

8 Review of operations of the Sava Insurance Group and Sava Re³⁸

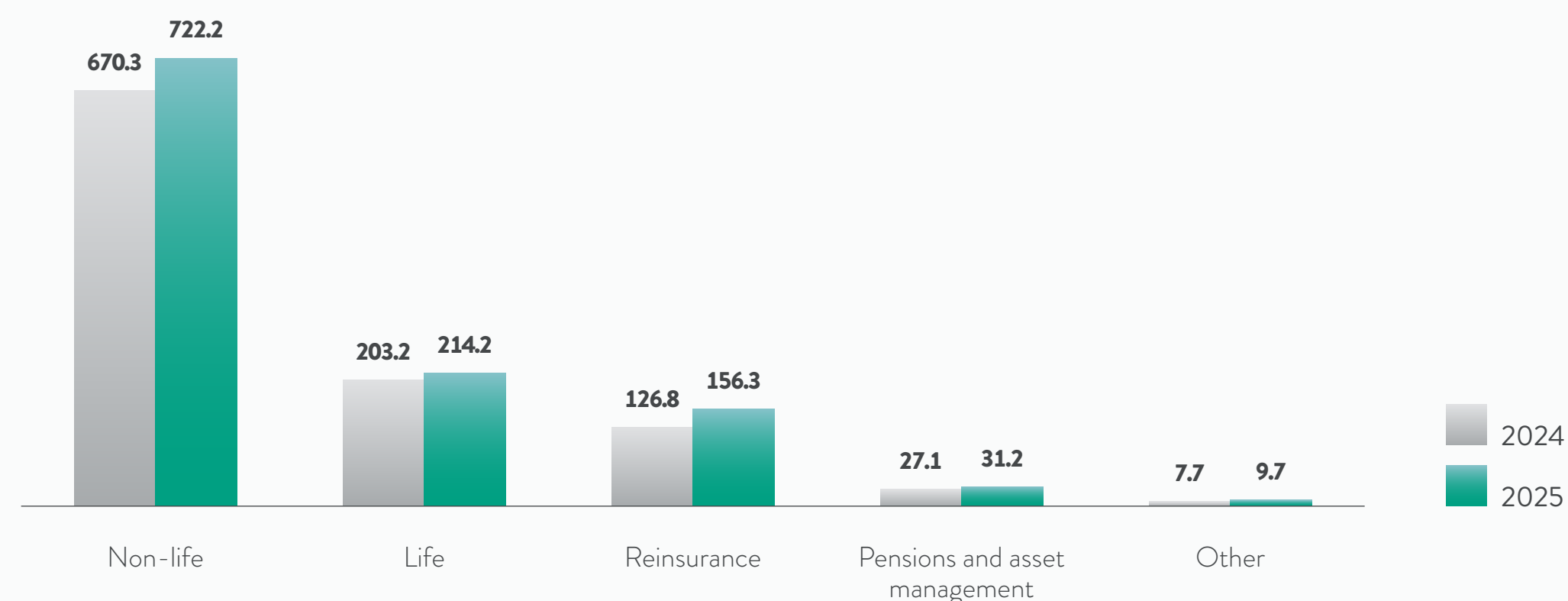
8.1 Sava Insurance Group

8.1.1 Business volume

In 2025, the business volume totalled EUR 1,133.6 million, marking a 9.5% increase on the previous year. Growth in gross premiums in non-life insurance and reinsurance was the main contributor to this increase. This result reflects growth in the number of insurance and reinsurance contracts, the impact of higher average non-life insurance premiums and the additional contribution of new opportunities pursued in the reinsurance market.

EUR	2025	2024	Change	Index
Business volume	1,133,637,585	1,035,134,973	98,502,612	109.5

► Business volume by operating segment (€m)



Gross premiums written amounted to EUR 1,096.4 million, representing an increase of 9.2% in 2025.

► Gross premiums written by class of insurance

EUR	2025		2024	
	EUR	As % of total	EUR	As % of total
Property	267,344,368	24.4%	224,062,435	22.3%
Land motor vehicles	243,574,235	22.2%	227,720,163	22.7%
Motor vehicle liability	202,222,765	18.4%	192,515,726	19.2%
Accident, health and assistance	109,911,501	10.0%	101,806,249	10.1%
General liability	30,181,166	2.8%	29,976,344	3.0%
Marine, suretyship and goods in transit	17,684,101	1.6%	19,476,289	1.9%
Other insurance	7,417,321	0.7%	1,324,099	0.1%
Total non-life insurance	878,335,456	80.1%	796,881,307	79.4%
Unit-linked life	145,597,830	13.3%	135,877,673	13.5%
Traditional life	72,423,537	6.6%	71,016,062	7.1%
Total life	218,021,367	19.9%	206,893,735	20.6%
Total	1,096,356,823	100.0%	1,003,775,042	100.0%

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



8.1.2 Income statement

► Summary consolidated income statement

EUR	2025	2024	Change	Index
Insurance revenue	893,614,261	801,213,638	92,400,623	111.5
Insurance service expenses	-737,013,426	-690,671,227	-46,342,199	106.7
Claims incurred	-463,526,422	-448,607,197	-14,919,226	103.3
Operating expenses, including non-attributable expenses	-271,977,739	-243,258,481	-28,719,258	111.8
Onerous contracts	-1,509,265	1,194,450	-2,703,715	-
Result before reinsurance	156,600,834	110,542,410	46,058,424	141.7
Reinsurance result	-38,056,178	-30,254,180	-7,801,998	125.8
Insurance result	118,544,656	80,288,230	38,256,426	147.6
Investment result	36,750,700	38,469,381	-1,718,681	95.5
Net insurance finance result	-15,347,622	-13,581,379	-1,766,243	113.0
Expenses from financial liabilities	-6,019,488	-3,969,473	-2,050,015	151.6
Net foreign exchange losses	-881,879	-611,940	-269,939	144.1
Finance result	14,501,711	20,306,589	-5,804,878	71.4
Non-insurance revenue	36,859,582	31,359,931	5,499,651	117.5
Other costs	-32,797,183	-28,601,873	-4,195,310	114.7
Other net income	6,858,970	6,449,524	409,446	106.3
Profit before tax	143,967,736	109,802,399	34,165,336	131.1
Income tax expense	-29,915,137	-21,955,857	-7,959,279	136.3
Net profit for the period	114,052,599	87,846,542	26,206,057	129.8

	2025	2024	Change
Combined ratio	87.4%	91.3%	-3.9 pp
Loss ratio	59.5%	63.2%	-3.7 pp
Expense ratio	27.9%	28.1%	-0.2 pp
Return on investment portfolio	2.1%	2.5%	-0.4 pp
Return on equity	15.9%	13.6%	+2.3 pp

Insurance service result

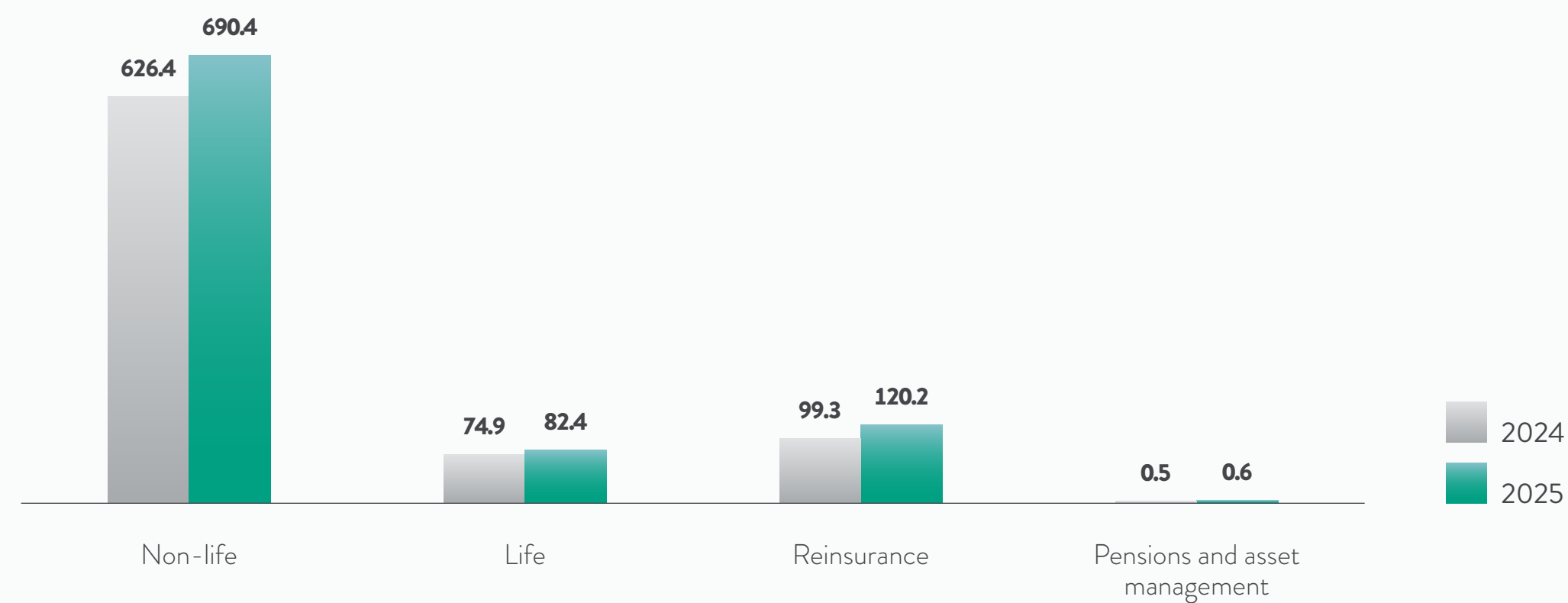
The **insurance result** amounted to EUR 118.5 million, an increase of 47.6%, due to revenue growth resulting from increased business volume and very favourable claims experience. For the Sava Insurance Group, 2025 was a favourable year in terms of severe weather events, with an impact on the Group's result that was EUR 26.6 million

lower than in 2024. The Group also recorded less in other major man-made claims. Consequently, the **result before reinsurance** increased by as much as 41.7%. However, the **reinsurance result** decreased because of the higher cost of reinsurance, resulting from portfolio growth, broader coverage and premium rate increases.



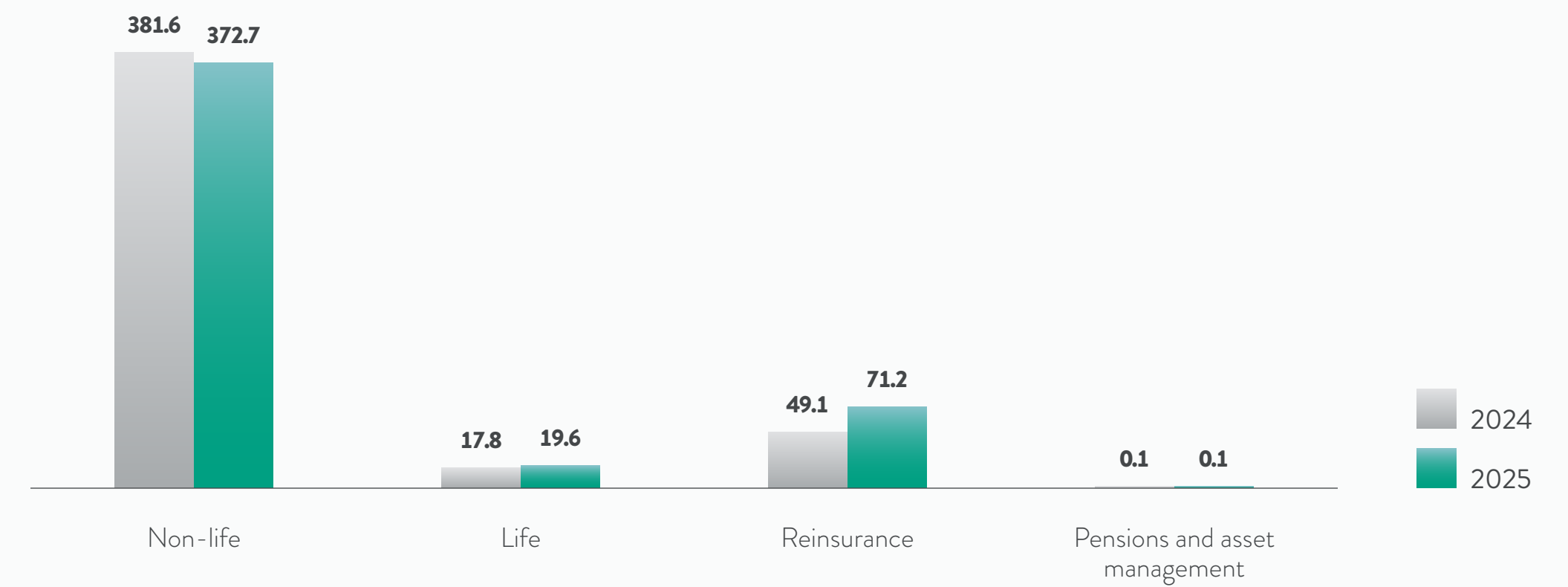
Insurance revenue totalled EUR 893.6 million, an increase of 11.5%, due to growth in premiums. This growth was primarily driven by growth in non-life insurance and reinsurance. Insurance revenue grew across all segments.

► **Insurance revenue by segment (€m)**



Incurred claims totalled EUR 463.5 million, representing only a slight increase on the previous year. In the non-life segment, incurred claims decreased due to more favourable claims experience, particularly in relation to natural catastrophes and other major claims.

► **Claims incurred by segment (€m)**



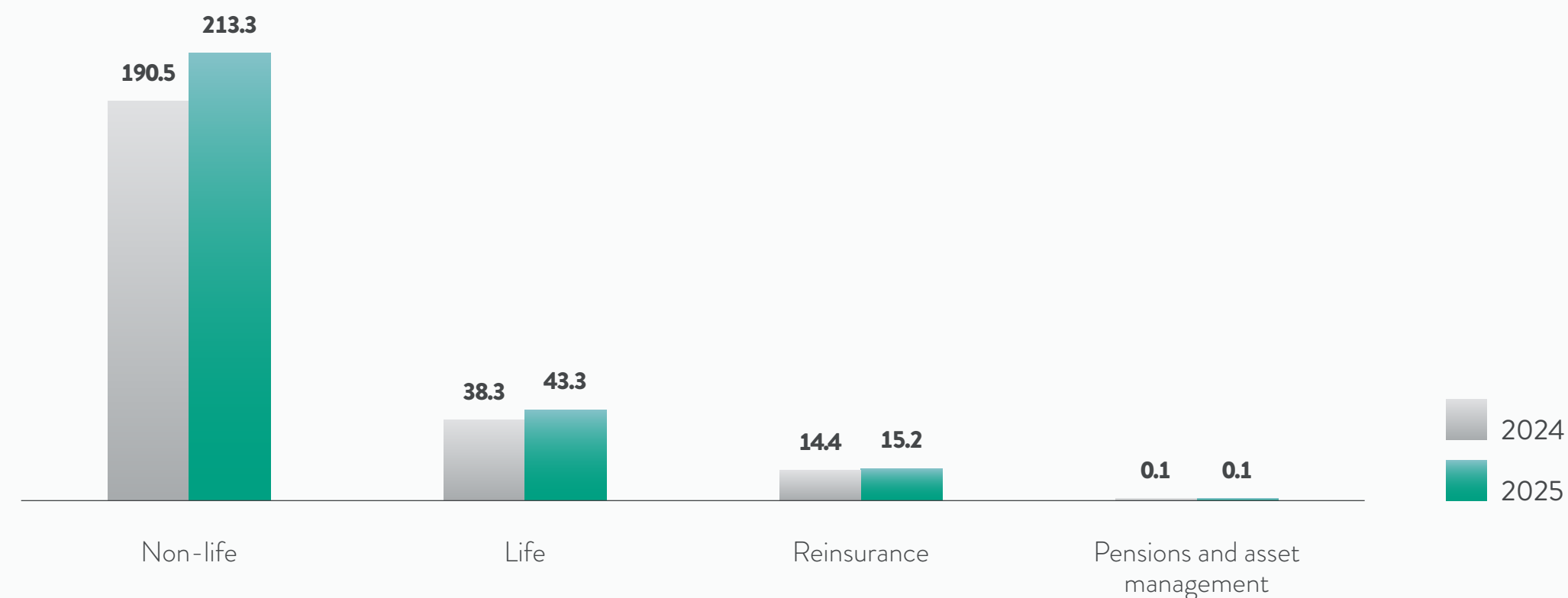
► **Claims incurred by class of business**

EUR	2025		2024	
	Amount	As % of total	Amount	As % of total
Land motor vehicles	144,669,635	31.2%	146,125,408	32.6%
Property	124,893,693	26.9%	114,046,949	25.4%
Motor vehicle liability	110,847,977	23.9%	105,046,076	23.4%
Accident, health and assistance	52,582,262	11.3%	50,938,979	11.4%
General liability	10,012,187	2.2%	8,135,739	1.8%
Other insurance	827,970	0.2%	6,446,936	1.4%
Total non-life	443,833,724	95.8%	430,740,087	96.0%
Total life	19,692,699	4.2%	17,867,109	4.0%
Total	463,526,423	100.0%	448,607,196	100.0%



Operating expenses amounted to EUR 272.0 million, up 11.8%. Acquisition costs increased due to higher sales, as did other expenses. This was primarily due to a higher business volume, and investments in employee development and remuneration, as well as in the development and security of information technology.

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



Finance result and investment return

EUR	2025	2024	Change	Index
Investment result	36,750,700	38,469,381	-1,718,681	95.5
Net insurance finance result	-15,347,622	-13,581,379	-1,766,243	113.0
Expenses from financial liabilities	-6,019,488	-3,969,473	-2,050,015	151.6
Net foreign exchange losses	-881,879	-611,940	-269,939	144.1
Finance result	14,501,711	20,306,589	-5,804,878	71.4
Return on investment portfolio	2.1%	2.5%	-0.4 pp	-

The **finance result** amounted to EUR 14.5 million, which was 28.6% lower than in 2024. The main contributor to this result was higher **finance expenses**, arising from interest on the subordinated bonds issued in the second half of 2024. The **insurance finance result** also declined due to increased expenses linked to the larger insurance portfolio and movements in interest rates. The investment portfolio grew in line with the expansion of the insurance portfolio, resulting in higher interest income. However, the **investment result** weakened, primarily due to one-off impacts from investments. The **return on the investment portfolio** was 2.1%.

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

EUR	2025	2024	Change	Index
Net investment income on investment portfolio	36,750,700	38,469,380	-1,718,680	95.5
Interest income	32,030,043	27,548,736	4,481,307	116.3
Change in fair value of FVTPL investments	3,988,782	3,517,065	471,718	113.4
Dividends from equity investments and income from alternative funds	2,718,953	3,979,998	-1,261,044	68.3
Income from associate companies	937,540	1,781,075	-843,535	52.6
Other investment income or expenses	-2,924,618	1,642,507	-4,567,125	-178.1
Return on investment portfolio	2.1%	2.5%	-0.4 pp	-

Other income and expenses

Non-insurance revenue totalled EUR 36.9 million, marking a 17.5% increase. The bulk of this revenue relates to asset management (EUR 27.5 million), which increased by EUR 3.9 million due to the growth in assets under management resulting from high net inflows and returns generated by the funds. Other income (EUR 9.3 million) relates mainly to assistance services, which increased by EUR 1.4 million owing to the greater business volume.

With the growth in non-insurance revenue, the costs of these activities also increased, amounting to EUR 32.8 million. However, their growth (14.7%) lagged behind the growth in revenue.

Other net income totalled EUR 6.9 million, up 6.3%, primarily as a result of one-off expenses in 2024.



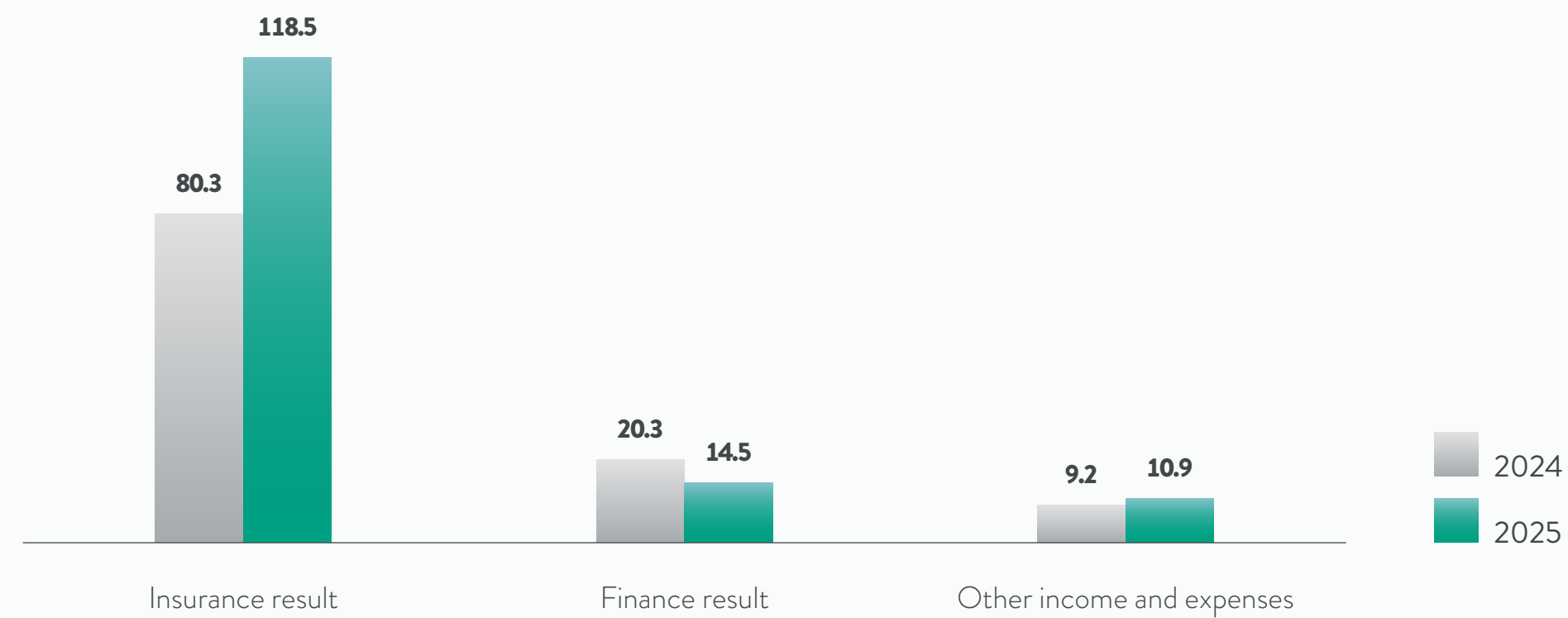
Profit for the period

Profit before tax stood at EUR 144.0 million, up 31.1%. This was primarily due to the aforementioned improvement in the insurance result. Most operating segments ended 2025 with a higher profit before tax than in 2024.

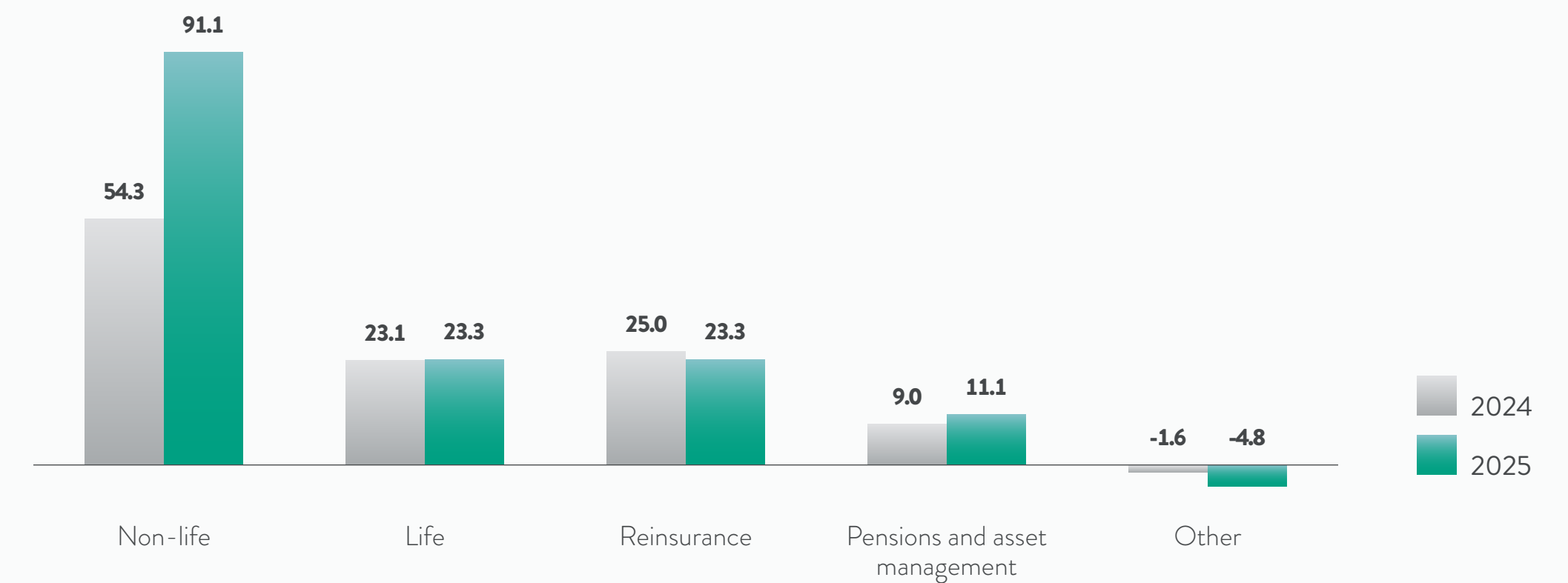
In line with growth in profit before tax, the **net profit for the period** also increased, by 29.8% to EUR 114.1 million.

As a result, the **return on equity** was higher, at 15.9%.

► **Composition of profit or loss before tax (€m)**



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



Combined ratio

	2025	2024	Change
Combined ratio	87.4%	91.3%	-3.9 pp
Loss ratio	59.5%	63.2%	-3.7 pp
Expense ratio	27.9%	28.1%	-0.2 pp

The **combined ratio** improved, mainly due to a better **loss ratio** resulting from more favourable loss experience and revenue growth. As the growth in expenses lagged behind revenue growth, the **expense ratio** also improved.



8.1.2.1 Non-life segment

EUR	2025	2024	Change	Index
Gross premiums written	722,202,696	670,272,401	51,930,294	107.7
EU	589,696,473	554,954,482	34,741,991	106.3
Non-EU	132,506,222	115,317,919	17,188,303	114.9
Insurance service result	75,769,654	38,625,266	37,144,388	196.2
EU	68,528,822	37,042,713	31,486,109	185.0
Non-EU	7,240,832	1,582,553	5,658,279	457.5
Finance result	12,589,874	13,885,754	-1,295,880	90.7
EU	9,239,215	10,466,402	-1,227,187	88.3
Non-EU	3,350,659	3,419,352	-68,693	98.0
Other net income	2,784,789	1,821,631	963,158	152.9
EU	1,395,820	708,309	687,511	197.1
Non-EU	1,388,969	1,113,322	275,647	124.8
Profit or loss before tax	91,144,317	54,332,651	36,811,666	167.8
EU	79,163,857	48,217,424	30,946,433	164.2
Non-EU	11,980,460	6,115,227	5,865,233	195.9
Combined ratio	88.6%	93.5%	-4.9 pp	-
EU	87.8%	92.8%	-4.9 pp	-
Non-EU	92.6%	97.4%	-4.9 pp	-
Loss ratio	58.1%	63.4%	-5.3 pp	-
EU	59.0%	64.2%	-5.1 pp	-
Non-EU	53.7%	59.6%	-5.9 pp	-
Expense ratio	30.5%	30.1%	+0.4 pp	-
EU	28.8%	28.6%	+0.2 pp	-
Non-EU	38.9%	37.8%	+1.1 pp	-

Gross premiums written
+7.7%

Combined ratio improves by
4.9 pp



Gross premiums written

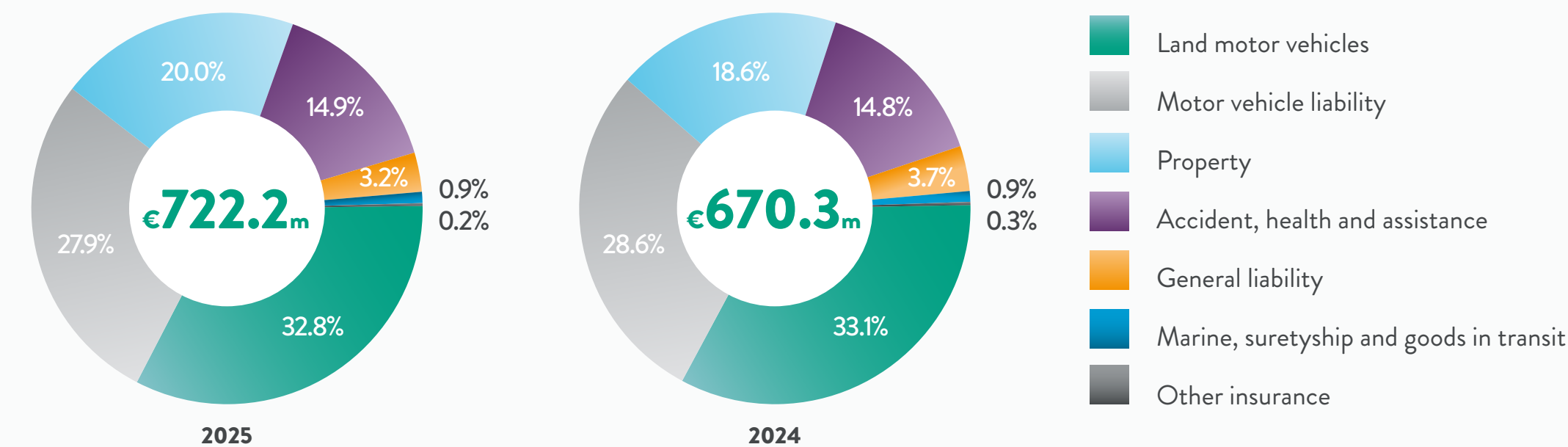
Non-life gross written premiums grew by 7.7% to EUR 722.2 million. All the markets recorded growth, with the EU markets advancing by 6.3% and the non-EU markets by 14.9%. Motor insurance and property insurance had the greatest impact on premium growth in the EU markets. Motor insurance saw the most growth in the personal segment. Property insurance grew in both the commercial and personal segments. This growth was achieved through an increase in the number of policies sold and higher average premiums. In the non-EU markets, motor insurance contributed the most to premium growth. The growth was driven by a higher number of insurance policies and partly also by higher average premiums. The increase in property premiums was due to increased sales of policies through new channels.

In terms of the composition of gross premiums by class of insurance, the share of property insurance increased in 2025 compared to 2024, whereas the share of motor insurance decreased.

Gross premiums written – non-life

EUR	2025	2024	Change	Index
Slovenia	569,698,870	537,406,812	32,292,058	106.0
Croatia	19,997,604	17,547,670	2,449,933	114.0
EU	589,696,473	554,954,482	34,741,991	106.3
Serbia	59,776,087	51,139,979	8,636,108	116.9
North Macedonia	24,227,120	22,252,116	1,975,004	108.9
Montenegro	26,090,339	22,648,329	3,442,010	115.2
Kosovo	22,412,675	19,277,495	3,135,181	116.3
Non-EU	132,506,222	115,317,919	17,188,303	114.9
Total non-life insurance	722,202,696	670,272,401	51,930,294	107.7

Gross non-life insurance premiums by class of business





Insurance service result

EUR	2025	2024	Change	Index
Insurance revenue	690,430,630	626,422,279	64,008,351	110.2
EU	574,428,950	522,286,220	52,142,731	110.0
Non-EU	116,001,680	104,136,059	11,865,621	111.4
Insurance service expenses	-587,064,677	-569,888,724	-17,175,953	103.0
Claims incurred	-372,670,098	-381,608,294	8,938,196	97.7
EU	-316,592,958	-323,385,553	6,792,595	97.9
Non-EU	-56,077,140	-58,222,741	2,145,601	96.3
Operating expenses, including non-attributable expenses	-213,259,777	-190,503,131	-22,756,646	111.9
EU	-166,736,310	-149,982,078	-16,754,232	111.2
Non-EU	-46,523,466	-40,521,053	-6,002,414	114.8
Onerous contracts	-1,134,803	2,222,701	-3,357,503	-51.1
EU	-1,229,315	2,357,143	-3,586,458	-52.2
Non-EU	94,512	-134,443	228,955	-70.3
Result before reinsurance	103,365,953	56,533,555	46,832,398	182.8
EU	89,870,367	51,275,732	38,594,635	175.3
Non-EU	13,495,586	5,257,823	8,237,763	256.7
Reinsurance result	-27,596,299	-17,908,289	-9,688,010	154.1
EU	-21,341,545	-14,233,019	-7,108,526	149.9
Non-EU	-6,254,754	-3,675,270	-2,579,484	170.2
Insurance result	75,769,654	38,625,266	37,144,388	196.2
EU	68,528,822	37,042,713	31,486,109	185.0
Non-EU	7,240,832	1,582,553	5,658,279	457.5

The **insurance result** reached EUR 75.8 million, representing a significant increase of 96.2%. It increased by 85.0% in the EU markets and by 357.5% in the non-EU markets. This exceptionally favourable insurance result is due to growth in insurance revenues and more favourable claims experience.

Insurance revenue totalled EUR 690.4 million, marking a 10.2% increase. Growth of 10.0% in the EU markets was due to last year's price increases and more policies sold. In the non-EU markets, insurance revenue grew by 11.4%, driven by increased business volume.

Insurance service expenses totalled EUR 587.1 million, up 3.0%, with growth of 2.9% in the EU markets and 3.7% in the non-EU markets. **Incurred claims** decreased by 2.3%. The main reason for this was milder weather in 2025. Apart from a few major claims, the attritional claims experience in 2025 was also more favourable. **Operating expenses** increased by 11.9%, reflecting growth in the insurance portfolio, increased sales through banking channels, investments in IT development and security, and employee development and remuneration.

The **reinsurance result** was negative by EUR 27.6 million, down 54.1%, as a result of portfolio growth, new coverages and increased premium rates.





Finance result and investment return

EUR	2025	2024	Change	Index
Investment result	18,552,628	17,277,720	1,274,908	107.4
EU	13,867,751	13,058,379	809,372	106.2
Non-EU	4,684,878	4,219,341	465,536	111.0
Net insurance finance result	-5,371,725	-3,219,223	-2,152,502	166.9
EU	-4,224,052	-2,629,639	-1,594,413	160.6
Non-EU	-1,147,673	-589,584	-558,089	194.7
Expenses from financial liabilities	-289,143	-310,614	21,471	93.1
EU	-119,661	-120,212	550	99.5
Non-EU	-169,482	-190,402	20,920	89.0
Net foreign exchange gains/losses	-301,885	137,871	-439,756	-219.0
EU	-284,821	157,874	-442,695	-180.4
Non-EU	-17,064	-20,003	2,939	85.3
Finance result	12,589,874	13,885,754	-1,295,880	90.7
EU	9,239,215	10,466,402	-1,227,187	88.3
Non-EU	3,350,659	3,419,352	-68,693	98.0
	2025	2024	Change	Index
Return on investment portfolio	2.3%	2.4%	-0.1 pp	-
EU	2.0%	2.2%	-0.2 pp	-
Non-EU	4.0%	4.0%	-0.0 pp	-

The **finance result** amounted to EUR 12.6 million, a decrease of 9.3%. Of this, 11.7% was attributable to the EU markets, while the non-EU markets remained at a similar level to the previous year. Despite one-off effects on investments, the **investment result** improved by 7.4% as a result of growth in interest income due to cash flow and investments at higher interest rates. In the non-EU markets, investment results were also influenced by gains on the sale of investment properties. The lower **insurance finance result** is a consequence of the growth of the insurance portfolio and larger credit-risk effects from reinsurance. The **return on the investment portfolio** was 2.3%.

Other net income

Other net income amounted to EUR 2.8 million and was higher mainly as a result of one-off expenses in 2024.

Profit before tax

Profit before tax reached a remarkable EUR 91.1 million in 2025, marking a 67.8% increase. As mentioned earlier, this improvement in both the EU and non-EU markets was primarily due to a better insurance result.





Combined ratio

	2025	2024	Change
Combined ratio	88.6%	93.5%	-4.9 pp
EU	87.8%	92.8%	-4.9 pp
Non-EU	92.6%	97.4%	-4.9 pp
Loss ratio	58.1%	63.4%	-5.3 pp
EU	59.0%	64.2%	-5.1 pp
Non-EU	53.7%	59.6%	-5.9 pp
Expense ratio	30.5%	30.1%	+0.4 pp
EU	28.8%	28.6%	+0.2 pp
Non-EU	38.9%	37.8%	+1.1 pp

The **combined ratio** was 88.6% and improved by a substantial 4.9 percentage points. Both the EU and the non-EU markets saw an improvement of 4.9 percentage points. In all the markets, the improvement in the combined ratio was driven by a more favourable loss ratio, as a result of growth in insurance revenue and more favourable claims experience. The expense ratio increased modestly, due to higher policy acquisition expenses in the non-EU markets.

Gross premiums written
+5.4%

8.1.2.2 Life segment

EUR	2025	2024	Change	Index
Gross premiums written	214,211,841	203,223,479	10,988,362	105.4
EU	199,227,998	190,049,327	9,178,671	104.8
Non-EU	14,983,843	13,174,152	1,809,691	113.7
Insurance result	18,091,885	17,861,176	230,709	101.3
EU	16,657,576	16,519,626	137,950	100.8
Non-EU	1,434,309	1,341,550	92,758	106.9
Finance result	6,054,853	5,614,789	440,064	107.8
EU	5,342,924	4,942,113	400,811	108.1
Non-EU	711,928	672,676	39,253	105.8
Other net expenses	-845,768	-414,537	-431,231	204.0
EU	-566,368	-818,524	252,157	69.2
Non-EU	-279,400	403,987	-683,387	-
Profit before tax	23,300,969	23,061,428	239,541	101.0
EU	21,434,132	20,643,215	790,917	103.8
Non-EU	1,866,837	2,418,213	-551,376	77.2
	31 December 2025	31 December 2024	Change	Index
Contractual service margin (CSM)	172,472,799	160,952,422	11,520,378	107.2
EU	161,756,670	150,395,541	11,361,129	107.6
Non-EU	10,716,130	10,556,880	159,249	101.5

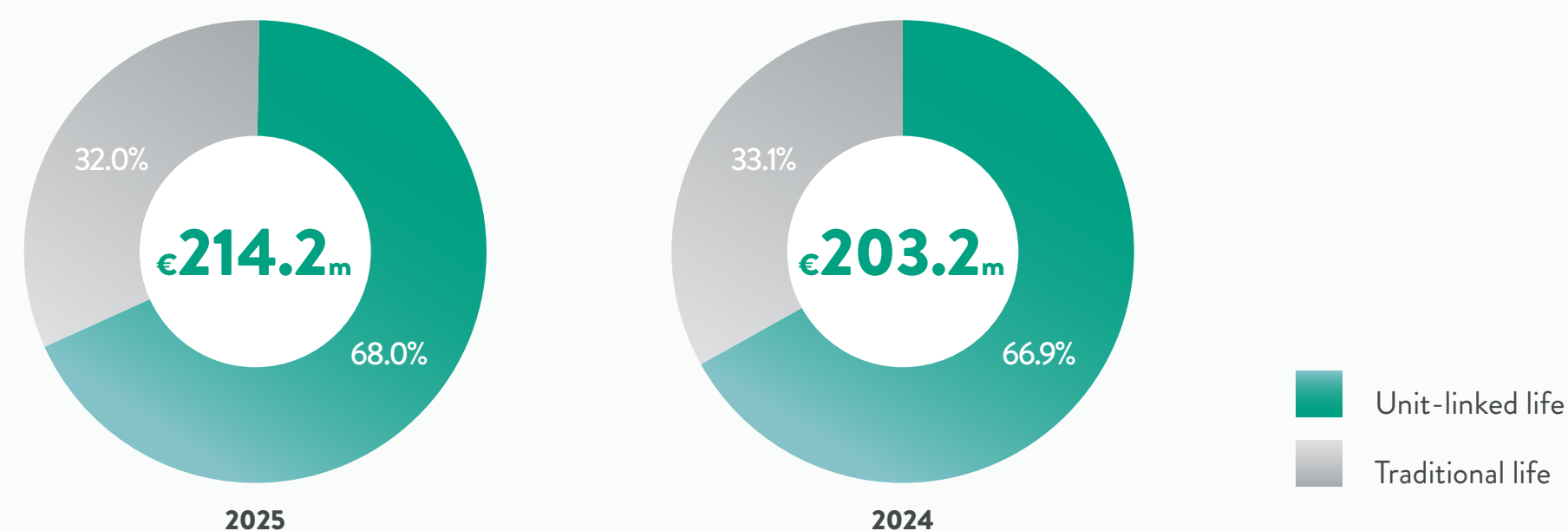
Gross premiums written

Gross premiums written – life

EUR	2025	2024	Change	Index
Slovenia	197,034,980	187,485,214	9,549,765	105.1
Croatia	2,193,019	2,564,113	-371,094	85.5
EU	199,227,998	190,049,327	9,178,671	104.8
Serbia	10,388,910	8,725,522	1,663,387	119.1
Kosovo	4,594,933	4,448,629	146,304	103.3
Non-EU	14,983,843	13,174,152	1,809,691	113.7
Total life	214,211,841	203,223,479	10,988,362	105.4

Gross written premiums of the EU-based life insurers amounted to EUR 199.2 million, up 4.8% year on year, driven by higher sales of both life risk and unit-linked insurance products, as well as top-up premiums on existing policies. The life insurers outside the EU managed to increase gross written premiums by a substantial 13.7%, reflecting very strong sales of risk products, with sales of unit-linked products also increasing in the Serbian market.

Gross life insurance premiums by class of business



The share of unit-linked policies increased due to stronger sales in Slovenia. However, the share of traditional life insurance decreased, despite strong sales of term life policies, as a result of maturing traditional life savings products that are no longer sold in Slovenia.

Insurance result

EUR	2025	2024	Change	Index
Insurance revenue	82,395,314	74,911,625	7,483,689	110.0
EU	73,698,659	66,401,607	7,297,052	111.0
Non-EU	8,696,655	8,510,017	186,638	102.2
Insurance service expenses	-63,424,968	-56,690,361	-6,734,607	111.9
Claims incurred	-19,567,643	-17,763,747	-1,803,897	110.2
EU	-16,712,103	-15,023,444	-1,688,659	111.2
Non-EU	-2,855,541	-2,740,303	-115,238	104.2
Operating expenses, including non-attributable expenses	-43,348,566	-38,254,498	-5,094,068	113.3
EU	-39,092,771	-33,821,538	-5,271,233	115.6
Non-EU	-4,255,795	-4,432,960	177,165	96.0
Onerous contracts	-508,758	-672,116	163,357	75.7
EU	-354,260	-704,662	350,402	50.3
Non-EU	-154,499	32,546	-187,045	-
Reinsurance result	-878,461	-360,088	-518,373	244.0
EU	-881,951	-332,338	-549,613	265.4
Non-EU	3,489	-27,750	31,240	-
Insurance service result	18,091,885	17,861,176	230,709	101.3
EU	16,657,576	16,519,626	137,950	100.8
Non-EU	1,434,309	1,341,550	92,758	106.9



The **insurance result** amounted to EUR 18.1 million, an increase of 1.3%. This increase is due to revenue growth and, in the EU markets, to improved experience of onerous contracts. **Insurance revenue** totalled EUR 82.4 million, marking a 10.0% increase. In the EU markets, this figure grew by 11.0%, driven by increased sales. In the non-EU markets, insurance revenue also increased due to stronger sales, by 2.2%.

Insurance service expenses totalled EUR 63.4 million, an increase of 11.9%, primarily owing to **operating expenses**. Acquisition costs rose because of stronger sales, as did administrative expenses, mainly as a result of investments in development, employee remuneration and information technology. The increase in insurance service expenses was also influenced by higher **incurred claims**, which rose due to portfolio growth and a higher loss frequency. The **reinsurance result** was lower as the volume of claims covered by reinsurance was smaller in 2025. **Expenses from onerous contracts** decreased as a result of the reduction in the EU markets due to better development of onerous contracts and fewer newly written onerous contracts. In the non-EU markets, the loss from onerous contracts increased due to a change in the assumptions used in the valuation of insurance contracts.

Finance result and investment return

EUR	2025	2024	Change	Index
Investment result	8,715,218	9,639,314	-924,095	90.4
EU	7,389,433	8,322,111	-932,678	88.8
Non-EU	1,325,785	1,317,203	8,583	100.7
Net insurance finance result	-2,621,083	-3,965,932	1,344,850	66.1
EU	-2,017,319	-3,340,332	1,323,013	60.4
Non-EU	-603,763	-625,600	21,836	96.5
Expenses from financial liabilities	-36,783	-48,330	11,547	76.1
EU	-26,599	-38,911	12,312	68.4
Non-EU	-10,184	-9,419	-765	108.1
Net foreign exchange gains/losses	-2,500	-10,262	7,762	24.4
EU	-2,591	-754	-1,836	343.5
Non-EU	91	-9,508	9,599	-1.0
Finance result	6,054,853	5,614,789	440,064	107.8
EU	5,342,924	4,942,113	400,811	108.1
Non-EU	711,928	672,676	39,253	105.8
	2025	2024	Change	Index
Return on investment portfolio	1.9%	2.0%	-0.1 pp	-
EU	1.7%	1.8%	-0.1 pp	-
Non-EU	3.5%	3.9%	-0.4 pp	-



The **finance result** amounted to EUR 6.1 million, an increase of 7.8%. This was mainly due to the improved **insurance finance result** in the EU markets, as a result of the maturing of traditional life savings insurance portfolios that are no longer sold. For the same reason, the **investment result** also decreased, in line with the decline of the investment portfolio and interest income. The **return on the investment portfolio** was 1.9%.

Other net expenses

Other net expenses amounted to EUR 0.8 million, up 104.0%. They increased in the non-EU markets due to methodological adjustments to the calculation of the insurance result.

Profit before tax

Profit before tax amounted to EUR 23.3 million.

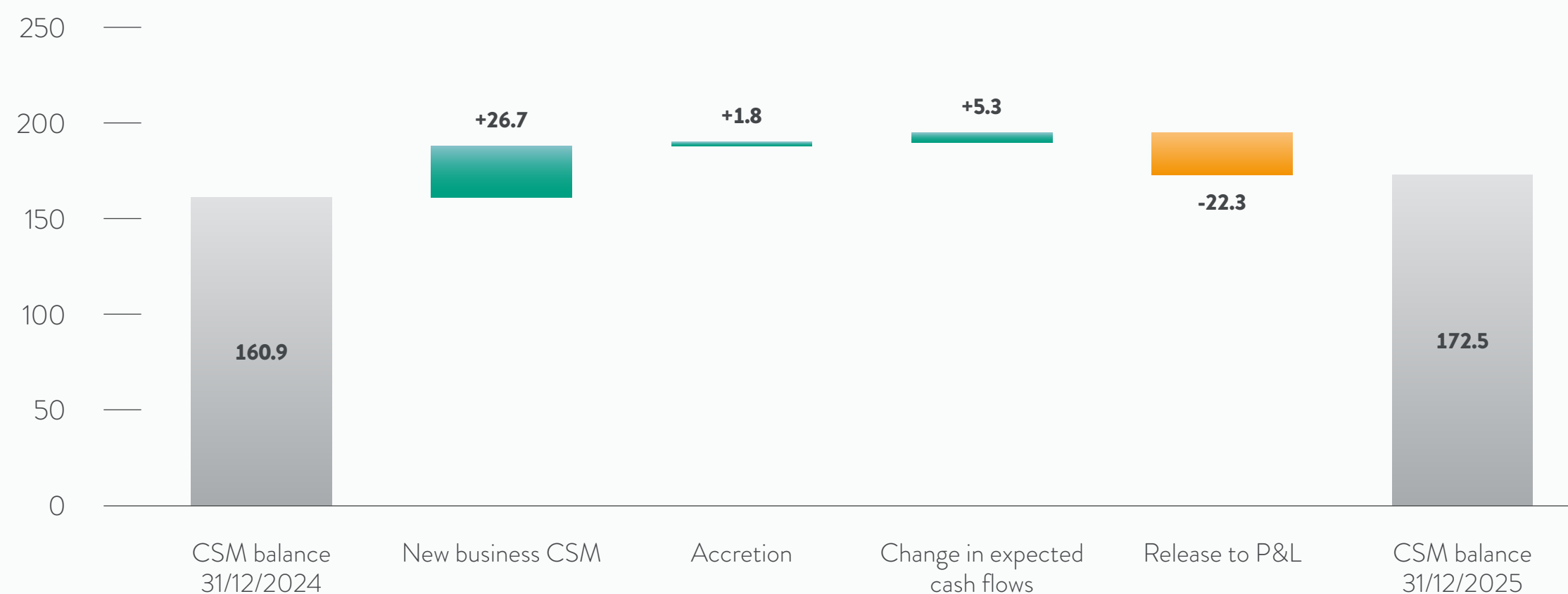
Contractual service margin

EUR	31 December 2025	31 December 2024	Change	Index
Contractual service margin (CSM)	172,472,799	160,952,422	11,520,378	107.2
EU	161,756,670	150,395,541	11,361,129	107.6
Non-EU	10,716,130	10,556,880	159,249	101.5

The **contractual service margin** amounted to EUR 172.5 million, an increase of 7.2%. Growth was driven by new business generation and a favourable change in expected cash flows, primarily reflecting additional top-up premiums on existing unit-linked policies and positive movements in financial markets. Both factors

contributed to an increase in the value of unit-linked assets, thereby enhancing future income from the management of these assets. In 2025, new life insurance sales generated a contractual service margin of EUR 26.7 million, representing a year-on-year increase of 9.9%.

► Movement in contractual service margin (€m)





8.1.2.3 Reinsurance segment³⁹

EUR	2025	2024	Change	Index
Gross premiums written	156,318,640	126,840,903	29,477,737	123.2
Insurance result	24,242,845	23,675,087	567,757	102.4
Finance result	-298,927	1,711,982	-2,010,909	-17.5
Other net expenses	-677,899	-374,151	-303,748	181.2
Profit before tax	23,266,019	25,012,918	-1,746,899	93.0
Combined ratio	80.4%	76.9%	+3.5 pp	-
Loss ratio	67.1%	61.7%	+5.4 pp	-
Expense ratio	13.3%	15.2%	-1.9 pp	-

Gross premiums written

Gross premiums amounted to EUR 156.3 million, up 23.2%. This was achieved by pursuing new opportunities in individual foreign markets and increasing participation in existing contracts.

Insurance result

EUR	2025	2024	Change	Index
Insurance revenue	120,157,092	99,346,893	20,810,199	120.9
Insurance service expenses	-86,332,830	-63,686,002	-22,646,828	135.6
Claims incurred	-71,169,514	-49,131,794	-22,037,720	144.9
Operating expenses, including non-attributable expenses	-15,243,868	-14,380,779	-863,090	106.0
Onerous contracts	80,552	-173,430	253,982	-46.4
Reinsurance result	-9,581,418	-11,985,804	2,404,386	79.9
Insurance result	24,242,845	23,675,087	567,757	102.4

The **insurance result** was EUR 24.2 million, an increase of 2.4%.

Insurance revenue totalled EUR 120.2 million, up 20.9%, primarily driven by premium growth.

Insurance service expenses totalled EUR 86.3 million, an increase of EUR 22.0 million (35.6%), primarily reflecting higher incurred claims. **Operating expenses** increased by EUR 0.9 million, primarily due to the implementation of new reinsurance software.



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



Finance result and investment return

EUR	2025	2024	Change	Index
Investment result	6,801,963	8,081,959	-1,279,997	84.2
Net insurance finance result	-6,512,915	-5,626,381	-886,534	115.8
Expenses from financial liabilities	-10,186	-3,795	-6,391	268.4
Net foreign exchange losses	-577,789	-739,802	162,012	78.1
Finance result	-298,927	1,711,982	-2,010,909	-17.5
	2025	2024	Change	Index
Return on investment portfolio	2.0%	2.9%	-0.9 pp	-

The **finance result** decreased due to an **investment result** that was EUR 1.3 million lower in 2025. This was mainly due to one-off effects on investments. The **return on the investment portfolio** was 2.0%.

In 2025, the **insurance finance result** moved in line with the development of the portfolio, interest rates and credit risk from reinsurance.

Other net expenses

Other net expenses totalled EUR 0.7 million, up 81.2%, primarily due to other extraordinary expenses.

Profit before tax

Profit before tax amounted to EUR 23.3 million, which was lower than in the previous year due to the lower finance result, as explained above.

Combined ratio

	2025	2024	Change
Combined ratio	80.4%	76.9%	+3.5 pp
Loss ratio	67.1%	61.7%	+5.4 pp
Expense ratio	13.3%	15.2%	-1.9 pp

The **combined ratio** stood at 80.4%, which is extremely favourable compared to the long-term average.



8.1.2.4 Pensions and asset management segment

EUR	2025	2024	Change	Index
Business volume	31,157,117	27,098,591	4,058,526	115.0
Asset management revenue	27,533,470	23,660,332	3,873,137	116.4
Gross premiums written (annuities)	3,623,647	3,438,259	185,389	105.4
Insurance revenue	631,224	532,842	98,383	118.5
Insurance service expenses	-65,424	-286,068	220,644	22.9
Operating expenses	-18,055,258	-15,866,945	-2,188,312	113.8
Finance result	901,478	890,345	11,132	101.3
Other net income/expenses	129,131	87,172	41,959	148.1
Profit before tax	11,074,620	9,017,678	2,056,942	122.8
Cost-to-income ratio (CIR) ⁴⁰	50.4%	52.9%	-2.5 pp	-
	31 December 2025	31 December 2024	Change	Index
Assets under management	2,485,509,194	2,125,101,183	360,408,010	117.0

The **business volume** increased by 15.0% to reach EUR 31.2 million, driven by growth in assets under management and, consequently, management income. In addition, gross annuity premiums also contributed to growth, thanks to a higher number of contracts concluded.

Annuity **insurance revenue** amounted to EUR 0.6 million, up 18.5%, reflecting the expansion of the annuity portfolio.

Insurance service expenses were lower due to the one-off effect of changes in assumptions in 2024.

Operating expenses totalled EUR 18.1 million, up 13.8%. Most of this rise was driven by higher commission costs for sales channels, which are tied to the volume of assets under management. To a lesser extent, the increase also reflected growth in labour costs. Nevertheless, the **cost-to-income ratio** improved by 2.5 percentage points, as cost growth significantly lagged behind revenue growth.

The **finance result** remained at the same level as in the previous year. The investment return was 2.8%.

For the aforementioned reasons, **pre-tax profit** amounted to EUR 11.1 million, representing a 22.8% improvement.

Assets under management increased by 17.0% to EUR 2.5 billion. The main contribution to this came from net inflows into the funds, which amounted to EUR 239 million and represented a strong 30.8% growth rate compared to the previous year. Growth was further supported by fund returns of EUR 123.9 million. Assets under management increased for all companies in this segment.



Asset management revenue
+16.4%

40 The calculation methodology was changed to align it with that of other insurance groups. Commission income is included at the net amount after deduction of commission expenses, which reduces the CIR.

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

EUR	2025	2024	Index
Opening balance of fund assets (1 January)	2,125,101,183	1,716,417,279	123.8
Fund inflows	322,623,697	254,288,398	126.9
Fund outflows	-72,293,698	-60,000,929	120.5
Asset transfers	-11,574,866	-11,788,444	98.2
Net investment income on funds	123,913,313	228,988,798	54.1
Entry and exit charges	-2,392,100	-2,291,352	104.4
Foreign exchange differences and accumulated other comprehensive income	131,664	-512,566	-
Closing balance of fund assets (31 December)	2,485,509,194	2,125,101,183	117.0
Index versus period start	117.0	123.8	

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

EUR	31 December 2025	31 December 2024	Index
Slovenia	1,135,332,951	942,984,808	120.4
North Macedonia	1,350,176,243	1,182,116,375	114.2
Total	2,485,509,194	2,125,101,183	117.0

8.1.2.5 “Other” segment

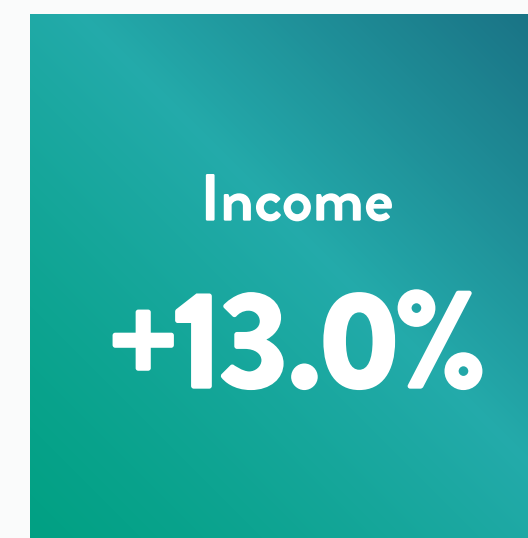
EUR	2025	2024	Change	Index
Income	10,734,578	9,500,199	1,234,378	113.0
Expenses	-15,552,768	-11,122,475	-4,430,293	139.8
Profit before tax	-4,818,190	-1,622,276	-3,195,914	297.0

Income reached EUR 10.7 million, an increase of 13.0%, due to the growing volume of assistance services. This more than offset the lower attributable profit from the associate company.

Expenses totalled EUR 15.6 million, an increase of 39.8%, due to higher subordinated debt expenses resulting from the issuance of a subordinated bond

in October 2024, as well as a higher volume of assistance services.

Although assistance services generated higher profits, **profit before tax** decreased by EUR 3.2 million, primarily due to the issuance of a subordinated bond and the lower attributable profit from an associate company.





8.1.3 Financial position

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

EUR	31 December 2025	31 December 2024	Change	Index
Equity	742,562,581	648,560,456	94,002,126	114.5
Subordinated liabilities	125,242,015	125,058,474	183,542	100.1
Net insurance contract liabilities*, of which	1,919,100,008	1,820,525,607	98,574,401	105.4
Contractual service margin (CSM)	190,696,824	175,577,253	15,119,571	108.6
Investment portfolio	1,764,599,343	1,666,922,164	97,677,178	105.9
Intangible assets	65,006,816	65,562,925	-556,110	99.2
Total assets	3,112,699,115	2,885,408,613	227,290,502	107.9
Assets under management	3,377,617,165	2,889,371,944	488,245,220	116.9

* Insurance contract liabilities, net of insurance contract assets.

8.1.3.1 Capital and solvency

Equity totalled EUR 742.6 million, up 14.5% compared to the end of 2024. The increase in the profit for 2025 and a positive change in other comprehensive income were the main drivers of the overall increase, partially offset by the dividend payment.

Thus, the Group's estimated solvency position as at 31 December 2025 shows that the Group is well capitalised, with a solvency ratio of between 215% and 221% (31 December 2024: 208%). Compared to the previous year, it improved, mainly due to good business performance. The Company thus has a solvency ratio well above the

regulatory requirement of 100% and is also well capitalised according to its internal criteria.

8.1.3.2 Subordinated liabilities

Subordinated liabilities totalled EUR 125.2 million. The parent company has issued two subordinated bonds, both of which are listed on the Luxembourg Stock Exchange. The first subordinated bond was issued in October 2019, with a scheduled maturity in 2039 and an early recall option for 7 November 2029. As at 31 December 2025, the market price of the bond was 91.616% and its market value EUR 69,128,096 (31 December 2024: the market price was 86.862% and the market value EUR 65,562,596). The second subordinated

bond was issued in October 2024 and matures in 2029. As at 31 December 2025, the market price of the bond was 99.945% and its market value EUR 50,599,349 (31 December 2024: the market price was 99.66% and the market value EUR 50,456,849).

8.1.3.3 Net insurance contract liabilities

Net insurance contract liabilities amounted to EUR 1,919.1 million, up 5.4% year on year, due to portfolio growth.

8.1.3.3.1 Contractual service margin

The contractual service margin (CSM) is an estimate of future profits from insurance

contracts that relate to future periods and have not yet been recognised in profit or loss. As at 31 December 2025, it amounted to EUR 190.7 million (with a net contractual service margin of EUR 182.8 million), marking an 8.6% increase in 2025. This growth was mainly driven by the life segment (up 7.2%), thanks to new insurance contracts and favourable changes in expected cash flows. The latter were primarily due to additional one-off payments on existing unit-linked policies and favourable developments in financial markets. Both factors contributed to an increase in the value of unit-linked assets, thereby enhancing future income from the management of these assets.



8.1.3.4 Investment portfolio

► Balance and composition of the investment portfolio

EUR	31 December 2025	As % of total 31 December 2025	31 December 2024	As % of total 31 December 2024	Change
Fixed-rate investments	1,547,629,427	87.7%	1,453,477,573	87.2%	94,151,854
Government bonds	946,744,833	53.7%	922,745,930	55.4%	23,998,904
Corporate bonds	570,004,328	32.3%	503,431,690	30.2%	66,572,638
Deposits	30,880,266	1.7%	27,299,953	1.6%	3,580,313
Shares and mutual funds	44,328,075	2.5%	44,408,674	2.7%	-80,599
Shares	24,311,668	1.4%	23,464,857	1.4%	846,811
Mutual funds	20,016,407	1.1%	20,943,817	1.3%	-927,410
Alternative funds	77,013,290	4.4%	72,361,306	4.3%	4,651,984
Investment property	22,686,137	1.3%	24,147,256	1.4%	-1,461,119
Cash and cash equivalents	37,392,551	2.1%	46,243,890	2.8%	-8,851,339
Investments in associates	29,053,235	1.6%	25,615,695	1.5%	3,437,540
Loans granted	6,496,626	0.4%	667,770	0.0%	5,828,856
Total investment portfolio	1,764,599,342	100.0%	1,666,922,164	100.0%	97,677,178

The investment portfolio of the Sava Insurance Group increased by EUR 97.7 million, or 5.9%, compared to year-end 2024. The increase in the investment portfolio was mainly due to positive cash flow from operating activities and a positive change in other comprehensive income, reflecting market conditions and an increase in the value of bonds.

There were no major changes in the composition of the investment portfolio. Fixed-income investments accounted for 87.7% at the end of the year (31 December 2024: 87.2%).

► Balance and composition of fixed-rate financial investments

EUR	31 December 2025	As % of total 31 December 2025	31 December 2024	As % of total 31 December 2024	Change in share (pp)
Government bonds	946,744,833	61.2%	922,745,930	63.5%	-2.3
Corporate and financial bonds	570,004,328	36.8%	503,431,690	34.6%	2.2
Regular corporate and financial bonds	474,223,107	30.6%	427,219,544	29.4%	1.2
Subordinated bonds	20,592,027	1.3%	18,994,378	1.3%	0.0
Covered bonds	75,189,194	4.9%	57,217,768	3.9%	0.9
Deposits	30,880,266	2.0%	27,299,953	1.9%	0.1
Total	1,547,629,427	100.0%	1,453,477,573	100.0%	-



8.1.3.5 Assets under management

EUR	31 December 2025	31 December 2024	Change	Index
Assets held in pension company savings funds	1,566,631,929	1,382,220,195	184,411,733	113.3
Assets under management with fund management company	918,877,265	742,880,994	175,996,271	123.7
Assets held for the benefit of policyholders who bear the investment risk	892,107,971	764,270,755	127,837,216	116.7
Assets under management	3,377,617,165	2,889,371,944	488,245,220	116.9

Assets under management amounted to EUR 3,377.6 million, up 16.9%. Growth was driven by both positive net inflows into all three types of funds (pension funds, mutual fund management company funds and unit-linked funds) and by an increase in fund returns due to favourable developments in financial markets. Net contributions were positive for all companies and increased for all companies, with an overall increase of 30.8%.

8.1.3.6 Intangible assets

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

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

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



8.1.4 Income statement by operating segment

Income statement by operating segment

EUR	Non-life EU		Non-life, non-EU		Life EU		Life, non-EU		Reinsurance		Pensions and asset management		Other		Total	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
Insurance revenue	574,428,950	522,286,220	116,001,680	104,136,059	73,698,659	66,401,607	8,696,655	8,510,017	120,157,092	99,346,893	631,224	532,842	0	0	893,614,261	801,213,638
Insurance service expenses, including non-attributable expenses	-484,558,583	-471,010,487	-102,506,094	-98,878,236	-56,159,133	-49,549,644	-7,265,835	-7,140,717	-86,332,830	-63,686,002	-190,952	-406,141	0	0	-737,013,426	-690,671,227
Claims incurred	-316,592,958	-323,385,553	-56,077,140	-58,222,741	-16,712,103	-15,023,444	-2,855,541	-2,740,303	-71,169,514	-49,131,794	-119,168	-103,362	0	0	-463,526,422	-448,607,197
Operating expenses, including non-attributable expenses	-166,736,310	-149,982,078	-46,523,466	-40,521,053	-39,092,771	-33,821,538	-4,255,795	-4,432,960	-15,243,868	-14,380,779	-125,527	-120,073	0	0	-271,977,739	-243,258,481
Onerous contracts	-1,229,315	2,357,143	94,512	-134,443	-354,260	-704,662	-154,499	32,546	80,552	-173,430	53,744	-182,706	0	0	-1,509,265	1,194,450
Result before reinsurance	89,870,367	51,275,732	13,495,586	5,257,823	17,539,526	16,851,963	1,430,820	1,369,301	33,824,262	35,660,891	440,273	126,700	0	0	156,600,834	110,542,410
Reinsurance result	-21,341,545	-14,233,019	-6,254,754	-3,675,270	-881,951	-332,338	3,489	-27,750	-9,581,418	-11,985,804	0	0	0	0	-38,056,178	-30,254,180
a) Insurance result	68,528,822	37,042,713	7,240,832	1,582,553	16,657,576	16,519,626	1,434,309	1,341,550	24,242,845	23,675,087	440,273	126,700	0	0	118,544,656	80,288,230
Investment result	13,867,751	13,058,379	4,684,878	4,219,341	7,389,433	8,322,111	1,325,785	1,317,203	6,801,963	8,081,958	1,743,351	1,689,313	937,540	1,781,075	36,750,700	38,469,381
Net insurance finance result	-4,224,052	-2,629,639	-1,147,673	-589,584	-2,017,319	-3,340,332	-603,763	-625,600	-6,512,915	-5,626,381	-841,899	-769,842	0	0	-15,347,622	-13,581,379
Expenses from financial liabilities	-119,661	-120,212	-169,482	-190,402	-26,599	-38,911	-10,184	-9,419	-10,186	-3,795	-269	-29,378	-5,683,107	-3,577,356	-6,019,488	-3,969,473
Net foreign exchange gains/losses	-284,821	157,874	-17,064	-20,003	-2,591	-754	91	-9,508	-577,789	-739,802	295	253	0	0	-881,879	-611,940
b) Finance result	9,239,215	10,466,402	3,350,659	3,419,352	5,342,924	4,942,113	711,928	672,676	-298,927	1,711,982	901,478	890,345	-4,745,567	-1,796,282	14,501,711	20,306,589
c) Non-insurance revenue	0	0	0	0	0	0	126	0	0	0	27,533,470	23,660,332	9,325,986	7,699,599	36,859,582	31,359,931
d) Non-insurance expenses	-2,329,677	-2,205,954	-2,059,935	-1,587,602	-708,951	-1,528,941	0	0	0	0	-17,929,730	-15,746,872	-9,768,889	-7,532,504	-32,797,183	-28,601,873
e) Other net income/expenses	3,725,497	2,914,263	3,448,904	2,700,924	142,583	710,417	-279,526	403,987	-677,899	-374,151	129,131	87,172	370,280	6,911	6,858,970	6,449,524
Profit or loss before tax (a + b + c + d + e)	79,163,857	48,217,424	11,980,460	6,115,227	21,434,132	20,643,215	1,866,837	2,418,213	23,266,019	25,012,918	11,074,620	9,017,678	-4,818,190	-1,622,276	143,967,736	109,802,399
Income tax expense															-29,915,137	-21,955,857
Net profit or loss for the period															114,052,599	87,846,542



Adjusted income statement

We have adjusted the income statement, which is used to review business operations in the business report, to present certain categories in a more meaningful way and to shorten the line items, as shown in the following table.

The following reclassifications have been made:

- Exchange differences on financial investments and insurance contract liabilities have been reclassified from the net investment result, net insurance finance income or expenses and the result of the other items to net foreign exchange gains/losses.
- Investment income on life insurance policies where policyholders bear the investment risk has been reclassified from the investment result to the net insurance finance result.
- Asset management revenue and income from Group companies included in net other operating income and expenses are reported together as non-insurance revenue.
- Non-attributable operating expenses of the Group's insurance companies are recognised in insurance service expenses, including non-attributable expenses. This brings the Group's

recognition of non-attributable expenses in line with other major insurance companies as from 2025. In substance, this change follows the approach used in the calculation of the combined ratio, which also includes non-attributable operating expenses since the adoption of IFRS 17.

- The operating expenses of non-insurance companies that are part of net other operating income and expenses, and non-attributable expenses are together reported as non-insurance expenses.
- The share of profit or loss of investments accounted for using the equity method, and net income and expenses from subsidiaries and associates have been combined and presented under the investment result line item. As from 2025, the Group has thus aligned this presentation with the content of net investment income on the investment portfolio.
- Expenses from financial liabilities included in finance costs are included in the finance result.
- Gains or losses on disposal of discontinued operations are included in other net income/ expenses.





EUR	Income statement			Income statement (adjusted)	
	2025	2024		2025	2024
Insurance revenue	893,614,261	801,213,638	Insurance revenue	893,614,261	801,213,638
Insurance service expenses	-703,326,035	-662,350,015	Insurance service expenses, including non-attributable expenses	-737,013,426	-690,671,227
Insurance service result from insurance contracts issued	190,288,226	138,863,623	Result before reinsurance	156,600,834	110,542,410
Revenue from reinsurance contracts held	24,358,248	23,616,154			
Expenses from reinsurance contracts held	-62,414,426	-53,870,334			
Net result from reinsurance contracts held	-38,056,178	-30,254,180	Reinsurance result	-38,056,178	-30,254,180
Insurance service result	152,232,048	108,609,443	Insurance result	118,544,656	80,288,230
Net investment result	90,055,524	137,114,030	Investment result	36,750,700	38,469,381
Finance result from insurance contracts	-72,332,738	-118,528,642			
Finance result from reinsurance contracts	1,862,817	4,257,920			
Net insurance finance income or expenses	-70,469,921	-114,270,722	Net insurance finance result	-15,347,622	-13,581,379
			Expenses from financial liabilities	-6,019,488	-3,969,473
			Net foreign exchange gains/losses	-881,879	-611,940
Net insurance and finance result	19,585,603	22,843,308	Finance result	14,501,711	20,306,589
Asset management revenue	27,533,595	23,660,332	Non-insurance revenue	36,859,582	31,359,931
Non-attributable operating expenses	-37,108,195	-31,079,973	Non-insurance expenses	-32,797,183	-28,601,873
Net impairment losses and reversals of impairment losses on non-financial assets	-93,579	67,847			
Finance costs	-6,019,488	-3,969,473			
Share of profit or loss of investments accounted for using equity method	937,540	1,781,075			
Net income and expenses from subsidiaries and associates	0	0			
Gains or losses on disposal of discontinued operations	11,604	440,673			
Net other operating income and expenses	-13,111,393	-12,550,833	Other net income/expenses	6,858,970	6,449,524
Profit before tax	143,967,736	109,802,399	Profit before tax	143,967,736	109,802,399
Income tax expense	-29,915,137	-21,955,857	Income tax expense	-29,915,137	-21,955,857
Net profit or loss for the period	114,052,599	87,846,542	Net profit or loss for the period	114,052,599	87,846,542



8.2 Sava Re

The Company achieved growth in gross written premiums in both Group and non-Group business. Its performance remained stable, as evidenced by a sound combined ratio of 85.3%.

Gross written premiums amounted to EUR 267.2 million in 2025, representing an increase of 15.2%.

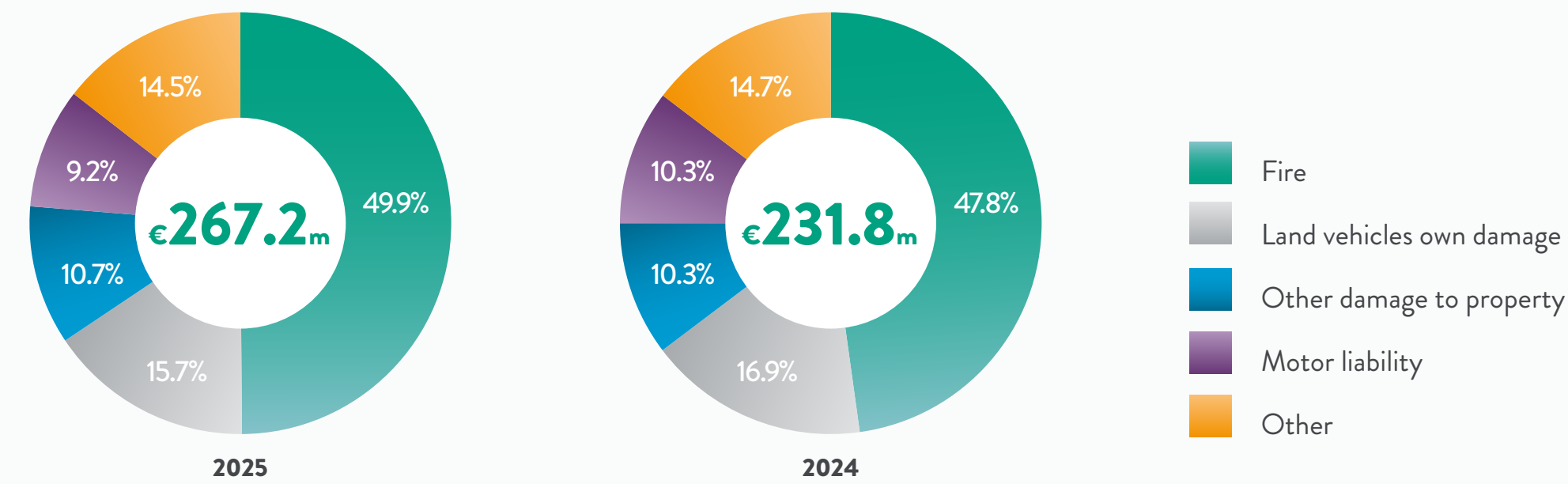
Non-Group gross premiums increased by EUR 29.5 million, or 23.2%. This was achieved through pursuing new opportunities in select foreign markets and increasing participation in existing contracts.

Meanwhile, Group gross premiums grew by EUR 5.9 million, or 5.6%, as a result of premium growth in the Slovenian market.

► Gross premiums written

EUR	2025	2024	Change	Index
Non-Group	156,318,639	126,840,903	29,477,736	123.2
Group	110,843,042	104,984,440	5,858,602	105.6
Total	267,161,681	231,825,343	35,336,338	115.2

► Gross premiums written by class of insurance





8.2.1 Income statement

	2025	2024	Change	Index
Insurance revenue	201,409,636	171,664,689	29,744,947	117.3
Insurance service expenses, including non-attributable expenses	-144,102,786	-121,690,521	-22,412,266	118.4
Claims incurred	-124,588,834	-104,032,290	-20,556,544	119.8
Operating expenses, including non-attributable expenses	-19,603,886	-17,550,627	-2,053,259	111.7
Onerous contracts	89,935	-107,603	197,538	-
Result before reinsurance	57,306,850	49,974,169	7,332,682	114.7
Reinsurance result	-27,284,438	-23,490,709	-3,793,728	116.1
Insurance service result	30,022,413	26,483,459	3,538,954	113.4
Investment result	72,607,057	50,337,642	22,269,414	144.2
Net insurance finance result	-8,040,054	-6,059,057	-1,980,997	132.7
Expenses from financial liabilities	-5,607,599	-3,577,180	-2,030,419	156.8
Net foreign exchange losses	-537,077	-764,490	227,413	70.3
Finance result	58,422,326	39,936,916	18,485,411	146.3
Non-insurance revenue	33,514	4,034	29,480	830.8
Other costs	-13,180,066	-10,410,397	-2,769,669	126.6
Other net income	44,339	309,508	-265,169	14.3
Profit before tax	75,342,526	56,323,520	19,019,006	133.8
Income tax expense	-3,829,985	-4,089,191	259,206	93.7
Net profit for the period	71,512,541	52,234,330	19,278,211	136.9

	2025	2024	Change
Combined ratio	85.3%	84.6%	+0.7 pp
Loss ratio	75.4%	74.3%	+1.0 pp
Expense ratio	9.9%	10.2%	-0.3 pp
Return on investment portfolio, net of investments in subsidiaries and associates	2.4%	2.8%	-0.4 pp
Return on equity	14.8%	11.5%	+3.3 pp

Insurance result

Insurance revenue amounted to EUR 201.4 million, up 17.3%, driven by growth in non-Group reinsurance business (EUR 20.8 million) and Group reinsurance business (EUR 8.9 million).

Insurance service expenses totalled EUR 144.1 million, up EUR 22.4 million, mainly due to higher incurred claims. In the non-Group business, **incurred claims** were higher due to increased business volume. In the Group reinsurance business, however, incurred claims were lower compared with the previous year, when higher

expenses had been caused by claims arising from the summer storms. In 2025, **operating expenses** were EUR 2.1 million higher, primarily due to growth in the reinsurance portfolio and new software costs.

The **reinsurance result** was a negative EUR 27.3 million, EUR 3.8 million lower than the previous year due to the growing volume of Group business and additional reinsurance protection.

For the aforementioned reasons, the **insurance result** amounted to EUR 30.0 million, up 13.4% year on year.



The **combined ratio** was 85.3%, which is extremely favourable compared to the long-term average.

► **Combined, loss and expense ratios**

	2025	2024	Change
Combined ratio	85.3%	84.6%	+0.7 pp
Loss ratio	75.4%	74.3%	+1.0 pp
Expense ratio	9.9%	10.2%	-0.3 pp

Finance result and investment return

EUR	2025	2024	Change	Index
Investment result	72,607,057	50,337,642	22,269,414	144.2
Net insurance finance result	-8,040,054	-6,059,057	-1,980,997	132.7
Expenses from financial liabilities	-5,607,599	-3,577,180	-2,030,419	156.8
Net foreign exchange losses	-537,077	-764,490	227,413	70.3
Finance result	58,422,326	39,936,916	18,485,411	146.3

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

The **investment result** for 2025 was EUR 72.6 million, up EUR 22.3 million on the previous year, primarily driven by increased dividends from subsidiaries (up EUR 21.4 million). Excluding dividends received from subsidiaries, the investment result amounted to EUR 12.2 million, EUR 0.9 million more than in the previous year.

The increase in income was driven by higher interest income, which rose by EUR 2.3 million due to the investment of free funds generated from positive cash flow and the reinvestment of maturing debt instruments purchased at lower yields into higher-yielding debt investments. Investment expenses also increased, due to one-off effects on investments. The return on the investment portfolio was 2.4%, or 8.9%, if the income and expenses from the investments in subsidiaries and associates are included.

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

EUR	2025	2024	Change	Index
Investment income	16,529,156	14,294,277	2,234,879	115.6
Investment expenses	-4,328,632	-2,992,559	-1,336,073	144.6
Net investment income*	12,200,524	11,301,718	898,806	108.0
Net income and expenses from subsidiaries and associates	60,406,533	39,035,925	21,370,608	154.7
Net investment income on investment portfolio	72,607,057	50,337,642	22,269,414	144.2
	2025	2024	Change	Index
Return on investment portfolio, net of investments in subsidiaries and associates	2.4%	2.8%	-0.4 pp	-
Return on investment portfolio	8.9%	6.9%	+2.0 pp	-

* The investment result is shown in the income statement.



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

EUR	2025	2024	Change	Index
Interest income	10,091,367	7,819,346	2,272,021	129.1
Change in fair value of FVTPL investments	2,057,744	1,201,805	855,939	171.2
Dividends from equity investments and income from alternative funds	852,870	1,411,460	-558,589	60.4
Other investment income or expenses	-801,459	869,107	-1,670,565	-
Net investment result	12,200,523	11,301,718	898,806	108.0
Income of subsidiary and associate companies	60,406,533	39,035,925	21,370,608	154.7
Net investment income on investment portfolio	72,607,056	50,337,642	22,269,414	144.2
Investment return	2.4%	2.8%	-0.4 pp	-
Return on investment portfolio	8.9%	6.9%	2.0 pp	-

The result of investments in subsidiaries and associates was EUR 60.4 million, up EUR 21.4 million compared to 2024, due to higher dividends paid by the Group companies. There were no impairments of subsidiaries in 2025.

The **insurance finance** result decreased by EUR 2.0 million. This was partly reflecting portfolio growth and partly the positive effect in 2024 of releasing credit risk from reinsurance.

Profit for the period

Profit before tax increased by EUR 19.0 million compared to 2024, driven by higher dividends from subsidiaries and a better insurance result. In line with the increase in profit before tax, the **net profit for the period** also increased, by EUR 19.3 million. The **return on equity** was 3.3 percentage points higher than in 2024.

8.2.2 Financial position

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

EUR	31 December 2025	31 December 2024	Change	Index
Equity	498,308,670	458,952,757	39,355,913	108.6
Subordinated liabilities	125,242,015	125,058,474	183,542	100.1
Net insurance contract liabilities*	271,302,484	280,405,660	-9,103,175	96.8
Investment portfolio	842,124,965	791,951,623	50,173,341	106.3
Intangible assets	6,330,823	6,482,385	-151,562	97.7
Total assets	920,130,211	879,053,733	41,076,478	104.7

* Insurance contract liabilities, net of insurance contract assets.

8.2.2.1 Capital and solvency

Equity amounted to EUR 498.3 million, up EUR 39.4 million compared to the end of 2024. The increase in the profit for 2025 and a positive change in other comprehensive income were the main reasons for the overall increase, partly decreased by dividend payouts.

The audited solvency position of Sava Re as at 31 December 2025 shows that the Company is well capitalised, with a solvency ratio of 308% (31 December 2024: 294%). The Company thus has a solvency ratio well above the regulatory requirement of 100%, and is well capitalised according to its internal criteria, which set a target solvency ratio of above 200%.



8.2.2.2 Subordinated liabilities

Subordinated liabilities totalled EUR 125.2 million. The parent company has issued two subordinated bonds, both of which are listed on the Luxembourg Stock Exchange. The first subordinated bond was issued in October 2019, with a scheduled maturity in 2039 and an early recall option for 7 November 2029. As at 31 December 2025, the market price of the bond was 91.616% and its market value EUR 69,128,096 (31 December 2024: the market price was 86.862% and the market value EUR 65,562,596). The second subordinated bond was issued in October 2024 and matures in 2029. As at 31 December 2025, the market price of the bond was 99.945% and its market value EUR 50,599,349 (31 December 2024: the market price was 99.66% and the market value EUR 50,456,849).

8.2.2.3 Net insurance contract liabilities

Net insurance contract liabilities amounted to EUR 271.3 million, a decrease of EUR 9.1 million compared to the previous year, due to higher premium inflows.

8.2.2.4 Investment portfolio

The Sava Re investment portfolio totalled EUR 842.1 million as at 31 December 2025 (31 December 2024: EUR 792.0 million).

The investment portfolio of Sava Re increased by EUR 50.2 million, or 6.3%, compared to year-end 2024. This increase was primarily driven by dividends received from subsidiaries (EUR 60.4 million) and positive cash flow from operating activities (EUR 22.0 million). Negative effects included net negative exchange rate differences (EUR 9.5 million), interest payments on issued subordinated bonds (EUR 5.4 million) and one-off effects on investments.

Fixed-income investments accounted for the largest share of the investment portfolio at the end of 2025, at 53.7%. They increased by EUR 47.2 million, or 11.6%, as the majority of the positive cash flow was invested, primarily in regular commercial bonds and covered bonds.

► Balance and composition of Sava Re investment portfolio

EUR	31 December 2025	As % of total 31 December 2025	31 December 2024	As % of total 31 December 2024	Change
Fixed-rate investments	452,518,660	53.7%	405,306,716	51.2%	47,211,945
Government bonds	282,751,129	33.6%	276,117,368	34.9%	6,633,761
Corporate bonds	168,769,318	20.0%	128,166,428	16.2%	40,602,891
Deposits	998,213	0.1%	1,022,920	0.1%	-24,707
Shares and mutual funds	10,413,093	1.2%	10,531,858	1.3%	-118,765
Shares	3,617,494	0.4%	3,204,768	0.4%	412,726
Mutual funds	6,795,599	0.8%	7,327,090	0.9%	-531,491
Alternative funds	28,529,444	3.4%	25,968,887	3.3%	2,560,557
Investment property	7,327,769	0.9%	7,431,872	0.9%	-104,103
Cash and cash equivalents	7,082,955	0.8%	14,724,094	1.9%	-7,641,139
Loans granted	8,034,439	1.0%	2,578,592	0.3%	5,455,847
Investments in subsidiaries and associates	328,218,605	39.0%	325,409,606	41.1%	2,809,000
Total investment portfolio	842,124,965	100.0%	791,951,623	100.0%	50,173,341



► Balance and composition of investment portfolio fixed-rate investments

EUR	31 December 2025	As % of total 31 December 2025	31 December 2024	As % of total 31 December 2024	Change in % of total (pp)
Government bonds	282,751,129	62.5%	276,117,368	68.1%	-5.6
Corporate and financial bonds	168,769,318	37.3%	128,166,428	31.6%	5.7
Regular corporate and financial bonds	134,757,170	29.8%	109,774,659	27.1%	2.7
Subordinated bonds	7,138,313	1.6%	2,006,571	0.5%	1.1
Covered bonds	26,873,836	5.9%	16,385,198	4.0%	1.9
Deposits	998,213	0.2%	1,022,920	0.3%	0.0
Total	452,518,660	100.0%	405,306,716	100.0%	-

8.2.2.4.1 Other investments of Sava Re in the insurance industry

In addition to its investments in subsidiaries as at 31 December 2025, Sava Re held investments in other companies in the insurance industry.

► Other investments of Sava Re in the insurance industry

	Holding (%) as at 31 December 2025
Slovenia	
Zavarovalnica Triglav d.d.	0.04%
EU and other international	
Bosna Reosiguranje d.d., Sarajevo, Bosnia and Herzegovina	0.51%
Dunav Re a.d.o., Belgrade, Serbia	0.93%

8.2.2.5 Intangible assets

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

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

