- Zavarovalnica Sava started work on the specialised solutions project to implement GIS (Geographical Information System) and FROPS (Fraud, Risk and Operational Performance Solution).

In the consolidated data warehouse of Zavarovalnica Sava, we continued to implement our development goals of expanding through new data sources, integrating extended additional content and applying the solution in other Group companies.

In terms of infrastructure, we ensured ongoing support to various development projects and upgraded supervisory management processes while improving the efficiency of infrastructure support.

We upgraded the operational control management of the organisational process for IT security by expanding the team composition (representatives of management, auditing, DPO, etc.) to oversee the expansion/contraction of the IT security control environment. Due to the increased risk of cyber attacks (related to the Ukraine–Russia conflict), we upgraded our control environment and further reduced the risk of Sava infrastructure being compromised.

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 is on implementing these criteria in a number of areas: investment management, insurance and reinsurance underwriting, development of insurance services and purchasing.

In January 2022, the management board of Sava Re adopted the Sava Insurance Group Guidelines for Responsible Underwriting of Environmental, Social and Governance Risks in the Non-life Segment to minimise exposure to ESG risks when underwriting non-life insurance.

The first quarter of 2022 was mainly devoted to reporting in line with EU regulation – that is, the Taxonomy – and annual sustainability reporting.

Working groups were set up, including representatives of the subsidiaries, to ensure proper implementation of EU regulation. In August, two delegated regulations enter into force: Delegated Regulation 2021/1257 regulating the integration of sustainability factors, risks and preferences into the product oversight and governance and Delegated Regulation 2021/1256 concerning the integration of sustainability risks in the governance of insurance and reinsurance undertakings. Preparations for reporting under the SFDR, the Taxonomy and the CSRD are also being intensively pursued.

In the first quarter of 2022, we also worked on the calculation of GHG emissions for the Group as a whole and reviewed options to reduce them in the next strategic period.

A strong emphasis was placed on corporate volunteering, which is to become a year-round activity of the Heart for the World initiative. A survey was carried out to find out which areas of volunteering are of interest to staff, outside consultants were involved and an action plan for the whole Group was developed.

In addition, much work has been done to prepare guidelines and objectives for the next strategic period.

The Group reported on the implementation of its sustainability strategy in its 2021 sustainability report, posted on its website on 26 April 2022.

1.2 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	info@sava-re.si
Website	www.sava-re.si
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	<u>MANAGEMENT BOARD</u> Marko Jazbec (chairman) Jošt Dolničar (up until 04/5/2022) Polona Pirš Zupančič Peter Skvarča <u>SUPERVISORY BOARD</u> 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	KPMG Slovenija d.o.o. Železna cesta 8A 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	A /stable/; September 2021
AM Best	A /stable/; October 2021
Contact details for financial and sustainability reports	ir@sava-re.si
The Company has no branches.	

1.3 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. In order to transact business, the Company must be represented jointly by at least two members.

In the first quarter of 2022, the composition of the management board did not change.

Composition of the management board as at 31 March 2022

Member	Title	Beginning of term	End of term of office
Marko Jazbec	chairman	12 May 2017	12 May 2022*
Jošt Dolničar	member	1 June 2018	4 May 2022
Polona Pirš Zupančič	member	14 January 2018	14 January 2023*
Peter Skvarča	member	19 June 2020	19 June 2025

* Renewal of the five-year term of office.

Notes on memberships of management or supervisory bodies of third parties:

Jošt Dolničar:

- Slovenian Rowing Federation, Župančičeva Cesta 9, 4260 Bled, Slovenia – president.
- Olympic Committee of Slovenia – member of the executive board.

Composition of the management board after the reporting date

At its session of 7 October 2021, the Sava Re supervisory board reappointed Marko Jazbec as the chairman of the management board for a further term. The new five-year term started on 13 May 2022.

At its session of 25 April 2022, the Sava Re supervisory board reappointed Polona Pirš Zupančič as a member of the management board for a further term. The new five-year term starts on 15 January 2023.

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 will continue to operate with only three members until further notice.

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 changed in the first quarter of 2022.

On 31 December 2021, the term of office of Mateja Živec as a member of the supervisory board representing employee interests expired based on her statement of resignation. The Sava Re workers' council appointed Edita Rituper as a new member of the supervisory board to represent employee interests. Her term of office runs from 1 January 2022 to 12 June 2023.

Composition of the supervisory board as at 31 March 2022

Member	Title	Beginning of term	End of term of office
Davor Ivan Gjivoje Jr	chairman	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:

- Networkworld, Inc./DGG Holdings, Ltd. & Subsidiaries, 89 Headquarters Plaza, North Tower (Suite 1420) Morristown, NJ 07960, USA – managing director.

Keith W. Morris:

- European Reliance S.A., Kifisias Aven. 274, 152 32, Chalandri, Greece – non-executive member of the board of directors.
- 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 first 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 31 March 2022

Member	Title	Beginning of term	End of term of office
Dr Matej Gomboši	chairman	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 31 March 2022

Member	Title	Beginning of term	End of term of office
Keith W. Morris	chairman	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
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 31 March 2022

Member	Title	Beginning of term	End of term of office
Klemen Babnik	chairman	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 & proper committee as at 31 March 2022

Member	Title	Beginning of term	End of term of office
Keith W. Morris	chairman	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 first quarter of 2022.

1.4 Significant events in the first quarter of 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 results. The Sava Insurance Group (through Sava Re) has written 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".
- In the first three months of 2022, there was a sharp rise in the inflation rate, which experts and analysts believe is no longer transitory. It is additionally fuelled by the war in Ukraine, notably through shocks to the oil and energy markets, but also through the tightening of supply chains and the unavailability of certain commodities. As a result, central banks were forced to act, changing their rhetoric significantly and announcing a reduction and later an end to quantitative easing and a gradual rise in key interest rates. The required rates of return on bonds rose extremely quickly and sharply, resulting in a fall in the value of bond investments. The deteriorating sentiment in capital markets had the additional effect of widening bond credit spreads, which further depressed bond prices, while equity markets also fell. The war in Ukraine and the impact of inflation on the value of bond investments are very likely to have an impact on investment in the coming quarters, but it is unlikely that it will be as dynamic and as extensive as in the first four months of this year. These factors are mainly reflected in lower values of investments (including the impact on solvency) and, to a lesser extent, in the return on investments. Although the impact is not critical at the moment, the Sava Insurance Group will closely monitor the macroeconomic and geopolitical situation and developments in the capital markets and take appropriate action, should this become necessary.

1.5 Significant events after the reporting period

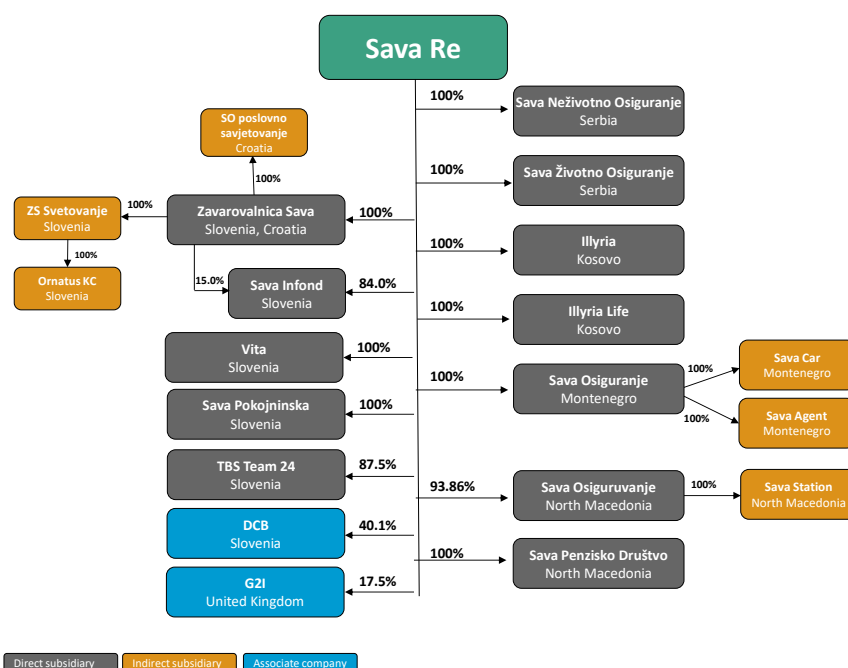
- Jošt Dolničar, who was appointed chairman of the management board of Zavarovalnica Sava on 30 December 2021, was granted a licence to perform this function by the Insurance Supervision Agency on 3 May 2022. His term as a member of the management board of Sava Re ended on 4 May 2022, and he assumed the chairmanship of the management board of Zavarovalnica Sava on 5 May 2022 for a five-year term of office. After his departure, the Sava Re management board will continue to operate with only three members until further notice.
- In accordance with the 2022 financial calendar, the 38th general meeting of shareholders will be convened in May 2022 and will meet on 23 June 2022.

1.6 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 Osiguruvanje (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 online motor policies.

Composition of the Sava Insurance Group as at 31 March 2022¹



¹ The percentages in the figure 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.

Company names of Sava Insurance Group members

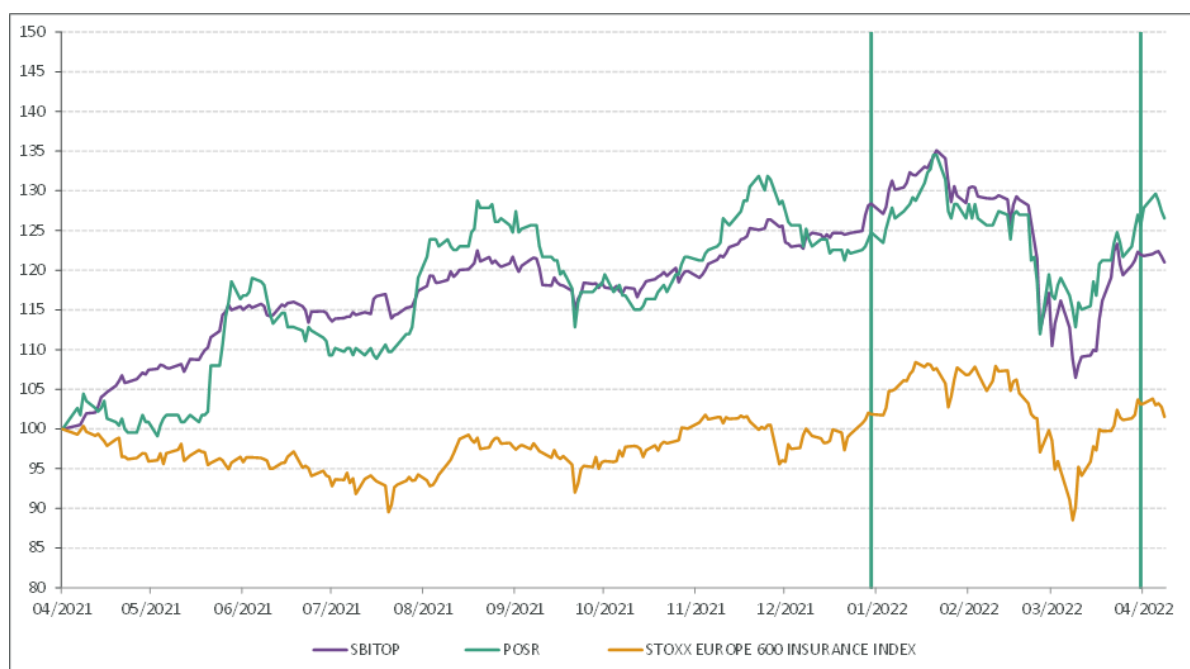
	Official long name	Short name in this document
	Sava Insurance Group	Sava Insurance Group
1	Pozavarovalnica Sava d.d. / Sava Reinsurance Company d.d.	Sava Re
2	ZAVAROVALNICA SAVA, zavarovalna družba, d.d.	Zavarovalnica Sava (SVN)
	SAVA OSIGURANJE, d.d. – Croatian branch office	Zavarovalnica Sava, Slovenian 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 KLINICI 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 upravljanje so zadolžiteln i dobrovolin 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)

1.7 Shareholders and share trading

In the first three months of 2022, the movement of Sava Re's share was subject to significant fluctuations in line with developments on the financial markets. The share price ended the first quarter at EUR 28.90. During the period, the share price peaked at EUR 30.40, and the period low was EUR 25.30. The average share price in the first quarter of 2022 was EUR 28.09.

With a growth rate of 3.6% in the first quarter, Sava Re shares outperformed the European insurance sector index (SXIP), which gained 1.4% over the same period. They also outperformed the index of the Ljubljana Stock Exchange (SBITOP), which lost 4.2%.

Movement in the POSR share price from 1 April 2021 to 31 March 2022 compared to the SBITOP index and the STOXX Europe 600 insurance index in % (31 March 2021 = 100)



In the first quarter of 2022, the turnover in Sava Re shares was EUR 5.4 million, a decline from the year-on-year figure of EUR 6.7 million. The average daily turnover in the first quarter of 2022 was EUR 85,622, compared to EUR 108,605 in the first quarter of 2021.

Basic details about the POSR share

	31 March 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	4,257	4,274
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)	30.49	32.53
Market capitalisation at end of period (EUR)	447,883,414	432,385,718
	1–3/2022	1–3/2021
Consolidated net earnings per share (EUR)	1.08	1.52
Share price at end of period (EUR)	28.90	22.60
Average share price in reporting period (EUR)	28.09	21.38
Period low (EUR)	25.30	18.50
Period high (EUR)	30.40	23.40
Turnover in reporting period (EUR)	5,394,168	6,733,486
Average daily turnover (EUR)	85,622	108,605

Share price data for 1–3/2021 are different from those previously published. The previously published data were obtained from Bloomberg, whereas the data shown in the table were obtained from the Ljubljana Stock Exchange.

Shareholders

Shareholder structure of Sava Re as at 31 March 2022²

Type of investor	Domestic	International
Insurance and pension companies	18.3%	0.0%
Other financial institutions*	18.0%	15.7%
Republic of Slovenia	13.9%	0.0%
Natural persons	10.7%	0.2%
Investment funds and mutual funds	2.7%	0.1%
Other commercial companies	2.9%	1.0%
Banks	0.0%	16.6%
Total	66.4%	33.6%

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

The composition of shareholders remained unchanged in the first quarter of 2022.

² Source: KDD d.d. central securities register and own calculations.

Composition of the Sava Re share capital

Ten largest shareholders and qualifying shareholders under the Slovenian Takeover Act as at 31 March 2022³

	Shareholder	Number of shares	Holding (%)	% voting rights
1	Slovenski Državni Holding d.d. (Slovenian Sovereign Holding)	3,043,883	17.7%	19.6%
2	Intercapital Securities Ltd., fiduciary account	2,564,231	14.9%	16.5%
3	Republic of Slovenia	2,392,436	13.9%	15.4%
4	Sava Re d.d., own shares*	1,721,966	10.0%	0.0%
5	European Bank for Reconstruction and Development (EBRD)	1,071,429	6.2%	6.9%
6	Raiffeisen Bank Austria, fiduciary account	801,668	4.7%	5.2%
7	Modra Zavarovalnica d.d.	714,285	4.1%	4.6%
8	Hrvatska Poštanska Banka – fiduciary account	379,665	2.2%	2.4%
9	Guaranteed civil servants' sub-fund	320,346	1.9%	2.1%
10	Kapitalska Družba d.d. – SODPZ	238,109	1.4%	1.5%
	Total	13,248,018	76.9%	74.4%

* Own shares carry no voting rights.

On 2 June 2016, Sava Re received a notice from Adris Grupa d.d., Vladimira Nazora 1, 52210 Rovinj, Croatia, advising Sava Re of a change in major holdings in Sava Re. On 2 June 2016, Adris Grupa, including its subsidiaries with fiduciary accounts, held 3,278,049 POSR shares, representing 19.04% and 21.15% of issued and outstanding shares, respectively. The Company has received no subsequent notice of any change in holding from Adris Grupa d.d.

There were no significant changes in the holdings of the 10 largest shareholders in the first quarter of 2022. The 10 largest shareholders held a combined share of 76.9% of the share capital and 74.4% of voting rights.

Fiduciary accounts with banks, attorneys and other financial institutions altogether accounted for 23.6% of all POSR shares.

As at 31 March 2022, the top five largest Sava Re shareholders exceeded the 5% threshold (qualifying holding in accordance with Article 77 of the Slovenian Takeover Act, ZPre-1).

There were no transactions in Sava Re shares by members of the management and supervisory boards in the first quarter of 2022. The total number of their shares thus remained at 22,226 and their shareholding at 0.129%.

POSR shares held by members of the supervisory and management boards as at 31 March 2022

	Number of shares	Holding (%)
Marko Jazbec	10,365	0.060%
Jošt Dolničar	4,363	0.025%
Polona Pirš Zupančič	3,748	0.022%
Peter Skvarča	850	0.005%
Total management board	19,326	0.112%
Andrej Gorazd Kunstek	2,900	0.017%
Total supervisory board	2,900	0.017%
Total management and supervisory boards	22,226	0.129%

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.

³ Source: KDD d.d. central securities register and own calculations.

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

From 1 January 2022 to 31 March 2022, Sava Re did not repurchase its own shares. The total number of own shares as at 31 March 2022 was 1,721,966, representing 10% less one share of all issued shares. Own shares were acquired in line with a share repurchase programme posted on the Company's website, in the Investors / Our share section <https://www.sava-re.si/en-si/investor-relations/our-share/>.

Dividend

In accordance with the 2022 financial calendar, the 38th general meeting of shareholders will be convened in May 2022 and will meet on 23 June 2022. The general meeting will be voting on a proposal regarding the appropriation of the distributable profit as at 31 December 2021 of EUR 37,053,726.07: EUR 23,246,544.00 to be appropriated for dividends, and the remaining part of distributable profit of EUR 13,807,182.07 to be left unallocated as retained earnings. Thus, the proposed gross dividend per share is set at EUR 1.50.

Details on dividends⁴

EUR, except percentages	For 2013	For 2014	For year 2015	For 2016	For 2017	For 2018	For 2019	For 2020
Dividend payment	4,386,985	9,065,978	12,398,157	12,398,158	12,398,157	14,722,811	0	13,173,042
Dividend/share	0.26	0.55	ordinary: 0.65 extraordinary: 0.15	0.80	0.80	0.95	0.00	0.85
Dividend yield	2.0%	3.8%	5.8%	5.0%	4.8%	5.6%	-	3.4%

Contingent capital

The Company had no conditional equity as at 31 March 2022.

⁴ Current-year dividend distributions from distributable profits of the previous year. The dividend yield was calculated as the ratio of the dividend per share to the rolling average share price in the past 12-month period.

Interim business report

2 Review of operations⁵

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 include the following companies⁶:

- 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);
- 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. The company S Estate was sold in the first quarter of 2022.

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 this way, 67.9% of operating expenses were allocated to the segments in the first quarter of 2022 (first quarter of 2021: 67.5%). In addition, there were reallocations of operating expenses of the company TBS Team 24 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 of past four quarters).
- The sale of S Estate is included in the “other” operating segment.

The following reclassifications were made in the consolidated statement of financial position:

- Goodwill was attributed to the segment where it arose.

⁵ 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 of 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 indent one of reallocations of income statement items.
- Subordinated liabilities are shown in the "other" segment.

Summary consolidated income statement

EUR	1-3/2022	1-3/2021	Index
Net premiums earned	164,827,803	166,932,975	98.7
Income from investments in associates	454,033	268,505	169.1
Investment income	8,663,633	8,713,555	99.4
Net realised and unrealised gains on investments of life insurance policyholders who bear the investment risk	0	25,481,555	-
Other technical income	5,771,672	5,295,802	109.0
Other income	7,226,979	5,641,506	128.1
Net claims incurred	-105,930,272	-101,068,522	104.8
Change in other technical provisions	3,355,265	10,521,536	31.9
Change in technical provisions for policyholders who bear the investment risk	22,487,377	-35,876,621	-62.7
Expenses for bonuses and rebates	-40,077	-56,799	70.6
Operating expenses	-51,112,138	-50,961,236	100.3
Expenses for financial assets and liabilities	-3,944,867	-1,681,067	234.7
Net realised and unrealised losses on investments of life insurance policyholders who bear the investment risk	-26,487,517	0	-
Other technical expenses	-4,720,246	-3,699,577	127.6
Other expenses	-236,731	-384,724	61.5
Profit or loss before tax	20,314,914	29,126,888	69.7
Income tax expense	-3,547,289	-5,653,741	62.7
Profit or loss, net of tax	16,767,625	23,473,148	71.4

The key impact on the first-quarter 2022 result compared to the same period in 2021 is the rise in net claims incurred as a result of higher claims frequency in motor insurance, as motor traffic normalised and the effects of the epidemic subsided (especially in the Slovenian insurance market). The rise in claims incurred was also driven by an increase in claims provisions due to perceived claims inflation. Although the net profit declined year on year, the Group achieved 27.9% of the target full-year figure in the first three months, and the quarter's result is better than the one before the outbreak of the epidemic (2019).

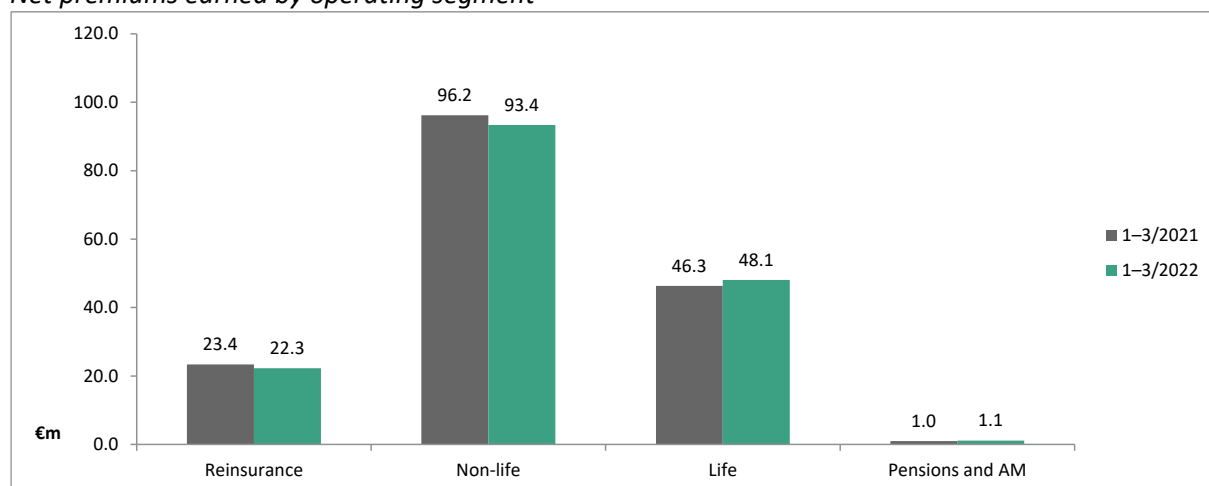
According to the prescribed income statement scheme, exchange rate differences are shown within individual business categories and not only under net exchange rate differences, as is the practice in other industries. Although the Group follows a policy of asset and liability currency matching, certain impacts on individual business categories do not reflect their trends and results appropriately. The table below therefore offers an overview of the effect of exchange differences on these categories; the categories that are stronger impacted by exchanged differences are then presented without the effect of exchange rate differences.

Effect of exchange differences on the consolidated income statement

EUR	1–3/2022			1–3/2021		
	Basic statement	Adjusted statement	Effect of exchange differences	Basic statement	Adjusted statement	Effect of exchange differences
Net premiums earned	164,827,803	164,907,500	-79,697	166,932,975	167,185,998	-253,023
Commission income	3,003,960	3,004,288	-328	2,811,127	2,823,461	-12,334
Net claims incurred	105,930,272	105,268,031	-662,241	101,068,522	98,505,488	-2,563,034
Change in deferred acquisition costs	-3,466,312	-3,457,008	9,304	-3,185,770	-3,138,422	47,348
Investment result	5,172,799	4,133,635	1,039,164	7,300,993	4,397,385	2,903,608
Net other technical income/expenses	-1,952,534	-1,671,392	-281,142	-1,214,902	-1,372,590	157,688
			25,061			280,254

Net premiums earned⁷*Net premiums earned*

EUR	1–3/2022	1–3/2021	Index
Gross premiums written	231,701,082	215,209,967	107.7
Net premiums earned	164,827,803	166,932,975	98.7

Net premiums earned by operating segment*Net premiums earned by class of business⁸*

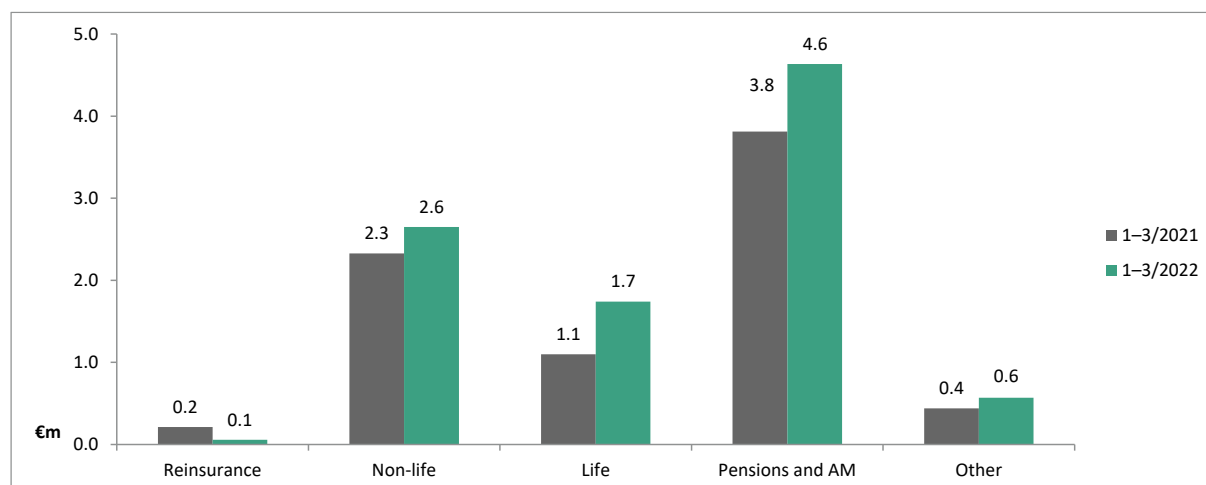
EUR	1–3/2022	1–3/2021	Index
Land motor vehicles	32,790,608	30,165,293	108.7
Unit-linked life	32,696,352	31,141,908	105.0
Motor vehicle liability	29,815,783	30,432,260	98.0
Property	29,337,346	33,754,337	86.9
Traditional life	16,616,830	16,282,150	102.1
Accident, health and assistance	15,659,459	14,951,594	104.7
General liability	4,677,961	6,351,624	73.6
Marine, suretyship and goods in transit	2,575,644	3,227,144	79.8
Other insurance	657,820	626,665	105.0
Total	164,827,803	166,932,975	98.7

⁷ Included are also items of the pensions segment relating to pension annuity business in the distribution phase.

⁸ 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.

Other technical income and other income

Other technical income and other income by segment (excluding the effect of exchange differences)⁹



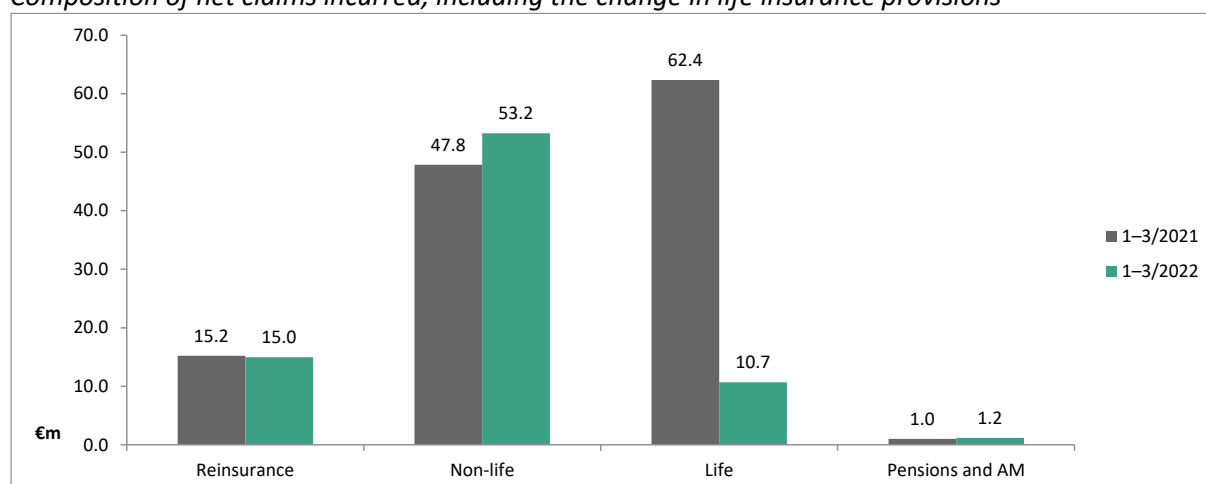
Net claims incurred¹⁰

Net claims incurred, including the change in provisions related to life business

EUR	1-3/2022	1-3/2021	Index
Gross claims paid	117,359,734	101,977,267	115.1
Net claims incurred	105,930,272	101,068,522	104.8
Consolidated net claims incurred, including the change in other provisions* and the change in the provision for unit-linked business	80,087,630	126,423,607	63.3

* This largely comprises mathematical provisions.

Composition of net claims incurred, including the change in life insurance provisions¹¹



⁹ Commission income is not included.

¹⁰ Included are also items of the pensions segment relating to pension annuity business in the distribution phase.

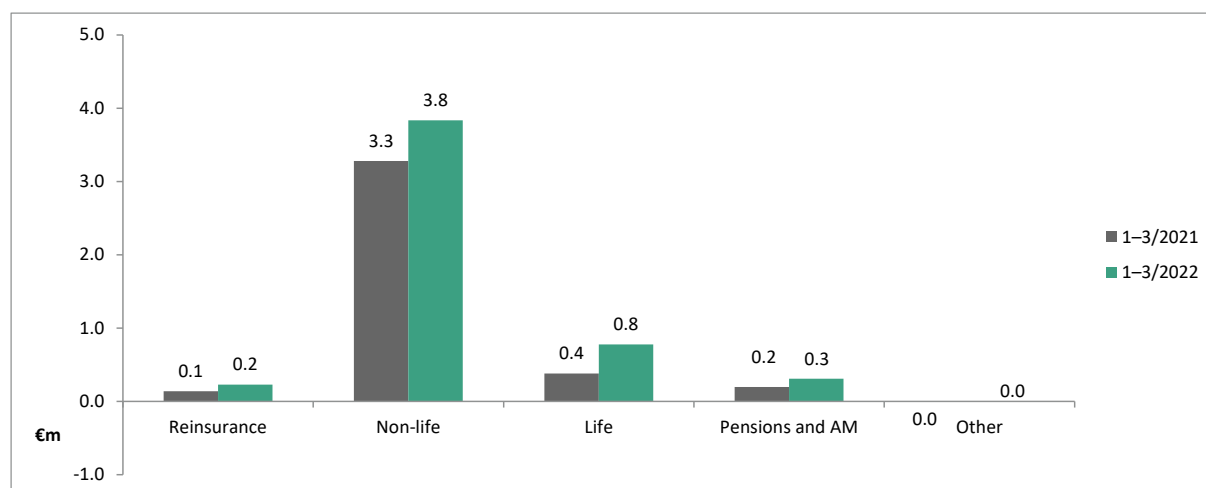
¹¹ The net claims incurred by operating segment include the change in other technical provisions and the change in technical provisions for policyholders who bear the investment risk.

Net claims incurred, including the change in provisions related to life business, by class of business¹²

EUR	1-3/2022	1-3/2021	Index
Motor vehicle liability	20,553,415	17,589,481	116.9
Land motor vehicles	20,171,175	16,757,292	120.4
Property	18,297,817	17,311,452	105.7
Traditional life	8,711,703	8,056,677	108.1
General liability	4,097,117	4,098,364	100.0
Unit-linked life	3,866,611	54,610,316	7.1
Accident, health and assistance	3,342,117	2,581,102	129.5
Marine, suretyship and goods in transit	1,175,992	5,383,041	21.8
Other insurance	-128,317	35,882	-357.6
Total	80,087,630	126,423,607	63.3

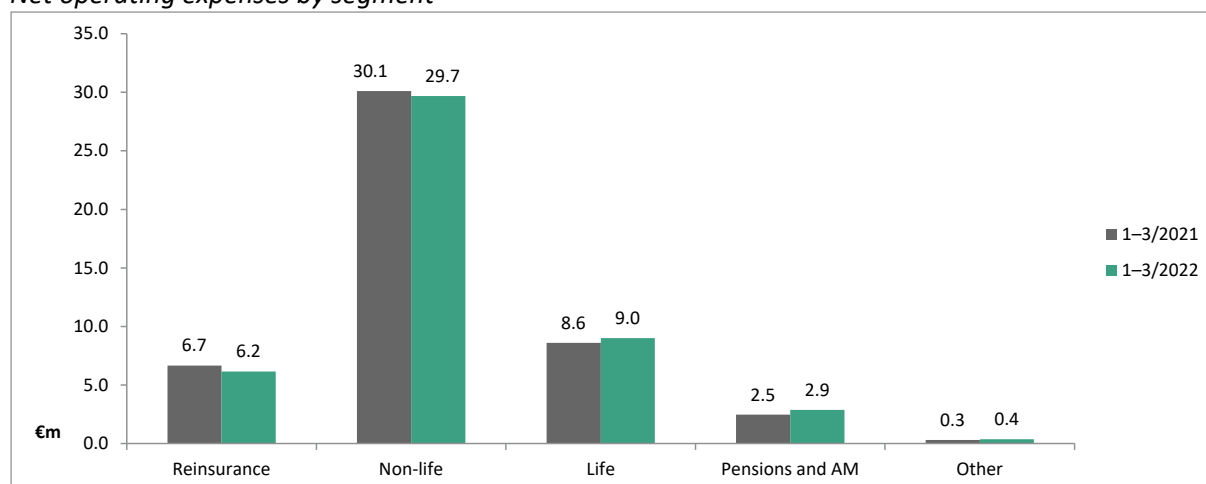
Other technical expenses and other expenses

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

**Operating expenses***Operating expenses*

EUR	1-3/2022	1-3/2021	Index
Acquisition costs	20,611,876	22,226,121	92.7
Change in deferred acquisition costs (+/-)	-3,466,312	-3,185,770	108.8
Other operating expenses	33,966,574	31,920,885	106.4
Operating expenses	51,112,138	50,961,236	100.3
Reinsurance commission income	-3,003,960	-2,811,127	106.9
Net operating expenses	48,108,178	48,150,109	99.9

¹² Property insurance comprises the following classes of business fire and natural forces, other damage to property, miscellaneous financial loss and legal expense insurance. Other insurance comprises aviation and credit insurance.

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.

Net investment income relating to investment portfolio, excluding the effect of exchange differences

	1-3/2022	1-3/2021	Absolute change
Net investment income relating to investment portfolio, excluding the effect of exchange differences	4,420,997	4,738,850	-317,853

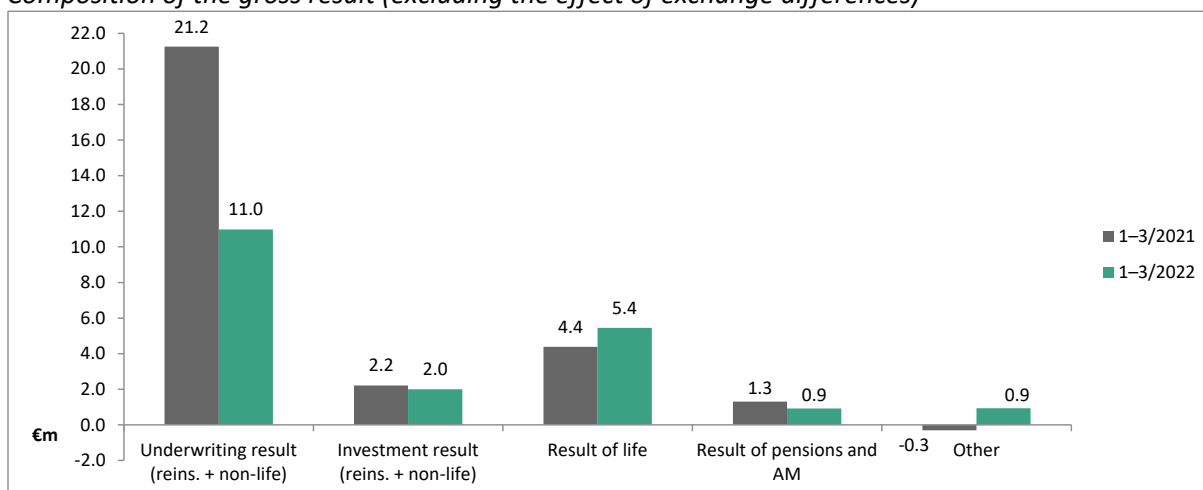
Income and expenses relating to investment portfolio, excluding the effect of exchange differences

EUR	1-3/2022	1-3/2021	Absolute change
Income			
Interest income at effective interest rate	3,962,516	4,254,906	-292,390
Gains on change in fair value FVTPL	93,038	537,636	-444,598
Gains on disposal of FVTPL	6,899	282	6,617
Gains on disposal of other IFRS asset categories	2,920,634	713,535	2,207,099
Income from associate companies	454,033	268,505	185,528
Income from dividends and shares – other investments	102,883	103,372	-489
Other income	614,983	458,965	156,018
Other income from alternative funds	269,213	138,827	130,386
Income relating to investment portfolio	8,424,199	6,476,028	1,948,171
Net unrealised gains on investments of life insurance policyholders who bear the investment risk	0	25,481,555	-25,481,555
Expenses			
Interest expenses	746,451	721,340	25,111
Losses on change in fair value of FVTPL assets	2,158,101	366,119	1,791,982
Losses on disposals of FVTPL assets	1,471	346	1,125
Losses on disposal of other IFRS asset categories	208,865	136,279	72,586
Impairment losses on other investments	6,247	86,370	-80,123
Other	882,067	426,724	455,343
Expenses relating to investment portfolio	4,003,202	1,737,178	2,266,024
Net unrealised losses on investments of life insurance policyholders who bear the investment risk	26,487,517	0	26,487,517

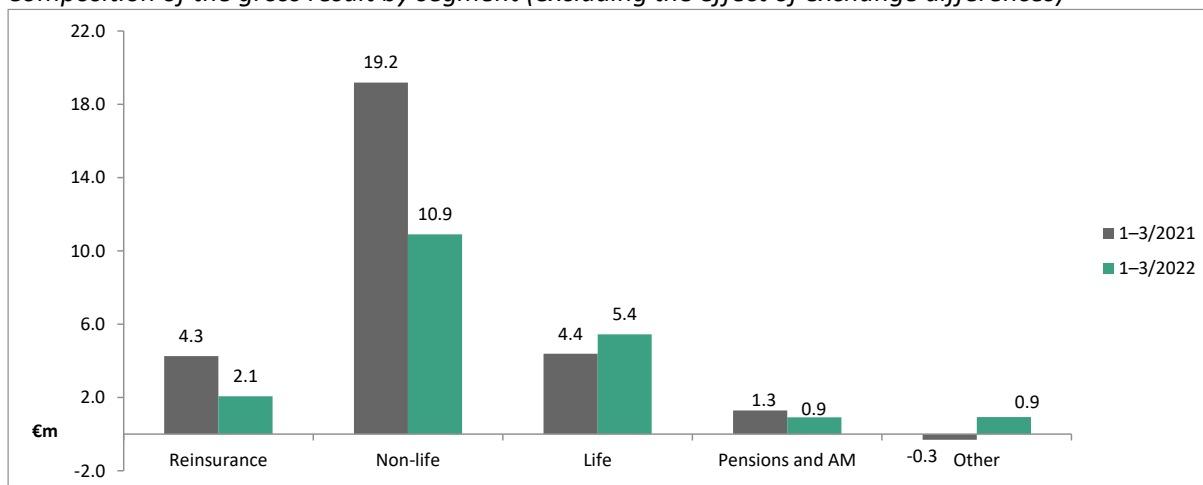
* Expenses for financial investments differ from the expenses in the income statement item “interest expenses” because the income statement also includes expenses for right-of-use assets (31 March 2022: EUR 33 thousand; 31 March 2021: EUR 36 thousand).

Gross profit/loss for the period

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



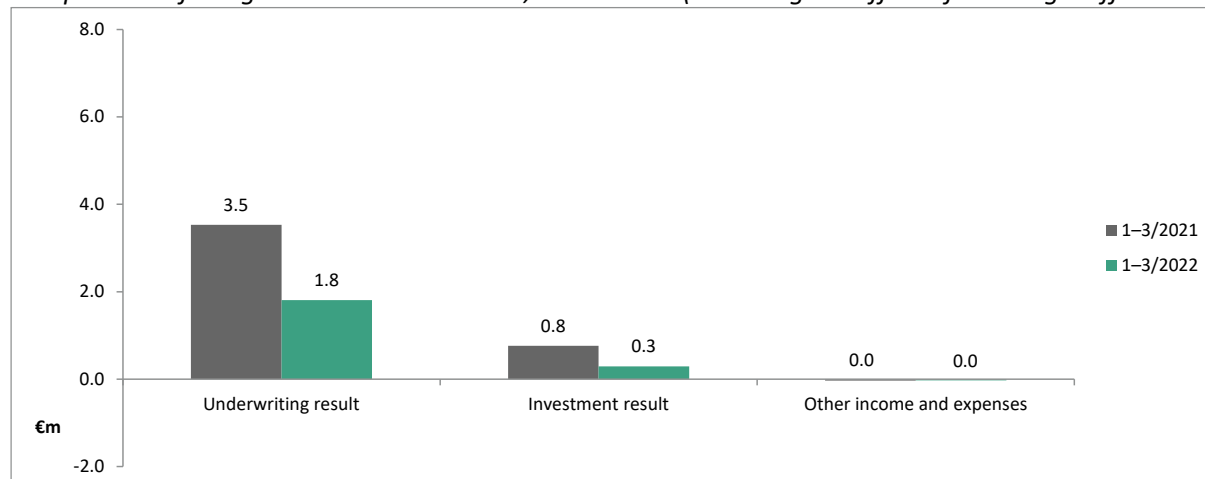
Composition of the gross result by segment (excluding the effect of exchange differences)



2.1 Reinsurance

The income statement and statement of financial position items by operating segment are presented in the notes to the financial statements, section 7.7 “Segment reporting”. The reinsurance segment primarily reflects 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 underwriting result is lower, mainly as the result of higher net claims paid and lower net premiums earned. The first-quarter 2022 investment result was lower year on year due to higher expenses for fair value changes of FVTPL assets.

Net premiums earned

Net premiums earned, reinsurance

EUR	1-3/2022	1-3/2021	Index
Gross premiums written	42,364,834	40,170,140	105.5
Net premiums earned	22,263,039	23,391,399	95.2

The increase in gross premiums written was mainly driven by a 22.1% increase in non-proportional reinsurance premiums, chiefly sourced from EU countries. Underwriting year 2022 premiums increased by 18.8%, or EUR 6.1 million, compared to 2021; prior underwriting year premiums dropped by EUR 3.9 million, primarily due to by proportional business. Net premiums earned were affected by the change in net unearned premiums as a result of higher year-on-year growth from new contracts written.

Net claims incurred

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

EUR	1-3/2022	1-3/2021	Index
Gross claims paid	19,921,627	11,938,176	166.9
Net claims incurred	13,958,070	13,292,138	105.0

Gross claims paid are higher due to the payment of claims from previous underwriting years. The movement in net claims incurred was driven by fire claims in Asia and South America, and an increase in claims from previous underwriting years. Reinsurance protection helped keep growth in net claims paid relatively low in the first three months of 2022.

As a result, the incurred loss ratio of the reinsurance segment increased to 64.1% (first quarter of 2021: 56.2%).

Operating expenses

Consolidated operating expenses, reinsurance

EUR	1-3/2022	1-3/2021	Index
Acquisition costs	7,477,269	8,237,998	90.8
Change in deferred acquisition costs (+/-)	-2,359,287	-2,336,711	101.0
Other operating expenses	1,202,587	957,842	125.6
Operating expenses	6,320,569	6,859,129	92.1
Reinsurance commission income	-161,376	-194,936	82.8
Net operating expenses	6,159,192	6,664,193	92.4

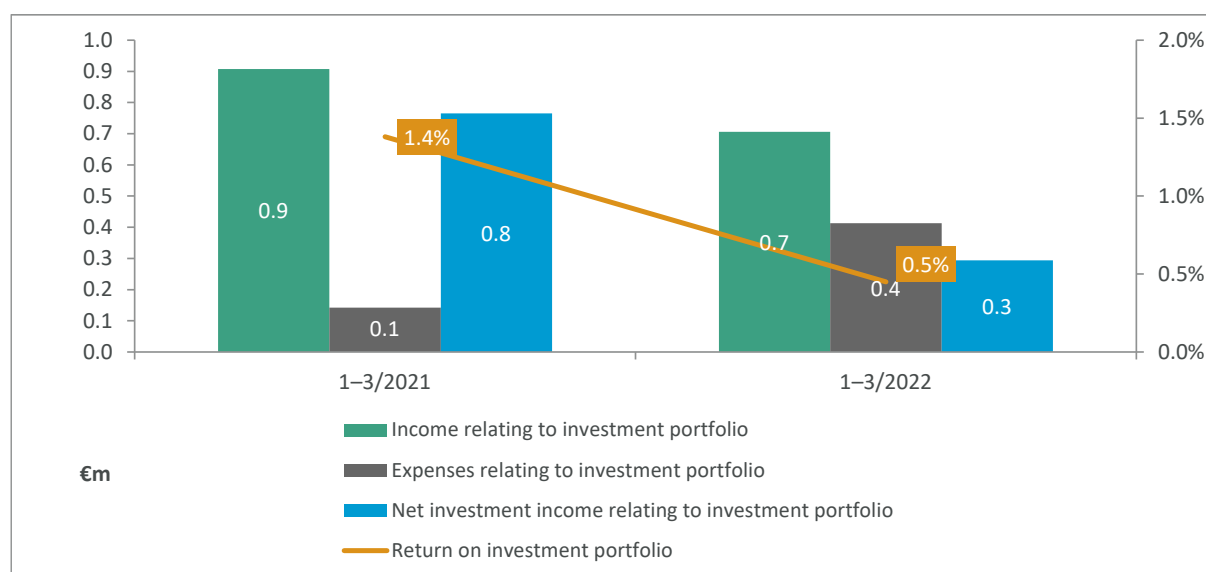
Acquisition costs dropped, despite the growth in gross premiums written, because non-proportional business with lower commission rates grew faster than proportional business. Thus, in the first quarter, the share of acquisition costs as a percentage of premiums dropped by 2.9 p.p. year on year to 17.6%.

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

In the first quarter of 2022, the net expense ratio declined by 0.8 p.p. year on year to 27.7%.

Net investment income

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



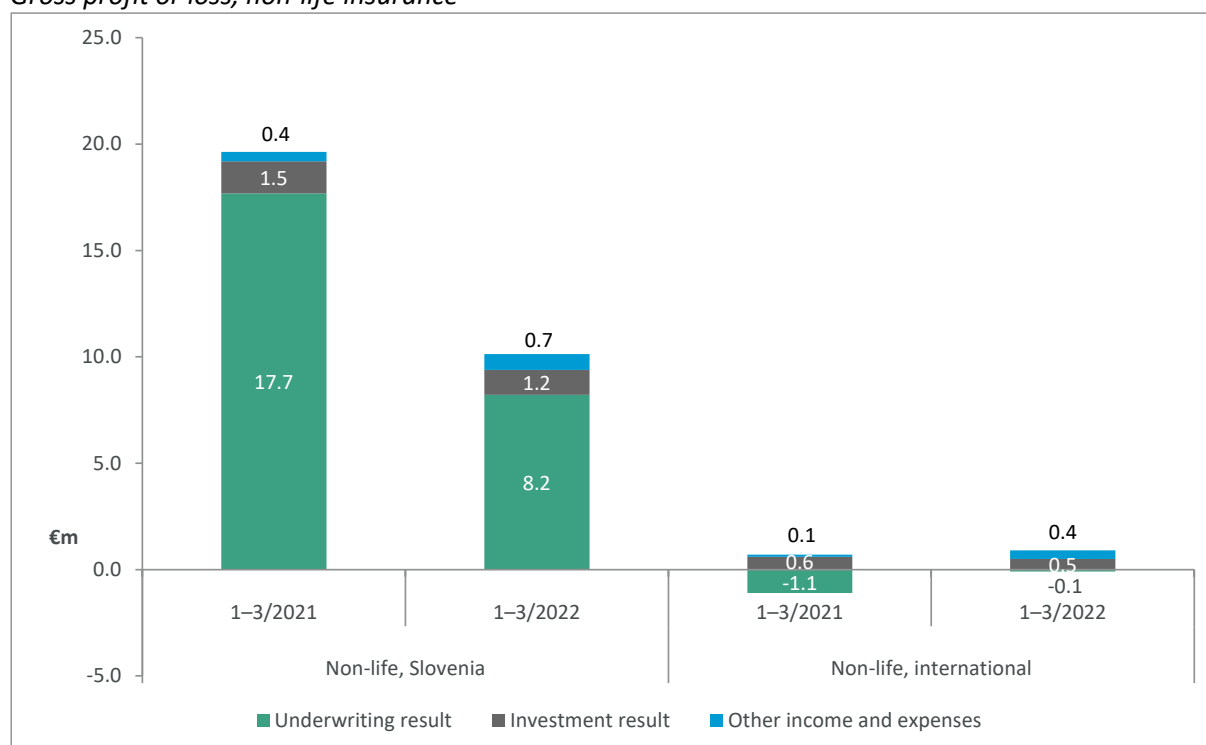
Income/expenses include income/expenses relating to investment property. In the income statement these are part of the "other income/expenses" item.

The performance of the investment portfolio in the first quarter was impacted by the developments in financial markets, as described in section 1.4 "Significant events in the first quarter of 2022". Due to expenses for fair value changes of FVTPL assets, net investment income totalled EUR 0.3 million, an investment return of 0.5%.

2.2 Non-life

The income statement and statement of financial position items by operating segment are presented in the notes to the financial statements, section 7.7 “Segment reporting”.

Gross profit or loss, non-life insurance



The year-on-year decline in the profit of the non-life segment is mainly due technical performance, that is, higher claims incurred in the Slovenian part of the segment. As the epidemic was subsiding, the claims frequency in motor business was increasing, with the level of claims provisions affected by claims inflation. International non-life business did not experience such movements and improved its profit by EUR 1.2 million.

As in the reinsurance segment, the investment return was exposed to the altered conditions in the financial markets, with an increase of EUR 0.3 million in expenses due to the valuation of assets at fair value through profit or loss (FVTPL), mainly in the Slovenian part of the segment. Net investment income of non-Slovenian non-life insurers deteriorated by EUR 0.1 million due to lower gains on disposals and lower interest income.

The result of other income and expenses of Slovenian non-life insurers increased by EUR 0.3 million, and so did that of international non-life insurers.

Net premiums earned

Net premiums earned, non-life insurance

EUR	1-3/2022	1-3/2021	Index
Gross premiums written	139,828,476	127,507,406	109.7
Net premiums earned	93,352,730	96,209,553	97.0

Net premiums earned by region, non-life insurance

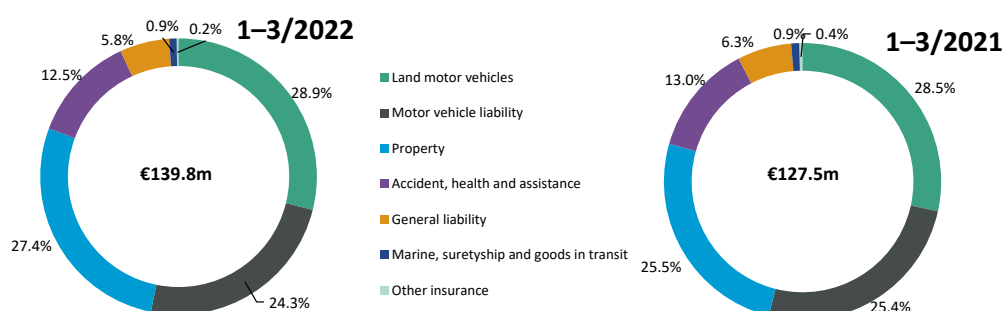
EUR	Slovenia			International		
	1–3/2022	1–3/2021	Index	1–3/2022	1–3/2021	Index
Gross premiums written	118,305,435	108,646,697	108.9	21,523,041	18,860,709	114.1
Net premiums earned	76,362,519	80,251,255	95.2	16,990,211	15,958,298	106.5

Unconsolidated gross non-life premiums of Sava Insurance Group members

EUR	1–3/2022	1–3/2021	Index
Zavarovalnica Sava, Slovenian part (non-life)	117,215,283	107,722,411	108.8
Zavarovalnica Sava, Croatian part (non-life)	3,946,705	3,875,292	101.8
Sava Neživotno Osiguranje (SRB)	5,758,663	5,096,259	113.0
Illyria (RKS)	3,882,971	3,026,432	128.3
Sava Osiguruvanje (MKD)	4,196,694	3,529,706	118.9
Sava Osiguranje (MNE)	3,742,873	3,337,546	112.1
Vita (SVN)	1,205,888	1,040,227	115.9
Total	139,949,078	127,627,873	109.7

Growth in gross non-life premiums was achieved in both the domestic and international part of the segment. However, net non-life premiums earned dropped by 3.0%. The 4.8% decline in Slovenian business mainly relates to the drop in gross unearned premiums of FoS business after a large part of this business was abandoned. The 6.5% increase in international business chiefly reflects growth in gross premiums written driven by larger sales.

While FoS-related gross premiums written dropped by EUR 3.0 million, this premium loss was offset by other non-life premiums both in Slovenia and abroad. The largest growth in non-life insurance premiums was achieved in property and motor insurance. Slovenian gross property premiums grew due to the dynamics among key accounts, whereas abroad they grew as a result of higher premiums written with existing and new policyholders. Gross motor premiums written in Slovenia grew mainly in the personal motor segment as a result of more policies sold. Motor insurance business also grew in all foreign markets but in Croatia, where the drop in gross premiums written was due to portfolio streamlining.

Gross non-life insurance premiums by class of business¹³

¹³ 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.

As regards the composition of gross premiums written by class of insurance, property premiums grew in the first three months of 2022 year on year, whereas general liability, motor, accident and health business decreased slightly.

Net claims incurred

Net claims incurred, non-life insurance

EUR	1–3/2022	1–3/2021	Index
Gross claims paid	58,774,765	52,435,712	112.1
Net claims incurred	53,048,806	48,666,651	109.0

Net claims incurred by region, non-life insurance

EUR	Slovenia			International		
	1–3/2022	1–3/2021	Index	1–3/2022	1–3/2021	Index
Gross claims paid	49,776,805	42,755,106	116.4	8,997,960	9,680,605	92.9
Net claims incurred	44,705,047	39,976,970	111.8	8,343,759	8,689,681	96.0

The cancellation of the majority of FoS business resulted in a decrease in net claims incurred of EUR 4.2 million in the Slovenian non-life segment. In other non-life business in Slovenia, as mentioned above, net claims incurred increased due to higher claims frequency in motor insurance as a result of the subsiding epidemic-related impacts and larger claims provisions due to claims inflation.

In the international non-life segment, the decline in net claims incurred of EUR 0.3 million mainly related to the reduction in gross claims of the Croatian branch of Zavarovalnica Sava owing to streamlining and portfolio shrinking.

Unconsolidated gross non-life claims paid by Sava Insurance Group companies

EUR	1–3/2022	1–3/2021	Index
Zavarovalnica Sava, Slovenian part (non-life)	49,493,278	44,106,918	112.2
Zavarovalnica Sava, Croatian part (non-life)	2,111,541	3,378,504	62.5
Sava Neživotno Osiguranje (SRB)	2,278,984	1,772,037	128.6
Illyria (RKS)	1,820,482	1,651,024	110.3
Sava Osiguruvanje (MKD)	1,526,798	1,782,073	85.7
Sava Osiguranje (MNE)	1,308,878	1,101,677	118.8
Vita (SVN)	244,586	161,191	151.7
Total	58,784,545	53,953,425	109.0

In the first quarter of 2022, gross non-life claims grew as a result of the growth in Slovenian gross non-life claims of 16.4%, whereas gross claims paid by non-Slovenian non-life insurers dropped by 7.1%.

The increase in gross claims of Slovenian non-life insurers was mainly driven by increased gross claims of motor insurance due to a higher claims frequency compared to last year, when the Covid-19 pandemic-related measures were more severe.

Gross claims paid by the international insurers dropped by EUR 0.7 million. The biggest drop in gross claims was in motor insurance, as a result of portfolio cleaning in Croatia and fewer claims reported and settled.

Operating expenses

Operating expenses, non-life segment

EUR	1-3/2022	1-3/2021	Index
Acquisition costs	9,777,145	11,152,267	87.7
Change in deferred acquisition costs (+/-)	-892,172	-879,463	101.4
Other operating expenses	23,638,905	22,456,149	105.3
Operating expenses	32,523,878	32,728,953	99.4
Reinsurance commission income	-2,840,283	-2,614,163	108.6
Net operating expenses	29,683,595	30,114,789	98.6

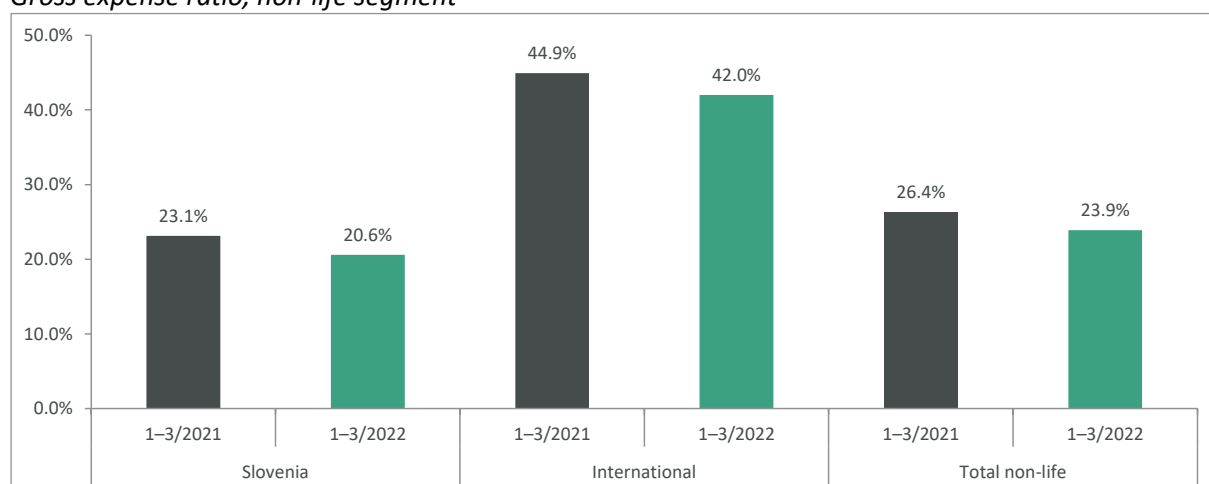
Gross operating expenses by region, non-life segment

EUR	1-3/2022	1-3/2021	Index
Non-life, Slovenia	24,374,641	25,132,444	97.0
Non-life, international	9,041,409	8,475,971	106.7

Acquisition costs decreased by 12.3% due to a decrease in gross premiums written under FoS contracts.

Other operating expenses rose by 5.3% in the first three months of 2022, driven by the expansion of the sales network, IT costs and rising electricity prices.

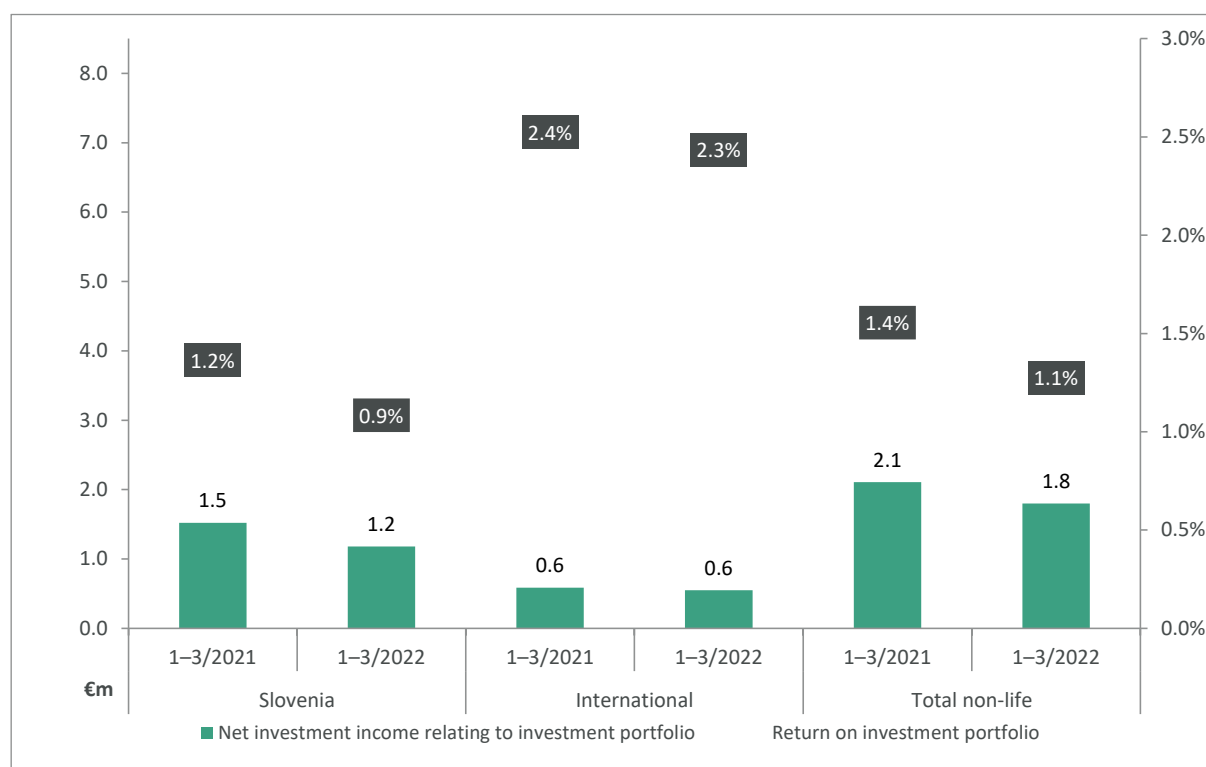
Gross expense ratio, non-life segment



The gross expense ratio of the non-life segment declined by 2.5 p.p., mainly as a result of an increase in gross premium written and, to a lesser extent, due to a decrease in gross operating expenses. The gross expense ratio of the Slovenian non-life insurers dropped by 2.5 p.p., whereas the gross expense ratio of the non-Slovenian non-life insurers rose by 2.9 p.p.

Net investment income

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



In the first quarter of 2022, net investment income of non-life companies totalled EUR 1.7 million, down EUR 0.4 million year on year. Net investment income was lower chiefly due to higher expenses for fair value changes of FVTPL assets. The return on investment for the period was 1.1%.

2.3 Life

The income statement and statement of financial position items by operating segment are presented in the notes to the financial statements, section 7.7 “Segment reporting”.

Net premiums earned

Net premiums earned, life insurance

EUR	1-3/2022	1-3/2021	Index
Gross premiums written	48,398,243	46,526,134	104.0
Net premiums earned	48,102,506	46,325,735	103.8

Net premiums earned by region, life insurance

EUR	Slovenia			International		
	1-3/2022	1-3/2021	Index	1-3/2022	1-3/2021	Index
Gross premiums written	45,368,353	44,144,915	102.8	3,029,890	2,381,219	127.2
Net premiums earned	45,149,923	44,006,620	102.6	2,952,583	2,319,116	127.3

Unconsolidated gross life premiums of Sava Insurance Group companies

EUR	1-3/2022	1-3/2021	Index
Zavarovalnica Sava, Slovenian part (life)	18,321,274	18,245,892	100.4
Zavarovalnica Sava, Croatian part (life)	502,532	613,675	81.9
Illyria Life (RKS)	1,224,580	673,175	181.9
Sava Životno Osiguranje (SRB)	1,302,778	1,094,369	119.0
Vita (SVN)	27,047,079	25,899,024	104.4
Total	48,398,242	46,526,135	104.0

Gross premiums written by Slovenian life insurers increased by 2.8% in the first three months of 2022 year on year, with Vita contributing the majority of the increase with exceptional sales in the last year, which continued in the first quarter of 2022. After several years of declining gross premiums written, Zavarovalnica Sava's gross premiums increased this year, both due to improved sales and lower premium losses from maturities, deaths and surrenders.

Gross premiums written by the international life insurers increased by 27.2% in the first three months of 2022 year on year, with the main contributor being the Kosovo company, which started selling through a bank in mid-2021, while also steadily increasing sales through its own sales network. Gross premiums written by the Serbian insurer also grew, 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	1–3/2022	1–3/2021	Index
Gross claims paid	38,281,303	37,316,725	102.6
Net claims incurred	37,892,136	36,866,151	102.8
Consolidated net claims incurred, including the change in other provisions and the change in the provision for unit-linked business	10,689,333	62,361,744	17.1

Net claims incurred, life insurance

EUR	Slovenia			International		
	1–3/2022	1–3/2021	Index	1–3/2022	1–3/2021	Index
Gross claims paid	36,850,564	36,202,742	101.8	1,430,739	1,113,983	128.4
Net claims incurred	36,469,478	35,756,856	102.0	1,422,658	1,109,294	128.2
Consolidated net claims incurred, including the change in other provisions and the change in the provision for unit-linked business	8,772,127	60,616,865	14.5	1,917,206	1,744,878	109.9

Unconsolidated gross life claims paid by Sava Insurance Group companies

EUR	1–3/2022	1–3/2021	Index
Zavarovalnica Sava, Slovenian part (life)	20,584,677	26,965,218	76.3
Zavarovalnica Sava, Croatian part (life)	650,302	487,474	133.4
Illyria Life (RKS)	214,517	157,491	136.2
Sava Životno Osiguranje (SRB)	565,920	469,018	120.7
Vita (SVN)	16,265,887	9,237,436	176.1
Total	38,281,303	37,316,637	102.6

In the first quarter of 2022, gross claims paid in Slovenia rose by 1.8% year on year. In Vita, they increased due to the maturing of the portfolio and an increase in surrenders at the beginning of the year due to higher unit values in 2021; the claims of the Slovenian part of Zavarovalnica Sava fell reflecting lower maturities of traditional life policies as well as lower claims from surrenders and deaths.

As a result of lower net investment income from Slovenian unit-linked life business, net claims incurred, including the change in “other” and unit-linked provisions, were also significantly lower this year.

Gross claims paid by the international insurers in the first three months of 2022 were up by 28.4% year on year: in Croatia because of maturities, in Kosovo mainly because of surrenders and in Serbia due to increased mortality.

Operating expenses

Operating expenses, life segment

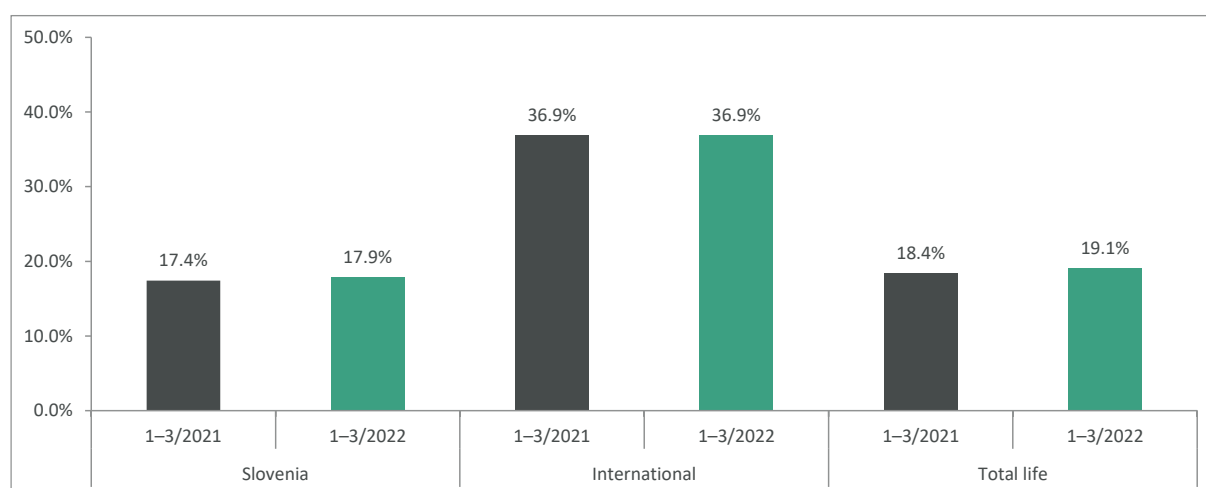
EUR	1–3/2022	1–3/2021	Index
Acquisition costs	3,346,013	2,830,800	118.2
Change in deferred acquisition costs (+/-)	-214,853	30,404	-706.7
Other operating expenses	5,888,956	5,741,181	102.6
Operating expenses	9,020,116	8,602,385	104.9
Reinsurance commission income	-2,301	-2,028	113.4
Net operating expenses	9,017,816	8,600,357	104.9

Gross operating expenses by region, life segment

EUR	1-3/2022	1-3/2021	Index
Life, Slovenia	8,115,976	7,694,207	105.5
Life, international	1,118,993	877,774	127.5

In the first quarter of 2022, policy acquisition expenses rose by 18.2% year on year, in line with larger sales in most of the companies. The difference in the change in deferred acquisition costs between the two years relates to Slovenian life business.

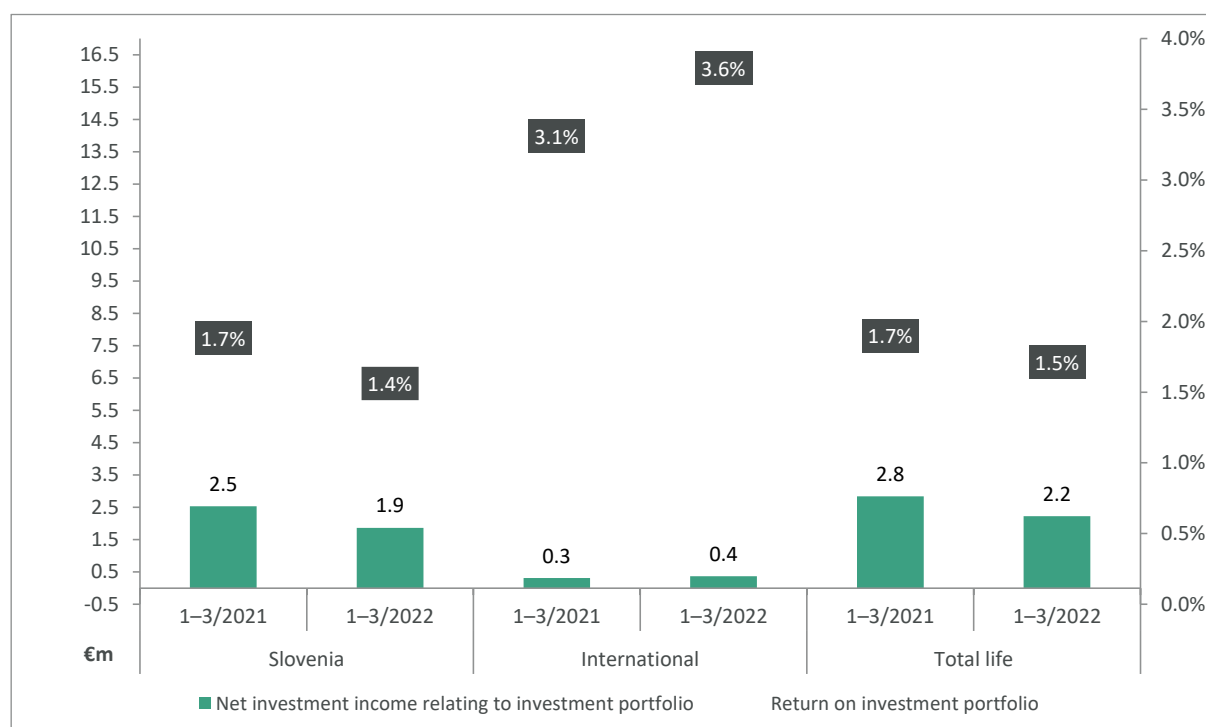
Other operating expenses increased by 2.6% in the first three months of 2022 year on year. They increased especially in Kosovo and Serbia, mainly personnel costs for expanding the own sales network.

Gross expense ratio, life segment

The consolidated gross expense ratio rose by 0.7 p.p. year on year, largely as the result of increased policy acquisition costs of the Slovenian insurers that increased insurance sales. The gross expense ratio of the international life insurers remained at the same level as in the first quarter of 2021.

Net investment income

Investment return and net investment income (life insurance)



In the first quarter of 2022, net investment income relating to life business totalled EUR 2.2 million, down by EUR 0.6 million year on year. Net investment income was lower due to higher expenses for fair value changes of FVTPL assets. The return on the life insurance investment portfolio was 1.5% in the reporting period.

2.4 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 7.7 “Segment reporting”.

Annuity part

EUR	1-3/2022	1-3/2021	Index
Gross premiums written	1,109,529	1,006,287	110.3
Gross claims paid	-382,039	-286,655	133.3
Change in other net technical provisions (+/-)	-797,879	-726,572	109.8

The pension part comprises the operations of Sava Pokojninska. The gross premiums written relate to an annuity fund and decreased by 10.3% in the first quarter of 2022 year on year.

Gross claims paid include supplementary pension annuity payouts, which increased by 33.3% in the first three months of 2022 year on year. As annuity fund assets increased over the recent years (when policyholders achieved retirement age), pension payouts to policyholders also increased, which is recorded under gross claims paid.

The change in other net technical provisions comprises changes in the technical provision relating to the annuity funds. The change in other net technical provisions is the difference between premiums paid in and claims paid out.

Accumulation part

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

EUR	1–3/2022	1–3/2021	Index
Other technical income and other income	4,636,163	3,813,187	121.6

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

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

EUR	1–3/2022	1–3/2021	Index
Opening balance of fund assets (31 December)	1,541,670,574	1,241,028,424	124.2
Fund inflows	48,822,632	43,532,613	112.2
Fund outflows	-17,250,987	-12,279,922	140.5
Asset transfers	-2,093,806	-998,236	209.8
Net investment income of fund	-46,664,279	45,532,576	-
Entry and exit charges	-609,167	-546,556	111.5
Fair value reserve and exchange differences	1,756,023	-515,838	
Closing balance of fund assets (31 March)	1,525,630,991	1,315,753,061	116.0

Contributions to pension and mutual funds increased:

- 5.4% for the group of long-term business funds of the Slovenian pension company, as the company managed to increase the average value of contributions;
- 10.6% for the mandatory and voluntary funds of the North Macedonian pension company, due to growth in the number of members and the value of the average contribution;
- 14.1% at the Slovenian mutual fund management company, helped by positive capital market trends at the beginning of the first quarter of this year, alongside all sales activities.

The liability funds of the Slovenian pension company posted a negative return 3.2% in the first three months of 2022 (first three months of 2021: 1.1%), the mandatory and voluntary pension funds managed by the North Macedonian pension company posted a negative return of 0.5% (first three months of 2021: 2.8%); the Slovenian company for managing mutual funds posted a negative return of 6.6% on mutual funds (first quarter of 2021: 5.7%). The negative returns in the first three 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.

Funds under management at period end (accumulation part, pensions and asset management segment)

EUR	31 March 2022	31 December 2021	Index
Sava Pokojninska	162,501,699	167,095,042	97.3
Sava Penzisko Društvo	816,696,877	804,026,425	101.6
Sava Infond	546,432,415	570,549,108	95.8
Total	1,525,630,991	1,541,670,574	99.0

Since the Slovenian mutual fund manager and the North Macedonian pension company manage client assets separate from company assets and have no insurance function, assets under management are not shown in the statement of financial position.

Operating expenses

Operating expenses, pensions and asset management segment

EUR	1–3/2022	1–3/2021	Index
Operating expenses	2,875,328	2,466,070	116.6

Operating expenses rose by 16.6% in the first three months of 2022 year on year, largely due to the growth in business volumes and the increase in assets under management compared to the previous year (savings funds at 31 March 2022 grew 16.0% year on year).

Profit or loss for the period

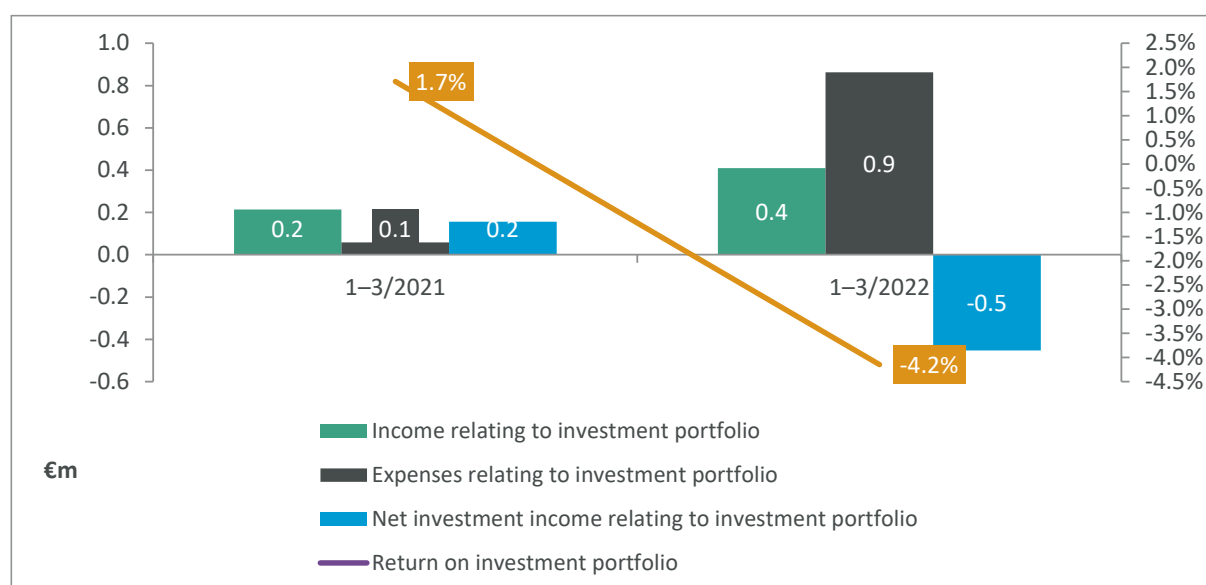
Profit before tax, pension and asset management segment

EUR	1–3/2022	1–3/2021	Index
Profit or loss before tax	927,718	1,298,831	71.4

The pre-tax profit dropped due to adverse developments in the financial markets and the strengthening of provisions for non-achievement of the guaranteed return by the Slovenian pension company.

Net investment income

Income, expenses and net investment income relating to investment portfolio (pensions and asset management segment)¹⁴



In the first quarter of 2022, net investment income relating to the portfolio of the pension companies totalled EUR 0.5 million, down by EUR 0.7 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 a negative 4.2%.

2.5 Other

The income statement and statement of financial position items by operating segment are presented in the notes to the financial statements, section 7.7 “Segment reporting”.

¹⁴ 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.

This “other” segment comprises the subsidiaries TBS Team 24 and S Estate, the two equity-accounted associates DCB and G2I, and interest expenses on subordinated debt.

In the first three months of 2022, the following contributed to the consolidated result of the “other” segment:

- the sale of the company S Estate, which resulted in a gain of EUR 0.99 million;
- TBS Team 24, which contributed EUR 0.20 million (first quarter of 2021: EUR 0.14 million);
- DCB and G2I, which contributed EUR 0.45 million (first quarter of 2021: EUR 0.27 million).

3 Financial position

As at 31 March 2022, total assets of the Sava Insurance Group stood at EUR 2,643.7 million, a decline of 0.5% from year-end 2021. Below we set out items of assets and liabilities in excess of 5% of total assets as at 31 March 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).

3.1 Assets

Consolidated total assets by type

EUR	31 March 2022	As % of total 31 March 2022	31 December 2021	As % of total 31 December 2021
ASSETS	2,643,737,386	100.0%	2,658,322,359	100.0%
1 Intangible assets	67,427,180	2.6%	67,306,775	2.5%
2 Property, plant and equipment	62,071,216	2.3%	56,337,174	2.1%
3 Right-of-use assets	7,279,602	0.3%	7,386,426	0.3%
4 Deferred tax assets	10,477,883	0.4%	5,487,403	0.2%
5 Investment property	14,170,293	0.5%	14,281,192	0.5%
6 Financial investments in associates	20,922,541	0.8%	20,479,729	0.8%
7 Financial investments	1,398,488,433	52.9%	1,472,688,443	55.4%
8 Assets held for the benefit of policyholders who bear the investment risk	497,678,232	18.8%	517,439,592	19.5%
9 Reinsurers' share of technical provisions	68,377,213	2.6%	57,767,056	2.2%
10 Investment contract assets	168,683,719	6.4%	172,836,349	6.5%
11 Receivables	192,483,100	7.3%	149,940,870	5.6%
12 Deferred acquisition costs	25,836,417	1.0%	22,572,741	0.8%
13 Other assets	6,250,369	0.2%	4,380,387	0.2%
14 Cash and cash equivalents	103,005,367	3.9%	88,647,678	3.3%
15 Non-current assets held for sale	585,821	0.0%	770,544	0.0%

3.1.1 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	31 March 2022	31 December 2021	Absolute change	Index
Deposits	18,158,079	18,561,697	-403,618	97.8
Government bonds	701,457,987	718,499,980	-17,041,993	97.6
Corporate bonds	542,403,413	592,136,103	-49,732,690	91.6
Shares	29,320,681	35,965,685	-6,645,004	81.5
Mutual funds	32,756,721	35,861,078	-3,104,357	91.3
Infrastructure funds	46,786,907	44,532,966	2,253,941	105.1
Real estate funds	16,205,556	15,846,059	359,497	102.3
Loans granted	1,501,545	1,674,538	-172,993	89.7
Deposits with cedants	9,897,544	9,610,337	287,207	103.0
Total financial investments	1,398,488,433	1,472,688,443	-74,200,010	95.0
Financial investments in associates	20,922,541	20,479,729	442,812	102.2
Investment property	14,170,293	14,281,192	-110,899	99.2
Cash and cash equivalents	93,244,241	73,977,512	19,266,729	126.0
Total investment portfolio	1,526,825,508	1,581,426,876	-54,601,367	96.5
Assets held for the benefit of policyholders who bear the investment risk	507,439,358	532,109,758	-24,670,400	95.4
- Financial investments	497,678,232	517,439,592	-19,761,360	96.2
- Cash and cash equivalents	9,761,126	14,670,166	-4,909,040	66.5
Investment contract assets	168,683,719	172,836,349	-4,152,630	97.6

As at 31 March 2022, the investment portfolio of the Sava Insurance Group totalled EUR 1,526.8 million, a decline of EUR 54.6 million from year-end 2021. The decrease in the investment portfolio was mainly due to the negative change in the fair value reserve on the bond portion of the investment portfolio. The increase in financial investments in associates includes EUR 0.4 million from the attribution of profit of equity-accounted entities.

Although the portfolio shrank, the asset allocation remained substantially unchanged. The proportion of fixed-rate investments remained at the year-end level. This is due to maturities and sales of bonds, which were not fully reinvested but retained in cash and cash equivalents and will be used to pay out dividends in the second quarter of the year. The proportion of investments 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

EUR	31 March 2022	31 December 2021	Change in structure (p.p.) 31 March 2022 – 31 December 2021
Fixed-rate financial investments	88.8%	88.7%	0.0
Infrastructure funds	3.1%	2.8%	0.2
Mutual funds	2.1%	2.3%	-0.1
Shares	1.9%	2.3%	-0.4
Real estate funds	1.1%	1.0%	0.1
Property	0.9%	0.9%	0.0
Other*	2.1%	2.0%	0.1
Total	100.0%	100.0%	

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

Composition of fixed-rate investments

EUR	31 March 2022	As % of total 31 March 2022	31 December 2021	As % of total 31 December 2021	Change in structure (p.p.) 31 March 2022 - 31 December 2021
Government bonds	643,593,014	42.2%	660,649,307	41.8%	0.4
Regular corporate bonds	464,913,795	30.4%	502,924,829	31.8%	-1.4
Cash and cash equivalents	32,382,028	6.1%	41,333,802	4.7%	1.4
Government-guaranteed bonds	57,864,973	3.8%	57,850,673	3.7%	0.1
Subordinated bonds	45,107,590	3.0%	47,877,472	3.0%	-0.1
Covered bonds	93,244,241	2.1%	73,977,512	2.6%	-0.5
Deposits	18,158,079	1.2%	18,561,697	1.2%	0.0
Total	1,355,263,720	88.8%	1,403,175,292	88.7%	0.1

3.1.2 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). In the Sava Insurance Group, unit-linked products 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 31 March 2022, financial investments totalled EUR 497.7 million, and cash and cash equivalents stood at EUR 9.8 million. Compared to 31 December 2021, assets decreased by EUR 24.7 million, chiefly as the result of movements in the market value of investments and cash flow from core business.

3.1.3 Reinsurers' share of technical provisions

The reinsurers' share of technical provisions (9) increased by 18.4%, or EUR 10.6 million, compared to year-end 2021. The largest increase was in unearned premiums of the Slovenian non-life segment (of EUR 11.5 million) as a result of underwriting dynamics, while this segment also saw the largest decrease in claims provisions (of EUR 1.3 million) as a result of the payment of claims from previously established provisions (mainly FoS business and Slovenian direct insurance business). In the reinsurance segment, claims provisions increased due to additional reserving as a result of the storm claims in western Europe in 2021 reinsured under catastrophe programmes.

3.1.4 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 part of the assets of the annuity fund, the policies of which do not qualify as insurance contracts. As at 31 March 2022, investment contract assets totalled EUR 168.7 million, down by 2.4% compared to 31 December 2021.

This decrease was mainly due to negative net investment income of EUR 5.3 million as the result of the situation in financial markets, net inflows of EUR 0.7 million (first quarter of 2022: EUR 6.1 million of inflows and EUR 5.4 million of outflows including entry charges) and a EUR 0.4 million value increase in 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 2.4 "Pensions and asset management".

3.1.5 Receivables

Receivables (11) increased by 28.4%, or EUR 42.5 million, compared to year-end 2021 (31 March 2021: increase of 16.1%, or EUR 24.8 million, compared to year-end 2020). The largest increase was with receivables arising from primary insurance business, up by EUR 35.6 million, or 27.7%, compared to 31 December 2021, with a EUR 37.5 million increase in not-past-due receivables. Receivables past due less than 1 year decreased by EUR 1.3 million, and receivables past due more than 1 year by EUR 0.5 million. In absolute terms, the largest increase in receivables arising from primary insurance business was in the non-life segment in Slovenia (an increase of EUR 17.0 million; 31 March 2021: an increase of EUR 10.0 million compared to year-end 2020), in the reinsurance segment (an increase of EUR 15.9 million; 31 March 2021: an increase of EUR 13.0 million from year-end 2020). The reason for the increase in the non-life segment is the annual renewal of insurance contracts with legal entities; in the reinsurance segment, the increase is due to the renewal of reinsurance contracts with cedants and the timing of making estimates for reinsurance business.

Receivables arising from reinsurance and co-insurance business rose by EUR 4.9 million, or 54.1%, from 31 December 2021. They increased by EUR 3.9 million in the reinsurance segment and in the Slovenian non-life segment by EUR 1.1 million.

Other receivables increased by EUR 2.0 million compared to the end of 2021 – in the Slovenian non-life segment they increased by EUR 1.7 million (receivables relating to securities).

3.2 Equity and liabilities

Balance and composition of equity and liabilities

EUR	31 March 2022	As % of total 31 March 2022	31 December 2021	As % of total 31 December 2021
EQUITY AND LIABILITIES	2,643,737,386	100.0%	2,658,322,359	100.0%
1 Shareholders' equity	472,511,943	17.9%	504,077,018	19.0%
<i>Share capital</i>	71,856,376	2.7%	71,856,376	2.7%
<i>Capital reserves</i>	42,702,320	1.6%	42,702,320	1.6%
<i>Profit reserves</i>	228,962,030	8.7%	229,008,079	8.6%
<i>Own shares</i>	-24,938,709	-0.9%	-24,938,709	-0.9%
<i>Fair value reserve</i>	-27,150,483	-1.0%	21,246,888	0.8%
<i>Reserve due to fair value revaluation</i>	1,311,377	0.0%	1,300,871	0.0%
<i>Retained earnings</i>	165,836,300	6.3%	116,166,406	4.4%
<i>Net profit or loss for the period</i>	16,750,604	0.6%	49,623,843	1.9%
<i>Translation reserve</i>	-3,204,246	-0.1%	-3,256,354	-0.1%
<i>Equity attributable to owners of the controlling company</i>	472,125,569	17.9%	503,709,720	18.9%
<i>Non-controlling interests in equity</i>	386,374	0.0%	367,298	0.0%
2 Subordinated liabilities	75,565,784	2.9%	74,863,524	2.8%
3 Technical provisions	1,282,314,031	48.5%	1,237,500,117	46.6%
4 Technical provisions for the benefit of life insurance policyholders who bear the investment risk	501,382,207	19.0%	524,183,338	19.7%
5 Other provisions	9,085,060	0.3%	9,018,106	0.3%
6 Deferred tax liabilities	5,347,940	0.2%	11,387,395	0.4%
7 Investment contract liabilities	168,527,206	6.4%	172,660,266	6.5%
8 Other financial liabilities	606,900	0.0%	584,924	0.0%
9 Liabilities from operating activities	73,446,329	2.8%	54,783,379	2.1%
10 Lease liability	7,156,686	0.3%	7,224,138	0.3%
11 Other liabilities	47,793,300	1.8%	62,040,154	2.3%

3.2.1 Shareholders' equity

The capital position (1) decreased by 6.3%, or EUR 31.6 million, reflecting a decrease of EUR 48.4 million in the fair value reserve as a result of the revaluation of bond investments due to price movements in financial markets.

3.2.2 Technical provisions

Gross technical provisions (3) are the largest item on the liabilities side. The balance as at 31 March 2022 was an increase of 3.6%, or EUR 44.8 million, over year-end 2021.

Consolidated gross TP

EUR	31 March 2022	31 December 2021	Index
Gross unearned premiums	261,605,546	207,022,452	126.4
Gross mathematical provisions	439,602,679	443,577,279	99.1
Gross provision for outstanding claims	572,372,134	578,713,597	98.9
Gross provision for bonuses, rebates and cancellations	1,510,353	1,530,854	98.7
Other gross technical provisions	7,223,319	6,655,935	108.5
Gross technical provisions	1,282,314,031	1,237,500,117	103.6

Gross technical provisions attributable to the non-life segment grew by 5.8%, or EUR 32.1 million, compared to year-end 2021. Of this, unearned premiums grew by EUR 36.2 million (first quarter of 2021: EUR 22.1 million) as a result of increased business volume, while claims provisions decreased by EUR 4.3 million, mainly due to the cancellation of most FoS business.

Gross technical provisions attributable to the reinsurance segment grew by 7.5%, or EUR 17.0 million, compared to year-end 2021. The increase is due to the rise in unearned premiums as the result of the annual dynamics of underwriting reinsurance business (increase of EUR 18.3 million; first quarter of 2021: up by EUR 15.3 million), while provisions for outstanding claims rose by EUR 1.7 million.

Gross mathematical provisions declined by 0.9%, or EUR 4.0 million, 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.

The provision for bonuses, rebates and cancellations account 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 0.6 million from year-end 2021, which chiefly relates to the increase in the reinsurance segment as the result of increased unearned premiums of marine reinsurance business.

3.2.3 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 501.4 million as at 31 March 2022 and increased by 4.3%, or EUR 22.8 million, mainly due to movements in financial markets and, consequently, fund unit prices.

3.2.4 Investment contract liabilities

Investment contract liabilities (7) of Sava Pokojninska totalled EUR 168.5 million as at 31 March 2022, down by 2.4%, or EUR 4.1 million, from 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.

3.2.5 Liabilities from operating activities

Liabilities from operating activities (9) totalled EUR 73.5 million as at 31 March 2022, up 34.1%, or EUR 18.7 million, compared to year-end 2021 (31 March 2021: increase of EUR 11.1 million), mainly reflecting renewals of annual reinsurance contracts and the associated higher liabilities for reinsurance and co-insurance business of EUR 13.2 million, liabilities from primary insurance business of EUR 4.7 million (liabilities for claims and commission) and higher current tax liabilities of EUR 0.9 million.

3.2.6 Other liabilities

Other liabilities (11) decreased by EUR 14.2 million, especially other accrued costs and deferred liabilities relating to the Slovenian non-life segment, where premiums received are recorded until recognised in the income statement.

3.3 Financing sources and their maturity

As at 31 March 2022, the Sava Insurance Group held EUR 472.5 million in shareholders' equity and EUR 75.6 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 31 March 2022, the market price of the bond was 111.862% and the market value EUR 85,006,089 (31 December 2021: market price of 103.532%, market value of EUR 78,065,096).

3.4 Cash flow

In the first three months of 2022, the Sava Insurance Group generated an operating cash flow of EUR 17.1 million (first quarter of 2021: EUR 44.5 million). Payments of claims and expenses were higher in this period year on year.

Net cash outflows from investing activities were lower (of EUR 2.7 million, compared to EUR 23.9 million last year) due to the dynamics of the management of the securities portfolio, including the investments of policyholders who bear the investment risk.

The Group posted net cash used in financing activities in the amount of EUR 0.1 million (2021: EUR 1.1 million).

The closing balance of cash and cash equivalents increased by EUR 14.4 million in the first quarter of 2022 (first quarter of 2021: EUR 19.5 million). The net cash flow for 2022 was EUR 5.1 million below the year-on-year figure.

3.5 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 ¹⁵	Outlook	Latest review
S&P Global Ratings	A	stable	September 2021: existing rating affirmed
AM Best	A	stable	October 2021: existing rating affirmed

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

¹⁵ The credit rating agency Standard & Poor's 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).

4 Personnel

Number of employees by Sava Insurance Group member

	31 March 2022	31 December 2021	Change
Zavarovalnica Sava	1,204.5	1,222.6	-18.1
Sava Neživotno Osiguranje (SRB)	336.6	341.0	-4.4
Sava Osiguruvanje (MKD)	232.0	229.2	2.8
Illyria (RKS)	213.8	211.3	2.5
Sava Osiguranje (MNE)	132.0	133.0	-1.0
Sava Re	128.3	126.6	1.8
Sava Životno Osiguranje (SRB)	109.7	105.9	3.8
Illyria Life (RKS)	59.0	59.0	0.0
Vita (SVN)	52.0	48.0	4.0
Sava Car (MNE)	41.3	43.3	-2.0
Sava Penzisko Društvo (MKD)	38.0	37.0	1.0
Sava Infond (SVN)	35.9	33.5	2.5
TBS Team 24 (SVN)	34.3	30.3	4.0
ZS Svetovanje (SVN)	26.0	26.0	0.0
Sava Agent (MNE)	17.0	16.8	0.3
Sava Pokojninska (SVN)	13.3	13.0	0.3
Ornatus KC (SVN)	12.0	12.0	0.0
Sava Station (MKD)	9.8	10.8	-1.0
Total	2,695.2	2,698.9	-3.8

The table above shows the number of employees calculated on a full-time equivalent basis. The drop in the number of employees in Zavarovalnica Sava and Sava Neživotno Osiguranje relates to fluctuations in the agency network.

5 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. The Group companies identify, measure, manage, monitor and report on these risks in line with prescribed risk management processes. In addition, these risk management processes are set up 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.

On top of the generally unfavourable macroeconomic trends, the war in Ukraine further significantly changed the geopolitical situation in the first quarter, which also had an impact on the performance and risks of the Group's companies. 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 results. More information on this has already been provided in the annual report of the Sava Insurance Group and Sava Re d.d., in section 2.3 "Significant events after the reporting date".

In the first quarter, the large impacts on the performance of the Group companies were caused by adverse indirect effects on the macroeconomic environment. The changed circumstances and the associated commodity and energy market shocks have further increased inflation expectations. This has driven bond yields up and bond prices down, resulting in a decline in the fair value reserve of equity assets. Inflation expectations have also indirectly contributed to price hikes, resulting in increased claims inflation.

5.1 Capital adequacy and capital management

The Sava Insurance Group calculates its solvency position using the Solvency II standard formula. The calculation of the Group's solvency position as at 31 December 2021 shows that the Group is well capitalised and has a solvency ratio of 198%. The Group's Solvency Capital Requirement (hereinafter: Group SCR) totalled EUR 304.4 million as at 31 December 2021, and eligible own funds to meet the Group SCR were EUR 601.3 million. Details on the valuation, the calculation of eligible own funds and the Group's SCR as at 31 December 2021 are set out in the Solvency and Financial Condition Report of the Sava Insurance Group for 2021 available on the Sava Re website.

Sava Re also uses the Solvency II standard formula for its solvency calculation. The calculation of the Company's solvency position as at 31 December 2021 shows that the Company is well capitalised and has a solvency ratio of 282%. The Company's Solvency Capital Requirement (hereinafter: Company SCR) totalled EUR 218 million as at 31 December 2021, and eligible own funds to meet the SCR were EUR 615.7 million. Details on the valuation, the calculation of eligible own funds and the SCR as at 31 December 2021 are set out in the Solvency and Financial Condition Report of Sava Re d.d. for 2021 and are available on the Company's website.

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 the first quarter 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).

5.2 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 rise/drop in the Group's net combined ratio relating to non-life (re)insurance business of one percentage point in the first quarter of 2022, would decrease/increase its profit before tax by EUR 1.2 million in the period (first quarter of 2021: EUR 1.3 million).

We estimate that the Group's exposure to underwriting risk increased slightly in the first quarter of 2022 compared to the end of 2021, mainly due to the increased risk of claims inflation in motor and property insurance business.

Regarding Covid-19, there remains a legal regulatory risk that policy conditions for business interruption covers could be interpreted unfavourably in some markets (English speaking countries, direct FoS business in the Republic of Ireland), which could result in additional claim payments.

5.3 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.

5.3.1 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 1,487.7 million as at 31 March 2022.

Interest rate risk

The total value of investments included in the calculation as at 31 March 2022 was EUR 1,346.2 million (31 December 2021: EUR 1,422.5 million). Of this, EUR 712.3 million (31 December 2021: EUR 743.8 million) related to assets of non-life insurers (including Sava Re) and EUR 634.5 million (31 December 2021: EUR 678.8 million) to assets of life insurers.

The average maturity of non-life business bonds and deposits was 3.89 years as at 31 March 2022 (31 December 2021: 4.06 years), and the expected maturity of non-life and reinsurance obligations was 1.97 years (31 December 2021: 2.10 years).

The average maturity of life insurance assets was 5.29 years as at 31 March 2022 (31 December 2021: 5.43 years), with the average maturity of life liabilities at 5.80 years (31 December 2021: 6.04 years).

In the first quarter of 2022, we saw a 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 31 March 2022, the value of the Group's investments exposed to property risk stood at EUR 30.4 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 4.6 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 Company included in the equity risk calculation totalled EUR 91.8 million as at 31 March 2022 (31 December 2021: EUR 98.5 million). A 10% drop in equity prices would result in a decline of EUR 9.2 million (31 December 2021: EUR 9.8 million).

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

Currency risk

The Company monitors the currency matching of assets and liabilities by the ALM aspect (accounting currencies are matched directly – they are matched with currencies with a high degree of correlation). Accordingly, the position was 99.3% matched as at 31 March 2022 (31 December 2021: 97.5%). However, based strictly on the accounting aspect, i.e. excluding correlations, the position was 96.2% matched as at 31 March 2022 (31 December 2021: 96.0%).

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

5.3.2 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 amount of highly liquid assets. We estimate that liquidity risk remained unchanged and low in the period under review in 2022.

5.3.3 Credit risk

Fixed-rate investments accounted for 92.5% of the total investment portfolio. As at 31 March 2022, fixed-rate investments rated "BBB-" or better accounted for 76.4% of the total fixed-rate portfolio (31 December 2021: 77.9%).

As at 31 March 2022, the exposure to the ten largest issuers was EUR 465.2 million, representing 29.5% 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 Republic of Slovenia (31 March 2022: EUR 108.4 million; 6.9%; 31 December 2021: EUR 124.1 million; 7.5%), and the maximum single exposure to any commercial issuer was 2.2% of the Group's financial investments.

Based on the above, we estimate that, particularly through reducing their exposure to Slovenia and increased diversification by issuer, region and industry, the Sava Insurance Group companies managed their exposure to credit risk well in the first quarter of 2022.

We estimate that, in the first quarter of 2022, credit risk increased slightly, in particular due to increased market volatility and uncertainty surrounding economic activity in the following quarters.

5.3.4 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 168.7 million as at 31 March 2021, down by EUR 4.2 million from 31 December 2021.

The risk of failure to achieve guaranteed returns relates to liabilities of Moj Zajamčeni fund (My Guaranteed Fund) (31 March 2022: EUR 136.9 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 guaranteed return. The realised return on financial investments is lower than the guaranteed return on the liabilities side. The shortfall for the first three months of 2021 was EUR 445.7 thousand (first quarter of 2021: shortfall of EUR 65.0 thousand).

5.4 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 quarter of 2022 compared to year-end 2021.

5.5 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.

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 exposure to strategic risks increased 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 quarter, which is why these risks increased in the first quarter of 2022 year on year.

We assess that the Group's strategic risk was managed appropriately.

5.6 Risk exposure up until year-end 2022

In the first quarter, the macroeconomic and geopolitical situation was uncertain, mainly due to the war in Ukraine, and the energy crisis was escalating, leading to further rises in already high consumer prices; therefore, we are 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 in underwriting risk, especially related to claims inflation.

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

Regarding Covid-19, there remains a legal regulatory risk that policy conditions for business interruption covers could be interpreted unfavourably in some markets, which could result in additional claim payments.

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 financial statements of the Sava Insurance Group and Sava Re for the three months to 31 March 2022, and the accompanying appendices to the financial statements, accounting policies and notes to the financial statements. The management board confirms that the financial statements, including the notes, have been prepared on a going concern basis regarding the operations of the Company and the Group and that they comply with Slovenian law and the International Financial Reporting Standards as adopted by the EU. The financial statements are presented in a condensed format and 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, which apply the methods most suited to the Company and the Group under given circumstances, based on which we can give the below assurances.

The management board members ensure that to the best of their knowledge:

- the financial statements and the accompanying notes have been drawn up in accordance with the reporting principles adopted by the Company and the Group and give a true and fair view of the assets and liabilities, financial position, profit and loss of the Company and the Group;
- the business report includes a fair presentation of the development and results of operations of the Company and the Group, and the 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 property, 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, 10 May 2022

6 Unaudited condensed financial statements

6.1 Unaudited statement of financial position

EUR	Sava Insurance Group		Sava Re	
	31 March 2022	31 December 2021	31 March 2022	31 December 2021
ASSETS	2,643,737,386	2,658,322,359	870,707,482	832,078,756
Intangible assets	67,427,180	67,306,775	3,364,374	3,194,031
Property, plant and equipment	62,071,216	56,337,174	2,558,112	2,464,213
Right-of-use assets	7,279,602	7,386,426	188,491	204,879
Deferred tax assets	10,477,883	5,487,403	5,481,236	3,688,957
Investment property	14,170,293	14,281,192	7,862,023	7,899,693
Financial investments in subsidiaries and associates	20,922,541	20,479,729	324,123,995	324,129,991
Financial investments:	1,398,488,433	1,472,688,443	322,659,169	327,784,595
- Loans and deposits	29,557,168	29,846,572	11,923,674	12,183,310
- Held to maturity	37,798,877	40,023,124	2,708,460	2,816,979
- Available for sale	1,298,182,216	1,368,432,673	299,102,266	303,501,261
- At fair value through profit or loss	32,950,172	34,386,074	8,924,768	9,283,045
Assets held for the benefit of policyholders who bear the investment risk	497,678,232	517,439,592	0	0
Reinsurers' share of technical provisions	68,377,213	57,767,056	56,099,506	48,486,444
Investment contract assets	168,683,719	172,836,349	0	0
Receivables	192,483,100	149,940,870	115,935,146	79,803,172
Receivables arising out of primary insurance business	164,187,618	128,544,723	105,673,184	74,410,185
Receivables arising out of reinsurance and co-insurance business	13,989,652	9,077,165	9,053,360	5,125,596
Current tax assets	320,439	330,518	0	0
Other receivables	13,985,391	11,988,464	1,208,602	267,390
Deferred acquisition costs	25,836,417	22,572,741	8,023,133	4,869,156
Other assets	6,250,369	4,380,387	953,315	746,808
Cash and cash equivalents	103,005,367	88,647,678	23,458,982	28,806,817
Non-current assets held for sale	585,821	770,544	0	0
EQUITY AND LIABILITIES	2,643,737,386	2,658,322,359	870,707,482	832,078,756
Shareholders' equity	472,511,943	504,077,018	366,743,674	371,166,000
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	228,962,030	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	-27,150,483	21,246,888	-4,022,984	3,619,684
Reserve due to fair value revaluation	1,311,377	1,300,871	92,082	96,544
Retained earnings	165,836,300	116,166,406	37,053,726	10,633,662
Net profit or loss for the period	16,750,604	49,623,843	3,224,804	26,420,064
Translation reserve	-3,204,246	-3,256,354	0	0
Equity attributable to owners of the controlling company	472,125,569	503,709,720	366,743,674	371,166,000
Non-controlling interests in equity	386,374	367,298	0	0
Subordinated liabilities	75,565,784	74,863,524	75,565,784	74,863,524
Technical provisions	1,282,314,031	1,237,500,117	357,907,702	331,812,724
Unearned premiums	261,605,546	207,022,452	84,993,979	52,775,034
Technical provisions for life insurance business	439,602,679	443,577,279	0	0
Provision for outstanding claims	572,372,134	578,713,597	271,770,450	278,281,619
Other technical provisions	8,733,672	8,186,789	1,143,273	756,071
Technical provisions for the benefit of life insurance policyholders who bear the investment risk	501,382,207	524,183,338	0	0
Other provisions	9,085,060	9,018,106	415,682	421,865
Deferred tax liabilities	5,347,940	11,387,395	76,227	76,227
Investment contract liabilities	168,527,206	172,660,266	0	0
Other financial liabilities	606,900	584,924	0	0
Liabilities from operating activities	73,446,329	54,783,379	63,823,538	46,543,595
Liabilities from primary insurance business	46,321,612	41,669,619	47,465,790	39,556,034
Liabilities from reinsurance and co-insurance business	23,280,534	10,109,076	15,707,981	6,592,809
Current income tax liabilities	3,844,183	3,004,684	649,767	394,752
Lease liability	7,156,686	7,224,138	187,839	203,730
Other liabilities	47,793,300	62,040,154	5,987,036	6,991,091

6.2 Unaudited income statement

EUR	Sava Insurance Group		Sava Re	
	1–3/2022	1–3/2021	1–3/2022	1–3/2021
Net premiums earned	164,827,803	166,932,975	34,487,397	38,891,805
Gross premiums written	231,701,082	215,209,967	75,071,803	70,509,667
Written premiums ceded to reinsurers and co-insurers	-23,554,869	-17,779,002	-16,360,732	-11,667,402
Change in gross unearned premiums	-53,735,469	-37,562,323	-32,218,945	-24,352,517
Change in unearned premiums, reinsurers' and co-insurers' shares	10,417,059	7,064,333	7,995,271	4,402,057
Income from investments in subsidiaries and associates	454,033	268,505	1,046,140	854,194
Profit from investments in equity-accounted associate companies	454,033	268,505	0	0
Other income	0	0	1,046,140	854,194
Investment income	8,663,633	8,713,555	3,001,049	3,215,138
Interest income	3,962,516	4,254,906	650,324	639,001
Other investment income	4,701,117	4,458,649	2,350,726	2,576,136
Net realised and unrealised gains on investments of life insurance policyholders who bear the investment risk	0	25,481,555	0	0
Other technical income	5,771,672	5,295,802	1,940,051	1,863,018
Commission income	3,003,960	2,811,127	1,811,895	1,661,887
Other technical income	2,767,712	2,484,675	128,156	201,131
Other income	7,226,979	5,641,506	228,288	204,918
Net claims incurred	-105,930,272	-101,068,522	-21,379,783	-23,000,697
Gross claims payments, net of income from recourse receivables	-117,359,734	-101,977,267	-32,269,613	-21,766,428
Reinsurers' and co-insurers' shares	5,853,566	2,357,464	4,760,869	2,702,793
Change in the gross provision for outstanding claims	6,259,918	-204,472	6,511,169	-3,753,375
Change in the provision for outstanding claims, reinsurers' and co-insurers' shares	-684,022	-1,244,247	-382,209	-183,687
Change in other technical provisions	3,355,265	10,521,536	-371,358	49,429
Change in technical provisions for policyholders who bear the investment risk	22,487,377	-35,876,621	0	0
Expenses for bonuses and rebates	-40,077	-56,799	-15,844	54,068
Operating expenses	-51,112,138	-50,961,236	-14,082,036	-14,367,438
Acquisition costs	-20,611,876	-22,226,121	-13,439,115	-13,820,284
Change in deferred acquisition costs	3,466,312	3,185,770	3,153,977	2,431,172
Other operating expenses	-33,966,574	-31,920,885	-3,796,898	-2,978,326
Expenses for financial assets and liabilities	-3,944,867	-1,681,067	-1,200,352	-838,349
Impairment losses on financial assets not at fair value through profit or loss	-6,247	-75,447	0	0
Interest expense	-779,504	-757,768	-713,139	-704,720
Other investment expenses	-3,159,116	-847,852	-487,213	-133,629
Net realised and unrealised losses on investments of life insurance policyholders who bear the investment risk	-26,487,517	0	0	0
Other technical expenses	-4,720,246	-3,699,577	-120,581	-91,395
Other expenses	-236,731	-384,723	-52,706	-44,034
Profit or loss before tax	20,314,914	29,126,889	3,480,265	6,790,658
Income tax expense	-3,547,289	-5,653,741	-255,461	-1,190,433
Net profit or loss for the period	16,767,625	23,473,148	3,224,804	5,600,225
Net profit or loss attributable to owners of the controlling company	16,750,606	23,492,252	-	-
Net profit or loss attributable to non-controlling interests	17,019	-19,104	-	-
Earnings per share (basic and diluted)	1.08	1.52	-	-

The change in the weighted average number of shares outstanding is shown in section 7.8.10 “Earnings or loss per share”.

6.3 Unaudited statement of other comprehensive income

EUR	Sava Insurance Group		Sava Re	
	1–3/2022	1–3/2021	1–3/2022	1–3/2021
PROFIT OR LOSS FOR THE PERIOD, NET OF TAX	16,767,625	23,473,148	3,224,804	5,600,225
OTHER COMPREHENSIVE INCOME, NET OF TAX	-48,332,700	-6,391,632	-7,647,131	-720,356
a) Items that will not be reclassified subsequently to profit or loss	10,421	74,679	-4,462	23,434
Other items that will not be reclassified subsequently to profit or loss	11,381	74,725	-4,462	23,434
Tax on items that will not be reclassified subsequently to profit or loss	-960	-46	0	0
b) Items that may be reclassified subsequently to profit or loss	-48,343,121	-6,466,311	-7,642,668	-743,790
Net gains/losses on remeasuring available-for-sale financial assets	-59,245,873	-7,896,697	-9,435,393	-918,258
Net change recognised in the fair value reserve	-58,465,770	-7,762,019	-9,435,393	-918,258
Net change transferred from fair value reserve to profit or loss	-780,103	-134,678	0	0
Tax on items that may be reclassified subsequently to profit or loss	10,850,243	1,449,998	1,792,725	174,469
Net gains or losses from translation of financial statements of non-domestic companies	52,509	-19,612	0	0
COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAX	-31,565,075	17,081,516	-4,422,327	4,879,869
Attributable to owners of the controlling company	-31,584,151	17,100,538	-	-
Attributable to non-controlling interests	19,076	-19,022	-	-

6.4 Unaudited statement of cash flows

EUR	Sava Insurance Group		Sava Re	
	1–3/2022	1–3/2021	1–3/2022	1–3/2021
A. Cash flows from operating activities				
a) Items of the income statement	47,983,881	-1,436,101	536,248	4,233,720
Net profit or loss for the period	16,767,625	23,473,148	3,224,804	5,600,225
Adjustments for:	31,216,256	-24,909,249	-2,688,555	-1,366,505
2 Realised gains or losses on the disposal of property, plant and equipment assets	-268,411	-43,706	-13,491	-47
3 Gains or losses of equity-accounted subsidiary	-454,033	-268,505	0	0
5 Other financial expenses/income	27,447,734	-29,744,404	-3,019,519	-287,293
6 Depreciation/amortisation	2,480,890	2,554,920	176,098	35,440
7 Income tax expense	3,547,289	5,653,741	255,461	1,190,433
8 Net exchange differences	-1,537,213	-3,061,295	-87,105	-2,305,039
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	-30,838,533	45,964,931	-5,768,909	5,577,527
1 Change in receivables from primary insurance	-35,642,895	-23,861,918	-31,262,999	-26,402,328
2 Change in receivables from reinsurance	-4,912,487	-2,087,473	-3,927,764	-892,491
3 Change in other receivables from (re)insurance business	-210,680	-390,824	0	0
4 Change in other receivables and other assets	-5,497,118	-3,550,006	-6,093,975	-1,270,919
5 Change in deferred tax assets	-4,990,480	252,666	0	0
6 Change in inventories	5,384	3,107	0	0
7 Change in liabilities arising out of primary insurance	4,651,993	696,362	7,909,756	2,763,747
8 Change in liabilities arising out of reinsurance business	13,171,458	7,579,505	9,115,172	4,415,071
9 Change in other operating liabilities	918,472	9,338,573	-2,013,276	1,377,505
10 Change in other liabilities (except unearned premiums)	-10,643,731	-1,406,565	1,248,346	1,802,917
11 Change in technical provisions	12,518,676	57,301,794	19,261,108	23,784,025
- change in unearned premiums	43,238,216	30,497,990	24,303,868	19,950,460
- change in provision for outstanding claims	-4,876,898	1,448,719	-5,429,963	3,937,062
- change in other technical provisions	562,282	-867,080	387,202	-103,498
- change in mathematical provision	-3,917,547	-9,654,456	0	0
- change in mathematical provision for policyholders who bear the investment risk	-22,487,377	35,876,621	0	0
12 Tax expense	-207,125	2,089,710	-5,276	0
c) Net cash from/used in operating activities (a + b)	17,145,348	44,528,830	-5,232,661	9,811,247
B. Cash flows from investing activities				
a) Cash receipts from investing activities	170,724,854	172,613,784	20,113,185	17,360,627
1 Interest received from investing activities	7,023,790	4,254,906	777,176	809,795
2 Cash receipts from dividends and participation in the profit of others	90,186	103,372	448	370
3 Proceeds from sale of intangible assets	230,063	294,130	0	0
4 Proceeds from sale of property, plant and equipment assets	285,771	260,050	13,491	47
5 Proceeds from disposal of financial investments	163,095,044	167,701,326	19,322,070	16,550,415
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	162,095,044	167,701,326	18,322,070	16,550,415
b) Cash disbursements in investing activities	-173,399,845	-196,518,545	-20,202,644	-31,373,632
1 Purchase of intangible assets	-1,055,204	-1,004,778	-240,602	-164,599
2 Purchase of property, plant and equipment	-6,933,312	-2,415,160	-160,569	-62,414
3 Purchase of long-term financial investments	-165,411,329	-193,098,607	-19,801,473	-31,146,619
3.1 Purchase of subsidiary companies	0	-3,720,000	0	-3,720,000
3.2 Other disbursements to acquire financial investments	-165,411,329	-189,378,607	-19,801,473	-27,426,619
c) Net cash from/used in investing activities (a + b)	-2,674,991	-23,904,761	-89,459	-14,013,005
C. Cash flows from financing activities				
a) Cash receipts from financing activities	343,945	0	0	0
2 Proceeds from long-term borrowing	343,945	0	0	0
b) Cash disbursements in financing activities	-456,614	-1,163,408	-25,714	-24,058
1 Interest paid	-21,375	-757,768	-9,824	-3,033
3 Repayment of long-term financial liabilities	-435,239	-405,640	-15,891	-21,025
c) Net cash from/used in financing activities (a + b)	-112,668	-1,163,408	-25,714	-24,058
C2. Closing balance of cash and cash equivalents	103,005,367	102,919,255	23,458,982	22,854,330
x) Net increase or decrease in cash and cash equivalents for the period (Ac + Bc + Cc)	14,357,689	19,460,661	-5,347,834	-4,225,816
y) Opening balance of cash and cash equivalents	88,647,678	83,458,594	28,806,817	27,080,146

6.5 Unaudited statement of changes in equity

Unaudited statement of changes in equity 1 January – 31 March 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	-48,397,371	10,506	0	16,750,606	0	52,108	-31,584,151	19,076	-31,565,075
a) Net profit or loss for the period	0	0	0	0	0	0	0	0	0	16,750,606	0	0	16,750,606	17,019	16,767,625
b) Other comprehensive income	0	0	0	0	0	0	-48,397,371	10,506	0	0	0	52,108	-48,334,757	2,057	-48,332,700
Transactions with owners – payouts	0	0	0	0	0	-46,049	0	0	46,049	0	0	0	0	0	0
Allocation of net profit to profit reserve	0	0	0	0	0	-46,049	0	0	46,049	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	180,647,456	-27,150,483	1,311,377	165,836,300	16,750,606	-24,938,709	-3,204,246	472,125,569	386,374	472,511,943

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	-7,642,668	-4,462	0	3,224,804	0	-4,422,327
a) Net profit or loss for the period	0	0	0	0	0	0	0	0	0	3,224,804	0	3,224,804
b) Other comprehensive income	0	0	0	0	0	0	-7,642,668	-4,462	0	0	0	-7,647,131
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	-4,022,984	92,082	37,053,726	3,224,804	-24,938,709	366,743,674

Unaudited statement of changes in equity 1 January – 31 March 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	-6,447,060	74,679	0	23,492,252	0	-19,333	17,100,538	-19,022	17,081,516
a) Net profit or loss for the period	0	0	0	0	0	0	0	0	0	23,492,252	0	0	23,492,252	-19,104	23,473,148
b) Other comprehensive income	0	0	0	0	0	0	-6,447,060	74,679	0	0	0	-19,333	-6,391,714	82	-6,391,632
Transactions with owners – payouts	0	0	0	0	0	119,972	0	0	-119,972	0	0	0	0	0	0
Allocation of net profit to profit reserve	0	0	0	0	0	119,972	0	0	-119,972	0	0	0	0	0	0
Movements within equity	0	-339,855	0	0	0	0	0	0	56,197,541	-56,197,541	0	0	-339,855	-80,145	0
Transfer of profit	0	0	0	0	0	0	0	0	56,197,541	-56,197,541	0	0	0	0	-420,000
Additions due to acquisition of subsidiary	0	-339,855	0	0	0	0	0	0	0	0	0	0	-339,855	-80,145	0
Closing balance in the financial period	71,856,376	42,696,093	11,950,493	24,938,709	11,225,068	154,291,282	33,726,030	1,039,164	129,491,097	23,492,252	-24,938,709	-3,285,346	476,482,509	393,495	477,296,004

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	6,039,788	46,586	34,797,320	-10,990,617	-24,938,709	333,869,061
Opening balance in the financial period	71,856,376	54,239,757	14,986,525	24,938,709	10,000,000	152,893,325	6,039,788	46,586	34,797,320	-10,990,617	-24,938,709	333,869,061
Comprehensive income for the period, net of tax	0	0	0	0	0	0	-743,790	23,434	0	5,600,225	0	4,879,869
a) Net profit or loss for the period	0	0	0	0	0	0	0	0	0	5,600,225	0	5,600,225
b) Other comprehensive income	0	0	0	0	0	0	-743,790	23,434	0	0	0	-720,356
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	5,295,998	70,020	23,806,704	5,600,225	-24,938,709	338,748,930

7 Notes to the 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 March 2022 compared to year-end 2021 and the performance of the Group in the first three months of 2022 compared to the first three months of 2021.

7.1 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 three months to 31 March 2022 have not been audited.

The interim financial statements as at 31 March 2022 have been prepared following the same accounting policies and computation methods as the annual financial statements for 2021.

7.2 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.

7.3 Nature and amount of unusual items

On top of the generally unfavourable macroeconomic trends, the war in Ukraine further significantly changed the geopolitical situation in the first quarter, which also had an impact on the performance and risks of the Group’s companies. The rise in the risk-free interest rate has reduced the value of interest rate sensitive investments, resulting in a decline in the fair value reserve of equity assets. There were no other extraordinary events affecting the Group’s assets, liabilities, shareholders’ equity, net profit or cash flows. The impact of the macroeconomic situation and geopolitical events on business is presented in section 5 “Risk management”.

7.4 Materiality

Equity was used as a basis in determining a materiality threshold for the consolidated financial statements, specifically 2% thereof, which is EUR 9.5 million as at 31 March 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 financial statements. Disclosures and notes that the Group is required to present under IAS 34 or statutory requirements are provided in this report, although they may not exceed the materiality threshold.

7.5 Issuance, repurchase and repayment of debt and equity securities

The Group issued no new debt or equity securities.

7.6 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.

7.7 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 and health insurance business). Section 8.1 explains in more detail how the companies are included in operating segments.

Performance of these segments is monitored based on different indicators, with net profit 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 31 March 2022	Reinsurance	Non-life			Life			Pensions and AM	Other	Total
		Slovenia	International	Total	Slovenia	International	Total			
ASSETS	391,507,517	714,618,091	155,075,070	869,693,161	1,064,999,169	45,947,283	1,110,946,452	246,190,247	25,400,008	2,643,737,386
Intangible assets	3,364,376	13,917,548	8,931,914	22,849,462	7,795,094	50,663	7,845,757	30,559,961	2,807,624	67,427,180
Property, plant and equipment	2,558,111	40,864,684	14,392,765	55,257,449	1,820,834	1,942,788	3,763,622	456,266	35,768	62,071,216
Right-of-use assets	177,374	2,934,767	3,556,575	6,491,342	396,083	622	396,705	189,065	25,116	7,279,602
Deferred tax assets	5,481,237	3,050,154	153,476	3,203,630	1,698,019	73,434	1,771,453	21,563	0	10,477,883
Investment property	7,862,022	2,753,967	3,138,271	5,892,238	35,248	0	35,248	380,785	0	14,170,293
Financial investments in associates	0	0	0	0	0	0	0	0	20,922,541	20,922,541
Financial investments:	231,873,534	479,770,554	83,148,394	562,918,948	527,492,842	40,747,151	568,239,993	35,455,958	0	1,398,488,433
- Loans and deposits	7,941,204	2,988,988	12,471,337	15,460,326	15,553	1,623,227	1,638,780	4,516,858	0	29,557,168
- Held to maturity	1,953,525	1,775,984	2,992,770	4,768,754	21,724,332	1,234,873	22,959,205	8,117,393	0	37,798,877
- Available for sale	215,732,861	464,706,460	67,470,248	532,176,708	500,122,039	37,147,084	537,269,123	13,003,524	0	1,298,182,216
- At fair value through profit or loss	6,245,943	10,299,123	214,039	10,513,161	5,630,918	741,966	6,372,885	9,818,183	0	32,950,172
Assets held for the benefit of policyholders who bear the investment risk	0	0	0	0	497,151,711	526,521	497,678,232	0	0	497,678,232
Reinsurers' share of technical provisions	23,644,447	36,938,945	7,308,739	44,247,684	458,927	26,155	485,082	0	0	68,377,213
Investment contract assets	0	0	0	0	0	0	0	168,683,719	0	168,683,719
Receivables	85,631,500	84,420,499	17,916,187	102,336,686	1,730,710	922,444	2,653,154	1,129,750	732,010	192,483,100
Receivables arising out of primary insurance business	76,455,603	74,779,861	11,214,705	85,994,566	966,271	767,912	1,734,183	3,266	0	164,187,618
Receivables arising out of reinsurance and co-insurance business	9,053,360	4,076,801	857,093	4,933,894	471	1,927	2,398	0	0	13,989,652
Current tax assets	0	26,486	275,936	302,422	16,334	1,683	18,017	0	0	320,439
Other receivables	122,537	5,537,351	5,568,453	11,105,804	747,634	150,922	898,556	1,126,484	732,010	13,985,391
Deferred acquisition costs	6,502,620	14,295,843	4,749,198	19,045,040	196,502	92,255	288,757	0	0	25,836,417
Other assets	953,315	3,262,438	963,318	4,225,756	325,965	79,145	405,110	563,700	102,488	6,250,369
Cash and cash equivalents	23,458,982	32,134,489	10,504,616	42,639,105	25,897,233	1,486,106	27,383,339	8,749,480	774,461	103,005,367
Non-current assets held for sale	0	274,203	311,618	585,821	0	0	0	0	0	585,821

Statement of financial position items by operating segment

Sava Insurance Group 31 March 2022	Reinsurance	Non-life			Life			Pensions and AM	Other	Total
		Slovenia	International	Total	Slovenia	International	Total			
EQUITY AND LIABILITIES	464,136,824	631,510,929	156,588,999	788,099,928	1,014,777,788	45,900,873	1,060,678,661	220,355,441	110,466,540	2,643,737,386
Subordinated liabilities	0	0	0	0	0	0	0	0	75,565,784	75,565,784
Technical provisions	242,978,815	479,353,983	102,615,767	581,969,750	410,938,814	31,692,128	442,630,942	14,734,524	0	1,282,314,031
Unearned premiums	45,428,548	175,306,082	39,560,516	214,866,598	852,898	457,502	1,310,400	0	0	261,605,546
Mathematical provisions	0	0	0	0	394,485,018	30,384,605	424,869,623	14,733,056	0	439,602,679
Provision for outstanding claims	196,695,564	298,838,350	60,385,833	359,224,183	15,600,898	850,021	16,450,919	1,468	0	572,372,134
Other technical provisions	854,703	5,209,551	2,669,418	7,878,969	0	0	0	0	0	8,733,672
Technical provisions for the benefit of life insurance policyholders who bear the investment risk	0	0	0	0	500,348,949	1,033,258	501,382,207	0	0	501,382,207
Other provisions	415,682	5,641,376	1,056,977	6,698,353	1,372,970	11,366	1,384,336	520,223	66,466	9,085,060
Deferred tax liabilities	76,227	2,237,912	130,186	2,368,098	2,159,448	29,125	2,188,573	715,042	0	5,347,940
Investment contract liabilities	0	0	0	0	0	0	0	168,527,206	0	168,527,206
Other financial liabilities	1	0	550,144	550,144	0	1,695	1,695	55,060	0	606,900
Liabilities from operating activities	45,285,753	14,291,162	4,616,895	18,908,057	8,126,647	513,266	8,639,913	476,942	135,664	73,446,329
Liabilities from primary insurance business	28,928,005	6,690,622	2,483,966	9,174,588	7,764,299	454,720	8,219,019	0	0	46,321,612
Liabilities from reinsurance and co-insurance business	15,707,981	5,466,160	2,028,661	7,494,821	67,158	10,574	77,732	0	0	23,280,534
Current income tax liabilities	649,767	2,134,380	104,268	2,238,648	295,190	47,972	343,162	476,942	135,664	3,844,183
Lease liability	175,942	3,034,187	3,717,668	6,751,855	0	2,899	2,899	198,282	27,708	7,156,686
Other liabilities	6,072,840	26,181,225	6,524,411	32,705,636	4,090,753	841,696	4,932,449	2,509,182	1,573,194	47,793,300
Shareholders' equity										472,511,943
Equity attributable to owners of the controlling company										472,125,569
Non-controlling interests in equity										386,374

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			
ASSETS	370,861,211	694,187,221	153,666,435	847,853,656	1,118,810,072	46,822,190	1,165,632,261	248,579,384	25,395,846	2,658,322,359
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			
EQUITY AND LIABILITIES	393,961,667	664,179,708	156,379,206	820,558,914	1,065,381,650	46,781,050	1,112,162,699	225,318,988	106,320,085	2,658,322,359
Subordinated liabilities	0	0	0	0	0	0	0	0	74,863,524	74,863,524
Technical provisions	226,015,867	449,275,943	100,615,847	549,891,790	416,324,878	31,220,556	447,545,434	14,047,026	0	1,237,500,117
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
Technical provisions for the benefit of life insurance policyholders who bear the investment risk	0	0	0	0	523,134,539	1,048,799	524,183,338	0	0	524,183,338
Other provisions	421,865	5,678,863	1,021,274	6,700,137	1,370,287	9,949	1,380,236	449,402	66,466	9,018,106
Deferred tax liabilities	76,227	3,119,986	133,758	3,253,744	7,206,457	91,047	7,297,504	759,920	0	11,387,395
Investment contract liabilities	0	0	0	0	0	0	0	172,660,266	0	172,660,266
Other financial liabilities	0	0	584,172	584,172	0	259	259	493	0	584,924
Liabilities from operating activities	30,836,632	11,100,202	4,157,629	15,257,831	7,730,272	498,458	8,228,730	362,392	97,794	54,783,379
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
Lease liability	191,824	2,826,494	3,925,946	6,752,440	0	30,900	30,900	216,243	32,731	7,224,138
Other liabilities	7,072,154	39,446,744	6,117,494	45,564,238	4,298,488	725,932	5,024,420	1,841,264	2,538,078	62,040,154
Shareholders' equity										504,077,018
Equity attributable to owners of the controlling company										503,709,720
Non-controlling interests in equity										367,298

Income statement by operating segment

Sava Insurance Group EUR 1–3/2022	Reinsurance	Non-life			Life			Pensions and AM	Other	Total
		Slovenia	International	Total	Slovenia	International	Total			
Net premiums earned	22,263,039	76,362,519	16,990,211	93,352,730	45,149,923	2,952,583	48,102,506	1,109,529	0	164,827,803
Gross premiums written	42,364,834	118,305,435	21,523,041	139,828,476	45,368,353	3,029,890	48,398,243	1,109,529	0	231,701,082
Written premiums ceded to reinsurers and co-insurers	-770,178	-18,904,334	-3,770,107	-22,674,441	-97,457	-12,793	-110,250	0	0	-23,554,869
Change in gross unearned premiums	-18,258,654	-33,630,224	-1,766,143	-35,396,367	-28,278	-52,170	-80,448	0	0	-53,735,469
Change in unearned premiums, reinsurers' and co-insurers' shares	-1,072,964	10,591,642	1,003,420	11,595,062	-92,695	-12,344	-105,039	0	0	10,417,059
Income from investments in subsidiaries and associates	0	0	0	0	0	0	0	0	454,033	454,033
Profit from investments in equity-accounted associate companies	0	0	0	0	0	0	0	0	454,033	454,033
Investment income	1,423,049	1,937,167	520,136	2,457,303	2,979,302	400,400	3,379,702	409,579	994,000	8,663,633
Interest income	465,676	522,010	469,171	991,181	2,105,390	267,734	2,373,124	132,535	0	3,962,516
Other investment income	957,373	1,415,157	50,965	1,466,122	873,912	132,666	1,006,578	277,044	994,000	4,701,117
Other technical income	191,355	2,845,371	1,460,581	4,305,952	1,171,058	53,234	1,224,292	50,073	0	5,771,672
Commission income	161,376	1,750,172	1,090,111	2,840,283	425	1,876	2,301	0	0	3,003,960
Other technical income	29,979	1,095,199	370,470	1,465,669	1,170,633	51,358	1,221,991	50,073	0	2,767,712
Other income	227,989	857,189	469,812	1,327,001	506,081	12,730	518,811	4,586,090	567,088	7,226,979
Net claims incurred	-14,607,134	-44,705,047	-8,343,760	-53,048,807	-36,469,476	-1,422,658	-37,892,135	-382,196	0	-105,930,272
Gross claims payments, net of income from recourse receivables	-19,921,627	-49,776,805	-8,997,960	-58,774,765	-36,850,564	-1,430,739	-38,281,303	-382,039	0	-117,359,734
Reinsurers' and co-insurers' shares	3,147,349	1,915,413	784,373	2,699,786	6,381	50	6,431	0	0	5,853,566
Change in the gross provision for outstanding claims	1,667,307	4,556,801	-292,807	4,263,994	320,743	8,031	328,774	-157	0	6,259,918
Change in the provision for outstanding claims, reinsurers' and co-insurers' shares	499,837	-1,400,456	162,635	-1,237,821	53,963	0	53,963	0	0	-684,022
Change in other technical provisions	-371,358	-50,157	-140,767	-190,924	5,217,149	-501,723	4,715,426	-797,879	0	3,355,265
Change in technical provisions for policyholders who bear the investment risk	0	0	0	0	22,480,202	7,175	22,487,377	0	0	22,487,377
Expenses for bonuses and rebates	0	16,150	-56,227	-40,077	0	0	0	0	0	-40,077
Operating expenses	-6,320,569	-23,658,770	-8,865,108	-32,523,878	-7,907,802	-1,112,314	-9,020,116	-2,875,328	-372,247	-51,112,138
Acquisition costs	-7,477,269	-8,074,572	-1,702,573	-9,777,145	-3,142,675	-203,338	-3,346,013	-11,449	0	-20,611,876
Change in deferred acquisition costs	2,359,287	715,871	176,301	892,172	208,174	6,679	214,853	0	0	3,466,312
Other operating expenses	-1,202,587	-16,300,069	-7,338,836	-23,638,905	-4,973,301	-915,655	-5,888,956	-2,863,879	-372,247	-33,966,574
Expenses for financial assets and liabilities	-362,291	-815,646	-48,299	-863,946	-1,119,154	-31,941	-1,151,095	-863,789	-703,746	-3,944,867
Impairment losses on financial assets not at fair value through profit or loss	0	0	0	0	-6,248	0	-6,248	1	0	-6,247
Interest expense	-10,880	-17,357	-35,183	-52,540	-11,382	-47	-11,429	-909	-703,746	-779,504
Other investment expenses	-351,411	-798,289	-13,116	-811,406	-1,101,524	-31,894	-1,133,418	-862,881	0	-3,159,116
Net unrealised losses on investments of life insurance policyholders who bear the investment risk	0	0	0	0	-26,478,824	-8,693	-26,487,517	0	0	-26,487,517
Other technical expenses	-120,581	-2,594,956	-1,189,211	-3,784,167	-255,178	-273,702	-528,880	-286,618	0	-4,720,246
Other expenses	-107,616	-58,979	-39,572	-98,551	-4,601	-4,182	-8,783	-21,743	-38	-236,731
Profit or loss before tax	2,215,883	10,134,841	757,797	10,892,638	5,268,677	70,909	5,339,586	927,718	939,089	20,314,914
Income tax expense										-3,547,289
Net profit or loss for the period										16,767,625
Net profit or loss attributable to owners of the controlling company										16,750,606
Net profit or loss attributable to non-controlling interests										17,019

Income statement by operating segment

Sava Insurance Group										
EUR										
1–3/2021										
	Reinsurance	Non-life			Life			Pensions and AM	Other	Total
		Slovenia	International	Total	Slovenia	International	Total			
Net premiums earned	23,391,399	80,251,255	15,958,298	96,209,553	44,006,620	2,319,116	46,325,735	1,006,287	0	166,932,975
Gross premiums written	40,170,140	108,646,697	18,860,709	127,507,406	44,144,915	2,381,219	46,526,134	1,006,287	0	215,209,967
Written premiums ceded to reinsurers and co-insurers	-522,572	-13,926,748	-3,214,131	-17,140,879	-106,330	-9,221	-115,551	0	0	-17,779,002
Change in gross unearned premiums	-15,265,068	-21,951,190	-302,861	-22,254,051	-1,072	-42,132	-43,204	0	0	-37,562,323
Change in unearned premiums, reinsurers' and co-insurers' shares	-991,101	7,482,496	614,581	8,097,077	-30,893	-10,750	-41,643	0	0	7,064,333
Income from investments in subsidiaries and associates	0	0	0	0	0	0	0	0	268,505	268,505
Profit from investments in equity-accounted associate companies	0	0	0	0	0	0	0	0	268,505	268,505
Investment income	2,920,233	1,571,449	550,809	2,122,258	3,136,812	320,412	3,457,224	213,841	0	8,713,555
Interest income	448,159	573,486	479,886	1,053,373	2,372,149	241,227	2,613,376	139,999	0	4,254,906
Other investment income	2,472,074	997,962	70,923	1,068,885	764,663	79,185	843,848	73,842	0	4,458,649
Net unrealised gains on investments of life insurance policyholders who bear the investment risk	0	0	0	0	25,446,527	35,028	25,481,555	0	0	25,481,555
Other technical income	299,354	2,560,227	1,477,458	4,037,684	909,705	-843	908,862	49,902	0	5,295,802
Commission income	194,936	1,536,657	1,077,507	2,614,163	0	2,028	2,028	0	0	2,811,127
Other technical income	104,418	1,023,570	399,951	1,423,521	909,705	-2,871	906,834	49,902	0	2,484,675
Other income	204,619	656,626	358,748	1,015,374	212,194	7,262	219,456	3,763,285	438,772	5,641,506
Net claims incurred	-15,248,909	-39,976,970	-8,689,681	-48,666,652	-35,756,855	-1,109,294	-36,866,150	-286,812	0	-101,068,522
Gross claims payments, net of income from recourse receivables	-11,938,176	-42,755,106	-9,680,605	-52,435,712	-36,202,742	-1,113,983	-37,316,725	-286,655	0	-101,977,267
Reinsurers' and co-insurers' shares	218,686	1,337,437	760,926	2,098,362	39,665	750	40,415	0	0	2,357,464
Change in the gross provision for outstanding claims	-3,911,599	2,925,662	556,548	3,482,210	196,182	28,892	225,074	-157	0	-204,472
Change in the provision for outstanding claims, reinsurers' and co-insurers' shares	382,179	-1,484,962	-326,550	-1,811,512	210,039	-24,953	185,085	0	0	-1,244,247
Change in other technical provisions	49,429	732,231	85,420	817,651	10,987,235	-606,207	10,381,028	-726,572	0	10,521,536
Change in technical provisions for policyholders who bear the investment risk	0	0	0	0	-35,847,244	-29,377	-35,876,621	0	0	-35,876,621
Expenses for bonuses and rebates	0	-24,647	-32,152	-56,799	0	0	0	0	0	-56,799
Operating expenses	-6,859,129	-24,222,479	-8,506,473	-32,728,953	-7,729,485	-872,900	-8,602,385	-2,466,070	-304,699	-50,961,236
Acquisition costs	-8,237,998	-9,701,325	-1,450,942	-11,152,267	-2,721,613	-109,187	-2,830,800	-5,056	0	-22,226,121
Change in deferred acquisition costs	2,336,711	909,965	-30,502	879,463	-35,278	4,874	-30,404	0	0	3,185,770
Other operating expenses	-957,842	-15,431,119	-7,025,029	-22,456,149	-4,972,594	-768,587	-5,741,181	-2,461,014	-304,699	-31,920,885
Expenses for financial assets and liabilities	-98,969	-159,944	-46,693	-206,637	-605,533	-9,324	-614,858	-58,494	-702,109	-1,681,067
Impairment losses on financial assets not at fair value through profit or loss	0	0	0	0	-75,448	0	-75,448	1	0	-75,447
Interest expense	-3,031	-15,494	-36,042	-51,536	-582	-217	-799	-293	-702,109	-757,768
Other investment expenses	-95,938	-144,450	-10,651	-155,101	-529,503	-9,107	-538,611	-58,202	0	-847,852
Other technical expenses	-91,394	-1,640,667	-1,412,144	-3,052,811	-342,988	-34,156	-377,144	-178,228	0	-3,699,577
Other expenses	-88,260	-109,804	-165,828	-275,632	-1,315	-1,197	-2,512	-18,308	-11	-384,723
Profit or loss before tax	4,478,372	19,637,276	-422,238	19,215,038	4,415,670	18,519	4,434,189	1,298,831	-299,542	29,126,889
Income tax expense										-5,653,741
Net profit or loss for the period										23,473,148
Net profit or loss attributable to owners of the controlling company										23,492,252
Net profit or loss attributable to non-controlling interests										-19,104

Inter-segment business

EUR	Reinsurance		Non-life		Life		Pensions		Other	
	1-3/2022	1-3/2021	1-3/2022	1-3/2021	1-3/2022	1-3/2021	1-3/2022	1-3/2021	1-3/2022	1-3/2021
Gross premiums written	32,706,969	30,339,527	120,600	120,466	-1,109,529	-1,006,287	1,109,529	1,006,287	0	0
Net premiums earned	18,746,678	21,250,353	-18,523,583	-21,049,144	-1,310,950	-1,170,446	1,109,529	1,006,287	0	0
Gross claims paid	-12,347,987	-9,828,252	-1,672,982	-1,672,982	0	0	0	0	0	0
Net claims incurred	-7,504,125	-9,670,028	5,383,400	7,927,964	129,999	361,914	0	0	0	0
Operating expenses	-5,217,679	-5,518,948	-498,046	-378,673	-182,287	-233,409	-40,705	-16,791	-220,704	-218,874
Investment income	4,688	14,783	0	0	0	0	2,107	1,585	0	0
Other technical income	98,177	96,713	54,361	44,877	170,436	166,019	0	0	348,383	339,834
Other income	299	299	54,734	8,195	8,365	0	0	0	2,591,260	1,818,039

7.8 Notes to significant changes in the statement of financial position

7.8.1 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
Cost						
1 January 2022	5,578,484	56,069,050	25,704,990	589,920	9,460,484	97,402,928
Additions	0	0	364,870	4,758	6,563,684	6,933,312
Reclassification	0	-335,683	0	2,725	0	-332,958
Transfer to use	0	0	127,328	0	-127,328	0
Disposals	-19,838	0	-265,933	0	0	-285,771
Reductions – subsidiaries – disposal	-5,376	0	0	0	0	-5,376
Exchange differences	-3,409	-4,839	-42,738	-209	0	-51,195
31 March 2022	5,549,861	55,728,528	25,888,517	597,194	15,896,840	103,660,940
Accumulated depreciation and impairment losses						
1 January 2022	0	22,100,341	18,779,149	186,263	0	41,065,753
Additions	0	255,536	767,115	8,641	0	1,031,292
Reclassification	0	-252,536	0	2,589	0	-249,947
Disposals	0	0	-226,578	0	0	-226,578
Exchange differences	0	-94	-30,412	-290	0	-30,796
31 March 2022	0	22,103,247	19,289,274	197,203	0	41,589,724
Carrying amount as at 1 January 2022	5,578,484	33,968,709	6,925,841	403,657	9,460,484	56,337,174
Carrying amount as at 31 March 2022	5,549,861	33,625,281	6,599,243	399,993	15,896,840	62,071,216

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

7.8.2 Financial investments

As at 31 March 2022, financial investments totalled EUR 1,398.5 million, down by EUR 74.2 million from year-end 2021. Compared to the end of the previous year, there was a decrease in held-to-maturity, available-for-sale and FVTPL assets due to revaluation effects. The value of loans and receivables remained unchanged.

EUR	Held-to-maturity	FVTPL	Available-for-sale	Loans and receivables	Total
		Non-derivative Designated to this category			
31 March 2022					
Debt instruments	37,798,877	28,122,529	1,177,939,994	19,659,624	1,263,521,024
Deposits and CDs	0	0	0	18,158,079	18,158,079
Government bonds	26,443,160	1,737,891	673,276,936	0	701,457,987
Corporate bonds	11,355,717	26,384,638	504,663,058	0	542,403,413
Loans granted	0	0	0	1,501,545	1,501,545
Equity instruments	0	4,827,643	57,249,759	0	62,077,402
Shares	0	237,085	29,083,596	0	29,320,681
Mutual funds	0	4,590,558	28,166,163	0	32,756,721
Investments in infrastructure funds	0	0	46,786,907	0	46,786,907
Investments in real-estate funds	0	0	16,205,556	0	16,205,556
Financial investments of reinsurers i.r.o. reinsurance contracts with cedants	0	0	0	9,897,544	9,897,544
Total	37,798,877	32,950,172	1,298,182,216	29,557,168	1,398,488,433

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

7.8.3 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		
31 March 2022				
Debt instruments	2,788,225	1,313,344	58,059,107	62,160,676
Government bonds	501,784	0	34,702,561	35,204,345
Corporate bonds	2,286,441	1,313,344	23,356,546	26,956,331
Equity instruments	0	433,673,694	1,843,862	435,517,556
Mutual funds	0	433,673,694	1,843,862	435,517,556
Total	2,788,225	434,987,038	59,902,968	497,678,232

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

7.8.4 Reinsurers' share of technical provisions

EUR	31 March 2022	31 December 2021
From unearned premiums	20,082,697	8,788,390
From provisions for claims outstanding	48,253,038	48,937,470
From other technical provisions	41,478	41,196
Total	68,377,213	57,767,056

The reinsurers' and co-insurers' share of technical provisions increased by EUR 10.6 million, or 18.4%. In addition, unearned premiums increased by EUR 11.3 million as the result of underwriting dynamics. Claims provisions decreased by EUR 0.7 million, which is the amount that claim payments from the previously established provision (mainly FoS-business and Slovenian direct insurance) exceeded the increase due to additional provisioning (mainly for claims related to western European storm losses of 2021 reinsured under the catastrophe programme).

7.8.5 Receivables

Receivables rose by EUR 42.5 million from year-end 2021, chiefly because of a EUR 34.4 million increase in receivables due from policyholders, the renewal of most annual non-life (re)insurance contracts with major clients (companies and cedants) and the timing of making estimates relating to reinsurance business.

Receivables by type

EUR	31 March 2022			31 December 2021		
	Gross amount	Allowance	Receivables	Gross amount	Allowance	Receivables
Receivables due from policyholders	181,041,526	-20,074,932	160,966,594	146,939,903	-20,410,622	126,529,281
Receivables due from insurance intermediaries	3,040,246	-835,513	2,204,733	2,412,729	-871,452	1,541,277
Other receivables arising out of primary insurance business	1,155,498	-139,207	1,016,291	621,026	-146,861	474,165
Receivables arising out of primary insurance business	185,237,270	-21,049,652	164,187,618	149,973,658	-21,428,935	128,544,723
Receivables for shares in claims	10,390,464	-227,526	10,162,938	7,993,897	-227,525	7,766,372
Other receivables arising out of co-insurance and reinsurance business	3,826,714	0	3,826,714	1,310,793	0	1,310,793
Receivables arising out of reinsurance and co-insurance business	14,217,178	-227,526	13,989,652	9,304,690	-227,525	9,077,165
Current tax assets	320,439	0	320,439	330,518	0	330,518
Other short-term receivables arising out of insurance business	17,291,144	-13,845,159	3,445,985	17,365,268	-14,129,963	3,235,305
Receivables arising out of investments	448,649	-167,356	281,293	440,212	-167,108	273,104
Other receivables	12,623,925	-2,365,812	10,258,113	10,846,117	-2,366,062	8,480,055
Other receivables	30,363,718	-16,378,327	13,985,391	28,651,597	-16,663,133	11,988,464
Total	230,138,605	-37,655,505	192,483,100	188,260,463	-38,319,593	149,940,870

Movements in allowance for receivables

EUR 31 March 2022	1 January 2022	Additions	Collection	Write-offs	Exchange differences	31 March 2022
Receivables due from policyholders	-20,410,622	-461,565	250,503	549,575	-2,823	-20,074,932
Receivables due from insurance intermediaries	-871,452	-17,059	49,306	4,303	-611	-835,513
Other receivables arising out of primary insurance business	-146,861	-46	7,913	0	-213	-139,207
Receivables arising out of primary insurance business	-21,428,935	-478,670	307,722	553,878	-3,647	-21,049,652
Receivables for shares in claims	-227,525	0	0	0	-1	-227,526
Receivables arising out of reinsurance and co-insurance business	-227,525	0	0	0	-1	-227,526
Current tax assets	0	0	0	0	0	0
Other short-term receivables arising out of insurance business	-14,129,963	-22,781	150,251	158,623	-1,289	-13,845,159
Receivables arising out of investments	-167,108	0	24	0	-272	-167,356
Other short-term receivables	-2,366,062	-19,303	20,587	0	-1,034	-2,365,812
Other receivables	-16,663,133	-42,084	170,862	158,623	-2,595	-16,378,327
Total	-38,319,593	-520,754	478,584	712,501	-6,243	-37,655,505

Receivables ageing analysis

EUR 31 March 2022	Not past due	Past due up to 180 days	Past due from 181 days to 1 year	Past due over 1 year	Total
Receivables due from policyholders	135,719,351	20,577,019	2,604,975	2,065,249	160,966,594
Receivables due from insurance intermediaries	748,428	1,439,163	16,047	1,095	2,204,733
Other receivables arising out of primary insurance business	730,422	208,554	41,778	35,537	1,016,291
Receivables arising out of primary insurance business	137,198,201	22,224,736	2,662,800	2,101,881	164,187,618
Receivables for reinsurers' shares in claims	8,427,953	1,236,497	65,827	432,661	10,162,938
Other receivables arising out of co-insurance and reinsurance business	3,660,328	151,224	472	14,690	3,826,714
Receivables arising out of reinsurance and co-insurance business	12,088,281	1,387,721	66,299	447,351	13,989,652
Current tax assets	320,439	0	0	0	320,439
Other short-term receivables arising out of insurance business	1,422,530	630,256	312,237	1,080,962	3,445,985
Short-term receivables arising out of financing	256,935	134	0	24,224	281,293
Other short-term receivables	9,392,582	791,864	53,080	20,587	10,258,113
Other receivables	11,072,047	1,422,254	365,317	1,125,773	13,985,391
Total	160,678,968	25,034,711	3,094,416	3,675,005	192,483,100

EUR 31 December 2021	Not past due	Past due up to 180 days	Past due from 181 days to 1 year	Past due over 1 year	Total
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
Receivables arising out of primary insurance business	99,738,525	23,282,641	2,879,848	2,643,709	128,544,723
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
Receivables arising out of reinsurance and co-insurance business	8,437,010	148,860	91,993	399,302	9,077,165
Current tax assets	330,518	0	0	0	330,518
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
Other receivables	9,179,969	1,318,330	371,894	1,118,271	11,988,464
Total	117,686,022	24,749,831	3,343,735	4,161,282	149,940,870

Not-past-due receivables increased by EUR 43.0 million, mostly receivables due from policyholders, by EUR 36.8 million, owing to the renewal of annual (mainly commercial) insurance policies.

7.8.6 Cash and cash equivalents

EUR	31 March 2022	31 December 2021
Cash in hand	18,267	16,632
Cash in bank accounts	60,182,635	54,118,887
Cash equivalents	42,804,465	34,512,159
Total	103,005,367	88,647,678

Compared to year-end 2021, the balance of cash and cash equivalents increased by EUR 14.4 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.

7.8.7 Shareholders' equity

Shareholders' equity decreased by 6.3%, or EUR 31.6 million, compared to year-end 2021. This decline in equity was mainly due to the fair value reserve.

7.8.8 Fair value reserve

EUR	2022	2021
As at 1 January	21,246,888	40,173,090
Change in fair value	-58,467,704	-18,093,438
Transfer from fair value reserve to the IS due to disposal	-780,103	-5,105,275
Deferred tax	10,850,436	4,212,833
Other reclassifications	0	59,678
Total fair value reserve	-27,150,483	21,246,888

7.8.9 Retained earnings

Retained earnings increased by EUR 49.7 million compared to year-end 2021, chiefly because of the allocation of the net profit for the year 2021 to this item.

7.8.10 Earnings or loss per share

The weighted average number of shares outstanding in the financial period was 15,497,696. As at 31 March 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	1-3/2022	1-3/2021
Net profit or loss for the period	16,767,625	23,473,148
Net profit or loss for the period attributable to owners of the controlling company	16,750,606	23,492,252
Weighted average number of shares	15,497,696	15,497,696
Earnings or loss per share	1.08	1.52

Comprehensive income per share

EUR	1-3/2022	1-3/2021
Comprehensive income for the period	-31,565,075	17,081,516
Comprehensive income for the period attributable to owners of the controlling company	-31,584,151	17,100,538
Weighted average number of shares	15,497,696	15,497,696
Comprehensive income per share	-2.04	1.10

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

Technical provisions increased by EUR 44.8 million, or 3.6%, compared to 31 December 2021.

- The highest increase was in gross unearned premiums, up by EUR 54.6 million or 26.4%, in line with the underwriting dynamics and also with the growth in non-life insurance premiums.
- Claims provisions decreased by EUR 6.3 million, or 12.8%, mainly due to uses for claim payments.
- The technical provisions for life insurance business (mathematical provisions for traditional life insurance) decreased by EUR 4.0 million due to the payouts for policy maturities in the Slovenian part of the portfolio.

Gross provisions for unit-linked business decreased by EUR 22.8 million, reflecting lower fund unit prices and, to a lesser extent, portfolio maturing.

Movements in gross technical provisions

EUR	1 January 2022	Additions	Uses	Reversals	Exchange differences	31 March 2022
Gross unearned premiums	207,022,452	161,778,917	-104,254,803	-3,046,052	105,032	261,605,546
Technical provisions for life insurance business	443,577,279	11,150,084	-14,579,709	-551,463	6,488	439,602,679
Gross provision for outstanding claims	578,713,597	90,838,386	-67,019,860	-31,027,261	867,272	572,372,134
Gross provision for bonuses, rebates and cancellations	1,530,854	613,938	-582,970	-51,586	117	1,510,353
Other gross technical provisions	6,655,935	3,349,421	-2,172,051	-610,747	762	7,223,320
Total	1,237,500,117	267,730,746	-188,609,393	-35,287,109	979,671	1,282,314,031
Net technical provision for the benefit of life insurance policyholders who bear the investment risk	524,183,338	8,106,437	-30,427,450	-480,118	0	501,382,207

7.8.12 Liabilities from operating activities

Liabilities from operating activities rose by EUR 18.7 million from year-end 2021, primarily as the result of the renewal of annual reinsurance contracts and consequently higher liabilities from reinsurance and co-insurance business, up by EUR 13.2 million, and EUR 4.9 million higher liabilities to policyholders past due up to 1 year.

Liabilities from operating activities

EUR	31 March 2022	31 December 2021
Liabilities to policyholders	18,754,877	13,902,460
Liabilities to insurance intermediaries	3,188,082	5,078,410
Other liabilities from primary insurance business	24,378,653	22,688,749
Liabilities from primary insurance business	46,321,612	41,669,619
Liabilities for reinsurance and co-insurance premiums	23,207,756	9,958,801
Liabilities for shares in reinsurance claims	54,762	116,011
Other liabilities from reinsurance and co-insurance business	18,016	34,264
Liabilities from reinsurance and co-insurance business	23,280,534	10,109,076
Current income tax liabilities	3,844,183	3,004,684
Total	73,446,329	54,783,379

EUR 31 March 2022	Contractual maturity		
	From 1 to 5 years	Up to 1 year	Total
Liabilities to policyholders	1,405,548	17,349,329	18,754,877
Liabilities to insurance intermediaries	0	3,188,082	3,188,082
Other liabilities from primary insurance business	331,612	24,047,041	24,378,653
Liabilities from primary insurance business	1,737,160	44,584,452	46,321,612
Liabilities for reinsurance and co-insurance premiums	13,532	23,194,224	23,207,756
Liabilities for shares in reinsurance claims	0	54,762	54,762
Other liabilities from reinsurance and co-insurance business	0	18,016	18,016
Liabilities from reinsurance and co-insurance business	13,532	23,267,002	23,280,534
Current income tax liabilities	0	3,844,183	3,844,183
Total	1,750,692	71,695,637	73,446,329

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
Liabilities from primary insurance business	1,703,373	39,966,246	41,669,619
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
Liabilities from reinsurance and co-insurance business	158	10,108,918	10,109,076
Current income tax liabilities	0	3,004,684	3,004,684
Total	1,703,531	53,079,848	54,783,379

7.8.13 Other liabilities

Other liabilities by maturity

EUR 31 March 2022	Contractual maturity		
	Over 1 year	Up to 1 year	Total
Other liabilities	2,538,049	23,669,547	26,207,596
Short-term provisions (deferred income and accrued expenses)	0	21,585,704	21,585,704
Total	2,538,049	45,255,251	47,793,300

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
Total	447,147	61,593,007	62,040,154

Other liabilities

EUR	31 March 2022	31 December 2021
Short-term liabilities due to employees	4,333,724	3,787,253
Diverse other short-term liabilities for insurance business	6,067,547	4,827,142
Short-term trade liabilities	10,737,120	11,590,073
Diverse other short-term liabilities	4,659,978	9,159,104
Other long-term liabilities	409,225	447,147
Total	26,207,596	29,810,719

Change in short-term provisions

EUR	1 January 2022	Additions	Uses	Reversals	Exchange differences	31 March 2022
Short-term accrued expenses	8,549,454	8,637,233	-6,218,295	-3,003	-1,874	10,963,515
Other accrued costs (expenses) and deferred revenue	23,679,981	7,796,604	-20,852,254	-1,496	-646	10,622,189
Total	32,229,435	16,433,837	-27,070,549	-4,499	-2,520	21,585,704

7.8.14 Fair values of assets and liabilities

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

EUR 31 March 2022	Carrying amount	Fair value				Difference between FV and CA
		Level 1	Level 2	Level 3	Total fair value	
Investments measured at fair value	1,331,132,388	1,117,727,699	140,532,199	72,872,490	1,331,132,388	0
<i>FVTPL</i>	<i>32,950,172</i>	<i>16,254,172</i>	<i>15,194,448</i>	<i>1,501,552</i>	<i>32,950,172</i>	<i>0</i>
<i>Designated to this category</i>	<i>32,950,172</i>	<i>16,254,172</i>	<i>15,194,448</i>	<i>1,501,552</i>	<i>32,950,172</i>	<i>0</i>
Debt instruments	28,122,529	11,438,111	15,194,448	1,489,970	28,122,529	0
Equity instruments	4,827,643	4,816,061	0	11,582	4,827,643	0
Available-for-sale	1,298,182,216	1,101,473,527	125,337,751	71,370,938	1,298,182,216	0
Debt instruments	1,177,939,994	1,046,901,952	124,624,357	6,413,685	1,177,939,994	0
Equity instruments	57,249,759	54,571,575	713,394	1,964,790	57,249,759	0
Investments in infrastructure funds	46,786,907	0	0	46,786,907	46,786,907	0
Investments in real-estate funds	16,205,556	0	0	16,205,556	16,205,556	0
Investments for the benefit of life policyholders who bear the investment risk	494,890,007	492,726,035	2,163,972	0	494,890,007	0
Investments not measured at fair value	67,356,045	33,860,267	3,020,943	30,894,615	67,775,825	419,780
<i>Held-to-maturity assets</i>	<i>37,798,877</i>	<i>33,860,267</i>	<i>3,020,943</i>	<i>1,337,447</i>	<i>38,218,657</i>	<i>419,780</i>
Debt instruments	37,798,877	33,860,267	3,020,943	1,337,447	38,218,657	419,780
Loans and receivables	29,557,168	0	0	29,557,168	29,557,168	0
Deposits	18,158,079	0	0	18,158,079	18,158,079	0
Loans granted	1,501,545	0	0	1,501,545	1,501,545	0
Deposits with cedants	9,897,544	0	0	9,897,544	9,897,544	0
Investments for the benefit of life policyholders who bear the investment risk	2,788,225	2,910,929	0	0	2,910,929	122,704
Total investments	1,398,488,433	1,151,587,966	143,553,142	103,767,105	1,398,908,213	419,780
Total investments for the benefit of life policyholders who bear the investment risk	497,678,232	495,636,964	2,163,972	0	497,800,936	122,704

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	
Investments measured at fair value	1,402,818,747	1,096,267,790	236,756,942	69,794,015	1,402,818,747	0
<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
Available-for-sale	1,368,432,673	1,079,072,967	221,048,723	68,310,983	1,368,432,673	0
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
Investments not measured at fair value	69,869,696	21,855,896	18,909,719	30,694,309	71,459,924	1,590,228
<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
Loans and receivables	29,846,572	0	0	29,846,572	29,846,572	0
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
Total investments	1,472,688,443	1,118,123,686	255,666,661	100,488,324	1,474,278,671	1,590,228
Total investments for the benefit of life policyholders who bear the investment risk	517,439,592	513,270,317	2,348,863	2,008,600	517,627,780	188,188

Movements in level 3 FVTPL financial assets

EUR	Debt instruments		Equity instruments		Investments in infrastructure funds		Investments in real-estate funds	
	31 March 2022	31 December 2021	31 March 2022	31 December 2021	31 March 2022	31 December 2021	31 March 2022	31 December 2021
Opening balance	7,436,076	1,773,017	1,978,914	1,911,070	44,532,966	27,436,469	15,846,059	14,340,307
Additions – acquisition of company	0	0	0	0	0	0	0	0
Exchange differences	409,783	0	0	0	1	-2	-1	0
Additions	0	80,104	0	0	1,858,066	16,069,997	0	0
Disposals	0	0	0	0	-51,600	-955,057	0	0
Maturities	0	-417,985	0	0	0	0	0	0
Revaluation to fair value	57,796	-31,952	-2,542	67,844	447,474	1,981,559	359,498	1,505,752
Reclassification into level	0	6,032,892	0	0	0	0	0	0
Closing balance	7,903,655	7,436,076	1,976,372	1,978,914	46,786,907	44,532,966	16,205,556	15,846,059

Reclassification of assets and financial liabilities between levels

EUR	Level 1	Level 2	Level 3
31 March 2022			
FVTPL	952,132	-952,132	0
Debt securities designated to this category reclassified from level 1 into level 2	0	0	0
Debt securities designated to this category reclassified from level 2 into level 1	167,847	-167,847	0
Equity securities designated to this category reclassified from level 2 into level 1	784,285	-784,285	0
Available-for-sale	24,154,882	-25,946,568	1,791,686
Debt instruments	11,384,030	-13,175,717	1,791,686
Reclassification from level 1 into level 2	-1,507,479	1,507,479	0
Reclassification from level 2 into level 1	12,891,509	-12,891,509	0
Reclassification from level 2 into level 3	0	-1,791,686	1,791,686
Equity instruments	12,770,852	-12,770,852	0
Reclassification from level 2 into level 1	12,770,852	-12,770,852	0
Total	25,107,013	-43,382,811	1,791,686

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 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.

7.9 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 three months of 2022 totalled EUR 183,150 (first quarter of 2021: EUR 187,950), performance-based pay was not paid out in the first three months (first quarter of 2021: EUR 0). Benefits in kind were EUR 8,772 (first quarter of 2021: EUR 8,295).

Remuneration of management board members:

EUR 1–3/2022	Gross salary – fixed amount	Gross salary – variable amount	Benefits in kind – insurance premiums	Benefits in kind – use of company car	Total
Marko Jazbec	49,500	0	51	923	50,474
Jošt Dolničar	44,550	0	1,311	758	46,619
Polona Pirš Zupančič	44,550	0	1,305	1,951	47,806
Peter Skvarča	44,550	0	1,299	1,174	47,023
Total	183,150	0	3,966	4,806	191,922

Liabilities to management board members based on gross remuneration

EUR	31 March 2022	31 December 2021
Marko Jazbec	16,500	16,500
Jošt Dolničar	14,850	14,850
Polona Pirš Zupančič	14,850	14,850
Peter Skvarča	14,850	14,850
Total	61,050	61,050

As at 31 March 2022, the Company disclosed liabilities for potential payment of the variable part of pay of management board members in respect of 2018, 2019 and 2020 subject to certain conditions in the amount of EUR 210,532.

As at 31 March 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

EUR 1–3/2022		Attendance fees	Remuneration for performing the function	Reimbursement of expenses and training	Benefits in kind – insurance premiums	Total
Supervisory board members						
Davor Ivan Gjivoje	chairman	275	4,875	35	0	5,185
Keith William Morris	deputy chair	275	3,575	1,477	0	5,327
Klemen Babnik	member	275	3,250	0	0	3,525
Dr Matej Gomboši	member	275	3,250	65	0	3,590
Andrej Gorazd Kunstek	member	275	3,250	0	0	3,525
Edita Rituper	member	275	3,250	0	0	3,525
Total supervisory board members		1,650	21,450	1,577	0	24,677
Audit committee members						
Dr Matej Gomboši	chairman	440	1,219	129	0	1,788
Andrej Gorazd Kunstek	member	440	812	0	0	1,252
Katarina Sitar Šuštar	external member	0	1,925	0	0	1,925
Dragan Martinović	external member	0	2,201	0	0	2,201
Total audit committee members		880	6,157	129	0	7,166
Members of the nominations and remuneration committee						
Klemen Babnik	chairman	0	1,219	0	0	1,219
Davor Ivan Gjivoje	member	0	812	0	0	812
Keith William Morris	member	0	812	0	0	812
Dr Matej Gomboši	member	0	812	0	0	812
Andrej Gorazd Kunstek	member	0	812	0	0	812
Total nominations committee members		0	4,467	0	0	4,467
Members of the risk committee						
Keith William Morris	chairman	220	1,219	1,477	0	2,916
Davor Ivan Gjivoje	member	220	812	35	0	1,067
Janez Komelj	external member	0	1,125	0	0	1,125
Total risk committee members		440	3,156	1,512	0	5,108
Members of the fit & proper committee						
Keith William Morris	chairman	0	1,219	0	0	1,219
Klemen Babnik	member	0	812	0	0	812
Rok Saje	external member	0	812	0	0	812
Klara Hauko	external member	0	812	0	0	812
Total members of the fit & proper committee		0	3,655	0	0	3,655

Liabilities to members of the supervisory board and its committee based on gross remuneration

EUR	31 March 2022	31 December 2021
Klemen Babnik	2,035	0
Dr Matej Gomboši	2,450	0
Andrej Gorazd Kunstek	2,120	0
Edita Rituper	1,358	0
Janez Komelj	1,125	0
Rok Saje	271	0
Klara Hauko	271	0
Katarina Sitar Šuštar	1,400	0
Dragan Martinović	1,526	0
Total	12,555	0

Transactions with subsidiaries*Investments in and amounts due from Group companies*

EUR	31 March 2022	31 December 2021
Loans granted to Group companies	913,612	1,359,945
Receivables for premiums arising out of reinsurance assumed	28,958,936	13,594,556
Other short-term receivables	39,925	40,472
Short-term deferred acquisition costs	-349,802	1,144,493
Total	29,562,671	16,139,465

Liabilities to Group companies

EUR	31 March 2022	31 December 2021
Technical provisions	114,928,888	105,796,856
- Unearned premiums	39,565,432	25,605,140
- Provision for outstanding claims	75,074,887	79,918,992
- Other technical provisions	288,569	272,725
Liabilities for shares in reinsurance claims due to Group companies	12,589,177	12,577,473
Other liabilities from co-insurance and reinsurance	5,948,608	3,129,491
Other short-term liabilities	3,674	19,633
Total	133,470,347	121,523,453

Income and expenses relating to Group companies

EUR	1-3/2022	1-3/2021
Gross premiums written	32,706,969	30,339,527
Change in gross unearned premiums	-13,960,291	-9,087,450
Gross claims payments	-12,606,633	-10,079,942
Change in the gross provision for outstanding claims	4,843,861	158,224
Income from gross recourse receivables	258,646	251,690
Other operating expenses	-47,188	-28,355
Dividend income	1,046,140	854,194
Interest income	4,688	14,783
Acquisition costs	-5,961,846	-5,582,286
Change in deferred acquisition costs	794,690	94,461
Other technical income	98,176	97,141
Total	7,177,213	7,031,988

Transactions with the state and with majority state-owned entities

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

EUR	31 March 2022	31 December 2021
Interests in companies	4,796,870	4,562,784
Debt securities and loans	70,653,132	83,165,547
Receivables due from policyholders	2,202,360	557,981
Total	77,652,363	88,286,313

Liabilities to the state and majority state-owned companies

EUR	31 March 2022	31 December 2021
Liabilities for shares in claims	4,413	1,191
Total	4,413	1,191

Income and expenses relating to majority state-owned companies

EUR	1–3/2022	1–3/2021
Gross premiums written	11,075,275	4,310,857
Gross claims payments	965,332	-535,311
Interest income	348,848	431,187
Other investment income	0	41,100
Other investment expenses	-169,820	0
Total	12,219,634	4,247,832

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

Characteristics of loans granted to subsidiaries

Sava Re				
Borrower	Principal	Type of loan	Maturity	Interest rate
Illyria (RKS)	500,000	subordinated	27 June 2029	3.00%
Illyria (RKS)	400,000	ordinary	15 July 2022	0.75%
Total	900,000			

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.
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.