



# STEPPING TOWARDS NEW VICTORIES

Solvency and Financial  
Condition Report  
of Sava Re d.d. for 2025

Ljubljana, April 2026

**Management board of Sava Re d.d.**



Marko Jazbec, Chairman of the Management Board



Polona Pirš, Member of the Management Board



Peter Skvarča, Member of the Management Board



David Benedek, Member of the Management Board

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## General information

The figures in this report are stated in thousands of euros. The report has been reviewed and approved by the Company's management and supervisory boards.

The Company's solvency and financial condition report has been reviewed by the auditing firm Deloitte Revizija d.o.o., who have issued an independent auditor's assurance report.

# Summary

## Introduction

In 2025, geopolitical risks remained high due to ongoing interstate conflicts and uncertainty in international relations. The war in Ukraine continued, while mounting tensions between major powers put further pressure on the European economy and security. Political divisions within the EU hindered the coordination of joint measures, and European economies were further affected by trade protectionism.

Despite these circumstances, the year was favourable in terms of financial returns. Conditions in the bond markets remained stable, and European corporations maintained strong credit ratings. Banks also remained well capitalised, with no liquidity pressures observed.

In December 2025, euro area annual inflation stood at 2.0%<sup>1</sup>. The ECB forecasts inflation of 1.9% for 2026 and 1.8% for 2027<sup>2</sup>. Over the course of 2025, the ECB reduced its key interest rate four times, from 3.15% to 2.15%, and the market does not expect any further significant cuts from the ECB until the end of 2026. In December, the US Federal Reserve (Fed) lowered its key interest rate by 25 basis points, bringing the year-end rate to 3.75%<sup>3</sup>. The OECD's GDP growth forecast for the euro area for 2025 is 1.3%, while GDP growth of 1.2%<sup>4</sup> is projected for 2026.

Despite this instability, the first signs of a moderation in the tightening of reinsurance terms and conditions emerged, particularly from a pricing perspective. Due to excess capacity and favourable market conditions, 2025 saw a market softening (both in terms of pricing and coverage) and a reduction in pressure to increase the coverage amounts of original policies. These circumstances had an unfavourable impact on the underwriting of reinsurance business but a positive effect on the renewal of retrocession coverage (reinsurance held). The Company's primary objective is to maintain a balanced portfolio of reinsurance contracts issued, adhering to its core strategic priority of achieving the required level of profitability while keeping portfolio volatility low.

The Company ended 2025 with a strong financial result and robust solvency position. The Company will continue to closely monitor risks and market conditions, particularly in relation to macroeconomic and geopolitical developments.

In June 2025, the rating agency S&P Global Ratings upgraded the ratings of Sava Re and Zavarovalnica Sava to "A+", with a stable outlook. In October 2025, the rating agency AM Best published its ratings for Sava Re and affirmed its "A" ratings (with a stable outlook).

## Company profile

Sava Re, the parent company of the Sava Insurance Group (hereinafter the Group or the Sava Insurance Group), conducts reinsurance business. The insurance part of the Group consists 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 Zavarovalnica Vita (SVN), Sava Životno Osiguranje (SRB) and

<sup>1</sup> Source: Eurostat, 2026, [https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Inflation\\_in\\_the\\_euro\\_area](https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Inflation_in_the_euro_area).

<sup>2</sup> Source: ECB, 2026, [http://www.ecb.europa.eu/press/projections/html/ecb.projections202512\\_eurosystemstaff~12ead61977.en.html](http://www.ecb.europa.eu/press/projections/html/ecb.projections202512_eurosystemstaff~12ead61977.en.html).

<sup>3</sup> Source: Bloomberg, WIRP as at 5 January 2026.

<sup>4</sup> Source: summarised based on OECD data. Economic Outlook. December 2025: [https://www.oecd.org/content/dam/oecd/en/publications/reports/2025/12/oecd-economic-outlook-volume-2025-issue-2\\_413f7d0a/9f653ca1-en.pdf](https://www.oecd.org/content/dam/oecd/en/publications/reports/2025/12/oecd-economic-outlook-volume-2025-issue-2_413f7d0a/9f653ca1-en.pdf).

Illyria Life (RKS). In addition to the listed (re)insurance companies, the Group also includes the following direct subsidiaries:

- Sava Pokojninska (SVN): a Slovenian pension company;
- Sava Penzisko Društvo (MKD): a pension fund manager based in North Macedonia that manages second- and third-pillar pension funds;
- Sava Infond (SVN): a subsidiary that manages investment funds;
- TBS Team 24 (SVN): a company providing assistance services for roadside, medical and homeowners emergency assistance insurance;
- DCB (SVN): an associate company that carries out hospital activities;
- Vita S Holding (MKD): a subsidiary engaged in healthcare activities;
- ASP (SRB): a subsidiary providing development and maintenance services for core IT systems.

With over 40 years of experience in international reinsurance, Sava Re provides a full range of reinsurance coverages. Building a globally diversified portfolio, it now writes business with more than 500 clients in over 120 reinsurance markets worldwide. The Company's guiding principle is to build long-term relationships with its clients and partners that allow creating stability throughout all economic cycles. The Company's preferred classes of business are property, engineering, marine hull and cargo, and energy.

Sava Re is a public limited company. It is a medium-sized company with a global reach. As at 31 December 2025, the Company employed approximately 181 people at its headquarters in Ljubljana. The Company underwrites all lines of business. It leads and supports treaty reinsurance business, both proportional and non-proportional, in order to provide its clients with:

- capacity,
- capital substitute,
- catastrophe cover.

Sava Re holds financial strength and issuer credit ratings from both S&P Global Ratings (A+/stable/) and AM Best (A/stable/). Its core strengths are regional knowledge, reliability, responsiveness, flexibility and financial strength.

## Business and performance

In 2025, Sava Re wrote EUR 267.2 million in gross premiums written (2024: EUR 231.8 million), an increase of 15.3% compared to 2024. 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.

The insurance result totalled EUR 30.0 million, representing a 13.4% increase compared to the previous year. Insurance revenue increased by 17.3% to EUR 201.4 million, 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. A combined ratio of 85.3% was achieved, which is exceptionally favourable compared to the long-term average.

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. Due to one-off effects related to investments, investment expenses also increased. 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. 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 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.

### System of governance

The Company has in place a well-defined system of governance that includes:

- an appropriate organisation, including governing bodies, key functions and committees;
- an integrated risk management system;
- an internal control system.

The Company has four key functions as part of its risk management system: the actuarial function, the compliance function, the risk management function and the internal audit function. Furthermore, the Company has a risk management committee and an actuarial committee.

In order to manage its risks effectively, the Company has adopted a three-lines-of-defence model with clear lines of responsibility and accountability:

- The first line of defence constitutes all organisational units with operational responsibilities (development, sales and management of reinsurance, provision of reinsurance services, financial operations, accounting, controlling, human resources and others).
- The second line of defence consists of the risk management function, actuarial function, compliance function and risk management committee.
- The third line of defence consists of the internal audit function.

In 2025, the management board consisted of the following members: Marko Jazbec (chairman), Polona Pirš, Peter Skvarča and David Benedek.

### Risk profile

The risk profile is dominated by market and non-life underwriting risk. The Company's exposure to other types of risk (life underwriting risk, health underwriting risk, counterparty default risk and operational risk) is lower. The Company calculates its capital requirement in accordance with the Solvency II standard formula (the Standard Formula) as required by Delegated Regulation (EU) 2015/35 (hereinafter the Delegated Regulation).

In addition to the above-mentioned risks covered by the Standard Formula, the Company is also exposed to liquidity risk and, due to the challenging internal and external environment, strategic risk.

The following table shows the Company's solvency capital requirement (SCR) calculated using the standard formula by risk module.

*Solvency capital requirement by risk module*

(EUR thousand)	31 December 2025	31 December 2024
<b>SCR</b>	<b>277,005</b>	<b>258,013</b>
Adjustments for TP and DT <sup>5</sup>	0	0
Operational risk	7,797	7,837
<b>Basic solvency capital requirement (BSCR)</b>	<b>269,208</b>	<b>250,175</b>
Diversification effect	-76,244	-72,083
Sum of risk components	345,452	322,259
Market risk	187,042	164,427
Counterparty default risk	6,798	7,695
Life underwriting risk	1,218	961
Health underwriting risk	3,435	3,008
Non-life underwriting risk	146,960	146,168

### Valuation for solvency purposes

In accordance with Article 174 of the Slovenian Insurance Act, assets are valued at amounts for which they could be exchanged between knowledgeable and willing parties in arm's length transactions. Similarly, the Company values liabilities at amounts for which they could be transferred or settled between knowledgeable and willing parties in arm's length transactions.

The following table shows the adjustments to the balance sheet items measured in accordance with International Financial Reporting Standards (IFRS) that the Company has made for Solvency II purposes. Equity is presented in accordance with IFRS, and own funds are presented in accordance with Solvency II.

As can be seen from the table, Solvency II own funds are significantly larger than IFRS equity. This is mainly due to subordinated liabilities, which are part of the basic own funds.

*Adjustments to IFRS equity for the Solvency II valuation of the balance sheet*

(EUR thousand)	31 December 2025	31 December 2024
<b>IFRS equity</b>	<b>498,309</b>	<b>458,953</b>
Difference in the valuation of participations	284,990	226,001
Difference in the valuation of other assets	-13,630	-14,193
Difference in the valuation of technical provisions	18,686	18,869
Difference in the valuation of other liabilities	1,102	5,112
Foreseeable dividends, distributions and charges	-42,619	-34,870
Subordinated liabilities in basic own funds	118,685	114,977
<b>Total basic own funds after Solvency II deductions</b>	<b>865,523</b>	<b>774,848</b>

### Capital management

The Company manages its capital to ensure that it always has sufficient own funds to meet its obligations and regulatory capital requirement. The composition of eligible own funds held to ensure capital adequacy must comply with regulatory requirements and ensure the achievement of the Company's strategic and operational goals.

<sup>5</sup> Adjustment for loss-absorbing capacity of technical provisions and deferred taxes.

The allocation of own funds to business activities must ensure that the Company achieves the targeted return on equity.

The Company prepares its business and strategic plans in line with the risk strategy, which determines the Company's risk appetite, including the target solvency ratio range. During the preparation of the business and strategic plans, the Company reviews them for consistency with its risk appetite and adjusts the plans as necessary. In addition, the Company aims to use its capital as efficiently as possible.

The following table sets out the Company's capital adequacy. In addition to the SCR, the minimum capital requirement (MCR) is also shown. The eligible own funds to cover the SCR or MCR are also shown, taking into account the legal limits<sup>6</sup>.

*The Company's capital adequacy*

(EUR thousand)	31 December 2025	31 December 2024
Solvency capital requirement (SCR)	277,005	258,013
Eligible own funds to meet the SCR	853,551	759,481
<i>Of which tier 1</i>	743,288	655,633
<i>Of which tier 2</i>	68,712	65,147
<i>Of which tier 3</i>	41,551	38,702
<b>Solvency ratio</b>	<b>308%</b>	<b>294%</b>
Minimum capital requirement (MCR)	69,251	64,503
Eligible own funds to meet the MCR	757,138	668,534
<i>Of which tier 1</i>	743,288	655,633
<i>Of which tier 2</i>	13,850	12,901
<i>Of which tier 3</i>	–	–
<b>MCR ratio</b>	<b>1,093%</b>	<b>1,036%</b>

As at 31 December 2025, most of the Company's eligible own funds were classified as tier 1. In addition, the Company's eligible own funds include subordinated liabilities classified as tier 2 eligible own funds (subordinated bonds issued in October 2019) and subordinated liabilities classified as tier 3 eligible own funds (subordinated bonds issued in October 2024). Net deferred tax assets are also classified as tier 3 eligible own funds.

As at 31 December 2025, the Company complied with the regulatory requirements in terms of the amount and quality of the capital covering the SCR and MCR, as the solvency ratio of 308% was well above the regulatory requirement of 100%, while the MCR ratio was 1,093%. The risk strategy for 2023–2027 set the Company's target solvency ratio at over 200%. This demonstrates that the Company is well capitalised, also according to its own criteria.

<sup>6</sup> Tier 3 eligible own funds may be included in the eligible own funds to cover the SCR only up to a limit of 15% of the SCR. Tier 2 eligible own funds may be included in the eligible own funds to cover the MCR only up to a limit of 20% of the MCR, and tier 3 own funds are not eligible to cover the MCR.



**BUSINESS  
AND PERFORMANCE**

## A.1 Business

### Name and legal form of the Company

Sava Re d.d.

Dunajska Cesta 56

1000 Ljubljana

Slovenia

Sava Re transacts reinsurance business. It is also the parent company of the Sava Insurance Group. In addition to Sava Re, the Group includes one composite insurance company in Slovenia (Zavarovalnica Sava), one life insurance company in Slovenia (Zavarovalnica Vita), two life insurers based outside Slovenia (Sava Životno Osiguranje (SRB) and Illyria Life (RKS)), and four non-life insurers based outside Slovenia (Sava Neživotno Osiguranje (SRB), Sava Osiguruvanje (MKD), Illyria (RKS) and Sava Osiguranje (MNE)).

In addition to the listed (re)insurance companies, the Sava Insurance Group also comprises the following direct subsidiaries:

- Sava Pokojninska (SVN): a Slovenian pension company;
- Sava Penzisko Društvo (MKD): a pension fund manager based in North Macedonia that manages second- and third-pillar pension funds;
- Sava Infond (SVN): a subsidiary that manages investment funds;
- TBS Team 24 (SVN): a company providing assistance services for roadside, medical and homeowners emergency assistance insurance;
- DCB (SVN): an associate company that carries out hospital activities;
- Vita S Holding (MKD): a subsidiary engaged in healthcare activities;
- ASP (SRB): a subsidiary providing development and maintenance services for core IT systems.

The table below shows Sava Re's position within the Group's organisational structure.

#### Position of Sava Re as at 31 December 2025<sup>7</sup>

Country	Company	Holding
Slovenia	Sava Re (SVN)	
	Zavarovalnica Sava (SVN)	Sava Re: 100.0%
	ZS Svetovanje (SVN)	Zavarovalnica Sava: 100.0%
	Zavarovalnica Vita (SVN)	Sava Re: 100.0%
	Sava Infond (SVN)	Sava Re: 84.0% Zavarovalnica Sava: 15.0%
	Sava Pokojninska (SVN)	Sava Re: 100.0%
	TBS Team 24 (SVN)	Sava Re: 90.0%
	DCB (SVN)	Sava Re: 40.1%
Serbia	Sava Neživotno Osiguranje (SRB)	Sava Re: 100.0%
	Sava Životno Osiguranje (SRB)	Sava Re: 100.0%
	Sava Car (SRB)	Sava neživotno osiguranje (SRB): 100.0%
	ASP (SRB)	Sava Re: 100.0%
Montenegro	Sava Osiguranje (MNE)	Sava Re: 100.0%
	Sava Agent (MNE)	Sava Osiguranje (MNE): 100.0%
	Sava Car (MNE)	Sava osiguranje (MNE): 100.0%
Kosovo	Illyria Life (RKS)	Sava Re: 100.0%

<sup>7</sup> The chart shows the ownership interests of Sava Re and other parent companies. The shareholdings provided for Sava Infond and DCB differ from the voting rights held by these companies. The annual report includes disclosures for all companies, including shareholdings and voting rights.

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	<b>Illyria (RKS)</b>	Sava Re: 100.0%
<b>North Macedonia</b>	<b>Sava Osiguruvanje (MKD)</b>	Sava Re: 93.86%
	<b>Sava Station (MKD)</b>	Sava Osiguruvanje (MKD): 100.0%
	<b>Sava Penzisko Društvo (MKD)</b>	Sava Re: 100.0%
	<b>Vita S Holding (MKD)</b>	Sava Re: 75.0%
	<b>PZU Vita S (MKD)</b>	Vita S Holding (MKD): 100.0%

<b>Direct subsidiary</b>
<b>Indirect subsidiary</b>
<b>Associate company</b>

At the beginning of 2026, Sava Re acquired a 2% stake in TBS Team 24 (SVN).

The following table provides details of all the subsidiaries and associates of Sava Re. The table does not include indirect subsidiaries.

*Subsidiaries and associates of Sava Re as at 31 December 2025*

	Zavarovalnica Sava (SVN)	Sava Neživotno Osiguranje (SRB)	Illyria (RKS)	Sava Osiguruvanje (MKD)	Sava Osiguranje (MNE)
Registered office	Ulica Eve Lovše 7, 2000 Maribor, Slovenia	Bulevar vojvode Mišića 51, 11040 Belgrade, Serbia	Sheshi Nëna Terezë 33, 10000 Pristina, Kosovo	Železnička 41, Opština Centar, PF 133, 1000 Skopje, North Macedonia	Ulica Svetlane Kane Radević br. 1, 81000 Podgorica, Montenegro
Main activity	insurance	non-life insurance	non-life insurance	non-life insurance	non-life insurance
Share capital (EUR)	68,417,377	6,314,464	7,228,040	3,820,077	4,033,303
Nominal value of combined shareholdings of all Group companies (EUR)	68,417,377	6,314,464	7,228,040	3,585,524	4,033,303
% equity interest / voting rights held by Group members	Sava Re: 100.0%	Sava Re: 100.0%	Sava Re: 100.0%	Sava Re: 93.86%	Sava Re: 100.0%
Profit or loss for 2025 (EUR)	68,876,604	3,912,483	1,592,097	1,010,108	3,412,852
Position in the Group	subsidiary insurance company	subsidiary insurance company	subsidiary insurance company	subsidiary insurance company	subsidiary insurance company
	Illyria Life (RKS)	Sava Životno Osiguranje (SRB)	Sava Pokojninska (SVN)	TBS Team 24 (SVN)	Sava Penzisko Društvo (MKD)
Registered office	Sheshi Nëna Terezë 33, 10000 Pristina, Kosovo	Bulevar vojvode Mišića 51, 11040 Belgrade, Serbia	Ulica Eve Lovše 7, 2000 Maribor, Slovenia	Ulica Eve Lovše 7, 2000 Maribor, Slovenia	Dimche Mirchev br. 20, 1000 Skopje, North Macedonia
Main activity	life insurance	life insurance	pension fund	provision of assistance services	fund management activities
Share capital (EUR)	3,285,893	4,326,664	6,301,109	8,902	2,110,791
Nominal value of combined shareholdings of all Group companies (EUR)	3,285,893	4,326,664	6,301,109	8,012	2,110,791
% equity interest / voting rights held by Group members	Sava Re: 100.0%	Sava Re: 100.0%	Sava Re: 100.0%	Sava Re: 90.0%	Sava Re: 100.0%
Profit or loss for 2025 (EUR)	866,642	1,781,408	859,639	2,236,859	3,162,303
Position in the Group	subsidiary insurance company	subsidiary insurance company	subsidiary pension company	subsidiary	subsidiary pension company

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	DCB (SVN)	Sava Infond (SVN)	Zavarovalnica Vita (SVN)	Vita S Holding (MKD)	ASP (SRB)
Registered office	Pod Skalo 4, 4260 Bled, Slovenia	Ulica Eve Lovše 7, 2000 Maribor, Slovenia	Trg republike 3, 1000 Ljubljana, Slovenia	Ul. 50-ta Divizija br. 24A, Opština Centar, 1000 Skopje, North Macedonia	Bulevar Kralja Aleksandra 17, 11000 Belgrade, Serbia
Main activity	hospital activities	investment fund asset management	life insurance	non-specialised wholesale trade	computer programming
Share capital (EUR)	379,123	1,460,524	7,043,900	1,820,000	1,129
Nominal value of combined shareholdings of all Group companies (EUR)	189,562	1,460,524	7,043,900	1,365,000	1,129
% equity interest / voting rights held by Group members	Sava Re: 40.1%/50.0%	Sava Re: 84.00%/84.85% Zavarovalnica Sava: 15.00%/15.15%	Sava Re: 100.0%	Sava Re: 75.0%	Sava Re: 100.0%
Profit or loss for 2025 (EUR)	1,875,081	6,359,277	10,260,412	-283,850	73,959
Position in the Group	associate company	subsidiary	subsidiary insurance company	subsidiary	subsidiary

### Name and contact details of the supervisory authority responsible for the prudential control of the Company

Insurance Supervision Agency  
Trg Republike 3  
1000 Ljubljana  
Tel.: + 386 1 2528 600  
Telefax: + 386 1 2528 630  
Email: [agencija@a-zn.si](mailto:agencija@a-zn.si)

### Name and contact details of the Company's external auditor

Deloitte Revizija d.o.o.  
Dunajska Cesta 165  
1000 Ljubljana  
Slovenia  
Telephone: +386 1 307 28 00  
Telefax: +386 1 307 29 00

In 2025, two contracts were signed with Deloitte Revizija d.o.o., Dunajska Cesta 165, 1000 Ljubljana, one for auditing the Company's financial statements and the Group's consolidated financial statements, and the other for providing limited assurance on the Group's consolidated sustainability report. Both contracts covered the financial years of 2025, 2026 and 2027.

Accordingly, Deloitte has audited the separate financial statements of Sava Re and the consolidated financial statements of the Sava Insurance Group for 2025. In 2025, most of the Group's subsidiaries were audited by the local auditing staff of the same auditing firm. The 2025 financial statements of four Group members were audited by other audit firms.

*Holders of qualifying holdings in the Company as at 31 December 2025*

Shareholder	No. of shares	Holding	% voting rights
InterCapital Securities Ltd. – fiduciary account	3,296,436	19.1%	21.3%
Slovenian Sovereign Holding	3,043,883	17.7%	19.6%
Republic of Slovenia	2,392,436	13.9%	15.4%
European Bank for Reconstruction and Development (EBRD)	1,071,429	6.2%	6.9%
OTP Banka d.d. – fiduciary account	917,063	5.3%	5.9%

Source: Central securities register KDD d.d.

Note:

Pursuant to Article 235a of the Slovenian Companies Act (ZGD-1), in April 2023 Sava Re started the process of identifying shareholders who are registered with intermediaries as holders of shares and who are not themselves intermediaries (ultimate shareholders). According to the information received, Croatia Osiguranje d.d. held 3,278,049 POSR shares on 24 April 2025.

## Material lines of business transacted by the Company and its main markets

The Company writes reinsurance contracts in the Slovenian market and globally. The following two tables present the markets from which the Company generated the highest premiums in 2025, as well as its main lines of business. After Slovenia, the Asian countries are the Company's largest markets in terms of premiums (excluding premiums from subsidiaries).

*Countries where the Company wrote the most premiums*

EUR thousand	2025	2024	Index
Slovenia	109,134	101,561	41%
China	11,506	12,596	4%
Other countries	146,522	117,667	55%
<b>Total</b>	<b>267,162</b>	<b>231,825</b>	<b>100%</b>

The share of non-proportional reinsurance increased slightly, while the share of proportional reinsurance decreased somewhat. By line of business, proportional and non-proportional property reinsurance was the dominant line of business, accounting for 63.3% of total gross premiums written in 2025 (2024: 61.1%). The second-largest line of business was proportional other motor reinsurance, representing 21.4% of total gross premiums written (2024: 23.2%).

*Gross premiums written by material line of business*

EUR thousand	2025	2024	Index
Proportional fire and other damage to property reinsurance	95,374	82,885	36%
Non-proportional property reinsurance	73,633	58,871	28%
Proportional other motor reinsurance	35,910	33,210	13%
Proportional motor vehicle liability reinsurance	21,190	20,486	8%
Other lines of business	41,055	36,373	15%
<b>Total</b>	<b>267,162</b>	<b>231,825</b>	<b>100%</b>

## Significant events in 2025

- The composition of the supervisory board changed in 2025. Davor I. Gjivoje Jr began his third four-year term of office as a member of the supervisory board on 9 March 2025. At the 41st shareholders' meeting, three members of the supervisory board were elected for a four-year term: Mojca Androjna, Klemen Babnik and Nataša Damjanovič, all with terms of office starting on 18 July 2025. At its constitutive session on 22 July 2025, the newly formed supervisory board noted that the previous supervisory board had appointed Davor I. Gjivoje Jr as chairman in March 2025, for a four-year term beginning on 9 March 2025. The members confirmed that the appointed chairman

would continue to serve in this role within the new supervisory board structure. From among its members, the supervisory board elected Klemen Babnik as deputy chairman. In

- In addition, members were appointed to the four supervisory board committees: the audit committee, the risk committee, the nominations and remuneration committee, and the fit and proper committee.
- At the beginning of 2025, Vita S Holding, a North Macedonian subsidiary, established the private healthcare institution PZU Vita S in North Macedonia.
- In January 2025, a petition was filed to initiate the summary dissolution of Asistim, a subsidiary of Zavarovalnica Sava, without liquidation. The company was struck off the register of companies in March 2025.
- In April 2025, Sava Re was notified that Croatia Osiguranje d.d. had acquired 838,197 POSR shares from its parent company Adris Grupa d.d. on 4 April 2025. The total shareholding of Adris Grupa's related parties in Sava Re remained unchanged after the transaction and amounted to 19.04%.
- In accordance with the Company's 2025 financial calendar, the 41st general meeting of shareholders was held on 26 May 2025. At the general meeting, the shareholders approved, among other things, the proposal of the management and supervisory boards to allocate EUR 34,869,816.00 of the profit for the distribution of dividends. A gross dividend of EUR 2.25 per share was paid out on 11 June 2025 to the shareholders of record on 10 June 2025. Three members of the supervisory board were elected at the general meeting for a four-year term of office. The Company published all the resolutions passed at the 41st general meeting of shareholders on its website immediately after the meeting.
- In June 2025, the rating agency S&P Global Ratings upgraded the ratings of Sava Re and Zavarovalnica Sava to "A+", with a stable outlook.
- In October 2025, following its regular annual rating review of Sava Re's operations, the rating agency AM Best affirmed its "A" ratings with a stable outlook.

### Significant events after the reporting date

- On 28 November 2025, the Insurance Supervision Agency issued an order to three companies – Adris Grupa d.d., Croatia Osiguranje d.d. and Erste d.o.o. – requiring them to dispose of their shares as unauthorised holders of a qualifying holding in Sava Re. It found that these companies were deemed to be joint holders of a qualifying holding of 23.89% in Sava Re, for which they had not obtained the Agency's authorisation. The Agency ordered the unauthorised holders to dispose of all Sava Re shares through which they reached or exceeded a 20% holding in the share capital within three months of receiving the order. Until the disposal of these shares, the companies may not exercise the voting rights attached to them; these rights are temporarily attributed to the voting rights of other shareholders in proportion to their holdings. The order became final in 2026. In February 2026, an action in an administrative dispute was filed against the order, together with a motion for an interim injunction. Also in February 2026, the Administrative Court of the Republic of Slovenia temporarily stayed, pending a final decision, the enforcement of the part of the order relating to the obligation to dispose of the shares, while the other provisions of the order, including the restriction of voting rights, remained in force.
- On 25 February 2026, Sava Re received a notice of resignation from Davor I. Gjivoje Jr from his positions as a member and chairman of the Company's supervisory board. The resignation took effect on the same day. At its session on 5 March 2026, the supervisory board appointed Klemen Babnik as the new chairman and Mojca Androjna as deputy chair of the supervisory board, both from among its members.
- In light of developments in the Middle East at the time this report was prepared, we have prepared an analysis of the Group's exposure to the region based on currently available information. The analysis has shown that the Group has no significant business exposure in the region. The impact of the events in the region on global financial markets remains unpredictable. The potential effects

of the changed conditions in the financial markets on the Company's and Group's equity and financial statements are presented in the Annual Report of the Sava Insurance Group and Sava Re d.d. for 2025 (the Company's annual report) – the sensitivity analyses relating to individual financial risks set out in section C.3.6.4. In this report, we present sensitivity analyses in accordance with the SII valuation in sections [C.2 Market Risk](#) and [C.3 Credit Risk](#).

The impacts of the realisation of a downside financial scenario on solvency have been tested by the Company in the Own Risk and Solvency Assessment (ORSA), which has demonstrated the robustness of the Company's capital adequacy. We consider the unstable geopolitical situation as one of the most significant strategic risks for the Company, and we have addressed it as one of the principal challenges in the area of risk in section [C.7 Other material risks](#).

## A.2 Reinsurance underwriting performance

Profit before tax increased by EUR 19.0 million compared to 2024, mainly due to a more favourable investment result and higher dividends from subsidiaries. In line with the increase in profit before tax, the net profit for the period also increased, by EUR 19.3 million.

The impacts on the result are set out below. The business performance of Sava Re is described in detail in the audited Annual Report of the Sava Insurance Group and Sava Re d.d. for 2025 (the Company's annual report).

### Summary income statement

EUR thousand	2025	2024	Change	Index
Insurance revenue	201,410	171,665	29,745	117.3
Insurance service expenses, including non-attributable expenses	-144,103	-121,691	-22,412	118.4
Claims incurred	-124,589	-104,032	-20,557	119.8
Operating expenses, including non-attributable expenses	-19,604	-17,551	-2,053	111.7
Onerous contracts	90	-108	198	-83.6
<b>Result before reinsurance</b>	<b>57,307</b>	<b>49,974</b>	<b>7,333</b>	<b>114.7</b>
Reinsurance result	-27,284	-23,491	-3,794	116.1
<b>Insurance result</b>	<b>30,022</b>	<b>26,483</b>	<b>3,539</b>	<b>113.4</b>
Investment result	72,607	50,338	22,269	144.2
Net insurance finance result	-8,040	-6,059	-1,981	132.7
Expenses from financial liabilities	-5,608	-3,577	-2,030	156.8
Net foreign exchange losses	-537	-764	227	70.3
<b>Finance result</b>	<b>58,422</b>	<b>39,937</b>	<b>18,485</b>	<b>146.3</b>
Non-insurance revenue	34	4	29	830.8
Other expenses	-13,180	-10,410	-2,770	126.6
Other net income	44	310	-265	14.3
<b>Profit or loss before tax</b>	<b>75,343</b>	<b>56,324</b>	<b>19,019</b>	<b>133.8</b>
Income tax expense	-3,830	-4,089	259	93.7
<b>Net profit or loss for the period</b>	<b>71,513</b>	<b>52,234</b>	<b>19,278</b>	<b>136.9</b>

The higher insurance result (by EUR 3.5 million) is primarily due to favourable growth in insurance revenue. Insurance revenue increased by 17.3% to EUR 201.4 million, driven by growth in non-Group reinsurance business (EUR 20.8 million) and Group reinsurance business (EUR 8.9 million).

In 2025, property and motor own damage business still dominated insurance revenue grouped by material line of business.

### Insurance revenue by material line of business

EUR thousand	2025	2024	Index
Property insurance	135,631	107,241	126.5
Motor own damage	49,132	47,625	103.2
Marine insurance	6,093	6,501	93.7
Liability insurance	3,555	3,733	95.2
Other lines of business	6,998	6,565	106.6
<b>Total</b>	<b>201,410</b>	<b>171,665</b>	<b>117.3</b>

*Insurance revenue by geographical area*

EUR thousand	2025	2024	Index
Slovenia	79,969	68,805	116.2
International	121,440	102,860	118.1
<b>Total</b>	<b>201,410</b>	<b>171,665</b>	<b>117.3</b>

Insurance service expenses (excluding non-attributable expenses) increased by EUR 22.3 million, primarily 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 (attributable and non-attributable) were EUR 2.1 million higher, primarily due to growth in the reinsurance portfolio and new software costs.

*Insurance service expenses (excluding non-attributable expenses) by material line of business*

EUR thousand	2025	2024	Index
Property insurance	-86,856	-70,413	123.4
Motor own damage	-45,326	-36,365	124.6
Marine insurance	-1,516	-3,820	39.7
Liability insurance	-2,349	-1,493	157.3
Other lines of business	-2,215	-3,828	57.9
<b>Total</b>	<b>-138,261</b>	<b>-115,919</b>	<b>119.3</b>

*Insurance service expenses by geographical area (excluding non-attributable expenses)*

EUR thousand	2025	2024	Index
Slovenia	-56,424	-54,688	103.2
International	-81,837	-61,230	133.7
<b>Total</b>	<b>-138,261</b>	<b>-115,918</b>	<b>119.3</b>

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.

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 12.1 million, EUR 0.8 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. Due to one-off effects related to investments, investment expenses also increased. 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. 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 deteriorated by EUR 2.0 million. This was partly reflecting portfolio growth and partly the positive effect in 2024 of releasing credit risk from reinsurance.

## A.3 Investment performance

### *Investment income and expenses by type*

EUR thousand	2025	2024
Interest income at effective interest rate	10,004	7,680
Change in fair value of FVTPL investments	2,058	1,202
Dividends from equity investments and income from alternative funds	853	1,411
Other investment income/expenses	-714	1,008
<i>Interest income on FVTPL investments</i>	88	139
<i>Gains/losses on disposal of FVTPL investments</i>	91	5
<i>Gains/losses on disposal of other IFRS asset categories</i>	-1,336	45
<i>Change in expected credit losses (ECL)</i>	-266	97
<i>Income or expenses from investment property</i>	699	723
<i>Other income or expenses</i>	10	0
<b>Investment result</b>	<b>12,201</b>	<b>11,302</b>
Net income and expenses from subsidiaries and associates	60,407	39,036
<b>Net investment income from the investment portfolio</b>	<b>72,607</b>	<b>50,338</b>

The net investment income on the investment portfolio amounted to EUR 72.6 million in 2025, with dividends from subsidiaries and interest income accounting for the majority of this figure. The data in the “Investment income and expenses by type” table in EUR does not include foreign exchange differences, which amounted to a negative EUR 9.5 million in 2025. The net investment income on the investment portfolio, including exchange differences, amounted to EUR 63.1 million.

The investment result for 2025 amounted to EUR 12.2 million, up EUR 0.9 million year on year. The increase in income was driven by higher interest income, which rose by EUR 2.3 million. This was a result of investing surplus funds from strong cash flow, as well as the reinvestment of maturing debt investments acquired at lower yields into debt investments with higher yields. Investment expenses increased due to realised losses on sales.



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Net investment income by asset class

EUR thousand	Interest income/expenses	Change in fair value and gains/losses on disposal of FVTPL assets	Gains/losses on disposal of other IFRS asset categories	Income from dividends and shares – other investments	Impairment losses on investments	Foreign exchange gains/losses	Change in expected credit losses (ECL)	Other income/expenses	Total	Income/expenses of associates
<b>Investments measured at amortised cost</b>	<b>767</b>					<b>-885</b>	<b>-106</b>		<b>-223</b>	
Debt instruments	103								103	
Cash and cash equivalents	115					-885			-770	
<b>Deposits and CDs</b>	<b>71</b>						<b>-1</b>		<b>70</b>	
Loans	479						-105		374	
<b>Investments measured at fair value through profit or loss</b>	<b>88</b>	<b>2,149</b>		<b>197</b>		<b>-1,078</b>		<b>656</b>	<b>2,011</b>	
Held for trading										
Debt instruments										
Equity instruments										
Other investments										
Designated to this category	88	1,683		197		-170			1,798	
Debt instruments	88	28							115	
Equity instruments		1,655		197		-170			1,682	
Other investments										
Investments in infrastructure funds		508				-908		526	125	
Investments in property funds		-42						130	88	
Derivatives										
<b>Investments measured at fair value through other comprehensive income</b>	<b>9,236</b>		<b>-1,336</b>			<b>-7,563</b>	<b>-160</b>	<b>10</b>	<b>187</b>	<b>60,473</b>
Debt instruments	9,236		-1,336			-7,563	-160	10	187	
Equity instruments										60,473
Other investments										
<b>Receivables</b>										
Debt instruments										
<b>Investment property</b>								<b>699</b>	<b>699</b>	
Investment property								699	699	
<b>Total</b>	<b>10,091</b>	<b>2,149</b>	<b>-1,336</b>	<b>197</b>		<b>-9,526</b>	<b>-266</b>	<b>1,365</b>	<b>2,674</b>	<b>60,473</b>

*Movement in accumulated other comprehensive income from financial investments*

EUR thousand	2025	2024
<b>Balance as at 1 January</b>	<b>-7,750</b>	<b>-11,603</b>
Change in fair value	2,337	3,898
Transfer of negative accumulated other comprehensive income from financial investments to profit or loss due to impairment	0	0
Transfer from accumulated other comprehensive income from financial investments to profit or loss due to sale	1,336	-45
Deferred tax	0	0
<b>Balance as at 31 December</b>	<b>-4,077</b>	<b>-7,750</b>

The Company holds no direct securitised assets.

## A.4 Performance of other activities

### Other income and other expenses

In 2025, the Company had other income of EUR 542 thousand and other expenses of EUR 497 thousand.

Other income primarily includes income from outsourced internal audit services, gains on the disposal of property, plant, and equipment assets, and income from other services.

The other expenses line item includes allowances for and impairment losses on trade and other receivables, impairment losses on property, plant and equipment assets not used directly in insurance business, and other extraordinary expenses.

## A.5 Any other information

The Company has no other material information relating to its business.



B.

**SYSTEM  
OF GOVERNANCE**

## B.1 General information on the system of governance

### B.1.1 Governing bodies

#### General

Sava Re has a two-tier management system with a management board, which conducts the business, and a supervisory board, which is responsible for supervising the management board. The governing bodies – the general meeting, the supervisory board and the management board – are governed by laws, regulations, the Company's articles of association and internal rules. The Company's articles of association and the rules of procedure for the general meeting and the supervisory board are posted on the Company's website, at [www.sava-re.si](http://www.sava-re.si).

The management board is autonomous in conducting the Company's business and decision-making. Before making any major decisions that could significantly affect the operations, financial position or legal position of the Company, the management board notifies the supervisory board thereof in order to reach a consensus on these matters. The management board consults the supervisory board on business operations, strategy, risk management and matters concerning public relations.

The chair of the management board informs the chair of the supervisory board or the entire supervisory board about important events essential for assessing the Company's position and to conducting the business. When only the chair of the supervisory board is informed, the chair must communicate the information to the other members of the supervisory board and, if necessary, call a supervisory board meeting. The management and supervisory boards collaborate closely for the benefit of the Company, in accordance with the law and good practice.

#### General meeting of shareholders

The general meeting of shareholders is the supreme body of the Company through which shareholders exercise their rights in relation to the affairs of the Company. The terms of reference of the general meeting are governed by its rules of procedure, which are posted on the [Company's website](#).

#### Supervisory board

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

The supervisory board must comply with applicable regulations, in particular with the laws on companies, insurance business, the Company's articles of association and the rules of procedure of the supervisory board. In accordance with the law, the supervisory board must be convened at least on a quarterly basis, generally after the end of each quarter. If necessary, it may meet more frequently. The terms of reference of the supervisory board are governed by its rules of procedure, which are posted on the [Company's website](#).

Pursuant to the Company's articles of association and the applicable legislation, the supervisory board is composed of six members, of whom four (shareholder representatives) are elected by the Company's general meeting, and two of whom (employee representatives) are elected by the works council, which informs the general meeting of its decisions. Supervisory board members are appointed for a term of up to four years and are eligible for re-election. The supervisory board members elect a chair and deputy chair from among its members.

The supervisory board is composed so as to ensure responsible oversight and decision-making in the best interest of the Company. Its composition takes account of diversity in terms of technical knowledge, experience and skills, and the way candidates complement each other so as to form a

homogenous team and ensure a sound and prudent overseeing of the Company's affairs. In 2025, the Company sought to align the composition of the supervisory board with the Company's policy on the diversity of the management and supervisory boards. It is posted on the [Company's website](#).

### The supervisory board in 2025

In 2025, the supervisory board comprised the following six members:

- until 17 July 2025: Davor Ivan Gjivoje Jr (chairman), Keith William Morris (deputy chairman), Klemen Babnik, Matej Gomboši, Edita Rituper and Blaž Garbajs;
- from 18 July 2025: Davor Ivan Gjivoje Jr (chairman), Klemen Babnik (deputy chairman), Mojca Androjna, Nataša Damjanovič, Edita Rituper and Blaž Garbajs.

#### *Composition of the supervisory board in 2025*

Member	Title	Beginning of term of office	Duration/expiry of term
Davor Ivan Gjivoje Jr	chair	8 March 2021	25 February 2026
Keith William Morris	deputy chair	17 July 2021	17 July 2025
Klemen Babnik	member, deputy chair since 18 July 2025	17 July 2021	18 July 2029
Matej Gomboši	member	17 July 2021	17 July 2025
Mojca Androjna	member	18 July 2025	18 July 2029
Nataša Damjanovič	member	18 July 2025	18 July 2029
Edita Rituper	member, employee representative	13 June 2023	13 June 2027
Blaž Garbajs	member, employee representative	13 June 2023	13 June 2027

#### *Events after the reporting date*

Following the resignation of Davor I. Gjivoje Jr. from his positions as a member and chairman of the supervisory board of Sava Re, his membership in the risk committee and the nominations and remuneration committee also ended on 25 February 2026. At its session on 5 March 2026, the supervisory board appointed Klemen Babnik as the new chairman and Mojca Androjna as deputy chair of the supervisory board, both from among its members. The supervisory board appointed Edita Rituper to the risk committee, which will now have six members. The nominations and remuneration committee will temporarily operate with five members until further arrangements are made.

### Supervisory board committees

In accordance with the law, the Code and best practice, the supervisory board may appoint one or more committees and entrust them with specific areas, the preparation of draft resolutions of the supervisory board, the implementation of resolutions of the supervisory board, thereby providing it with professional support.

The Company has established the following supervisory board committees:

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

#### **Audit committee**

The main tasks of the audit committee are to:

- oversee the integrity of financial information;

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

In 2025, the audit committee comprised the following members:

- until 17 July 2025: Matej Gomboši (chairman), Blaž Garbajs, Dragan Martinović (external member pursuant to Article 280 of ZGD-1) and Simona Korošec Lavrič (external member pursuant to Article 280 of ZGD-1);
- from 18 July 2025: Mojca Androjna (chair), Blaž Garbajs (deputy chairman from 8 December 2025), Dragan Martinović (external member pursuant to Article 280 of ZGD-1) and Simona Korošec Lavrič (external member pursuant to Article 280 of ZGD-1).

### **Risk committee**

The main tasks of the risk committee are to:

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

In 2025, the risk committee comprised the following members:

- until 17 July 2025: Keith William Morris (chairman), Davor Ivan Gjivoje Jr, Slaven Mičković (external member) and Janez Komelj (external member);
- from 18 July 2025: Nataša Damjanovič (chair), Davor Ivan Gjivoje Jr, Slaven Mičković (external member) and Janez Komelj (external member).

### **Nominations and remuneration committee**

The main tasks of the nominations and remuneration committee of the supervisory board include:

- preparing proposals for the supervisory board regarding the criteria for membership of the management board and considering and making proposals regarding nominations to be decided by the supervisory board;
- preliminarily consider the proposal of the chair of the management board regarding the composition of the management board and the Company's governance, and draw up proposals for the supervisory board;
- carry out the nomination process for candidates for membership of the supervisory board who are shareholder representatives;
- assisting in the development and implementation of a system of remuneration, reimbursement and other benefits for the management board members.

In 2025, the nominations and remuneration committee comprised the following members:

- until 17 July 2025: Klemen Babnik (chairman), Davor Ivan Gjivoje Jr, Keith William Morris, Matej Gomboši, Edita Rituper and Blaž Garbajs;
- from 18 July 2025: Klemen Babnik (chairman), Davor Ivan Gjivoje Jr, Mojca Androjna, Nataša Damjanovič, Edita Rituper and Blaž Garbajs.

The provisional composition of the nominations and remuneration committee for the purpose of the nomination procedures for new members of the supervisory board is described in more detail in the Company's annual report in section A.5 *Corporate governance statement*.

### Fit and proper committee

The main tasks of the fit & proper committee include:

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

In 2025, the fit and proper committee comprised the following members:

- until 17 July 2025: Keith William Morris (chairman), Klemen Babnik, Rok Saje (compliance officer) and Klara Hauko (director of human resource management);
- from 18 July 2025: Nataša Damjanovič (chair), Klemen Babnik, Rok Saje (compliance officer) and Klara Hauko (director of human resource management).

The provisional composition of the fit and proper committee for the purpose of the nomination procedures for new members of the supervisory board is described in more detail in the Company's annual report in section A.5 *Corporate governance statement*.

### Management board

The management board conducts the business and represents the Company in public and legal matters. It is composed of at least two and no more than five members, one of whom is the chair. The chair and members of the management board are appointed by the supervisory board for a period of five years. These appointments may be renewed indefinitely. The chairperson and all members of the management board are employed on a full-time basis. The exact number of management board members and the areas for which they are responsible is laid down by the supervisory board in the Act on the Management Board of Sava Re d.d.

The composition of the management board is such to ensure responsible oversight and decision-making in the best interests of the Company. The management board's composition takes into account the diversity of expertise, experience and skills, and the way in which the candidates complement each other to form a homogeneous team and ensure the sound and prudent conduct of the Company's business. In 2025, the Company sought to align the composition of the management board with the Company's policy on diversity of the management and supervisory boards. The implementation of the policy on the diversity of the management board in 2024 is described in more detail in the Company's annual report, section A.5 *Corporate governance statement*.

The Company's policy on diversity of the management and supervisory boards is posted [on the Company's website](#).

### Terms of reference and operation of the management board

The management board operates in accordance with the applicable legislation, especially the Slovenian Companies Act and the Insurance Act, as well as with the articles of association and the act on the management board and its rules of procedure. The terms of reference and operation of the management board are defined in more detail in the management board's rules of procedure.

The division of powers between the management and supervisory bodies is described in more detail in the Corporate Governance Policy of Sava Re d.d., which is posted on the [Company's website](#).

In 2025, the management board consisted of four members: Marko Jazbec (chairman), Polona Pirš, Peter Skvarča and David Benedek.

The average age of the management board members was 51.75 years. All management board members are citizens of the Republic of Slovenia.

*Composition of the management board in 2025*

Full name	Marko Jazbec	Polona Pirš	Peter Skvarča	David Benedek
<b>Function</b>	chairman	member	member	member
<b>Area of responsibility</b>	<ul style="list-style-type: none"> <li>▪ coordination of the work of the management board</li> <li>▪ general, security, HR, organisational and legal affairs</li> <li>▪ public relations</li> <li>▪ compliance</li> <li>▪ internal audit</li> <li>▪ management of strategic investments in insurance subsidiaries in Slovenia</li> <li>▪ information technology, data and artificial intelligence</li> <li>▪ sustainable development</li> </ul>	<ul style="list-style-type: none"> <li>▪ strategic planning and controlling</li> <li>▪ accounting</li> <li>▪ investor relations</li> <li>▪ management of capital, subordinated debt and risks</li> <li>▪ actuarial affairs</li> </ul>	<ul style="list-style-type: none"> <li>▪ developing and underwriting reinsurance business, Group &amp; non-Group</li> <li>▪ reinsurance protection (retrocession), Group &amp; non-Group</li> <li>▪ development of reinsurance processes and technology</li> <li>▪ management of strategic investments in non-Slovenian insurance subsidiaries</li> </ul>	<ul style="list-style-type: none"> <li>▪ financial operations and asset management</li> <li>▪ corporate finance</li> <li>▪ management of strategic investments in pension companies and asset management companies (AMCs)</li> <li>▪ management of strategic investments in healthcare companies</li> <li>▪ managing overarching cooperation with commercial banks or banking groups at Group level</li> </ul>
<b>First appointed</b>	12 May 2017	14 January 2018	19 June 2020	22 March 2023
<b>End of term of office</b>	13 May 2027	15 January 2028	20 June 2030	22 March 2028

**Reporting**

The management board reports fully and accurately to the supervisory board at least quarterly on the following matters:

- the implementation of business policies and other principles relating to business;
- the profitability of the Company, especially return on equity;
- business performance, especially on business volume, the financial situation and solvency;
- transactions that may have a significant impact on the profitability and solvency of the company;
- any material risks that have, or could have, a significant impact on the Company’s capital adequacy.

**B.1.2 Risk management**

The risk management system is one of the key building blocks of the system of governance. The management board ensures that it has in place an effective risk management system based on an appropriate organisational structure. For more details on risk management, see section [B.3 Risk management system including the own risk and solvency assessment](#).

**B.1.3 Key functions of the risk management system**

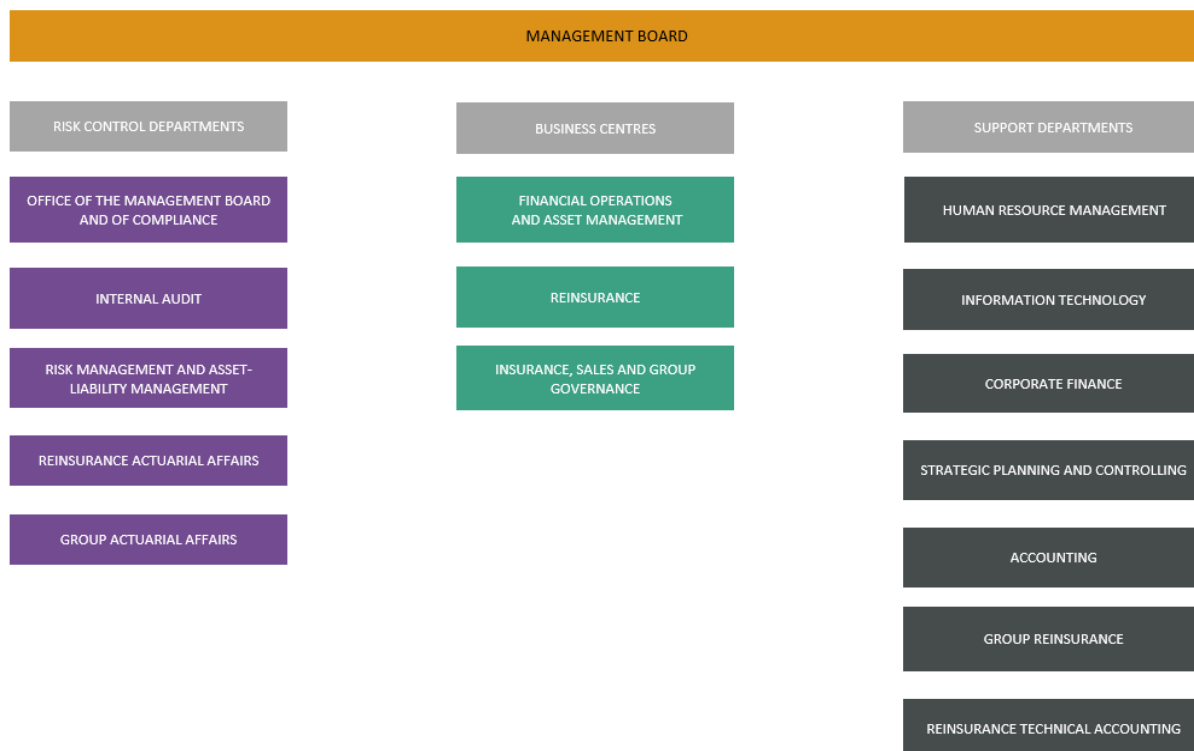
**General**

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

The key functions are integrated into the organisational structure and decision-making processes to strengthen the three-lines-of-defence framework in the Company’s risk management system. All four key functions cooperate closely with each other, regularly exchanging information they need for their functioning.

The key functions perform their duties independently from each other and from other organisational units of the Company. The Company’s key functions are organised as services of the risk management system and are directly subordinated to the Company’s management board, as illustrated in the chart below.

*Internal organisation chart of the Company as at 31 December 2025*



In most cases, the parent company’s key function holders also act as key function holders at the Group level. They have access to all information, data and reports required for their smooth operation.

The main activities of the individual key function holders at the level of the Company are set out in the following section.

### Role of individual key functions

The key functions perform duties as stipulated by insurance law, including regulations based thereon. The operation of the risk management function is discussed in detail in section [B.3.1 Risk management organisation](#), the operation of the actuarial function in section [B.6 Actuarial function](#), the operation of the compliance monitoring function in section [B.4.2 Compliance function](#), and the operation of the internal audit function in section [B.5 Internal audit function](#).

### Reporting by key function holders

Individual key function holders report to the management and supervisory boards or individual supervisory board committees, if so stipulated by the Company’s rules and regulations.

Detailed provisions on the scope, manner and frequency of reporting of any key function are set out in internal regulations governing each key function.

## Cooperation among key function holders

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

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

### B.1.4 Committees of the governance system

The Company's management board sets up committees tasked with advisory roles based on resolutions. Such committees consider issues from specific areas, draft management board resolutions and oversee their implementation, and perform other tasks requiring specific expertise, thus providing professional support to the management board.

Committees are an integral part of the Company's system of governance, dealing with issues from various areas, such as risk management, asset and liability management, actuarial affairs, data quality management and information security.

The terms of reference, powers and composition of committees are set out in internal regulations adopted by the Company's management board. The Company has set up a risk management committee, a data quality management committee and an information security committee. At the Group level, the following committees have been established: the risk management committee, the actuarial committee, the process solutions and projects committee of the Sava Insurance Group (OPRP), the information technology steering committee (ITSC RE) – which has two subcommittees (the IT security subcommittee and the IT architecture subcommittee) – and the reserves committee.

The individual committees are described below, with the actuarial committee and the reserving committee discussed in more detail in section [B.6 Actuarial function](#).

#### Risk management committee

The risk management committee is primarily responsible for drafting risk management recommendations and proposals for the management board and for monitoring the Company's risk profile. It also plays a crucial role in the communication process because it acts as a discussion forum on elements of the risk management system. In addition, the committee is responsible for the verification of the effectiveness of risk management processes in place. The main objectives of the committee are to unify risk management practices throughout the Company and provide professional risk management advice to the Company's management board in order to ensure effective operation.

The main tasks of the risk management committee are to:

- set up and review the functioning of the risk management system;
- regularly monitor key risks and the risk profile against the Company's risk appetite and review the compliance with the risk strategy;
- prepare recommendations for the management board relating to risk management;
- monitor quantitative risk assessment calculations and respond adequately;

- propose actions and measures to reduce risk;
- issue opinions relating to important business decisions with a material impact on the risk profile;
- identifying and monitoring emerging risks.

### Data quality management committee

The data quality management committee is primarily responsible for data quality reports. The main tasks of the data quality management committee are to:

- harmonise and amend the Company's data quality management policy with the Sava Insurance Group's framework policy;
- participate in the drafting of the data quality management annual report and approve it before submitting it to the management board;
- participate in redesigning the data quality management system;
- foster awareness about the role of the data quality management system among employees.

### IT steering committee

To ensure a 360-degree view of IT activities, we have set up a steering committee that meets at least four times a year to provide information and updates on activities in the areas of IT development, IT operations, IT infrastructure, IT security, IT controlling and IT process organisation. The committee is composed of management board members, authorised representative of the management board and a representative of the risk management and asset-liabilities management department. The committee acts as an expert and advisory body in the field of information technology. All decisions of the committee are submitted to the management board for review, thus ensuring the board's overall control of IT operations.

The purpose of the committee is to:

- focus IT development on the coordination of IT and IT projects/development tasks with other business areas in the Group;
- develop and implement an IT strategy in line with the Group's business goals;
- coordinate decisions on the development and deployment of the Group's IT human and financial resources;
- effectively monitor IT risk (as part of the IT line process) in the Group;
- direct the development and use of resources in line with strategic guidelines and decide on the allocation of resources among the different areas of the Group.

To ensure adequate operational expertise, the committee is complemented by two other committees:

- the IT security committee (in charge of planning, steering and implementing cyber security tasks),
- the IT architecture committee (in charge of planning, selecting and overseeing the professional integration of IT systems and business solutions).

Both committees are professional in nature and are composed of interdisciplinary experts (internal and external), ensuring an appropriate level of expertise and adequate input of external best practices.

### Process solutions and projects committee of the Sava Insurance Group

The insurance business process development committee has been established to monitor insurance business processes at the Group level, optimise insurance business processes in each Group company, coordinate the development of processes and their software support that affect the operations of several Group companies, communicate with stakeholders in the process of developing, redesigning or modifying insurance business processes, and review the adequacy of software support for insurance business processes.

The main objectives and tasks of the process solutions segment are:

- mitigating business risk;
- improving business performance;
- reducing operating costs;
- increasing the speed and efficiency of business operations;
- advising on initiatives and proposals for new projects and other tasks in the area of process development and informatics;
- overseeing complex development tasks in the area of process development and IT.

The main objectives and tasks of the segment of maintaining common records of Group projects are:

- taking responsibility for maintaining project records;
- monitoring the project portfolio;
- taking responsibility for monitoring and overseeing the use of project funds at Group level;
- providing administrative support and guidance to project managers;
- collecting information on the status of projects, costs and project funds;
- preparing reports for management.

The main objectives and tasks of the segment of setting up and managing strategic projects are:

- developing a project plan with the business benefits of the project and setting up the project organisation;
- analysing risks;
- implementing the project plan;
- communicating with stakeholders;
- providing advice, coordinating and monitoring project work;
- closing the project and delivering the results.

### **B.1.5 Information about the remuneration policy**

The Company's remuneration policy establishes the framework for the planning, implementing and monitoring remuneration systems and schemes that support the Company's long-term strategy and risk management policy.

The remuneration policy applies to all organisational levels of the Company and to all employees: the management board, senior and lower management, key function holders and other employees.

#### **Principles of the remuneration policy**

The Company's remuneration policy aims to build a remuneration system that is competitive and efficient as well as transparent and internally fair. The key principles of the policy incorporate the main principles of ethical and sustainable practices and operations.

The main principles of the remuneration policy are:

- clear and transparent management,
- reliable and efficient risk management,
- compliance with regulatory requirements and principles of sound management,
- monitoring of and adapting to market trends and practices,
- sustainable pay for sustainable performance,
- employee motivation and retention.

## Remuneration structure

The Company's remuneration structure includes:

- a base salary,
- performance-based pay,
- other benefits and incentives,
- remuneration upon termination of the employment contract.

The **base salary** is set based on the employee's role and position, taking into account knowledge acquired, professional experience, responsibilities, complexity of the job and the situation on the local labour market.

**Performance-based pay** depends on the Company's business performance and the employee's individual performance or, in the case of managers, also the performance of the unit they head. The aim of performance-based pay is to motivate and reward the most successful employees who significantly contribute to the achievement of sustainable results, meet or exceed the agreed-upon objectives, strengthen long-term customer relationships and generate income. Performance-based pay relating to an employee's individual performance depends on the attainment of predefined individual goals and other duties consistent with expected behaviours and competencies. Performance-based pay relating to business performance depends on a performance indicator, or a combination of several performance indicators, of the Group.

The performance-based pay system and scheme for the management board are considered and approved by the supervisory board. The variable part of the salary of the management board depends on the attainment of goals and the performance of the Company or the Group as a whole. The performance-based pay of each management board member is paid out in an amount of 50% of the allocated performance-based pay subject to the approval of the supervisory board. Payment of the balance of 50% of the performance-based pay is subject to a two-year deferral.

The performance-based pay system and scheme for the risk management system's key function holders are considered, determined and approved by the management board. If necessary, the supervisory board gives its consent to it. In addition to the Group's performance, performance-based pay of key function holders depends primarily on the attainment of the goals of each key function, which are strictly separate from the goals of the business functions they oversee.

The performance-based pay system and scheme for senior and junior management is considered, determined and approved by the management board. Performance-based pay of senior and lower management is based on a combination of performance assessment of the individual, the team they head, and the performance of the Group.

The system and scheme of performance-based pay for other employees is determined and approved by the management board. This is done with due regard to the statutory provisions relating to cooperation with social partners. Performance-based pay of other employees depends on a combination of the employee's assessed individual performance and overall performance of the Group.

The Company runs no share-option schemes.

**Other benefits and incentives:** The Company is running a collective voluntary supplementary pension insurance scheme funded by the employer. It has a contract in place on joining the pension company's pension scheme, entered into the pension scheme register with the Financial Administration of the Republic of Slovenia (second pension pillar). Employees had the option to join a third pillar pension scheme at the end of 2019, for which the maximum level of contributions paid by the Company depended on the type of employment contract (management board, employees with special powers, and other employees), level of gross salary, and seniority. Contributions to pension insurance schemes are accounted for as employee benefits.

**Remuneration upon termination of the employment contract:** Upon termination of a contract of employment, employees are eligible for severance pay in accordance with the law and their employment contract. Severance pay not prescribed by law is capped at six times the average monthly salary in the last year of employment in employment contracts. Exceptionally, where an employment contract is terminated on a consensual basis, additional severance pay may be paid; however, total severance payments must not exceed twelve times the average monthly salary in the last year of employment. Upon the termination of a contract of employment, any additional remuneration cannot include payments in the event of failure.

As a rule, the Company grants loans to neither its employees nor the members of the management or supervisory boards; accordingly, there were no such transactions in 2025.

The Company has no additional pension schemes.

### B.1.6 Material related-party transactions

The following list of material related-party transactions concerns related parties, which comprise:

- owners and related undertakings,
- key management personnel: the management board and the supervisory board, including its committees,
- subsidiaries and associates.

In 2025, material transactions included:

- total remuneration of the members of the management board and the supervisory board, including the members of its committees, of EUR 1.5 million (2024: EUR 1.4 million)<sup>8</sup>,
- loans granted to subsidiaries of EUR 1.8 million as at 31 December 2025 (2024: EUR 2.3 million) and
- a loan granted to an associate, which amounted to EUR 5.8 million as at 31 December 2025 (2024: EUR 0.0 million).

In 2025, the parent company paid out EUR 34.9 million in dividends (2024: EUR 27.1 million). All related-party transactions are set out in detail in the Company's annual report, in section C.3.9 *Related party disclosures*.

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<sup>8</sup> This disclosure relates to the parent company, Sava Re.

## B.2 Fit and proper requirements

### B.2.1 General

In accordance with the law, the Company ensures that persons who effectively run and oversee the Company are properly qualified (fit) and suitable (proper) for doing so in a professional manner. To this end, the Company conducts fit and proper assessments of its employees: management and supervisory board members, members of the supervisory board's committees, key function holders of the risk management system and personnel overseeing outsourced activities. The assessment is carried out before the appointment to the role and periodically thereafter whenever circumstances arise that require a reassessment of whether such persons are still fit and proper.

### B.2.2 Fitness requirements for relevant personnel

#### Supervisory board and its committees

In assessing the fitness of members of the Company's supervisory board, including its committees, it is necessary to consider knowledge acquired through education and work experience. Requirements considered in the fitness assessment are:

- qualifications,
- sufficient professional experience,
- general knowledge and experience.

The supervisory board is composed so as to ensure responsible oversight and decision-making in the best interest of the Company. Members are selected so that their professional expertise, experience and skills are complementary. The supervisory board, viewed as a whole, must have sufficient expertise. Individual members of the supervisory body with distinct special expertise may, in particular based on the assignment of responsibilities for a certain area, compensate for any less profound expertise of other members of the supervisory body in those areas.

#### Management board

In assessing the fitness of the members of the Company's management board, it is necessary to consider knowledge acquired through education and work experience. Based on this, the fitness assessment is made with consideration of the members' assigned responsibilities, taking into account the following requirements:

- qualifications,
- sufficient professional experience,
- expertise and experience in the following areas: knowledge of the market, knowledge of the business strategy and business model, knowledge of the governance system for insurance companies, understanding of financial and actuarial analysis, and understanding of the regulatory frameworks and requirements of the regulator.

The management board, viewed as a whole, must have sufficient expertise. Its members must have relevant experience and knowledge of the areas mentioned above, depending on their specific area of responsibility. Individual members of the management board with distinct special expertise may, in particular based on the assignment of responsibilities for a certain area, compensate for any less profound expertise of other members in those areas.

### Key function holders of the risk management system

In assessing the fitness of the key function holders of the risk management system, it is necessary to consider knowledge acquired through education and work experience. Based on this, the assessment is made considering assigned responsibilities for each key function. Requirements considered in the fitness assessment are:

- qualifications, including additional training, required licenses obtained or specialist examinations;
- sufficient professional experience relevant to a particular key function;
- general knowledge and experience.

### Other relevant personnel

In assessing the fitness of other relevant personnel, it is necessary to consider knowledge acquired through education and work experience. Based on this, the assessment is made considering assigned responsibilities for individual areas. Requirements considered in the fitness assessment are:

- qualifications,
- sufficient professional experience relevant to a particular area of responsibility,
- general knowledge and experience.

## B.2.3 Suitability requirements for relevant personnel

### Personal reliability and reputation

To ensure the sound and prudent management of the Company, relevant personnel must have the appropriate qualifications (fitness), be of good repute and demonstrate high standards of integrity (properness) through their actions. A relevant person is deemed to be proper, as long as there are no reasons to think otherwise. Circumstances that give rise to reasonable doubt regarding suitability are harmful to the reputation of both the relevant person and consequently the Company.

Personal reliability and good repute are assessed based on information compiled by collecting documents for carrying out the fit and proper assessment procedure.

### Independence of relevant personnel

Relevant persons may experience conflicts of interest due to the nature of business relations. Any relevant person that experiences a conflict of interest in their work must disclose such conflict of interest and act in the interests of the Company. If this is not possible, such person must inform the Company's management or supervisory board, if a conflict of interest is perceived with any member of either the management or supervisory boards.

### Time input

The members of the supervisory board and its committees must – in addition to business knowledge, relevant personal integrity, business ethics and independence – demonstrate that they have available time resources in the period when performing the function.

## B.2.4 Assessment procedure

The fit and proper assessment procedure is conducted by a special committee set up according to an internal framework document (policy). During the assessment of relevant personnel, the Company's

human resources function assists with the implementation of operational tasks, such as the acquisition, submission, processing and storage of documents and issuance of the assessment results.

The committees conduct fit and proper assessments and issue relevant results based on documents and statements compiled. Based on assessments thus obtained, they may take the necessary actions to ensure adequate qualifications of relevant personnel. The committees also conduct overall fit and proper assessments of the management and supervisory bodies as collective bodies.

All relevant personnel are subject to the reporting duty regarding any new facts or circumstances, or changes to information submitted in the initial suitability assessment. An appropriately composed fit and proper committee assesses whether the new facts and changed circumstances or information are of such a nature as to require a fit and proper reassessment.

The HR function requires relevant personnel to sign personal statements at least once a year. Statements submitted by relevant persons confirm compliance with current fit and proper standards and their commitment to notify the human resources function immediately of any circumstances that may affect their fit and proper assessment.

In 2025, full fit and proper assessment procedures were conducted for new relevant personnel as well as an annual review based on annual statements for persons already assessed.

## B.3 Risk management system including the own risk and solvency assessment

The Company's management is aware that risk management is key to achieving operational and strategic objectives and to ensuring its long-term solvency. Therefore, the Company is continuously improving its risk management system.

Awareness of the risks to which the Company is exposed is essential for its safety, financial stability and the achievement of its objectives. In order to establish good risk management practices, the Company promotes a risk management culture with appropriately defined remuneration for employees, employee training and relevant internal information flow.

The Company has implemented a risk strategy that defines the risk appetite and policies that cover the entire framework of risk management, own risk and solvency assessments (ORSA), and risk management for each risk category.

### B.3.1 Risk management organisation

Systematic risk management includes an appropriate organisational structure and a clear delineation of responsibilities.

The efficient functioning of the risk management system is primarily the responsibility of the Company's management board. To ensure efficient risk management, the Company uses a three-lines-of-defence model, which clearly segregates responsibilities and tasks among the following lines:

- The first line of defence consists of all organisational units with operational responsibilities (development, sales and reinsurance management, provision of reinsurance services, financial operations, accounting, controlling, human resources and others).
- The second line of defence consists of three key functions (the risk management function, actuarial function, compliance function) and the risk management committee.
- The third line of defence is covered by the internal audit function.

The **management board** plays a key role and bears ultimate responsibility for the effectiveness of established risk management processes and their alignment with the Group's standards and the applicable legislation. In this regard, it has the following main responsibilities:

- establishment of the risk strategy and approval of risk tolerance limits and operational limits,
- adoption of policies relating to the risk management system,
- implementing effective risk management processes,
- monitoring operations in terms of risk and providing input for risk-based decision making.

The **supervisory board** approves the risk strategy, the risk management policy and the appointment of key function holders of the risk management system. In addition, the supervisory board reviews periodic risk management reports. A risk committee has been set up as part of the supervisory board to provide expertise in particular with regard to the Company's risk management.

The **first line of defence** involves all the Company's employees who are responsible for ensuring that operational tasks are performed in such a way as to reduce or eliminate risk. Additionally, risk owners are responsible for monitoring and assessing individual risks listed in the risk register. Line managers are responsible for ensuring that the operational performance of the processes for which they are responsible are conducted in a manner that reduces or eliminates risks, and that the frameworks laid down in the risk strategy are observed. The first line of defence is also responsible for monitoring and measuring risks, preparing data for periodic risk reports for individual areas of risk and identifying new risks.

The Company's **second line of defence** comprises the Company's risk management committee and three key functions: the actuarial function, risk management function and compliance function. The members of the committee and key function holders are appointed by the management board; key function holder appointments also require the consent of the supervisory board. The Company's key functions are independent, they are organised as management support services and report directly to the Company's management board. Their roles and responsibilities are defined in the policy of each key function and/or in the risk management policy that defines the risk management function. The responsibilities of the risk management function are summarised later in this section; those of the other key functions constituting the risk management system are set out in sections [B.4.2 Compliance function](#), [B.5 Internal audit function](#) and [B.6 Actuarial function](#) of this report.

The **risk management function** is primarily responsible for:

- setting up effective risk management processes and coordinating risk management processes already in place,
- identifying, assessing, monitoring, managing and reporting on risks,
- organising risks in a joint risk profile, indicating interdependencies,
- periodically monitoring the risk profile,
- designing the risk strategy and setting risk tolerance limits,
- regularly reporting to the risk management committee, the management board, the supervisory board's risk committee, and the supervisory board,
- offering support to the management board in decision-making (including in relation to strategic decisions, such as corporate strategy, mergers and acquisitions, and major projects and investments),
- reporting on potential hazards.

Details on duties, terms of reference, responsibilities and powers of the risk management function holder, procedures, obligations, time limits and reporting distribution lists are set out in the risk management policy.

In addition to the key functions, the second line of defence also includes the Company's **risk management committee** (for more information, see section [B.1.4 Committees of the governance system](#)). The committee includes the key representatives of the first line of defence with regard to the company's risk profile and the management board. The holders of other key functions of the risk management system are also invited to attend meetings of the committee. The committee is primarily responsible for monitoring the Company's risk profile, analysing risk reports and issuing recommendations to the management board.

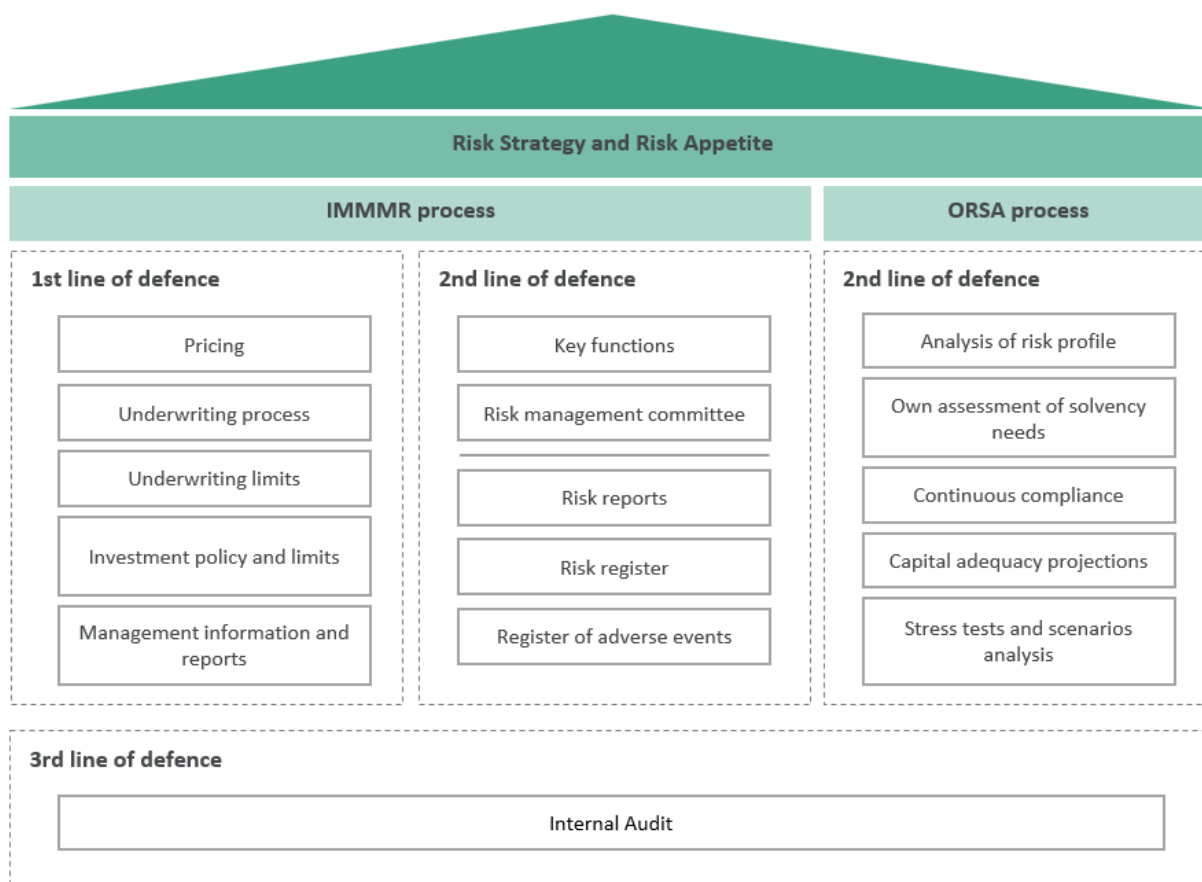
The **third line of defence** consists of the internal audit function. It is completely independent of the business areas and other functions. In the context of the risk management system, the internal audit function is responsible for the independent analysis, verification, and assessment of the performance and effectiveness of internal control and risk management systems.

### B.3.2 Components of the risk management system

Risk management is integrated into all stages of business management and is composed of the following key elements:

- risk strategy,
- risk management processes as part of the first and second lines of defence,
- the ORSA process.

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



## Risk strategy

The Company seeks to operate in compliance with its business strategy and to meet its key strategic objectives while maintaining an adequate capital level. To this end, a risk strategy of the Sava Insurance Group for 2023–2027 was adopted at Group level. The risk strategy defines:

- risk appetite by operating segment,
- a set of key indicators along with their limits and tolerances,
- a set of operational indicators used for operating segments to monitor risks on an ongoing basis.

The Company’s risk appetite is based on four major areas:

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

Based on its risk appetite, the Company sets its risk strategy, risk tolerance limits and operational limits. Risk tolerance limits are limits set for individual risk categories included in the Company’s risk profile, determining approved deviations from planned values. These limits are set based on the results of sensitivity analyses, stress tests and scenarios, and professional judgment.

The Company sets operational limits, such as underwriting and investment limits, in order to ensure that the activities of the first line of defence are carried out in accordance with the set risk appetite. In addition, the Company ensures that it has in place well-defined and established escalation paths and management actions for breaches of operational limits.

For periodic monitoring of compliance with the risk strategy, the Company has defined a minimum set of risk measures for each risk category to allow for monitoring of the Company’s current risk profile and capital position. The Company periodically reviews these risk measures.

## Risk management processes

Risk management processes are inseparable from and fully integrated into business processes carried out in the Company. All organisational units are involved in the Company's risk management processes.

The main risk management processes are:

- risk identification,
- risk assessment (measuring),
- risk monitoring,
- determining appropriate risk control measures (risk management),
- risk reporting.

Risk management processes are incorporated into all three lines of defence. The role of each line of defence is defined in the risk management policy. Risk management processes are also integrated into the decision-making system. All important and strategic business decisions are also evaluated in terms of risk.

### Risk identification

In the process of risk identification, the Company identifies the risks it is exposed to. The key risks are listed in the risk register and make up its risk profile. The set of key risks is regularly reviewed, and new risks are added if necessary.

Risk identification is both a top-down and a bottom-up process. Using a top-down approach, risk identification is conducted by the risk management function, the risk management committee and the management board. This involves identifying new and emerging risks through the monitoring of the legal and business environment, as well as market and technological developments. Expert knowledge is also drawn upon. The Company primarily uses this approach for strategic risks and for risks where it is important to consider a longer time horizon. The Company uses this approach to identify reputational and regulatory risks, as well as risks related to the loss of competitive advantage and technological lag. We also apply this approach to sustainability risks.

Bottom-up risk identification takes place in individual organisational units and with risk owners (the first line of defence). Risks thus identified are categorised and incorporated into the relevant processes of monitoring, measuring, managing and reporting. The Company also maintains an adverse events register to identify emerging risks, especially operational.

Risk identification is performed on an ongoing basis, especially for major projects and business initiatives, such as the launch of a new product, investment in a new asset class or an acquisition. In addition, once a year the Company conducts a regular review of its entire risk register.

### Risk assessment

The Company has established a periodic assessment of the risks it is exposed to. The Company uses both qualitative and quantitative methods to measure risk. The Company develops its own quantitative models to assess risks throughout the Sava Insurance Group.

The Company measures risks by:

- using the Standard Formula,
- calculating the assessment of the overall solvency needs as part of its own risk and solvency assessment (ORSA),
- analysing sensitivity analyses and scenarios,
- conducting qualitative risk assessment in the risk register,
- using various risk measures that allow simplified measuring and monitoring of the current risk profile.

### **Risk monitoring**

Risk monitoring is conducted at several levels: at the level of individual organisational units and risk owners: the risk management department, the risk management committee, the management board, the supervisory board's risk committee, and the supervisory board. A standard set of risk measures is defined and monitored on a regular basis. Both risks and risk management measures are subject to monitoring and control. Adverse events and the implementation of corrective measures to prevent the recurrence of an individual event are also monitored.

### **Risk management**

The Company's management board is responsible for risk management and the use of various risk management techniques and measures. In its decisions, the management board takes into account the cost benefit aspect of actions as well as recommendations, if any, issued by the risk management committee or key functions.

Whenever the need arises to adopt a new risk control measure, the Company conducts an analysis of the measure in terms of its economic and financial viability. Elimination or mitigation of risks must be more cost effective than mitigation of the potential impact should the risk materialise, taking into full account the probability of such an event and its financial implications.

The Company regularly monitors and upgrades its internal control environment. Adverse event monitoring helps detect internal control weaknesses and identify the need for new internal controls to prevent risks from materialising in the future.

With regard to capital adequacy, the Company already considers in its business planning how its business strategy will affect its solvency position from both a regulatory and an ORSA perspective. If decisions are made during the financial year that have a significant impact on the risk profile but have not been assessed in terms of risk during the business planning process, the Company assesses the impact of these decisions on its risk profile and capital adequacy, and it verifies compliance with the risk appetite. If a business decision could have a significant impact also on the Group's risk profile, such impact on the Group's risk profile and capital adequacy is also assessed. If any business decision fails to comply with the risk appetite or any risk tolerance limit is exceeded, the Company is required to document such deviation and take relevant action to resolve the situation.

### **Risk reporting**

The Company also has in place periodic risk reporting. Risk owners report to the risk management function on each risk category, including a predetermined set of significant risk measures and qualitative information. Based on this, the risk management function in cooperation with risk managers prepares a risk report covering the Company's entire risk profile. The report is first considered by the risk management committee, followed by the management board, the risk committee and the supervisory board.

### **Own risk and solvency assessment (ORSA)**

In addition to the mentioned risk management processes, the Company also conducts ORSA as defined in its own risk and solvency assessment policy. ORSA is a process that includes identification of the differences between the risk profile and the assumptions of the standard formula, the own assessment of solvency needs, capital adequacy projections, sensitivity analyses and scenarios, and the establishment of the link between the risk profile and capital management. In ORSA, all material risks are assessed, whether quantifiable or not, that may have an impact on the operations of the Company from either an economic or a regulatory perspective.

A comprehensive ORSA process is carried out at the Group level, together with uniform reporting to the Insurance Supervision Agency as part of the joint report of Zavarovalnica Sava, Zavarovalnica Vita, Sava Re and the Sava Insurance Group.

The ORSA report has been prepared based on the Company's business and strategic plans, taking into account the current risk profile as well as any changes planned therein. The ORSA is primarily conducted to understand the own risk profile and the Standard Formula, and to analyse the impact of the changes in the risk profile on capital adequacy over the next three years. Throughout the ORSA, the Company's management board is actively involved in the process: it confirms the technical bases for the ORSA, reviews the ORSA, and challenges it before giving its formal approval.

The ORSA results are taken into account by other processes, especially capital management and risk management processes. ORSA is an integral part of the decision-making process conducted to ensure that the key decisions and the business strategy are adopted with consideration of risks and associated capital requirements. Based on ORSA results, we also check the compliance of the business strategy with the risk strategy. This establishes links between the business strategy, the risks taken in the short, medium and longer term, the capital requirements arising from those risks, and capital management.

The ORSA process is extensive and spans a large part of the year. Based on input from the business and strategic plans and the risk strategy, the SCR is calculated, and Solvency II valuations are made for balance sheet items and eligible own funds for the next three-year period. Based on projections, continuous compliance with the regulatory requirements regarding capital and technical provisions is reviewed. In addition, compliance with the risk strategy is reviewed.

Based on the results of the suitability analysis of the Standard Formula for the Company's risk profile, the own solvency model is then used to conduct an own risk and solvency assessment for a three-year period. In addition, we perform sensitivity analyses and an analysis of selected scenarios relevant to the (planned) risk profile of the Company.

The Company conducts the ORSA process at least once a year. The part of the ORSA report relating to Sava Re and the Sava Insurance Group is considered by the risk management committee and confirmed by the management board; the supervisory board's risk committee and the supervisory board of Sava Re also takes note of it. The joint ORSA report is submitted to the Insurance Supervision Authority after approval by the management board.

However, in the event of a significant change in the risk profile or eligible own funds that was not been anticipated in the business or strategic plans, the Company conducts an ad hoc ORSA according to defined criteria.

The ORSA is subject to continuous improvement, both with regard to risk assessment as well as in terms of its integration into the Company's ongoing processes and business decision-making.

## B.4 Internal control system

### B.4.1 Internal control system

The purpose of the Company's internal control system is to identify, measure, monitor, and manage risks at all levels of operations, including reporting on risks that the Company is or may be exposed to in its operations. In addition, the system ensures compliance with the Company's internal rules and meets the requirements of other risk management laws and regulations.

The Company seeks to make employees aware of the importance of internal controls and involves employees in the implementation of internal control procedures. Procedures for reporting to the appropriate level of management with regard to potential problems, deviations, non-compliance with the code of conduct or other policy violations or illegal actions must therefore be presented to all employees in plain language and are clearly stated in documents available to all employees. The Company also indirectly monitors the adequacy of the internal control system through the reporting of adverse events. Adverse events are regularly reported by employees and recorded in the adverse events register, and the risk management function monitors their resolution and the implementation of new internal controls to reduce the likelihood of similar events occurring in the future.

The Company has in place a policy of internal controls aimed at setting up an effective and reliable system of internal controls. The policy sets out the basic principles, framework of and roles for the system of internal controls as part of the Company's system of governance.

### B.4.2 Compliance function

The compliance function is organised as one of the four key functions constituting the risk management system. Being an internal control function, it is part of the second line of defence of the internal risk management system, consisting of three lines of defence. Its main duty is to manage the risks arising from non-compliance with the law.

The compliance function is organised within the department "office of the management board and of compliance". Although the compliance function is not organised as an independent organisational unit, it is ensured that the compliance function holder has direct access to the management board at all times. The compliance function holder also has other responsibilities; therefore, relevant measures have been taken by the Company to avoid potential conflicts of interest for the function holder when in the compliance function holder's role.

The compliance function holder is authorised by the management board subject to the consent of the supervisory board.

The main tasks of the compliance function are to:

- monitor and periodically assess the adequacy and effectiveness of regular procedures and measures taken to address any deficiencies in the compliance with regulations and other commitments;
- advise and assist in the coordination of the Company's operations with the obligations imposed by regulations and other commitments;
- assess potential impacts of changes in the legal environment on the operations of the Company in terms of compliance with its regulations and other commitments, and thus report on them to the Company's management board, individual organisational units, and business and key functions;
- identify and assesses risks to the Company's compliance with regulations and other commitments, and, if necessary, propose recommendations and guidelines for the management of compliance risk;

- inform the management and supervisory boards of the Company's compliance with regulations and other commitments, and of the risk assessment regarding the Company's compliance with regulations and other commitments;
- liaise with and advise senior management on compliance issues;
- cooperate with other control and supervision functions to exchange compliance-related issues, good practices and experiences at the parent company level;
- coordinate the preparation and adoption of compliance-related policies and rules within the parent company and between the parent company and Group subsidiaries;
- coordinate the preparation of comments on draft insurance-related legislation;
- participate in setting up and updating compliance programmes in certain separate areas, including internal controls for compliance of operations, taking into account the requirements and capacities of processes and resources available, according to the requirements of specific legislation or regulations, and factors of the broader business and professional environment (e.g. commitments assumed through contracts, declarations and other collective activities aimed at raising the standards of fair business in the broader environment);
- draft an annual compliance monitoring plan that identifies and assesses the main compliance risks faced by the Company, coordinating it with the compliance function holder at the Group level, and submitting it to the management and supervisory bodies;
- prepare periodic reports and submit them to the Company's management and supervisory bodies, the function holders in the Group companies and to the compliance function holder at the Group level;
- draw up reports on findings related to individual compliance reviews, submitting them to the Company's management body;
- monitor the implementation of the recommendations made in compliance reports.

## B.5 Internal audit function

The Company's internal audit function is conducted by an independent organisational unit, the internal audit department, which reports directly to the management board and the audit committee and is functionally and organisationally separate from other organisational units. Its organisational position ensures autonomy and independence of operation. The internal audit is part of the internal control system of the Company that ensures independent, regular and comprehensive review and assessment of the adequacy of the Company's governance, risk management and control procedures. Internal audit reports directly (orally and in writing) to the management board, the audit committee and the supervisory board.

The internal audit function, being an internal control function, is part of the third line of defence of the Company's risk management system.

The main tasks of the internal audit are to:

- set up a risk-based, permanent and comprehensive supervision of the Company's operations aimed at verifying and assessing whether the processes of risk management, control procedures and corporate governance are appropriate and function in a manner that ensures the achievement of the following major goals of the Company:
  - ◆ effective and efficient operation of the Company;
  - ◆ business and financial efficiency, including safeguarding assets against loss;
  - ◆ reliable, timely and transparent internal and external accounting and non-financial reporting;
  - ◆ compliance with laws, other regulations and internal rules;
- assess whether the Company's information technology supports and furthers the Company's strategies and goals;
- assess fraud risk and the procedures for its management in the Company (although the expertise of a person whose primary task is to identify and investigate cases of fraud is neither expected nor required);
- offer advice,
- carry out other tasks subject to the law.

Internal audit conducts internal audit reviews in accordance with the hierarchy of rules of internal auditing adopted by the Slovenian Institute of Auditors on the basis of the law governing auditing, and written rules of the internal audit function. The internal audit function operates in accordance with the adopted internal audit policy, which defines the purpose, authority, powers, responsibilities and tasks of the internal audit function. Furthermore, it establishes the position of the internal audit within the organisation, including the nature of the functional responsibilities of the head of internal audit with regard to the supervisory body, authorises access to records, personnel, premises and equipment relevant to the performance of engagements, and defines the scope and activities of the internal audit.

The internal audit function submits the annual work plan and the annual report of the internal audit service to the management and supervisory boards, including its audit committee.

The internal audit function holder has been appointed by the management board with the consent of the supervisory board upon the prior opinion of the audit committee and also serves as the director of the internal audit department.

The internal audit must be independent, and internal auditors must be impartial and unbiased, and avoid any conflicts of interest. The director of the internal audit must confirm to the supervisory body, at least annually, the organisational independence of the internal audit as part of the annual reporting on the activities of the internal audit service.

In accordance with the Slovenian Insurance Act and under outsourcing agreements, the Company performs the internal audit key function for Zavarovalnica Sava, Zavarovalnica Vita, Sava Pokojninska and Sava Infond for an indefinite period.

While strengthening the internal audit department in 2025, we further intensified the implementation of software to support the comprehensive internal auditing process, the issuance of an overall opinion at the level of the entire Sava Insurance Group, the internal audit competency model and the adaptation to the new Global Internal Auditing Standards™. The Group Internal Audit has been introduced at the level of the entire Group since 2021. This represents a high level of periodic monitoring of the development and quality of internal audit functions at subsidiaries, providing also the basis for issuing overall opinions of the effectiveness and efficiency of internal controls and risk management at the company and Group levels.

## B.6 Actuarial function

The actuarial function is an administrative concept comprising all the persons performing actuarial tasks of the second line of defence as detailed below. Actuarial function performers are employed in the areas of the actuarial function. They also perform first-line-of-defence actuarial tasks. Although the actuarial function is part of the second line of defence, it is organised in a way that prevents any one person from both implementing (first line) and controlling (second line) the same tasks.

The Company's actuarial function holder is responsible for carrying out the actuarial function. The appointment was made by the management board with the consent of the supervisory board.

The main tasks of the Company's actuarial function are to:

- coordinate the calculation of technical provisions and ensure their consistency with applicable regulations;
- ensure the appropriateness of the methodologies, underlying models and assumptions made in calculating technical provisions so that they reflect key risks and are sufficiently stable;
- assess the sufficiency and quality of the data used in calculating technical provisions and to provide recommendations on how to adapt processes in order to improve data quality;
- compare best estimate provisions established in accordance with Solvency II principles (hereinafter SII provisions) against experience and, in the event of any deviation, suggest changes to the assumptions and valuation models used;
- oversee the use of approximations in calculating SII provisions;
- examine the appropriateness of the underwriting policy and express an opinion on the adequacy of insurance premiums, taking into account all underlying risks and effects of changes in the portfolio, options and guarantees, anti-selection, inflation and legal risks;
- verify the adequacy of reinsurance arrangements;
- participate in introducing and implementing the risk management system, in particular with respect to the development, use and monitoring of adequacy of the models underlying the calculation of capital requirements for underwriting risk and the conduct of own risk and solvency assessment;
- prepare, at least annually, a written report to be submitted to the management and supervisory bodies, and the local supervisory authority; reports on the implementation of the above tasks and their results, clearly identifying any weaknesses by issuing recommendations on how to eliminate them;
- for each recommendation given in the written report referred to in the previous indent, the function proposes a person responsible for and a time limit for the elimination of any weakness or implementation of any recommendation, such time limit having been agreed with the relevant responsible person;
- serve on the risk management committee.

In accordance with the risk management policy, the actuarial function actively cooperates in setting up and implementing the Company's risk management system as part of the second line of defence.

The key function holders of the Sava Insurance Group companies serve on the Group's actuarial committee, the membership of which is regulated in its rules of procedure. Within its powers and in line with the rules of procedure appended to this policy, the Group's actuarial committee adopts decisions in the form of proposals and recommendations for the management board of Sava Re, other key functions of the Group and the Group's risk management committee, which are implemented in line with the rules of procedures of the Group's actuarial committee. The members of the actuarial committee have a responsibility toward the Company to communicate information about relevant arrangements to relevant parts of the Company.

In early 2024, a reserving committee was formally established to ensure a systematic review of the process of formulation and development of the assumptions used in the calculation of a company's

technical provisions considering all applicable standards, i.e. Solvency II and IFRS, and to provide the management of individual companies with expert opinions and proposals regarding the formulation of the assumptions used in the calculation of the technical provisions.

The role of the reserving committee is to assist management in understanding the appropriateness of the assumptions used in the calculations of provisions and to understand the impact of movements in provisions and the assumptions used on a company's financial statements.

The duties, powers and responsibilities of the reserving committee are defined in more detail in the Rules of Procedure of the Reserving Committee of Sava Re d.d.

## B.7 Outsourcing

In accordance with the provisions of the applicable Insurance Act, the Company has adopted a policy and rules that govern the outsourcing of critical or important operational functions or activities. The policy defines the framework for outsourcing critical or important operational functions: contracts on outsourcing in general, when they might be entered into, how they should be maintained and documented, and how to ensure compliance with the applicable outsourcing guidelines. The policy outlines the steps and responsibilities in the process of outsourcing functions or activities, defining the standards of management and control of such a process. The policy further defines the registering of outsourced operations comprising all contracts considered as outsourced and defines how to document the whole decision-making process, collect the necessary documents and the signing of such contracts. The policy states that each outsourced operation must have an administrator, whose main responsibility is to oversee the outsourced function or activity. By signing the contract, all providers of outsourced services undertake to act in accordance with the applicable law and cooperate with the local supervisor. The Company must notify the local regulator of its intention to outsource an operation before entering into the relevant contract.

On 31 December 2021, the Company entered an asset management agreement with Sava Infond d.o.o. (outsourcing agreement), which entered into force on 1 January 2022.

Under outsourcing agreements, the Company performs the key function of internal audit for its subsidiaries Zavarovalnica Sava, Zavarovalnica Vita, Sava Pokojninska and Sava Infond for an indefinite period of time.

Under an outsourcing agreement, the Company performs the key function of compliance for its subsidiary Sava Pokojninska for an indefinite period of time.

On the basis of an outsourcing agreement concluded for an indefinite period, the Company performs the key information security function in the subsidiary Sava Infond.

## B.8 Any other information

### Assessing the adequacy of the Company's governance system in relation to the nature, scale and complexity of the risks

The Company has in place a transparent and appropriate risk-based governance system.

The Sava Re corporate governance policy sets out the main governance principles, taking into account the Company's goals, mission, vision and values. The purpose of the policy is to define the foundation of the Company's system of governance, the basic management rules, rules of corporate governance and a transparent organisational structure with clear and transparent allocation and segregation of roles and responsibilities. Corporate governance is a combination of processes and frameworks used by the management and supervisory boards, and supervisory board committees for communicating, directing, controlling and monitoring a company's operations in order to achieve the Company's goals. The policy was last amended in November 2023.

In its 2025 annual report on internal auditing, the internal audit, based on all the tests carried out and methods employed in individual audit areas, issued an opinion that the internal controls at Sava Re are adequate and that their reliability is good. It is also of the opinion that Sava Re's governance has proven to be adequate and is being continuously improved to achieve key business goals, and that risks are well managed in terms of efficiency and economy of operations, although there remains some room for further improvement in the functioning of the system. The internal audit reviews revealed individual irregularities and weaknesses, to which the IAD drew attention, recommending these be remedied to improve control procedures, corporate governance and risk management. The Company's management board is aware of the potential impacts that the identified irregularities and weaknesses may have on the achievement of its key goals and is therefore taking remedial action. This is to increase the efficiency of internal controls and regularity of operations.

The adequacy of the Company's corporate governance system was also confirmed by an internal corporate governance audit carried out in 2025. The internal audit department assessed the adequacy, effectiveness and efficiency of the risk management, and internal control systems in the corporate governance area as good.



C.

# RISK PROFILE

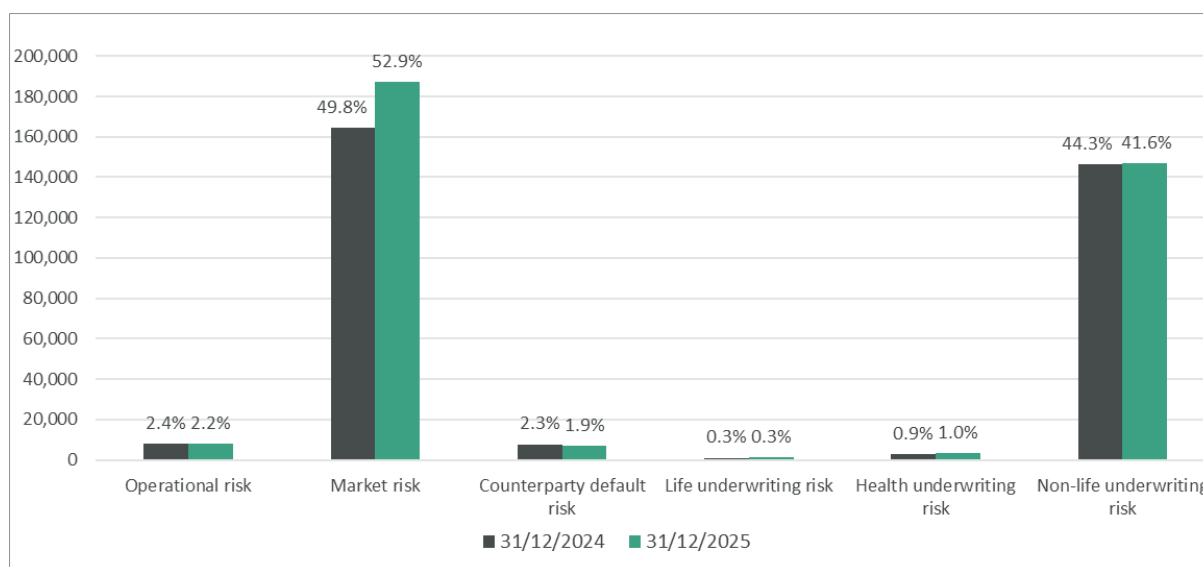
The Company’s operations are exposed to various types of risk. This document does not purport to provide an exhaustive list of all possible risks but rather discusses risks that were reasonably foreseeable at the time of writing. The Company identifies, measures, manages, monitors and reports risks in accordance with the processes described in section [B.3 Risk management system, including the own risk and solvency assessment](#). The main risk categories that the Company is exposed to are:

- underwriting risk,
- market risk,
- credit risk,
- liquidity risk,
- operational risk,
- strategic risk,
- other material risks.

The following subsections discuss individual risk categories, except strategic risk, which is discussed in section [C.6 Other material risks](#).

The Company regularly measures some of the above risk categories using the Standard Formula, whereas other risks (in particular those not readily quantifiable) are measured using the methods described for each type of risk. The following chart shows the Company’s risk profile in accordance with the Standard Formula.

*Undiversified SCR by risk module (EUR thousand and as % of total)<sup>9</sup>*



At the end of 2025, the risk profile continued to be dominated by market and non-life underwriting risks; other risk categories are smaller. The increase in the capital requirement for market risk in 2025 is mainly due to the higher value of participations in subsidiaries and associates, mainly as a result of the companies’ strong financial results and more favourable valuations of the investments. The capital requirement for non-life underwriting risk also increased in 2025, mainly due to higher capital requirements for premium and reserve risk, primarily as a result of the growth in the reinsurance business. As a consequence, the proportion of market risk increased slightly in 2025, whereas the proportion of non-life underwriting decreased.

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<sup>9</sup> The share of an individual module is calculated as the share of the sum of all modules.

## Key findings of ORSA for 2025

The Company carries out an ORSA every year and submits a report to the Insurance Supervision Agency in the first quarter. The Company's ORSA includes an analysis of the impact of the business plan and projections on the risk profile, a review of the adequacy of the Standard Formula risk measurement, the preparation of Standard Formula capital adequacy projections and own assessment of solvency needs projections, an impact analysis for various scenarios, and the identification of potential management actions. Risks that are difficult to quantify are assessed qualitatively in the ORSA.

The 2026 ORSA (submitted to the regulator in March 2026) was based on Sava Re's business plan approved in December 2025. The 2026 ORSA results showed a robust solvency position and strong capital adequacy of the Company. Based on the financial plan and business projections, the Company's solvency ratio will be above the target set in the risk strategy (above 200%), according to both the Standard Formula and the own assessment of solvency needs. The methodology used for the own assessment of solvency needs is described below for each individual risk.

As part of the ORSA for 2026, several relevant scenarios were also implemented for Sava Re. The Company analysed the impact of increased macroeconomic risk on its business and solvency position through a financial scenario, the results of which are described in more detail in section [C.2.4 Risk management](#). The Company analysed the impact of physical risks from climate change by using two long-term climate scenarios. These were used to assess the impact of these risks on the investment portfolio, as well as the effect of an increased frequency and severity of natural catastrophes on the (re)insurance portfolio. The results of the climate scenarios are described in section [C.6.6 Sustainability risk and climate change risk](#). While a single scenario can have a significant impact on the Company's solvency position, none of the scenarios would cause the Company's solvency ratio to fall below 200%.

## Impact of geopolitical uncertainty and the macroeconomic environment on the Company's risk profile

In 2025, geopolitical risks remained high due to ongoing interstate conflicts and uncertainty in international relations. The war in Ukraine continued, while mounting tensions between major powers put further pressure on the European economy and security. Political divisions within the EU hindered the coordination of joint measures, and European economies were further affected by trade protectionism.

Nevertheless, the global economy proved to be more resilient than expected, thanks to improved financial conditions and growth in investment and trade related to artificial intelligence. Vulnerability increased as the first signs of a slowdown appeared in labour markets, despite stable unemployment rates across the OECD<sup>10</sup>.

The year was also favourable in terms of returns, and conditions in the bond markets remained stable. European companies maintained strong credit ratings, banks were well-capitalised and there were no signs of liquidity problems. The OECD forecasts GDP growth of 1.3% in the euro area in 2025. GDP growth of 1.2% is forecast for 2026. In 2025, Slovenia's economy grew by 1.1%<sup>11</sup>. The main contributors to this were higher domestic consumption and growth in gross investment.

In December 2025, euro area annual inflation stood at 2.0%<sup>12</sup>. The ECB forecast inflation of 1.9% for 2026 and 1.8% for 2027<sup>13</sup>. Over the course of the year, the ECB reduced its key interest rate four times, from 3.15% to 2.15%. The market does not anticipate significant rate cuts by the ECB before the end of

<sup>10</sup> OECD. Economic Outlook. December 2025. Available at: [www.oecd.org/content/dam/oecd/en/publications/reports/2025/12/oecd-economic-outlook-volume-2025-issue-2\\_413f7d0a/9f653ca1-en.pdf](http://www.oecd.org/content/dam/oecd/en/publications/reports/2025/12/oecd-economic-outlook-volume-2025-issue-2_413f7d0a/9f653ca1-en.pdf)

<sup>11</sup> Source: Statistical Office, 2025, [www.stat.si/statweb/News/Index/14178](http://www.stat.si/statweb/News/Index/14178).

<sup>12</sup> Source: Eurostat, 2026, [ec.europa.eu/eurostat/statistics-explained/index.php?title=inflation\\_in\\_the\\_euro\\_area](http://ec.europa.eu/eurostat/statistics-explained/index.php?title=inflation_in_the_euro_area).

<sup>13</sup> Source: ECB, 2026, [www.ecb.europa.eu/press/projections/html/ecb.projections202512\\_eurosystemstaff~12ead61977.en.html](http://www.ecb.europa.eu/press/projections/html/ecb.projections202512_eurosystemstaff~12ead61977.en.html).

2026. In December, the US Federal Reserve (Fed) lowered its key interest rate by 25 basis points, bringing the year-end rate to 3.75%<sup>14</sup>.

In 2025, the Company focused its reinsurance underwriting on key strategic priorities, aiming for steady, high-quality growth while appropriately diversifying its reinsurance portfolio. Despite the uncertain geopolitical and macroeconomic conditions in the global economy, the reinsurance industry saw continued capital investment throughout 2025. This was driven by strong recent performance and the ongoing decline in key interest rates. Consequently, an increase in available capacity was observed in 2025, leading to stronger competition among reinsurers and, consequently, a softening of conditions, both in terms of reinsurance pricing and the breadth of coverage in reinsurance programmes. However, cedants that had experienced major loss events in recent years remained under pressure from the reinsurance market and faced further adjustments to terms upon contract renewals.

The Group believes that risks related to the macroeconomic or geopolitical situation will continue to increase in the future, and the Group and the Company monitor such risks in order to take timely action. Risks have also been considered in the context of scenarios in the Own Risk and Solvency Assessment (ORSA).

### Climate change and transition to sustainable business

Climate change is a significant sustainability risk for the Company, as it has a direct and indirect impact on our business activities, and monitoring and managing this risk is crucial for the Group's long-term performance.

As the number and severity of catastrophic events have increased in recent years, climate change risks continue to be monitored at the Company level. In the ORSA, we also analyse the effects of climate scenarios on capital adequacy. These risks are discussed in more detail in section [C.6.6 Sustainability risk and climate change risk](#).

### Cyber and ICT risks

Cyber risks were among the key operational risks in 2025 and are also important from a strategic perspective. It will remain critical for the Company to monitor and manage these risks in the future. The realisation of cyber risks can lead to a complete disruption of operations and high financial losses while also affecting reputation. We are therefore planning and implementing additional activities in addition to the risk prevention measures already in place in this area. Security threats and incidents are also regularly monitored through the Security Operations Centre (SOC).

In accordance with DORA, we also tracked significant ICT risks in the risk register.

### Artificial Intelligence

In 2025, we continued to systematically implement artificial intelligence (AI) across key areas of its operations. While recognising the importance of, and opportunities arising from, the use of new technologies, the Company is also aware that the use of AI represents a significant challenge and entails certain risks. To this end, a project has been defined that will run until 2027. This project represents one of the key pillars of development in the coming years. Through it, the Group is taking a coordinated and controlled approach to laying the groundwork for the successful implementation of AI technologies. In addition, a policy and guidelines for using the AI were adopted to improve its management and utilisation. Training sessions on using AI were also organised for Company employees.

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<sup>14</sup> Source: Bloomberg, WIRP as at 5 January 2026.

## C.1 Underwriting risk

The Company’s exposure to underwriting risk arises out of its accepted reinsurance contracts. This risk is related to the risks underwritten and associated processes, and it arises from the uncertainty related to the occurrence, scope and timing of obligations.

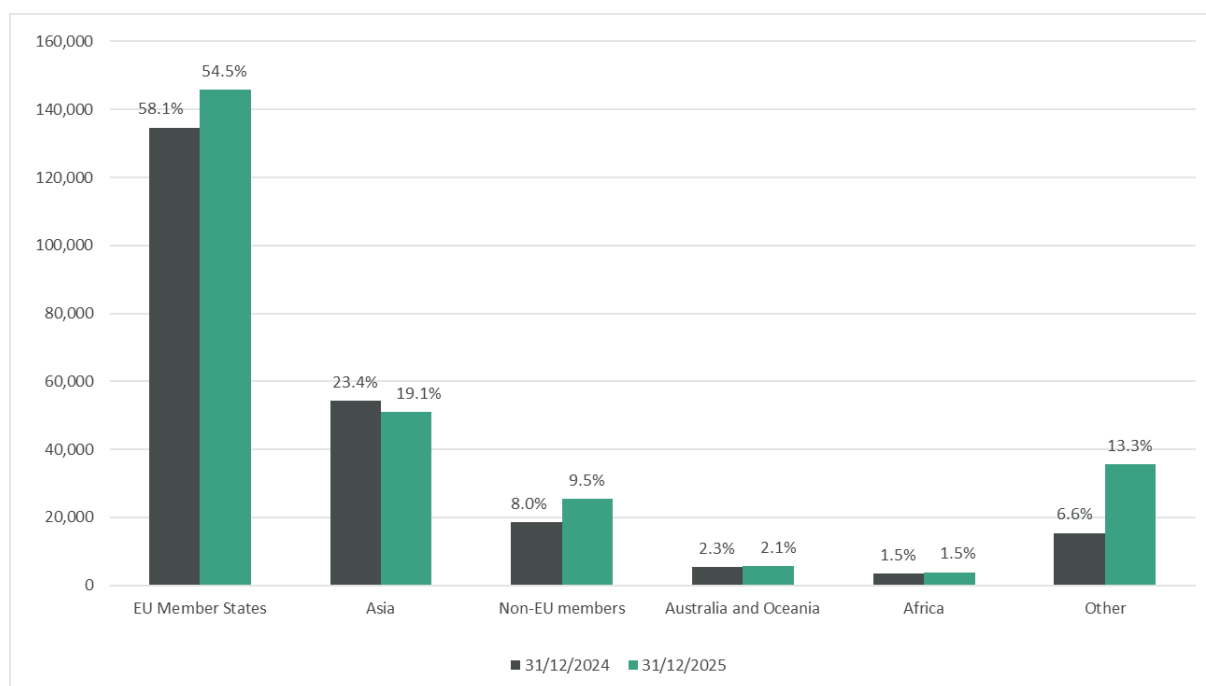
Underwriting risk is generally divided into:

- non-life underwriting risk,
- life underwriting risk (including annuities stemming from the non-life reinsurance business),
- health underwriting risk (including accident reinsurance).

The Company is exposed to all three types of underwriting risk. Life underwriting risk includes most of the risks associated with the accepted life reinsurance business ceded from within the Sava Insurance Group, whereas the accepted life reinsurance business from non-Group cedants and the accident reinsurance business is discussed under health underwriting risk. This is because, due to its annual coverage period and technical basis, such life reinsurance business is similar to accepted accident reinsurance business.

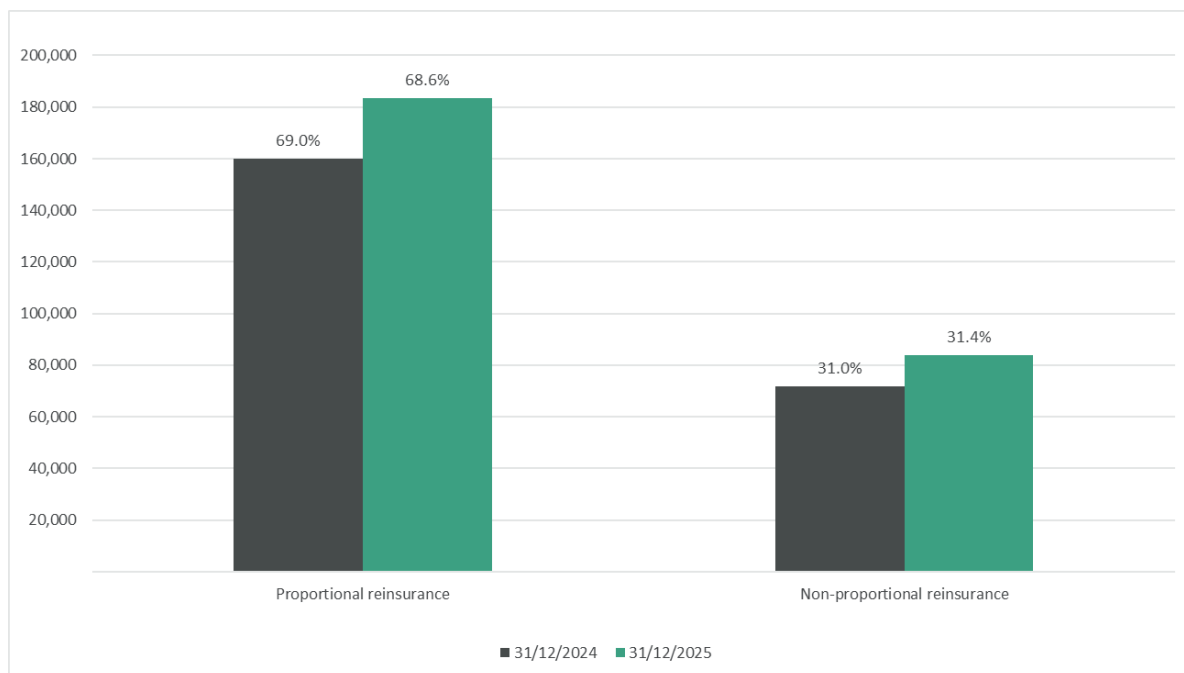
The following charts show gross premiums written by three criteria: geographical area, form of reinsurance and insurance group.

*Gross premiums written by geographical area (EUR thousand and as % of total)*

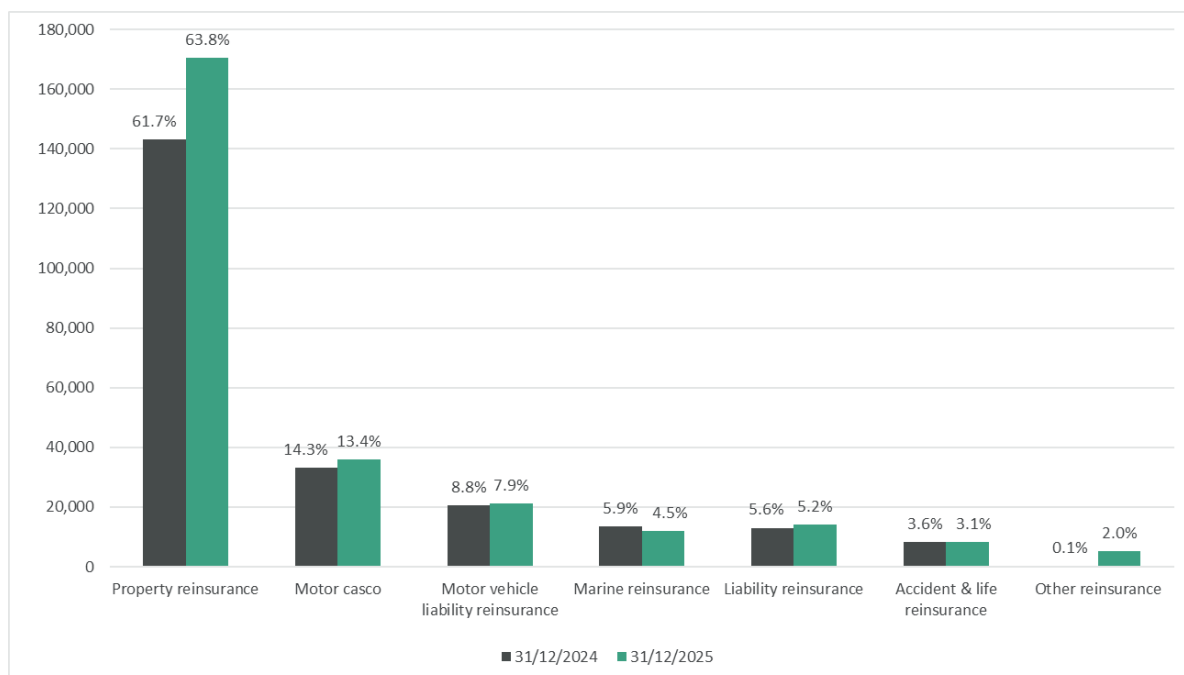


As can be seen, the Company is most exposed to the EU markets (especially to Slovenia) and Asia, and it is seeking to diversify through its presence in other markets.

Gross premiums written by form of reinsurance (EUR thousand and as % of total)



Gross premiums written by insurance group (EUR thousand and as % of total)



In terms of premiums, the reinsurance portfolio is dominated by proportional and property reinsurance business. Other major insurance groups are fairly evenly represented.

### C.1.1 Risk exposure

The Company is mainly exposed to the following non-life underwriting risks and risks associated with not-similar-to-life-technique health insurance business (NSLT health insurance):

- **Premium risk** is the risk that premiums written are insufficient to meet the obligations arising from reinsurance contracts. This risk depends on many factors, such as inadequate assessment of market

developments, poor assessment of claims development, use of inadequate statistics, intentionally inadequate pricing in certain lines of business expected to be offset by other lines of business, or inadequate assessment of external macroeconomic factors that may change significantly during the term of a contract. These include:

- ◆ underwriting process risk,
- ◆ pricing risk,
- ◆ risk of unexpected increase in claims.

In line with the portfolio composition, premium risk predominantly arises from the property reinsurance business, both proportional, the predominant form of reinsurance in terms of premium income, and the non-proportional reinsurance business, which is riskier due to claims volatility.

- **Reserve risk** is the risk that technical provisions are insufficient to meet the obligations arising from (re)insurance contracts due to inadequate methods, inappropriate, incomplete and inaccurate data, inefficient procedures and controls or inadequate expert judgement, or misreporting, resulting in unreliable information about the Company's financial position. These include the following risks:
  - ◆ risk related to data availability and accuracy,
  - ◆ risk related to adequacy of methods and assumptions used,
  - ◆ risk of calculation error,
  - ◆ risk stemming from complex tools used in processes yielding misleading results.

Similar to premium risk, property reinsurance is the largest contributor to reserve risk, but since the Company has been focusing on this business for many years, the proportion of the associated best estimate technical provisions is also the largest.

- **Catastrophe risk** includes the risk of occurrence of a catastrophic event; such events are rare, but their financial impact is too high to simply be covered by otherwise appropriate premiums and provisions. As part of this risk, we also monitor risks related to climate change. Catastrophe risk may materialise as an extreme event or as a large number of catastrophic events in a short period. This risk also includes an excessive geographical accumulation of risks. The Company's portfolio is geographically well diversified and also further balanced through its retrocession programme; therefore, the relatively high capital requirement stems from the aggregation of a large number of such requirements for various smaller natural perils and regions and various man-made catastrophic events, and it is due to the fact that coverage against catastrophic events is the Company's primary and most important role. The retrocession programme is described in more detail in section [C.1.4 Risk management](#).
- **Lapse risk** is the risk of loss or adverse change in the value of insurance liabilities resulting from changes in the level or volatility of lapse rates. The Company is not significantly exposed to this type of risk.

The Company has a minor exposure to the following **life underwriting risks**:

- biometric risks, which are divided into:
  - ◆ mortality risk,
  - ◆ longevity risk
  - ◆ disability and morbidity risk,
- life-expense risk,
- revision risk,
- lapse risk, being the risk of early termination of life insurance contracts, includes terminations due to surrenders, conversion to paid-up status and premium default,
- life catastrophe risk.

Other underwriting risks, such as economic environment risk and policyholder behaviour risk, may be material, but their effect is already indirectly accounted for in the above non-life and life underwriting risk.

## C.1.2 Risk measurement

The Company uses the Standard Formula for quantitative assessment of underwriting risk. To this end, it does not apply undertaking-specific parameters for individual companies, in accordance with Article 104(7) of Directive 2009/138/EC.

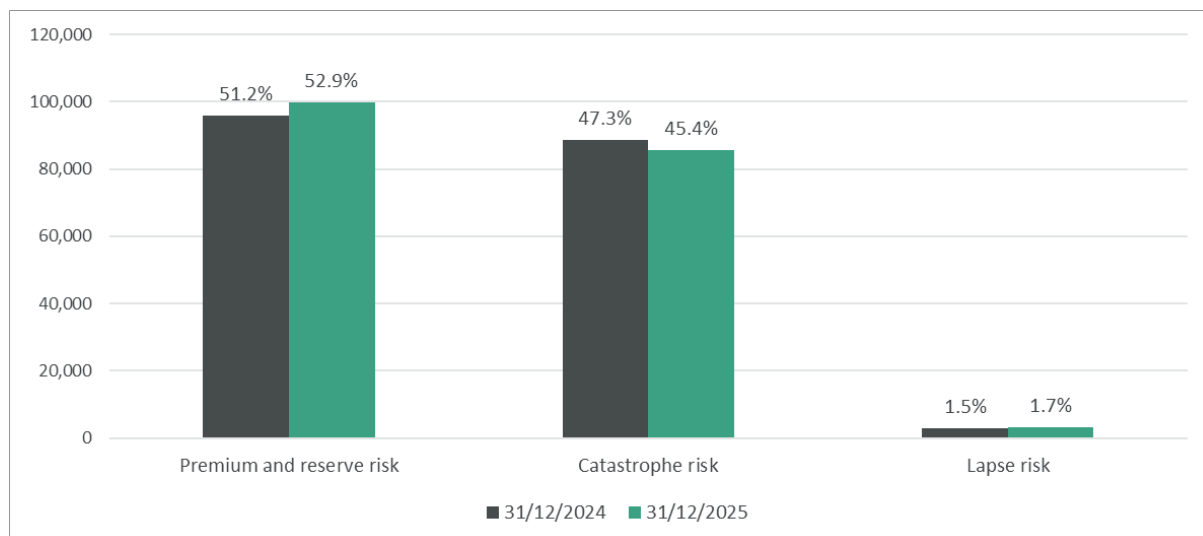
As at 31 December 2025, the Company was exposed to non-life underwriting risk in the amount of EUR 147.0 million (31 December 2024: EUR 146.2 million), health underwriting risk in the amount of EUR 3.4 million (31 December 2024: EUR 3.0 million) and life underwriting risk in the amount of EUR 1.2 million (31 December 2024: EUR 1.0 million). The capital requirement for non-life underwriting risk, health underwriting risk and life underwriting risk accounted for 41.6%, 1.0% and 0.3%, respectively, of the sum of the SCR of all risk modules<sup>15</sup>. Premium and reserve risk, followed by catastrophe risk, represented the largest proportion of the undiversified non-life underwriting risk.

The capital requirement for non-life underwriting risks as at 31 December 2025 increased slightly, reflecting a higher level of premium and reserve risk, while catastrophe risk decreased slightly. Lapse risk remained at a similar level. The capital requirement for premium and reserve risk increased due to growth in premium volume, which resulted from growth in business volume. Similarly, the volume of provisions increased in line with this growth. The capital requirement for catastrophe risk is lower in 2025 than in 2024, mainly due to methodological changes.

The capital requirements for health and life underwriting risks remained at similar levels in 2025 as in 2024 and are relatively small.

The following chart shows the composition of non-life underwriting risk, the largest category of underwriting risk.

*Undiversified non-life underwriting risk by risk sub-module (EUR thousand and as % of total)<sup>16</sup>*



In addition to this quantitative risk measurement, the Company also monitors its exposure to non-life underwriting risk quarterly, analysing the combined ratios of individual contracts and homogeneous risk groups, verifying the adequacy of technical provisions, monitoring aggregate exposures to natural catastrophes by geographical location and monitoring major new contracts. Based on all interim information, the Company monitors the underwriting risk profile to detect any changes, which enables the management to respond in a timely manner.

<sup>15</sup> The sum of all SCRs of all risk modules, including operational risk, is taken into account.

<sup>16</sup> The share of an individual risk submodule is calculated as a percentage of the sum of all risk submodules.

### C.1.3 Risk concentration

The Company considers the risk related to natural catastrophes to be the largest non-life underwriting risk. The Company's highest exposure to natural catastrophes is in Slovenia (as reflected in the reinsurance capacity), whereas exposures elsewhere are relatively well diversified globally.

The table below shows the Company's gross natural catastrophe exposures for 10 countries with the highest exposures as at 31 December 2025.

*The largest gross exposure of Sava Re to natural catastrophes by country (EUR thousand)<sup>17</sup>*

Country	31 December 2025	Country	31 December 2024
Slovenia	472,051	Slovenia	468,546
Montenegro	49,486	China	44,674
China	41,039	Greece	31,160
Greece	39,110	Cyprus	30,262
Cyprus	33,280	Taiwan	29,951
Serbia	32,240	United Kingdom	28,922
Pakistan	29,302	Serbia	28,753
Poland	29,266	Vietnam	27,792
The Maldives	29,027	Austria	27,405
Taiwan	27,863	Poland	26,757
<b>Total</b>	<b>782,664</b>	<b>Total</b>	<b>744,220</b>

Exposure to Slovenia remained at a similar level to the previous year, while exposure to other markets increased slightly. The countries with the highest gross exposure in 2025 were also Montenegro, Pakistan and the Maldives.

### C.1.4 Risk management

The Company manages underwriting risk mainly through an established underwriting process, as set out in internal reinsurance underwriting guidelines. These define the requirements for partners, the minimum required level of information about the business and the expected profitability range. In addition, they also define the underwriting process and levels of authority so that appropriate controls are included in the process. The Company also manages underwriting risk by means of geographical diversification, aggregate exposure limits and an appropriate reinsurance (retrocession) programme.

The Company annually reviews and sets underwriting limits. These limits relate to the sums insured or probable maximum loss (PML) figures of individual contracts and to reinsurance premiums, all for assumed shares in the Company's retention, as well as to the expected aggregate exposure to catastrophic risk by geographical area. Underwriting limits must also be confirmed by the holder of the actuarial function to ensure their consistency with the Company's risk appetite. Underwriting limits are an integral part of the reinsurance underwriting guidelines. For more complex transactions, these guidelines also define the process of approving risk acceptance, including roles and responsibilities, and escalation procedures.

In addition to the above, the Company analyses the impact of selected sensitivity analyses on risk levels. In 2025, we updated the methodology and also compiled the results for 2024. For the calculation as at 31 December 2025, we assessed the effect of **raising all premiums included in the premium risk calculation for non-life and NSLT health insurance by 10%**. A 10% increase in premiums would result

<sup>17</sup> For exposure, in countries where modelled exposure data is available, PML assumptions (250-year events) are used, but where this data is not available, the sum insured is used as the maximum exposure.

in a 4.1% increase in the premium and reserve risk of the non-life business and a 5.1% increase in the premium and reserve risk of the NSLT health insurance business. The increase also has a minor impact on the amount of eligible own funds. The increase does not have a material impact on the Company's solvency.

We also analysed the impact of a 10% increase in claims provisions, which form part of the reserve risk calculation for non-life and NSLT health insurance business. A 10% increase in claims provisions would result in a 6.0% increase in the premium and reserve risk of the non-life business and a 5.0% increase in the premium and reserve risk of the NSLT health insurance business. The increase also has a material impact on the reduction of eligible own funds. The increase thus has a major impact on the Company's solvency.

*Impact of sensitivity analysis on eligible own funds, SCR and Company's solvency ratio (for non-life and NSLT health business)<sup>18</sup>*

EUR thousand	Eligible own funds	Difference from base value	SCR	Difference from base value	Solvency ratio	Difference from base value
<b>Base values as at 31 December 2025</b>	<b>853,551</b>		<b>277,005</b>		<b>308%</b>	
Increase in premiums for non-life and NSLT health insurance	853,444	-107	280,714	3,709	304%	-4 pp
Increase in claims provisions for non-life and NSLT health insurance	829,051	-24,499	281,442	4,438	295%	-13 pp
<b>Base values as at 31 December 2024</b>	<b>759,481</b>		<b>258,013</b>		<b>294%</b>	
Increase in premiums for non-life and NSLT health insurance	759,399	-83	260,241	2,228	292%	-2 pp
Increase in claims provisions for non-life and NSLT health insurance	736,247	-23,234	262,796	4,784	280%	-14 pp

Below we set out the risk management of individual non-life and health NSLT underwriting risks in greater detail, along with an overview of risk management of life underwriting risk.

### Premium risk

Premium risk is mainly managed through proper reinsurance underwriting and quarterly performance monitoring by class of insurance, if necessary, also by contract or partner, and through measures taken on this basis.

**Underwriting process risk** is managed by means of additional training of underwriters; by producing understandable, clear and detailed instructions; and by defining appropriate underwriting limits that are consistent with the Company's risk appetite as defined in its risk strategy, business strategies and retrocession programme. In addition, we pay special attention that contracts are entered into with verified and trusted cedants, and that there are appropriate limits on exposure concentration by cedant, geographical area and homogeneous risk group in order to meet the required risk diversification. A major underwriting process risk is the incorrect assessment of the PML. To reduce this risk, the Company provides guidance on PML assessment, cooperates with its cedants' underwriters when underwriting large risks, offers relevant training and ensures that the retrocession programme covers PML error.

<sup>18</sup> Due to a change in methodology, the data reported as at 31 December 2024 differs from that reported in the Solvency and Financial Position Report of Sava Re d.d. for 2024.

As regards **price risk**, the Company is only able to manage such risk indirectly, because it must follow the fortunes of its cedants in proportional reinsurance treaties. This is why the verification of cedants constitutes the main part of the underwriting process. The Company can manage product design risk directly only as regards the contractual terms and conditions, which, if inappropriate, may include associated risks that the Company, unaware of such when entering into the contract, fails to take account of when setting the premium. This can arise owing to poor and inadequate information provided by the cedant, or due to inadequate interpretation of the terms and conditions. To properly assess all risks, the Company must fully understand all positive and negative aspects of the contract and the associated risks. Before entering into a contract, the Company therefore closely examines both the partner and the market, compiles the information available (from the media, competitors or clients), monitors the applicable regulations and the related requirements, and observes trends in historical claims data (for the entire market) and forecasts. In addition, the Company may use special clauses in reinsurance contracts to limit performance volatility; for example, sliding scale or profit commissions, or loss ratio ceilings.

The **risk of an unexpected increase in claims** may arise as the result of incorrect risk assessment in the underwriting process, new types of claims, changes in case law, increased awareness of policyholders of their rights, changes in macroeconomic circumstances, activities adversely affecting the environment or an inadequate retrocession programme. This risk is mitigated through in-depth assessments of risks during reinsurance underwriting and prudent granting of underwriting authority. As with product design risk, the Company can manage this risk through the use of special clauses in proportional reinsurance contracts that limit the reinsurer's share of unexpected claims and by not accepting unlimited layers under non-proportional contracts. Also central to reducing this risk is the annual testing of the appropriateness of retrocession protection using a variety of stress tests and scenarios and setting appropriate retention limits. Retention levels and reinsurance coverage for individual risks remained largely at similar levels in 2025 as in the previous year; however, additional reinsurance coverage was purchased to cover losses arising from natural catastrophes (sub-layer and reinstatement premium cover for a one-time reinstatement of the first layer of the CAT treaty), thereby reducing the volatility of the net retention for these losses.

### Reserve risk

The Company manages reserve risk by means of robust processes and effective controls as regards the calculation of IFRS and Solvency II technical provisions. In addition, it conducts annual backtesting of the appropriateness of technical provisions, analysing the major reasons for their insufficiency. All experience so gained is then used in calculating future technical provisions. An effective calculation process for technical provisions comprises several key steps. By documenting and understanding such a process, the Group can identify and describe potential risks, such as:

- the risk related to data availability and accuracy,
- the risk related to the adequacy of methods and assumptions used,
- the risk of calculation error,
- the risk associated with supporting IT systems and tools.

Controls are put in place for the mitigation of each identified risk. These controls ensure data quality and mitigate the risks associated with calculating technical provisions. The design and operational effectiveness of controls are reviewed at least annually, or whenever there is a significant change in the process, methods or models used to calculate the technical provisions.

Examples of controls include:

- reconciliation of technical provision items with accounting records,
- peer review of actuarial methods and assumptions,
- defined change management controls for IT tools used in the process,
- actuarial review and approval of the level of technical provisions.

The process by which technical provisions are calculated is subject to periodic approval. Where substantial changes have been made to the process, the methodology or models used in the calculation of technical provisions, a validation is carried out in accordance with the reporting schedule.

### Lapse risk

It is estimated that lapse risk, being the risk of early termination of reinsurance contracts, is less important for the Company, because the vast majority of reinsurance contracts are entered into for one year, and the risk is also managed by developing and maintaining good business relations with cedants and closely monitoring the market situation.

### Catastrophe risk

The Company manages catastrophe risk through prudent reinsurance underwriting, geographical diversification and relevant retrocession protection against natural and man-made catastrophes.

To protect against potential natural disasters, the Company has in place catastrophe covers (CAT XL) to protect its retention, for both Group and non-Group business. Before the non-proportional protection is triggered, the Slovenian portfolio is protected by proportional retrocession: a surplus cover providing protection at the level of individual risks (including PML error), and an earthquake quota share cover. Thus, in case of a major event, the Company would suffer a loss in the amount of the priority of the CAT XL cover plus a reinstatement premium. If the Company continues to make use of the cover, reinstatement provisions start operating, i.e., the Company protects itself by a new cover for the remaining period of cover, which is an ordinary instrument available in international reinsurance markets, the price of which is lower than the initial cover because of the shorter period of exposure. For 2026, Sava Re has secured additional protection for its portfolio in Slovenia through an aggregate excess of loss catastrophe treaty and has also renewed its reinstatement premium cover for a one-time reinstatement of the first layer of the CAT treaty. This ensures that the Company remains solvent even if several catastrophe events occur in any one year.

The Company also considered various scenarios and their impact on business operations and the solvency position. We selected scenarios based on the own risk profile, striving to identify events with a potentially material impact on the operations and capital adequacy, and taking into account their probability of occurrence.

Catastrophe risk is a major risk for the Company. Therefore, as part of the annual ORSA process, the Company tests catastrophe scenarios in terms of their impact on solvency. As part of the ORSA for 2026, the Company addressed catastrophe risk in two long-term climate scenarios, which are described in sub-section [C.6.6 Sustainability risk and climate change risk](#).

### Life underwriting risk

We estimate that life underwriting risk is less significant for the Company. The risk is mitigated through a unified underwriting process in the Sava Insurance Group, good business relations with non-Group cedants of long standing and closely analysing the market situation. Procedures put in place to mitigate lapse risk include monitoring lapses in absolute and relative terms and overseeing cedant measures taken to minimise policy lapses. Procedures put in place to manage mortality risk include the consistent application of underwriting protocols, which specify in detail the deviation from normal mortality risk, the use of appropriate mortality tables and adequate retrocession protection. Procedures put in place to manage life expense risk include monitoring the macroeconomic situation (e.g., inflation) and planning service expenses for the coming years.

## C.2 Market risk

Market risk is the risk of loss or adverse change in the financial situation resulting, directly or indirectly, from fluctuations in the level and volatility of market prices of assets, liabilities and financial instruments. Market risks include the following types of risk:

- **Interest rate risk** is the risk of a change in market interest rates adversely affecting the value of interest-rate-sensitive assets and liabilities. Interest-rate-sensitive investments include bonds, deposits, loans, bond and mixed mutual funds, and debt alternative funds. Interest-rate-sensitive liabilities mainly include technical provisions. When calculating capital requirements for interest rate risk, the amount of interest-rate-sensitive assets is considered on the assets side, whereas the best estimate technical provisions and provisions for employees are considered on the liabilities side.
- **Equity price risk** is the risk of a fall in the level of equity prices resulting in a fall in the value of equities. The following are exposed to this risk: participations in subsidiaries and associates, investments in equity alternative funds, investments in equities and equity and mixed mutual funds. The level of risk in the calculation of capital requirements is also affected by the level of the symmetric adjustment, which is determined on the basis of the historical performance of the equity index.
- **Property risk** is the risk of a fall in the value of property due to changes in the level and volatility of property prices. This risk affects own-use property, investment property, real-estate funds and right-of-use assets.
- **Currency risk** is the risk of a drop in the value of assets or increase in the level of liabilities due to changes in the level of currency exchange rates.
- **Spread risk** is the risk of the sensitivity of the values of assets to changes in the level or in the volatility of credit spreads over the risk-free interest rate term structure. This risk affects bonds, deposits, loans, bond and mixed mutual funds, and debt alternative funds.
- **Market concentration risk** is the risk of a suboptimal diversification of the asset portfolio or an increased exposure to the default of a single counterparty or group of counterparties.

### C.2.1 Risk exposure

As at the date of this report, the Company had the following composition of assets that affect its exposure to market risk.

*Composition of investments included in the calculation of market risk (under Solvency II)*

(EUR thousand)	31 December 2025	As % of total as at 31 December 2025	31 December 2024	As % of total as at 31 December 2024
<b>Asset class</b>				
<b>Bonds</b>	<b>451,536</b>	<b>40.0%</b>	<b>404,354</b>	<b>40.0%</b>
Government bonds	282,767	25.0%	276,188	27.4%
Corporate bonds	168,769	14.9%	128,166	12.7%
<b>Investment funds</b>	<b>35,325</b>	<b>3.1%</b>	<b>33,296</b>	<b>3.3%</b>
<b>Deposits</b>	<b>1,018</b>	<b>0.1%</b>	<b>1,042</b>	<b>0.1%</b>
<b>Equity investments</b>	<b>616,826</b>	<b>54.6%</b>	<b>554,615</b>	<b>54.9%</b>
Participations	613,209	54.3%	551,410	54.6%
Listed shares	924	0.1%	828	0.1%
Unlisted shares	2,693	0.2%	2,377	0.2%
<b>Property</b>	<b>16,299</b>	<b>1.4%</b>	<b>13,847</b>	<b>1.4%</b>
Own-use property	4,379	0.4%	3,588	0.4%
Other property	11,920	1.1%	10,259	1.0%
<b>Loans and mortgages</b>	<b>8,163</b>	<b>0.7%</b>	<b>2,603</b>	<b>0.3%</b>
<b>Total</b>	<b>1,129,168</b>	<b>100%</b>	<b>1,009,756</b>	<b>100%</b>

The value of assets included in the calculation of market risk was EUR 1,129.2 million as at 31 December 2025 (31 December 2024: EUR 1,009.8 million). The increase in the value of investments in 2025 reflects increased valuations of subsidiaries and associates, supported by positive operating cash flow. Investments in government and corporate bonds increased compared to the previous period, driven by the investment of free cash flow and the appreciation of these investments. The increase in investments in mutual funds was largely driven by additional contributions to equity and alternative funds. The increase in loans and mortgages was primarily due to a loan granted to the associate DCB. The value of participations in subsidiaries increased compared to the previous year, reflecting the strong operating performance of the subsidiaries.

Their composition shows that the majority of the Company's financial investments consists of strategic participations and fixed-rate financial instruments. The predominance of fixed-rate financial instruments in portfolio investments reflects the Company's policy to manage financial investments so that assets and liabilities are matched.

The majority of the Company's equity investments are participations, and the proportion of portfolio investments<sup>19</sup> in variable-rate financial instruments is relatively small. Consequently, most of the market risk associated with portfolio investments stems from interest rate and credit risk.

## C.2.2 Risk measurement

The Company uses the Standard Formula in addition to its own risk assessment for the quantitative assessment of market risk.

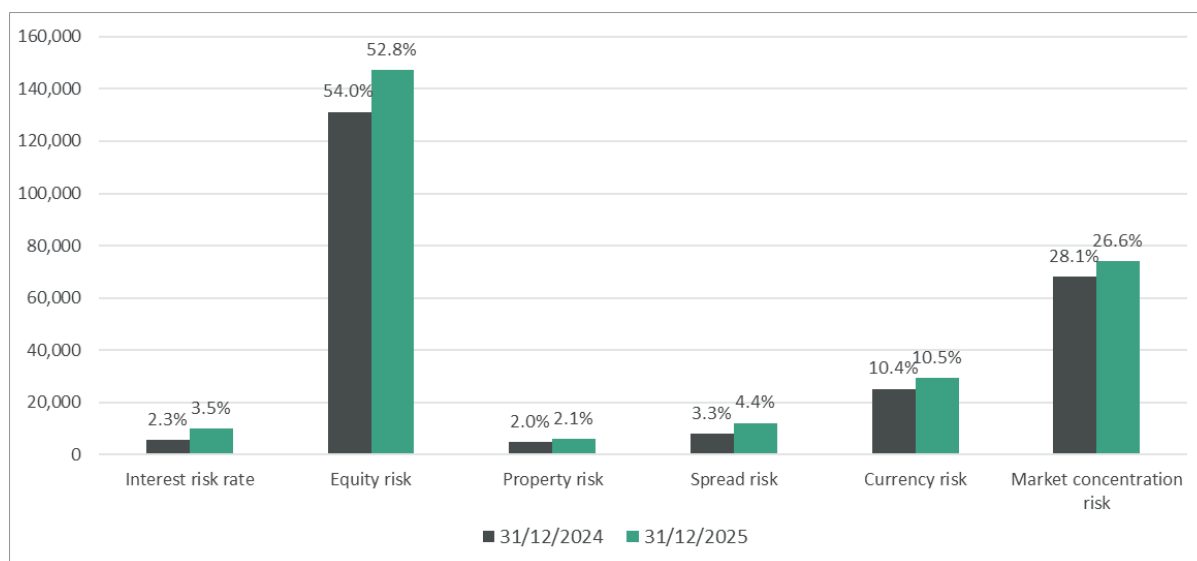
The solvency capital requirement in accordance with the Solvency II Standard Formula for market risk stood at EUR 187.0 million as at 31 December 2025 (31 December 2024: EUR 164.4 million, representing 52.9% of the sum of the SCR of all risk modules<sup>20</sup>). The capital requirement is higher largely due to the higher value of participations in subsidiaries and associates, which increases equity risk and concentration risk. The Company has participations in insurance companies, both EU- and non-EU-based, in the amount of EUR 496.2 million (31 December 2024: EUR 432.5 million), in non-EU based

<sup>19</sup> Assets included in the calculation of market risks less participations in subsidiaries.

<sup>20</sup> The sum of all SCRs of all risk modules, including operational risk, was taken into account.

insurance companies in the amount of EUR 72.0 million (31 December 2024: EUR 65.0 million), in the other subsidiaries and associates of EUR 45.0 million (31 December 2024: EUR 53.9 million). The Company’s exposure to participations in subsidiaries and associates thus represents a material proportion of the capital requirement for equity risk and market risk concentration. The value of participations in EU-based and non-EU-based insurance companies increased significantly compared to last year, mainly as a result of the companies’ strong operating results and more favourable valuation of the investments. The value of investments in other subsidiaries and associates decreased, primarily due to the valuation methodology applied to the associate DCB, under which goodwill is revalued to nil.

Undiversified market risk by risk sub-module (EUR thousand and as % of total)<sup>21</sup>



**Interest rate risk** accounts for a relatively small proportion of the capital requirement for market risk. This risk increased slightly in 2025, due to a higher risk-free yield curve and a higher volume of interest-rate-sensitive assets. The Company regularly monitors, analyses and addresses the scope of the assumed interest rate risk. In view of the activities conducted and internal controls in place, we consider that this risk is well managed.

**Equity risk** is the largest type of market risk, accounting for 52.8% of total market risk. The majority of the capital requirement stems from participations in subsidiaries and associates. Equity risk arising from portfolio investments is relatively low due to the smaller exposure. The risk increased in 2025, mainly due to the higher value of participations in subsidiaries and associates. In addition, the increase in the value of other equity securities and a slightly higher symmetric adjustment<sup>22</sup> prescribed by EIOPA also had an impact.

**Property risk** is minor, as the proportion of property in the investment portfolio is capped by the Company’s limit system and is therefore relatively small. The risk increased slightly in 2025, reflecting additional investments in real estate funds and new property appraisals.

**Spread risk** is a relatively small part of market risk, contributing 4.4% to the capital requirement. The risk increased slightly in 2025, primarily due to an increase in the volume of debt securities. The Company has a limit system in place to manage credit risk, which defines maximum exposures to a single issuer, region, sector and credit rating, and thus prevents the assumption of risks exceeding the Company’s risk appetite.

<sup>21</sup> The share of an individual risk submodule is calculated as a percentage of the sum of all risk submodules.

<sup>22</sup> The shock is adjusted for equity market volatility.

**Currency risk** represents 10.5% of market risk. Both assets and liabilities are exposed to this risk. This risk increased slightly in 2025.

**Market risk concentration** is the second-largest market risk, accounting for 26.6%. The level of this risk is due to the Company's participations in subsidiaries that are not EU-based insurance companies, which are considered a single exposure under the Standard Formula. The level of risk is also affected by participations in associates, which are treated as a separate exposure and therefore exceed the exposure threshold in concentration risk. This risk increased compared to 31 December 2024, mainly due to the higher value of investments in the EU-based non-insurance subsidiaries. Portfolio investments are exposed to only minor market concentration risk because the Company monitors and regulates its exposure (concentration) of portfolio investments by region, sector and asset class. It thus prevents any large concentrations in the investment portfolio and limits the risk.

When assessing the risks associated with the investment portfolio, the Company also regularly monitors other risk measures, i.e., performance of the investment portfolio:

- duration,
- capital spending,
- market and book return, and net investment income,
- income volatility.

As part of its asset and liability matching procedures, the Company calculates and monitors the following for each asset and liability portfolio on a quarterly basis:

- modified duration, convexity and key rate duration,
- estimated future cash flows,
- the change in fair value,
- the currency structure of assets and liabilities.

In addition to the Standard Formula, the Company uses its own assessment of solvency needs to monitor and assess market risk. In the own assessment of solvency needs, we assess the following financial risks: equity price risk, interest rate risk and credit risk of financial investments. Equities are valued using the capital asset pricing model (CAPM), where for each equity we separately determine an equity index that represents the market return in the model (based on the relevant economic generator scenarios). In the own assessment of solvency needs, we include all marketable equity securities that are sufficiently liquid to allow the parameters of the model to be estimated with sufficient accuracy using historical data. For other investments, the Company uses stresses prescribed by the Standard Formula. In the own assessment of solvency needs, interest rate risk is assessed for all interest-sensitive assets and liabilities. To this end, each currency representing a relatively small share of the portfolio is translated into a modelled currency against which it had the most stable exchange rate over the past five-year period<sup>23</sup>. Furthermore, in the own assessment of solvency needs, we also assess the credit risk of financial investments, which also captures market risk concentration and spread risk. In accordance with Article 180 of the Delegated Regulation, the Standard Formula assigns a risk factor stress of 0% to certain government bonds. Given past market behaviour, however, these actually bear a certain level of risk. Accordingly, they are treated together with other debt instruments in the own assessment of solvency needs.

The own model only considers financial investments without participations in subsidiaries and associates. These are taken into account in the calculation of equity risk in the same way as in the Standard Formula, whereas in the calculation of market risk concentration, exposures relating to participations in subsidiaries and associates that are not EU-based insurers are considered as individual exposures.

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<sup>23</sup> The currencies modelled are the euro, US dollar, Chinese yuan, Indian rupee and South Korean won.

In the own assessment of solvency needs, the capital requirement for market risks is lower than in the assessment using the Standard Formula, mainly due to the lower capital requirement for participations in the own assessment of solvency needs. However, the own assessment of solvency needs for portfolio investments is slightly higher than in the Standard Formula, mainly because EU government bonds are treated as risk-free in the Standard Formula, while in the own assessment of solvency needs we also assess the risk related to these investments.

### C.2.3 Risk concentration

The largest exposure of the financial investments in subsidiaries and associates represents the investment in Zavarovalnica Sava, the value of which accounted for 60.4% of the entire value of financial investments in subsidiaries and associates (31 December 2024: 58.9%). As at 31 December 2025, Sava Re's total exposure to the risk of financial investments in subsidiaries and associates was EUR 613.2 million (31 December 2024: EUR 551.4 million).

The exposure to Germany represents the largest concentration to any single issuer. The Company's largest regional concentration is to the European Union.

The Company is aware of the risks associated with these concentrations and is actively managing them by setting appropriate maximum exposure limits in its limit system.

### C.2.4 Risk management

The framework for market risk management is set out in the Company's asset and liability management policy and investment risk management policy. These define:

- basic investment guidelines,
- measures to be used in monitoring investment performance,
- measures to be used in monitoring investment risks,
- the monitoring of the compliance of the portfolio with the limit system,
- persons responsible in the investment process.

In the management and monitoring of market risk, the Company takes account of the following:

- its risk appetite as set out in the risk strategy,
- operational limits for financial investments,
- performance and risk measures relating to investments and liabilities.

The Company manages the risks arising from the financial investments portfolio by regularly monitoring and analysing issuers' financial data, monitoring the market prices of financial instruments, regularly analysing asset and liability management figures submitted to the risk management committee and conducting sensitivity analyses for material parameters of market risk.

The Company mostly manages the risk arising from its participations in subsidiaries through clearly defined business and risk management strategies, which the Group companies must follow, and through active Group governance.

Regarding market risk, we carried out several sensitivity analyses, applying various parameters that affect the level of the solvency capital requirement for market risk and the level of the Company's eligible own funds, and consequently the solvency position. The table below shows the results of selected sensitivity analyses.

*Impact of sensitivity analyses on eligible own funds, the SCR and the Company's solvency ratio*

EUR thousand	Eligible own funds	Difference from base value	SCR	Difference from base value	Solvency ratio	Difference from base value
<b>Base values as at 31 December 2025</b>	<b>853,551</b>		<b>277,005</b>		<b>308%</b>	
Increase in interest rates of 100 basis points	846,674	-6,876	276,289	-715	306%	-2 pp
Decrease in interest rates of 100 basis points	860,779	7,228	277,942	938	310%	2 pp
Fall in value of equity securities of 20%	849,192	-4,359	275,184	-1,821	309%	1 pp
Decrease in value of property of 15%	850,132	-3,418	276,485	-519	307%	-1 pp
Decrease in value of participation in Zavarovalnica Sava of 20%	777,654	-75,897	264,907	-12,098	294%	-14 pp
Decrease in value of participation in insurer Vita of 20%	827,759	-25,792	272,839	-4,165	303%	-5 pp
Widening of credit spreads by 100 basis points	840,777	-12,773	276,466	-538	304%	-4 pp
<b>Base values as at 31 December 2024</b>	<b>759,481</b>		<b>258,013</b>		<b>294%</b>	
Increase in interest rates of 100 basis points	754,980	-4,502	257,197	-816	294%	0 p.p.
Decrease in interest rates of 100 basis points	763,891	4,409	259,034	1,022	295%	1 p.p.
Fall in value of equity securities of 20%	755,835	-3,647	256,748	-1,264	294%	0 p.p.
Decrease in value of property of 15%	756,551	-2,930	257,610	-402	294%	0 p.p.
Decrease in value of participation in Zavarovalnica Sava of 20%	692,963	-66,519	247,818	-10,195	280%	-14 pp
Decrease in value of participation in insurer Vita of 20%	737,460	-22,022	254,589	-3,424	290%	-4 pp
Widening of credit spreads by 100 basis points	749,153	-10,328	257,627	-386	291%	-3 pp

The first sensitivity analysis was an **increase and decrease in interest rates**. We conducted the analysis by raising or lowering the base curve of the risk-free interest rate for all maturities by 100 basis points. We then recalculated eligible own funds and the SCR for all interest-rate-sensitive assets and liabilities. An increase in interest rates of 100 basis points resulted in a decrease in the Company's eligible own funds slightly below the Company's materiality threshold<sup>24</sup> as well as a decline in its SCR. Consequently, the impact of the sensitivity analysis on the solvency ratio is small. The sensitivity analysis of a 100-basis-point reduction in interest rates revealed an opposite effect on eligible own funds and SCR. The impact of the sensitivity analysis on the solvency ratio is small.

The second sensitivity analysis assumed a **fall in the prices of the Company's equities** of 20% as at the reporting date. The value of participations in subsidiaries and associates was not decreased. The impact on equities was proportionate to the change in the sensitivity analysis. The sensitivity analysis chiefly resulted in a decrease in eligible own funds, as well as in a decline in the capital requirement for market

<sup>24</sup> The materiality threshold is a measure of the Company linked to the level of eligible own funds and the solvency capital requirement. As at 31 December 2025, the Company's materiality threshold was EUR 12.0 million.

risk. The decline in eligible own funds and the SCR is below the Company's materiality threshold, and the impact on the solvency ratio is very small.

The third sensitivity analysis assumed a 15% **fall in property prices**. The calculation was made using the amount of property as at the reporting date. The sensitivity analysis chiefly resulted in a decline in eligible own funds, but the capital requirement for property risk also decreased. The impact of a fall in property prices on eligible own funds and the SCR is below the materiality threshold. Consequently, the impact of the sensitivity analysis on the solvency ratio was small.

As mentioned, the value of participations in subsidiaries has a material effect on the balance sheet and the level of the Company's market risk; therefore, in our fourth sensitivity analysis, we tested the impact on the solvency position of a **20% fall in the value of the two largest participations in subsidiaries**, Zavarovalnica Sava and Zavarovalnica Vita. Investments in the Company's insurance subsidiaries are valued in the Solvency II balance sheet using the adjusted capital method as the excess of the companies' Solvency II assets over liabilities. The value of the participation in Zavarovalnica Sava was EUR 370.4 million in the Solvency II balance sheet as at 31 December 2025 (31 December 2024: EUR 324.9 million), accounting for 60.4% (31 December 2024: 58.9%) of the total value of its financial investments in subsidiaries and associates. The sensitivity analysis assuming a 20% fall in the value of the participation in Zavarovalnica Sava materially reduces the eligible own funds and the Sava Re SCR. As eligible own funds decrease more than the SCR, the solvency ratio of the Company decreases significantly but remains high. The value of the participation in the insurer Zavarovalnica Vita was EUR 125.8 million in the Solvency II balance sheet as at 31 December 2025 (31 December 2024: EUR 107.5 million), accounting for 20.5% (31 December 2024: 19.5%) of the total value of its financial investments in subsidiaries and associates. The sensitivity analysis assuming a 20% fall in the value of the participation in Zavarovalnica Vita materially reduces the eligible own funds of Sava Re as well as its SCR. Because eligible own funds decrease by more than the SCR, the solvency ratio of the Company declines, but remains high.

The fifth is a sensitivity analysis to **increases in credit spreads**. The analysis was carried out by increasing the credit spreads by 100 basis points and then recalculating the eligible own funds and the SCR. An increase in the credit spread reduces the Company's eligible own funds slightly above the Company's materiality threshold, but it also slightly reduces the Company's SCR, so the impact of the sensitivity analysis on the solvency ratio is relatively small.

### Scenario analysis in ORSA

In the ORSA, the Company analysed the impact of increased macroeconomic risks on its operations and solvency using a financial scenario. As part of two long-term climate scenarios, the Company also analysed the impact of physical risks on its investment portfolio. The financial scenario is described below, and the two climate scenarios are described in section [C.6.6 Sustainability and climate change risks](#).

In its financial scenario, the Company assumed that the fiscal difficulties of European countries would intensify, resulting in the loss of the government bond segment of core countries. The scenario assumes that the risk premiums for government bonds will increase to the levels corresponding to the 97.5th quantile of the risk premiums for non-core government bonds from the 1997–2025 period. The increased credit risk of sovereigns is reflected in higher risk premiums for other debt investments. The scenario also assumes a decline in the value of other asset classes. The effects on the planned investment portfolio at the end of 2026 were then calculated based on this scenario. Such a scenario would have a large impact on the Company's eligible own funds (the impact considerably exceeding the Company's materiality threshold). This decline in the value of investments also results in lower capital requirements for market risk and, consequently, reducing the Company's SCR. While the financial scenario would significantly reduce solvency, the Company's solvency ratio would remain above the target level as defined in the Company's risk strategy (200%) and well above the regulatory

level of 100%. The Company also uses these scenarios to determine the potential management actions required if the scenario materialises.

### Prudent person principle

The Company makes investment decisions that take into account all investment-related risks, not only risks considered in the calculation of its capital requirement. The strategic asset allocation is determined through an optimisation process based on historical data for each asset class and taking into account the Company's market risk appetite.

The persons responsible for undertaking investment decisions assume and manage investment risk in line with the guidelines set out in the investment risk management policy, which is designed in accordance with the prudent person principle.

The Company invests all assets in such a way as to ensure the security, quality, liquidity and profitability of the portfolio as a whole. In addition, these assets are localised to ensure their availability.

Assets held to cover technical provisions are invested in a manner appropriate to the nature and duration of the reinsurance liabilities. These assets are invested in the best interests of all policyholders and beneficiaries.

The Company has in place a limit system, which considers maximum losses expected on individual issuers, limits for market risk concentration prescribed under the Standard Formula, limits based on risk appetite and acceptable volatility of return on financial investments. In addition to the limits set for individual asset classes, industries, regions and issuers, the Company has set limits regarding credit ratings of investments to further mitigate credit risk.

In the case of a conflict of interest, the Company ensures that the investment is made in the best interest of policyholders and beneficiaries.

## C.3 Credit risk

Credit risk is the risk of loss or adverse change in the Company's financial position, resulting from fluctuations in the credit standing of issuers, counterparties and any debtors that the Company is exposed to.

### C.3.1 Risk exposure

As part of credit risk, the Company is exposed to:

- counterparty default risk,
- spread risk,
- market risk concentration.

Spread risk and market risk concentration are discussed and presented in section [C.2 Market risk](#), in accordance with the risk classification and measurement in the Standard Formula. Later in this section, we provide details regarding counterparty default risk.

Counterparty default risk includes losses due to unexpected default or deterioration in the credit standing of counterparties and debtors over the coming 12 months. Counterparty default risk covers risk-mitigating contracts, such as reinsurance arrangements and receivables from intermediaries, as well as any other credit exposures not covered by the spread risk within the Standard Formula (cash and cash equivalents, and deposits to cedants). Credit risk relating to trade receivables arises out of delays in the payment of receivables from the Company's areas of receivables from the inwards reinsurance business and recourse receivables. In order to avoid such delays, the Company closely monitors the payment behaviour of cedants, running procedures to collect overdue receivables. This explains the Company's low exposure to counterparty default risk.

### C.3.2 Risk measurement

The Company makes quantitative assessments of credit risk using the Standard Formula. As mentioned, spread and market concentration risks are assessed within the market risk module, whereas counterparty default risk is assessed in a separate counterparty default risk module. The results for counterparty default risk are presented below, whereas market risks are discussed in section [C.2 Market risk](#).

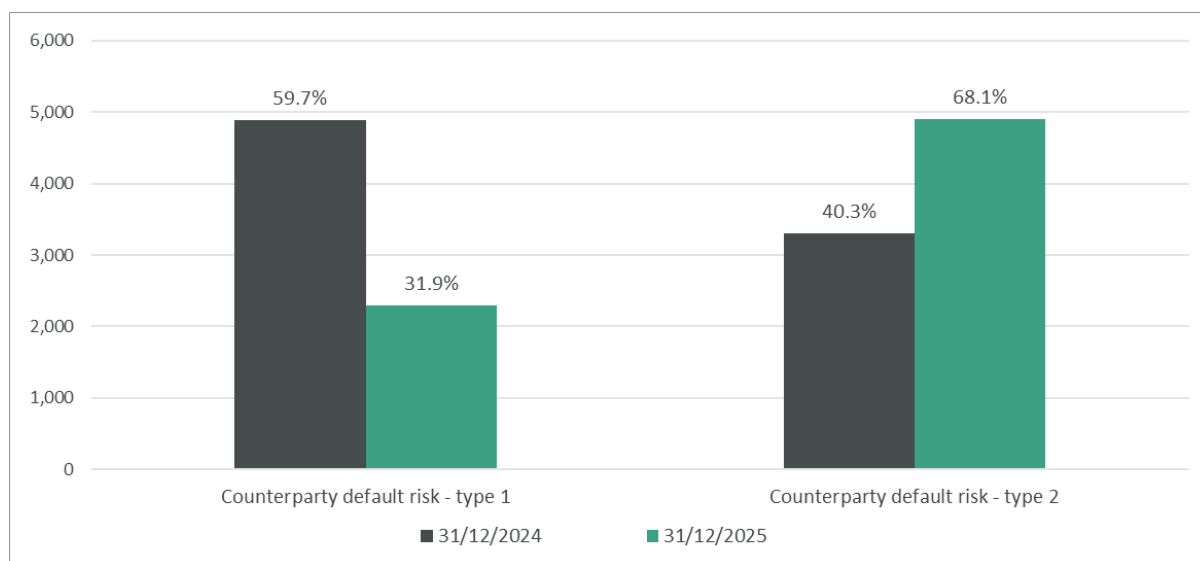
The Company's solvency capital requirement in accordance with the Standard Formula for counterparty default risk amounted to EUR 6.8 million as at 31 December 2025 (31 December 2024: EUR 7.7 million, representing 1.9% of the sum of the SCR of all risk modules<sup>25</sup>).

The following chart shows the composition of the counterparty default risk module in accordance with the Standard Formula.

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<sup>25</sup> The sum of all SCRs of all risk modules, including operational risk, is taken into account.

Undiversified counterparty default risk by risk sub-module (EUR thousand and as % of total)<sup>26</sup>



Type 1 risk includes exposures related to reinsurance and co-insurance contracts, and cash and cash equivalents. The exposure as at 31 December 2025 is slightly lower than as at 31 December 2024. Exposure to retrocessionaires increased compared to the previous year, while exposure to banks arising from cash equivalents decreased slightly. The decrease is partly due to a methodological change whereby deposits to cedants are now classified as type 2; as at 31 December 2024, they were classified as type 1.

Type 2 risk includes deposits to cedants and all receivables of the Solvency II balance sheet not included under type 1 risk other than tax assets and deferred tax assets. As at 31 December 2025, the risk was slightly higher than on 31 December 2024.

In addition to the calculation of the SCR in accordance with the Standard Formula, the Company uses its own model (in ORSA) to assess credit risk relating to financial investments. This model takes account of spread, migration and default risks for all investments in debt instruments. Thus, the credit risk associated with financial investments is considered as a whole, taking into account the change in the value of the investments due to changes in the level of the spreads on the risk-free interest rate curve (spread risk), changes in credit ratings (migration risk) and changes due to the default of the issuer (counterparty default risk). Closely interrelated, these risks are addressed within a single model in the ORSA. For more information on the own model for assessing market and credit risk, see section [C.2.2 Risk measurement](#). As regards counterparty default risk related to reinsurers and co-insurers, we believe that the Standard Formula appropriately evaluates the risk and, therefore, we made no own calculations for this part, whereas cash and cash equivalents are treated as risk-free investments.

The Company has no significant concentration with counterparty default risk.

### C.3.3 Risk management

The Company’s investment portfolio is reasonably diversified in accordance with the Company’s limit system in order to avoid large concentration of a certain type of investment, large concentration with any counterparty or economic sector, or other potential forms of concentration.

<sup>26</sup> The share of an individual risk submodule is calculated as a percentage of the sum of all risk submodules.

The Company manages its credit risk associated with assets under reinsurance and coinsurance contracts by limiting the exposure to a single reinsurer/co-insurer and by entering into contracts with highly rated partners.

In order to avoid such delays, the Company closely monitors the payment behaviour of cedants, running procedures to collect overdue receivables.

The Company monitors and reports on credit risk exposure on a quarterly basis and is thus able to take timely action if necessary. Partners' credit ratings are also monitored, with a focus on indications of any possible downgrading. To this end, a process has been put in place for reviewing external credit ratings by the credit rating committee, which is part of the risk management committee.

As part of its review of the appropriateness of the credit ratings used in the capital adequacy calculation, the Company tested the impact of a downgrade in the credit ratings of its retrocessionaires. We assumed a rating downgrade for all partners by one notch, based on which we calculated the impact on the SCR and the solvency ratio. The impact on the Company's solvency is small.

*Impact of sensitivity analysis on eligible own funds, SCR and solvency ratio*

EUR thousand	Eligible own funds	Difference from base value	SCR	Difference from base value	Solvency ratio	Difference from base value
<b>Base values as at 31 December 2025</b>	853,551		277,005		308%	
Deterioration of partners' credit ratings	853,434	-117	280,138	3,133	305%	-3 pp
<b>Base values as at 31 December 2024</b>	759,481		258,013		294%	
Deterioration of partners' credit ratings	759,482	0	260,762	2,749	291%	-3 pp

## C.4 Liquidity risk

Liquidity risk is the risk that an entity will not have sufficient liquid assets to meet its obligations as they fall due, and it will have to sell its less liquid assets at a discount or raise new loans. Liquidity risk should be understood as risk arising from short-term cash flows rather than risk arising from a long-term mismatch of assets and liabilities.

### C.4.1 Risk exposure

The Company has substantial monetary obligations (mainly to cedants and therefore needs to manage its cash flows appropriately to ensure an adequate level of liquidity). The Company carefully plans and monitors cash flows (both inflows and outflows). Furthermore, it regularly monitors the receivables aging analysis, considering the impact of the settlement of receivables on its current liquidity.

### C.4.2 Risk measurement

Liquidity risk is a risk difficult to quantify and hence is not covered in the Standard Formula. It is regularly monitored and managed by the Company.

To determine its exposure to liquidity risk, the Company monitors and analyses the following risk measures:

- cash in bank accounts,
- highly liquid assets as a percentage of total financial investments,
- value of illiquid investments,
- all other legally required measures.

### C.4.3 Risk concentration

The Company is not exposed to a concentration of liquidity risks, but it may in certain cases still face certain emergency liquidity needs.

### C.4.4 Risk management

The Company defined liquidity risk as one of its key risk exposures in its risk strategy. In order to effectively manage liquidity risk, the Company has adopted a liquidity risk management policy, which sets out the risk management processes and risk measures, as well as procedures in case of emergency liquidity needs. Due to the nature of liquidity risk, the Company does not manage such risk by holding additional capital, but through an appropriate strategy for ensuring sufficient liquidity.

The estimated liquidity requirement of the Company is composed of the estimated normal current liquidity requirement (arising from operations and investment maturities) and a liquidity buffer (estimated based on historical data on maximum weekly outflows).

The Company conducts an assessment of the normal current liquidity requirement within a period of up to one year based on projected three-month and weekly cash flows, which take account of the planned investment maturity dynamics and of other inflows and outflows from operations by using historical financial data from previous monthly and weekly liquidity plans and expectations regarding future performance.

Liquidity requirements are met by allocating funds to money market instruments in a percentage consistent with the estimated normal current liquidity requirement. In this regard, the Company

maintains a liquidity buffer of highly liquid assets accounting for at least 20% of its investment portfolio (category L1A under the ECB methodology, investments in US government bonds, government and supranational issuers rated AAA and AA+, cash and cash equivalents, and UCITS<sup>27</sup> money market funds). As at 31 December 2025, 45% of the Company's investment portfolio qualified as highly liquid (31 December 2024: 51%), which demonstrates that the investment portfolio is very liquid.

In view of the above, we believe that the Company's liquidity risk is low and well managed.

### Expected profits included in future premiums

Expected profits included in future premiums (EPIFP), calculated by the Company in accordance with Article 260(2) of the Delegated Regulation as the difference between the technical provisions without a risk margin calculated in accordance with Solvency II and a calculation of the technical provisions without a risk margin under the assumption that the premiums relating to in-force insurance and reinsurance contracts that are expected to be received in the future are not received for any reason other than the occurrence of the insured event, regardless of the legal or contractual rights of the policyholder to cancel the policy. The latter calculation assumes a 100% policy lapse rate, and for life insurance all policies are treated as paid-up.

The EPIFP is calculated at the individual policy level for the non-life and NSLT health insurance business from the end of 2024 and is equal to expected future premiums less the related expected future claims, commissions and other expenses taken into account in the calculation of the best estimate provisions. The EPIFP for the life insurance business is also calculated separately.

As at 31 December 2025, the Company's EPIFP totalled EUR 13.1 million (31 December 2024: EUR 11.0 million). The increase in EPIFP is in line with the growth in business volume in the proportionate part of the non-Group portfolio.

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<sup>27</sup> Undertaking for collective investment in transferable securities.

## C.5 Operational risk

Operational risk is the risk of loss arising from inadequate or failed internal processes, personnel or systems, or external events.

### C.5.1 Risk exposure

Operational risks are not among the Company's major risks. Nevertheless, some are relatively important for the Company. The key operational risks of the Company in 2025, ranked according to their rating in the risk register (from highest to lowest), are set out below:

- the risk of personal data protection breaches,
- risks related to data and reporting accuracy,
- the risks associated with cyberattacks,
- the risks related to compliance with laws and regulations on IT systems,
- the risk of a sanctions clause in an individual market where the Company operates,
- the risks related to IT systems.

### C.5.2 Risk measurement

At least annually, the Company calculates its capital requirement for operational risk using the Standard Formula. Such a calculation, however, is only of limited practical value because it is not based on the Company's actual exposure to operational risk, but on an approximation calculated mainly based on the Company's premiums, provisions and expenses.

The capital requirement for the operational risk calculated using the Standard Formula was EUR 7.8 million as at 31 December 2025 (31 December 2024: EUR 7.8 million, representing 2.2% of the sum of the SCR of all risk modules<sup>28</sup>).

Due to the above-mentioned reason, the Company assesses operational risks mainly by qualitatively assessing the related probability and financial severity within the risk register, and by analysing various scenarios. The Company makes quarterly risk assessments to obtain insight into the level of its current exposure to such risks.

### C.5.3 Risk concentration

The Company was not exposed to a significant concentration of operational risks.

### C.5.4 Risk management

The Company has in place various processes that ensure it can properly identify, measure, monitor, manage, control and report on operational risk, thus ensuring its effective management. Accountability and operational risk management processes are set out in greater detail in the operational risk policy and the risk management rules.

The chief operational risk management measures that the Company implements are:

- maintaining an effective business processes management system and an adequate and effective internal control system,

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<sup>28</sup> The sum of all SCRs of all risk modules, including operational risk, is taken into account.

- awareness-raising and training of all employees on their role in implementing the internal control system and managing operational risks,
- recording and monitoring adverse events and taking appropriate action,
- implementing information security policies,
- developing IT to mitigate cyber risk,
- having in place business continuity procedures for all critical processes (in order to minimise the risk of unpreparedness for incidents and external events and any resulting business interruption),
- having in place IT-supported processes and controls in the key business areas,
- monitoring of operational risk indicators (indicators are defined in the risk strategy and are also used to indirectly measure reputational risk),
- maintaining a good corporate culture and continuous training of employees,
- awareness-raising of all employees involved in processing of personal data for efficient risk management of personal data protection,
- continuous training and awareness-raising for employees.

All major internal controls related to operational risk are included in the risk register. The Company monitors weaknesses and newly introduced improvements in internal controls.

The Company regularly reports on assessed operational risks in the risk report, which is submitted to the risk management committee, the management board, the supervisory board's risk committee and the supervisory board. If necessary, the risk management function and the risk management committee issue recommendations to the management board for further steps and improvements to operational risk management processes.

Cyber risks continued to be among the key operational risks in 2025. Monitoring and managing these risks is of key importance to the Company, which is why we regularly carry out activities to prevent and manage them. In addition to the preventive measures already in place, the Company is planning and implementing additional activities. Security threats and incidents are regularly monitored by the Security Operations Centre (SOC). In 2025, a group-wide project was launched to improve security processes and implement solutions across the companies, a project that Sava Re is also participating in. At the project level, activities are underway to introduce six new tools or technologies, each with its own clearly defined programme.

## C.6 Other material risks

Other material risks faced by the Company primarily consist of strategic risks. These include the risk of an unexpected decrease in the Company's value due to unfavourable effects of management decisions, change in the business and legal environments, or market developments. Such adverse events could affect the Company's operating revenue and capital adequacy. Below, we discuss strategic risks, as well as emerging and sustainability risks, which are discussed separately.

### C.6.1 Risk exposure

The Company is exposed to a variety of internal and external strategic risks. The key strategic risks of the Company in 2025, ranked from highest to lowest by their rating in the risk register, are set out below:

- the risk of deteriorating macroeconomic and geopolitical conditions, which may make it more difficult to underwrite reinsurance or to achieve the projected returns on the investment portfolio,
- the risks associated with deteriorating terms for obtaining adequate reinsurance,
- the risks associated with planning assumptions,
- the risk that the soft reinsurance market prices do not keep pace with claims due to excess capital,
- the risks related to changes in reinsurance legislation.

In 2025, the risks associated with a deterioration in macroeconomic conditions remained high. The high risk ratings were maintained due to the continued uncertain geopolitical situation. Despite the instability, further capital investments and increased capacity made reinsurers more competitive, leading to easier access to reinsurance coverage, particularly in terms of price. While lower reinsurance prices will make it easier to obtain adequate retrocession, greater attention will need to be paid to ensuring that the reinsurance is underwritten at appropriate premium rates. The Company expects these risks to remain high in the coming year.

### C.6.2 Risk measurement

Strategic risks are by their nature very diverse and highly dependent on various (including external) factors, making them difficult to quantify. They are also not included in the calculation of the capital requirement in accordance with the Standard Formula.

Therefore, strategic risks are assessed qualitatively in the risk register by assessing the likelihood and potential financial impact of each event. In addition, the Company seeks to assess key strategic risks using qualitative analysis of various scenarios. Based on both analyses combined, the Company obtains an overview of the extent and change in the exposure to this type of risk.

### C.6.3 Risk concentration

The Company manages strategic risks well and has no material exposure to concentration risk.

### C.6.4 Risk management

The Company mitigates individual strategic risks mainly through preventive measures.

In addition to individual organisational units, the management board, the risk management committee and risk management functions are actively involved in identifying and managing strategic risks.

Strategic risks are also managed through on-going monitoring of the realisation of the Company's short- and long-term goals, and by monitoring regulatory changes in the pipeline and market developments.

The Company will continue to strive to ensure that the limits and premium rates for reinsurance contracts adequately reflect the effects of claims inflation and loss experience, and to obtain the best possible retrocession cover in the circumstances. The Company will also carefully consider the impact of market conditions on the investment portfolio and adjust its investment policy accordingly.

Strategic risks arising from **participations in subsidiaries and associates** are among the largest risks of this type. The Company actively manages its risks:

- through a governance system and clear segregation of responsibilities at all levels;
- through risk management policies;
- through systematic risk management as part of a three-lines-of-defence framework (discussed in detail in section [B.3 Risk management system, including the own risk and solvency assessment](#));
- through top-down setting of business and risk management strategies, taking into account both the Group as a whole as well as its individual members; and
- through a comprehensive system of monitoring operations, reporting on business results and risks at all levels.

The Company recognises that reputation is important to the achievement of its business goals and long-term strategic plans. The risk strategy therefore identifies **reputation risk** as a key risk. The Company seeks to minimise the likelihood of actions that could have a material impact on its reputation. A crucial factor in ensuring the Company's good reputation and successful performance is the quality of services; therefore, each and every employee is responsible for improving the quality of services and customer satisfaction. In addition, the Company has taken steps aimed at mitigating reputation risk, such as setting up fit and proper procedures applicable to key employees, ensuring systematic operations of their respective compliance functions, having in place business continuity procedures, developing stress tests and scenarios, and planning actions and responses in case risks materialise. The Company also manages reputational risk through timely and accurate reporting to regulatory bodies and well-planned public relations. In addition, the Company monitors operational indicators, which also indirectly measure reputational risk.

The Company manages and mitigates **regulatory risk** through ongoing monitoring of legal changes, assessing the potential short- and long-term effects of these changes on its operations, and systematically implementing new regulatory requirements. In accordance with statutory regulations, the Company has established a compliance function to also monitor and assess the adequacy and effectiveness of regular procedures and measures taken to remedy any deficiencies in the Company's compliance with regulations and other commitments.

The Company also considers **project risks** to be part of strategic risks. The Company systematically monitors the risks for each key project, analysing and managing them to ensure the timely adoption of necessary measures. Project risks are monitored and assessed by project team members as well as other stakeholders, also in the risk register.

An artificial intelligence project was launched at the Group level in 2025, and activities related to this project will also be carried out in the Company. The key project risks have been identified in the areas of data quality, legal aspects and security.

### C.6.5 Emerging risks

To ensure successful long-term business operations, it is extremely important to predict and identify new risks. The Company attempts to follow trends, technological developments and events that may shape future risk development. It is a challenge to accurately predict such risks, so the Company obtains

information externally and seeks to define what could significantly affect its business operations in the future.

In 2025, Sava Re conducted a survey to obtain assessments of which emerging risks would have the greatest impact on the Company's business. On the basis of the ratings and the number of raters, an average rating was calculated for each of the risks. In the medium term, the highest-rated risk was that of a major cyberattack and cyber fraud, followed by the risk of geopolitical instability and its consequences, as well as macroeconomic risks. In the long term, the highest-rated risk remains that of cyberattacks and cyber fraud, followed by physical climate risks, such as extreme weather conditions, and an ageing population.

The Company will continue to analyse such risks, take them into account in business planning and take the necessary measures to ensure stable operations in the long term.

### C.6.6 Sustainability and climate change risks

In the strategy period 2023–2027, the Company attaches great importance to sustainable development, and a sustainable development strategy has been prepared and adopted in cooperation with all the Group's subsidiaries. In addition, the Company is paying increasing attention to the risks associated with sustainable development. In the context of sustainability risks, the Company considers climate change to be one of its most significant risks. The Company also addresses risks related to biodiversity loss.

Like many companies, Sava Re is transitioning to more sustainable business practices. As the parent company of the Sava Insurance Group, Sava Re is also required to report in accordance with the Corporate Sustainability Reporting Directive (CSRD) and, consequently, the European Sustainability Reporting Standards (ESRS), which is why it has established comprehensive sustainability reporting across all aspects of its business. As part of this reporting, we also publicly disclose information regarding material sustainability risks, comply with the requirements of the Solvency II Delegated Regulation and integrate sustainability risks into our risk management system. In facultative reinsurance underwriting, the Company follows the Sava Insurance Group's guidelines for responsible underwriting of environmental, social and governance risks in the non-life insurance business. The Group-level Sustainability Investment Policy of the Sava Insurance Group defines, among other things, the activities in which the Sava Insurance Company will no longer invest (industries identified as non-sustainable). In addition, the Company has established a system for keeping abreast of new legislation.

In the coming years, the Company will continue to strive to contribute to sustainable development and to monitor and manage the risks associated with the transition to sustainable business.

#### Climate change risks

The Company recognises the importance of climate change risk to its long-term operations and monitors both physical and transition risks. Sava Re actively manages transition risks by adopting relevant internal acts and complying with legal requirements in the area of climate risks. The impact of physical risks on operations is indirectly monitored by monitoring loss events, profit and business performance.

Climate change risks are also included in the risk register and are assessed periodically. Key climate change risks for the Company, ranked based on their rating in the risk register (from highest to lowest), are:

- increased claims because of the greater frequency and concentration of extreme weather events and natural catastrophes (heat waves, landslides, floods, wildfires, storms, hailstorms),
- reduced availability and less affordable retrocession due to the increased frequency, causation and severity of natural catastrophes,

- increased capital cost due to the increased frequency and severity of extreme weather events.

The risks of climate change and their impact on the Company's and the Group's business are also presented in more detail in the Company's annual report in section B.ESRS E1 *Climate Change SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model*.

These risks were assessed qualitatively and quantitatively in this year's ORSA. The qualitative assessment covers the likelihood and severity of these risks over the long term. The materiality of physical and transition risk exposures was analysed in the investment and non-life insurance portfolios, where qualitative analysis indicated that the Company could experience the greatest impact from climate change.

Two climate change scenarios, developed on the basis of SSP scenarios and applied to planned data for 2026, were also included; these scenarios analyse the long-term effects. Shared Socioeconomic Pathways (SSP) scenarios have been defined by the Intergovernmental Panel on Climate Change (IPCC) and include, in addition to the GHG emission projections defined by the RCP scenarios (used in the previous ORSA), different projections of global socio-economic change by 2100.

In both scenarios, SSP2-4.5<sup>29</sup> and SSP5-8.5<sup>30</sup>, the Company analysed the impact of physical risks on the investment and insurance portfolios over the long term, between 2071 and 2100.

Both scenarios assume an increase in risk premiums for debt securities and a decrease in the value of shares and real estate by sector and country of issuer. The size of the drop in investment value in a particular country is determined by how vulnerable that country is to climate risks. Shocks are somewhat lower in the SSP2-4.5 scenario than in the SSP5-8.5 scenario.

Both scenarios also assume that multiple catastrophic events occur in Slovenia over the course of a single year (increased severity and frequency of natural catastrophes). The SSP2-4.5 scenario assumes three additional catastrophic events, while the SSP5-8.5 scenario assumes five additional catastrophic events of slightly greater severity. Additionally, a cyclone occurs in the northwestern Pacific in the same year, which in the SSP5-8.5 scenario merges with another tropical system.

Both scenarios would have a significant impact on the Company's own funds (the impact significantly exceeds the Company's materiality threshold), and the SCR would decrease slightly in both scenarios. In both scenarios, solvency would decline significantly, but the Company would still remain above the target capitalisation level (200%). In the future, the Company will implement various measures to mitigate the effects of such scenarios (seeking adequate diversification of the reinsurance portfolio, limiting its geographical exposure, ensuring adequate retrocession protection, pursuing sustainability policies, monitoring risk indicators, adapting policies to changing circumstances, etc.).

### Other sustainability risks

In addition to climate change, Sava Re monitors other sustainability risks. These are included in the risk register and periodically assessed.

At the Company and Group level, the highest-rated key sustainability risks in 2025 were reputational risks (e.g., greenwashing) and regulatory risks (e.g., the inadequate or untimely implementation of sustainability regulations). Compared to 2024, the risk of inadequate or untimely implementation of sustainability regulations was rated slightly lower, as there were no new legislative requirements in this area in 2025.

<sup>29</sup> SSP2-4.5, or the Delayed Transition scenario, assumes that greenhouse gas emissions continue to increase slowly at first, then decrease towards the middle and end of the 21st century but remain relatively high. Due to the Delayed Transition, rapid and major changes in policies are assumed to achieve climate neutrality.

<sup>30</sup> SSP5-8.5 assumes no major success in limiting emissions, current policies are considered (without any future changes); therefore, emissions increase rapidly throughout the 21st century in this scenario, leading to high physical risks ("hot-house world").

In addition to risks related to reputational damage and legislation, we also monitor other sustainability risks. These include the risk of failing to recognise changes in the environment (among stakeholders) in a timely manner due to adapting to new legislation and strategies, the risk of having an inadequate whistleblowing protocol and other risks. None of the risks have increased compared to 2024.

## C.7 Any other information

The Company has no other material information relating to its risk profile.

An aerial photograph of a dense, lush green forest. The trees are packed closely together, with varying shades of green. In the bottom right corner, a river or stream flows through the forest, its surface reflecting the surrounding greenery. The overall scene is vibrant and natural.

D.

# VALUATION FOR SOLVENCY PURPOSES

In accordance with Article 174 of the Slovenian Insurance Act (ZZavar-1), assets are valued at amounts for which they could be exchanged between knowledgeable and willing parties in an arm's length transaction. Liabilities are valued at amounts for which they could be transferred or settled between knowledgeable and willing parties in an arm's length transaction. The value of liabilities is not adjusted to reflect the Company's creditworthiness.

Assets are valued in accordance with IFRSs as adopted by the EU, except where the Delegated Regulation and implementing regulation provide for more than one valuation method to be used, provided that this complies with Solvency II. For most other cases of assets and liabilities (apart from technical provisions; TP) the IFRSs provide for valuation consistent with Solvency II principles.

The basis for the balance sheet in accordance with Solvency II (SII balance sheet), with assets and liabilities valued in accordance with the valuation principles set out in Articles 174–190 of ZZavar-1, is the statement of financial position drawn up by the Company for reporting purposes in accordance with IFRSs, referred to in this document as the IFRS balance sheet. In this document, we use the term gross IFRS provisions for the IFRS 17 term insurance contract assets and liabilities and the term reinsurers' share of IFRS provisions for reinsurance contract assets and liabilities, respectively.

The IFRS balance sheet is the basis for reclassifications and revaluations for the purpose of the SII balance sheet. This section describes the implementation of such reclassifications and revaluations only for those items for which the value under Solvency II (SII value) differs from the value under IFRSs (IFRS value). For all other items, IFRSs are deemed to ensure a valuation consistent with Solvency II principles.

The following table shows the balance sheet as at 31 December 2025 with IFRS values of assets and liabilities (IFRS balance sheet) along with assets and liabilities in accordance with the valuation principles set out in Articles 174–190 of ZZavar-1, taking into account the revaluations and reclassifications of asset and liability items (SII balance sheet).

IFRS and SII balance sheets as at 31 December 2025

EUR thousand		IFRS	Revaluation	Reclassification	Solvency II
<b>Assets</b>					
1	Deferred acquisition costs (D.1.1)	0	0	0	0
2	Intangible assets (D.1.2)	6,331	-6,331	0	0
3	Deferred tax assets (D.1.3)	3,437	5,568	0	9,006
4	Property and equipment held for own use (D.1.4)	2,823	1,556	0	4,379
5	Property and equipment other than for own use (D.1.5)	7,528	4,392	0	11,920
6	Investments in subsidiaries and associates (D.1.5)	328,219	284,990	0	613,209
7	Shares (D.1.5)	3,617	0	0	3,617
8	Bonds (D.1.5)	451,520	16	0	451,536
9	Investment funds (D.1.5)	35,325	0	0	35,325
10	Deposits other than cash equivalents (D.1.5)	998	20	0	1,018
11	Loans and mortgages (D.1.6)	8,034	129	0	8,163
12	Reinsurers' share of technical provisions (D.1.7)	50,480	-17,640	9,300	42,140
13	Deposits to cedants (D.1.8)	0	0	11,902	11,902
14	Insurance and intermediaries receivables (D.1.9)	0	0	20,568	20,568
15	Reinsurance and co-insurance receivables (D.1.10)	0	0	1,269	1,269
16	Other receivables (D.1.11)	220	0	0	220
17	Own shares (D.1.12)	24,939	89,572	0	114,511
18	Cash and cash equivalents (D.1.13)	7,083	0	0	7,083
19	Other assets (D.1.14)	1,340	-1,340	0	0
<b>Total assets</b>		<b>931,896</b>	<b>360,932</b>	<b>43,039</b>	<b>1,335,867</b>
<b>Liabilities</b>					
20	Gross technical provisions – non-life and NSLT health (D.2)	257,311	-9,437	27,953	275,827
21	Gross technical provisions – life (excl. health, index-linked and unit-linked business) (D.2)	13,991	-9,249	0	4,742
22	Provisions other than technical provisions (D.3.1)	575	0	0	575
23	Deposits from reinsurers (D.3.2)	0	0	3,520	3,520
24	Deferred tax liabilities (D.1.3)	0	5,456	0	5,456
25	Financial liabilities other than debts owed to credit institutions (D.3.7)	430	0	0	430
26	Insurance and intermediaries payables (D.3.3)	0	0	4,517	4,517
27	Liabilities from reinsurance and co-insurance business (D.3.4)	0	0	7,049	7,049
28	Other trade payables (D.3.5)	8,084	0	0	8,084
29	Subordinated liabilities (D.3.6)	125,242	-6,558	0	118,685
30	Other liabilities (D.3.8)	3,015	0	0	3,015
<b>Total liabilities</b>		<b>408,648</b>	<b>-19,788</b>	<b>43,039</b>	<b>431,899</b>
<b>Excess of assets over liabilities</b>		<b>523,247</b>	<b>380,720</b>	<b>0</b>	<b>903,967</b>

IFRS and SII balance sheets as at 31 December 2024

EUR thousand		IFRS	Revaluation	Reclassification	Solvency II
<b>Assets</b>					
1	Deferred acquisition costs (D.1.1)	0	0	0	0
2	Intangible assets (D.1.2)	6,482	-6,482	0	0
3	Deferred tax assets (D.1.3)	4,155	5,053	0	9,209
4	Property and equipment held for own use (D.1.4)	2,595	993	0	3,588
5	Property and equipment other than for own use (D.1.5)	7,643	2,616	0	10,259
6	Investments in subsidiaries and associates (D.1.5)	325,410	226,001	0	551,410
7	Shares (D.1.5)	3,205	0	0	3,205
8	Bonds (D.1.5)	404,284	70	0	404,354
9	Investment funds (D.1.5)	33,296	0	0	33,296
10	Deposits other than cash equivalents (D.1.5)	1,023	19	0	1,042
11	Loans and mortgages (D.1.6)	2,579	24	0	2,603
12	Reinsurers' share of technical provisions (D.1.7)	63,770	-15,492	441	48,719
13	Deposits to cedants (D.1.8)	0	0	11,779	11,779
14	Insurance and intermediaries receivables (D.1.9)	0	0	21,704	21,704
15	Reinsurance and co-insurance receivables (D.1.10)	0	0	416	416
16	Other receivables (D.1.11)	1,032	0	0	1,032
17	Own shares (D.1.12)	24,939	43,940	0	68,879
18	Cash and cash equivalents (D.1.13)	14,724	0	0	14,724
19	Other assets (D.1.14)	995	-995	0	0
<b>Total assets</b>		<b>896,130</b>	<b>255,748</b>	<b>34,340</b>	<b>1,186,218</b>
<b>Liabilities</b>					
20	Gross technical provisions – non-life and NSLT health (D.2)	265,384	-11,076	28,435	282,744
21	Gross technical provisions – life (excl. health, index-linked and unit-linked business) (D.2)	15,022	-7,793	0	7,228
22	Provisions other than technical provisions (D.3.1)	474	0	0	474
23	Deposits from reinsurers (D.3.2)	0	0	0	0
24	Deferred tax liabilities (D.1.3)	0	4,970	0	4,970
25	Financial liabilities other than debts owed to credit institutions (D.3.7)	261	0	0	261
26	Insurance and intermediaries payables (D.3.3)	0	0	5,047	5,047
27	Liabilities from reinsurance and co-insurance business (D.3.4)	0	0	857	857
28	Other trade payables (D.3.5)	3,372	0	0	3,372
29	Subordinated liabilities (D.3.6)	125,058	-10,082	0	114,977
30	Other liabilities (D.3.8)	2,668	0	0	2,668
<b>Total liabilities</b>		<b>412,239</b>	<b>-23,981</b>	<b>34,340</b>	<b>422,598</b>
<b>Excess of assets over liabilities</b>		<b>483,891</b>	<b>279,728</b>	<b>0</b>	<b>763,620</b>

As at 31 December 2025, the Company had off-balance sheet items amounting to EUR 10.0 million (31 December 2024: EUR 10.0 million), which are contingent assets equal to the amount of its cancelled subordinated instruments, in respect of which the Company continues to take action to protect its interests. In addition, off-balance sheet items as at 31 December 2025 include contingent liabilities relating to commitments to make payments to alternative funds in the amount of EUR 6.4 million (31 December 2024: EUR 3.5 million).

## D.1 Assets

The following is a presentation of individual categories of assets, together with the valuation methods used for material categories, where these differ from IFRS valuation.

### D.1.1 Deferred acquisition costs

The deferral of policy acquisition costs is included in the measurement of insurance contracts in accordance with IFRS 17; therefore, the Company does not recognise deferred policy acquisition costs separately in the IFRS balance sheet.

Deferred acquisition costs are stated at nil in the Company's SII balance sheet.

### D.1.2 Intangible assets

Intangible assets are valued at nil under Solvency II rules but may be recognised to the extent and at a value greater than nil, if they can be sold separately and if a quoted market price exists in an active market for the same or a similar intangible asset item.

The Company holds no intangible assets that may be sold separately and for which it cannot demonstrate market values for identical or similar assets. The SII value of intangible assets is stated at nil.

### D.1.3 Deferred tax assets and liabilities

Deferred tax assets and liabilities are defined based on identified temporary differences. These are differences between the tax value and the carrying amount of assets or liabilities. Temporary differences may be taxable temporary differences, either amounts to be added to the taxable profit in future periods or amounts to be deducted from the taxable profit in future periods. Deferred taxes are thus recognised as either deferred tax assets or liabilities as a result of accounting for current and future tax implications.

In the SII balance sheet, deferred tax assets and liabilities are recognised based on the IFRS value of deferred tax assets and liabilities plus additional deferred tax assets and liabilities relating to revaluations in the SII balance sheet and is presented separately (gross principle).

In the SII balance sheet, deferred tax assets and liabilities are accounted for on all revaluations apart from:

- the revaluation of the participations in subsidiaries and associates item if such participations are considered strategic investments; in such cases, revaluation differences are treated as permanent differences and do not meet the requirements of temporary differences and, therefore, there is no basis for accounting for deferred taxes with regard to this item;
- the revaluation of the "own shares listed on a stock exchange" item because it does not constitute a taxable temporary difference;

- the revaluation of the subordinated liabilities item, as it does not represent a taxable temporary difference.

In 2025, deferred tax assets and liabilities were accounted for using a tax rate of 22% (2024: 22%). The Company recognised additional net deferred tax assets resulting from Solvency II revaluations, and the total amount of net deferred tax assets was EUR 3.6 million (2024: EUR 4.2 million). The table below shows a detailed overview by individual item.

*Deferred tax assets and liabilities*

EUR thousand	31 December 2025			31 December 2024		
	IFRS value	Revaluation	SII value	IFRS value	Revaluation	SII value
<b>Deferred tax assets</b>	<b>3,437</b>	<b>5,568</b>	<b>9,006</b>	<b>4,155</b>	<b>5,053</b>	<b>9,209</b>
Financial investments	2,788	0	2,788	3,727	0	3,727
Gross TPs	138	0	138	27	0	27
Reinsurers' share of technical provisions	-86	3,881	3,795	-241	3,408	3,167
Other items of deferred tax assets	597	1,688	2,285	643	1,645	2,288
<b>Deferred tax liabilities</b>	<b>0</b>	<b>5,456</b>	<b>5,456</b>	<b>0</b>	<b>4,970</b>	<b>4,970</b>
Financial investments	0	1,002	1,002	0	601	601
Gross TPs	0	4,111	4,111	0	4,151	4,151
Other items of deferred tax liabilities	0	342	342	0	219	219

The greater effect of deferred tax assets is on financial investments and arises from the IFRS balance sheet as a result of the revaluation of investments; additionally, in the Solvency II balance sheet, the effect of deferred tax assets also arises from the revaluation of reinsurers' share of technical provisions and from the revaluation of intangible assets.

The largest impact on deferred tax liabilities arose from the revaluation of gross technical provisions (gross TPs).

### D.1.4 Property, plant and equipment assets held for own use

Every three years, the Company has the fair values of its properties held for own use appraised by independent external property appraisers. The appraisal was carried out in 2025. Equipment for own use represents an immaterial amount and is stated at the same amounts in both the SII and IFRS balance sheets. The presentation of SII right-of-use assets is the same as in the IFRS balance sheet.

### D.1.5 Investments

#### Property, plant and equipment other than for own use

The methodology is consistent with the methodology used for property, plant and equipment assets held for own use, which is described in detail in section [D.1.4 Property, plant and equipment assets held for own use](#).

#### Participations

Two valuation methodologies are applied, one for the valuation of participations in insurance companies and one for the valuation of participations in non-insurance companies.

### Participations in insurance companies

In the SII balance sheet, participations in insurance companies are valued at fair value. These can be obtained through:

- market prices that are directly observable, or
- valuation using an adjusted equity method (the net asset value of participations with assets and liabilities adjusted to the SII values).

For equity investments in the insurance subsidiaries of Sava Re not listed in a regulated market, market value for the purpose of capital requirement calculation is calculated in accordance with the Standard Formula, on the basis of an adjusted equity method of valuation – the excess of an insurer’s SII assets over liabilities – because none of the Company’s subsidiaries is a member of any stock exchange.

Where Sava Re holds less than a 100% interest in a subsidiary, proportionate adjustments are made.

### Participations in non-insurance companies

In the SII balance sheet, the Company measures the fair value of participations in non-insurance companies using the IFRS equity method in accordance with Article 13(5) of the Delegated Regulation, whereby goodwill that was part of the cost is deducted from cost, which is the basis for calculations under the equity method. The value of goodwill and other intangible assets, which would be valued at nil under the asset valuation methodology, is deducted by the Company from the resulting value of the company.

### Shares

#### *Shares – listed*

Listed shares are valued at market value in both the IFRS balance sheet and the SII balance sheet based on the last published market price.

#### *Shares – unlisted*

Unlisted shares are valued at market value in both the IFRS and SII balance sheets based. The market price is calculated using a model. Where investments are not valued using a model because they are not material, it is assumed that cost is a reasonable approximation of market value.

### Bonds

All bonds are valued at fair value in the SII balance sheet. Bonds valued at amortised cost in the IFRS balance sheet are revalued to fair value in the SII balance sheet, taking into account their fair value as at the reporting date.

### Investment funds

The Company values investments in mutual funds and ETFs<sup>31</sup> at the last published price in both the IFRS and SII balance sheets.

The Company also values investments in alternative funds (real estate and infrastructure funds, private debt funds, private equity funds, etc.) at market value, in both the IFRS and SII balance sheets, based on values received from the fund managers.

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<sup>31</sup> Exchange Traded Fund.

## Deposits other than cash equivalents

The Company classifies deposits other than cash equivalents as at amortised cost. For the purpose of the SII balance sheet, amortised cost is considered to be a reasonable approximation of market value.

In contrast to the IFRS balance sheet, the value of deposits in the SII balance sheet is reported net of the impact of expected credit losses (ECL), which is reported as a revaluation.

Deposits with an original maturity of up to three months are reclassified from cash and cash equivalents to deposits other than cash equivalents in the SII balance sheet.

### D.1.6 Loans and mortgages

The Company classifies loans as valued at amortised cost. For the purpose of the SII balance sheet, amortised cost is considered to be a reasonable approximation of market value.

In contrast to the IFRS balance sheet, the value of loans in the SII balance sheet is reported net of the impact of expected credit losses (ECL), which is reported as a revaluation.

### D.1.7 Reinsurers' share of technical provisions

In the IFRS balance sheet, the Company recognises the net amount of reinsurance contract assets (the carrying amount of portfolios of reinsurance contracts that are assets) and of reinsurance contract liabilities (the carrying amount of portfolios of reinsurance contracts that are liabilities) in the item reinsurers' share of technical provisions. The Company accounts for reinsurance contract liabilities in accordance with IFRS 17.

The Company's core business is accepted reinsurance, which is why, for the sake of clarity, we use the term retrocession for the insurance of such business with subsequent reinsurers – reinsurance ceded.

No items are reclassified to reinsurers' share of technical provisions in the SII balance sheet.

In the SII balance sheet, the Company reclassifies from the item reinsurers' share of technical provisions the past-due retroceded premium payable, which is classified in the SII balance sheet under liabilities from reinsurance and co-insurance business, and the past-due commission receivable related to retrocession business, which is classified in the SII balance sheet as reinsurance and co-insurance receivables, and deposits from reinsurers, which are classified under the item deposits from reinsurers in the SII balance sheet.

The revaluation amount arises from differences in the methods used to measure the IFRS and SII provisions.

The basis for calculating the best estimate provisions for retroceded non-Group business is the projection of undiscounted cash flows for the purpose of preparing the statutory balance sheet in accordance with IFRS 17. In doing so, these categories are subtracted from the IFRS 17 cash flows that, according to the provisions of the Delegated Regulation, are not part of best estimate provisions. Subsequently, these cash flows are broken down by line of business and currency and are discounted using risk-free interest rate curves.

In calculating the best estimate provisions for retroceded Group business, the Company takes as the basis the cash flows used in calculating the gross best estimate provisions and uses assumptions that are consistent with those used in calculating the gross best estimate provisions.

The time value of money is taken into account in the same way as for gross best estimate provisions. Adjustments for expected counterparty defaults are made based on the division of the amount of best estimate provisions ceded to reinsurers by counterparty credit ratings and the likelihood of non-payment related to these credit ratings.

### **D.1.8 Deposits to cedants**

Under some reinsurance contracts, part of the reinsurance premium is retained by cedants as guarantee for payment of future claims and generally released after one year. The cash flows associated with these deposits are included in the valuation of insurance contracts in accordance with IFRS 17; therefore, the Company does not separately recognise deposits with cedants in the IFRS balance sheet.

In the SII balance sheet, the Company transfers the deposits with cedants item from gross IFRS provisions to this item.

### **D.1.9 Insurance and intermediaries receivables**

The cash flows associated with receivables from accepted reinsurance are included in the IFRS 17 valuation of insurance contracts, and therefore the Company does not present reinsurance receivables separately in the IFRS balance sheet.

In the SII balance sheet, the Company reclassifies past-due receivables for premiums arising out of accepted co-insurance and reinsurance from IFRS gross technical provisions to insurance and intermediaries receivables.

### **D.1.10 Reinsurance and co-insurance receivables**

In accordance with IFRS 17, the cash flows associated with receivables arising out of ceded reinsurance are included in the valuation of reinsurance contracts, and therefore the Company does not separately present receivables arising out of reinsurance business.

In the SII balance sheet, the Company reclassifies past-due commission receivables on ceded reinsurance from the reinsurers' share of IFRS provisions to the reinsurance and co-insurance receivables item.

### **D.1.11 Other receivables**

Other receivables include short-term receivables from government and other institutions, short-term receivables from leasing out premises and equipment, and similar.

The valuations for the SII balance sheet and the IFRS balance sheet are the same.

### **D.1.12 Own shares**

Own shares are listed on a regulated market; therefore, they are restated at the closing stock market price for the purposes of the SII balance sheet as at the SII balance sheet valuation date.

### **D.1.13 Cash and cash equivalents**

The SII balance sheet and the IFRS balance sheet valuations are the same. Deposits with an original maturity of up to three months are treated in the SII balance sheet in the same way as deposits with longer maturities, and they are therefore reclassified to deposits other than cash equivalents.

### **D.1.14 Any other assets, not elsewhere shown**

Other assets include short-term deferred costs and short-term accrued income. Short-term deferred costs comprise prepaid costs of insurance, licenses, rent and similar. In the SII balance sheet, other assets are recognised at the same amounts as in the IFRS balance sheet, except for prepaid costs, which are stated at nil.

## D.2 Technical provisions

In the IFRS balance sheet, the Company recognises the net amount of insurance contract assets (the carrying amount of portfolios of insurance contracts that are assets) and of insurance contract liabilities (the carrying amount of portfolios of insurance contracts that are liabilities) in the item technical provisions. The Company accounts for insurance contract assets and liabilities in accordance with IFRS 17.

No items are reclassified to technical provisions in the SII balance sheet.

In the SII balance sheet, the Company reclassifies from the technical provisions line item:

- past-due receivables for premiums arising out of the accepted reinsurance business into the item insurance and intermediaries receivables,
- not-past-due commission payables relating to the accepted reinsurance business into the item insurance and intermediaries payables,
- premium deposits to cedants into the item deposits to cedants,
- claims deposits with cedants into the item deposits to cedants.

The revaluation arises from differences in the methods used to measure the IFRS and SII provisions.

The valuation of the reinsurers' share of the SII technical provisions is discussed under valuation of assets, in section [D.1.7 Reinsurers' share of technical provisions](#).

Best estimate provision calculations are performed at the contract level and final amounts are reported by the Company at the line of business level. Due to the negligible volume and nature of the obligations relating to the accepted non-Group life reinsurance business, the methodology for the valuation of these obligations is the same as for the non-life and NSLT health insurance business; therefore, the obligations arising out of the accepted life reinsurance business are classified as NSLT health insurance.

The best estimate provision consists of a best estimate premium provision and a best estimate claims provision.

The basis for calculating the best estimate provisions for non-Group business is the projection of undiscounted cash flows for the purpose of preparing the statutory balance sheet in accordance with IFRS 17. These cash flow figures are provided separately for past coverage and future coverage. The former is the basis for calculating the best estimate claims provisions, and the latter is the basis for calculating the best estimate premium provisions.

In doing so, these categories are subtracted from the IFRS 17 cash flows that, according to the provisions of the Delegated Regulation, are not part of best estimate provisions. Subsequently, these cash flows are broken down by line of business and currency and are discounted using risk-free interest rate curves.

The main assumptions underlying the calculation are the estimated premiums for each line of business and the ultimate ratios applied, especially for the most recent underwriting year, which is subject to the greatest uncertainty due to unknown losses and unexpired coverage. For the non-Group accepted reinsurance business, the share of expected ultimate claims as a percentage of expected ultimate premiums for the most recent underwriting year is slightly higher than in the previous year due to a higher volume of catastrophes, but this did not have a significant impact on the Group's results in this operating segment due to effective reinsurance arrangements.

The best estimate provisions relating to the Group business are obtained from the subsidiaries, and only the expected future internal expenses associated with servicing these contracts are added to the relating cash flows.

The Company calculates the risk margin in line with the Delegated Regulation. A simplified calculation method is used for projecting the solvency capital requirement, taking into account the level 2

hierarchy referred to in Article 77 of the Decision on Detailed Instructions for the Valuation of Technical provisions: The total solvency capital requirement for each future year is calculated based on the ratio of the best estimate in that future year to the best estimate technical provisions as at the valuation date. The risk margin so obtained is allocated to individual lines of insurance, using the ratio of calculated capital requirements.

### D.2.1 Values of SII technical provisions

The following tables set out the values of gross best estimate provisions, the reinsurers' share of best estimate provisions and the risk margin by line of business.

*Best estimate provisions by line of business as at 31 December 2025*

(EUR thousand)	Gross amount	Reinsurers' share	Risk margin
Proportional medical expense reinsurance	48	0	2
Proportional income protection reinsurance	4,338	257	293
Proportional workers' compensation reinsurance	0	0	0
Proportional motor vehicle liability reinsurance	23,816	1,682	1,042
Other proportional motor reinsurance	20,474	1,649	1,144
Proportional marine, aviation and transport reinsurance	10,034	258	898
Proportional fire and other damage to property reinsurance	88,863	15,655	5,663
Proportional general liability reinsurance	16,528	319	1,898
Proportional credit and suretyship reinsurance	-1,717	-135	917
Proportional legal expenses reinsurance	28	0	1
Proportional assistance reinsurance	9	0	5
Proportional miscellaneous financial loss reinsurance	2,595	684	128
Non-proportional health reinsurance	411	-20	77
Non-proportional casualty reinsurance	11,014	5,091	679
Non-proportional marine, aviation and transport reinsurance	5,463	-2,662	981
Non-proportional property reinsurance	71,341	16,226	8,855
Accepted life reinsurance	4,589	3,137	153
<b>Total portfolio</b>	<b>257,833</b>	<b>42,140</b>	<b>22,736</b>

*Best estimate provisions by line of business as at 31 December 2024*

(EUR thousand)	Gross amount	Reinsurers' share	Risk margin
Proportional medical expense reinsurance	-5	0	5
Proportional income protection reinsurance	2,878	-36	275
Proportional workers' compensation reinsurance	0	0	0
Proportional motor vehicle liability reinsurance	20,376	170	1,044
Other proportional motor reinsurance	15,528	1,678	1,134
Proportional marine, aviation and transport reinsurance	9,246	719	878
Proportional fire and other damage to property reinsurance	86,360	15,698	5,590
Proportional general liability reinsurance	16,455	-60	1,046
Proportional credit and suretyship reinsurance	288	0	281
Proportional legal expenses reinsurance	0	0	1
Proportional assistance reinsurance	-1	0	2
Proportional miscellaneous financial loss reinsurance	2,321	735	135
Non-proportional health reinsurance	307	0	73
Non-proportional casualty reinsurance	12,258	4,296	794
Non-proportional marine, aviation and transport reinsurance	5,595	-664	994
Non-proportional property reinsurance	88,575	21,407	10,312
Accepted life reinsurance	7,092	4,776	137
<b>Total portfolio</b>	<b>267,272</b>	<b>48,719</b>	<b>22,701</b>

Gross best estimate provisions decreased by EUR 9.4 million in 2025, while net provisions decreased by EUR 2.9 million. The main contributors to the movement in the premium provision were an increase in not-past-due premium receivables, mainly due to estimated billing delays and expected future premiums in the non-Group portfolio. Growth in this estimate was also driven by the fact that in 2025, the Company concluded several major non-Group treaties, both inwards and outwards. The changes in this area were most pronounced in proportional reinsurance. A decrease in the premium provision was also observed in non-proportional property reinsurance, which is also consistent with the structure and growth dynamics of the portfolio. Best estimate claims provisions show an increase in the proportional part of the portfolio, primarily due to a higher number of reported claims and portfolio growth. In contrast, claims provisions for the non-proportional part of the portfolio decreased, primarily due to claims payments related to past weather-related claims in the Group portfolio.

Net SII provisions exceed net IFRS provisions by EUR 17.6 million or 8%.

The main differences in the valuation of net SII and IFRS provisions are:

- A different interest rate curve is used for discounting, as the risk-free interest rate curve published by EIOPA is used for SII provisions, and a liquidity premium is added to this curve for IFRS provisions.
- Under IFRS, all receivables and liabilities are included in the calculation, whereas only the not-past-due portion of reinsurance receivables and liabilities is included in the valuation of SII provisions.
- The adjustment for non-financial risk is specific to the IFRS standard, the SII equivalent is the risk margin, but the calculation methodologies are slightly different.
- In the SII calculations, all future profits on existing business are recognised in eligible own funds, whereas in IFRS they are recognised in the CSM<sup>32</sup>.

<sup>32</sup> Contractual Service Margin. An estimate of the unearned profit on groups of insurance contracts that has not been recognised in the income statement at a reporting date because it relates to future services.

## D.2.2 Description of the level of uncertainty associated with the value of SII technical provisions

As the level of uncertainty in SII provisions is largely driven by the assumptions used in the best estimate calculation, we tested the sensitivity of the amount of provisions to the key parameters of the calculation.

For best estimate premium and claims provisions, we tested the impact of the following changes:

- a 10% increase in the loss ratio in the last policy year, as this is the period of greatest uncertainty due to the more difficult to predict development of claims already incurred;
- a 10% reduction in premiums and commissions already accrued but not yet due from the estimate of accounts received late,
- a 50% increase in internal costs taken into account.

For the best estimate life insurance provisions, we tested the impact of the following changes:

- a 20% increase in longevity or reduction in mortality rates,
- a 3% increase in the amount of annuities.

However, for the total best estimate provisions, we tested the impact of the following changes:

- an upward shift of the risk-free interest rate curve by 100 basis points,
- a downward shift of the risk-free interest rate curve by 100 basis points.

The impact of these changes on the level of the net best estimate provisions is shown in the table below.

### *Sensitivity testing of provisions*

EUR thousand	31 December 2025		31 December 2024	
	Stress impact	Stress impact (%)	Stress impact	Stress impact (%)
<b>Best estimate premium and claims provisions</b>				
10% increase in loss ratio	11,997	5.6%	12,225	5.7%
10% decrease in not-past-due premiums and commissions	6,173	2.9%	4,124	1.9%
50% increase in internal costs	3,211	1.5%	2,580	1.2%
<b>Best estimate life insurance provisions</b>				
20% decrease in expected mortality rates	168	11.6%	180	7.8%
3% increase in the amount of annuities	136	9.3%	137	5.9%
<b>Total best estimate provisions</b>				
100 bps upward shift of the risk-free interest rate curve	-4,262	-2.0%	-4,296	-2.0%
100 bps downward shift of the risk-free interest rate curve	4,562	2.1%	4,636	2.1%

The Company identified no other material areas of uncertainty. The sensitivity calculations presented show that SII provisions are moderately sensitive to insensitive to changes in the above assumptions. The sensitivity analysis thus revealed no area or assumptions that would cause a major uncertainty of established SII provisions.

## D.3 Other liabilities

### D.3.1 Provisions other than technical provisions

Other provisions comprise the net present value of employee benefits, including severance pay upon retirement and jubilee benefits.

The value of other provisions under the SII methodology is the same as in the IFRS balance sheet.

### D.3.2 Deposits from reinsurers

Under some reinsurance contracts issued, a portion of the reinsurance premium is retained by the Company as a guarantee of payment of future claims and is generally released after one year. In accordance with IFRS 17, the cash flows associated with these deposits are included in the valuation of insurance contracts; therefore, the Company does not separately recognise deposits from reinsurers in the IFRS balance sheet.

In the SII balance sheet, the Company reclassifies the amount of deposits from reinsurers from the reinsurers' share of IFRS provisions to this item.

### D.3.3 Insurance and intermediaries payables

Under IFRS 17, the cash flows associated with payables from accepted reinsurance are included in the valuation of insurance contracts, and therefore the Company does not present payables for accepted reinsurance separately in the IFRS balance sheet.

In the SII balance sheet, the Company reclassifies from gross IFRS provisions to insurance and intermediaries payables the past-due commissions on accepted reinsurance.

### D.3.4 Reinsurance and co-insurance payables

Under IFRS 17, the cash flows associated with payables arising out of ceded reinsurance are included in the valuation of reinsurance contracts, and therefore the Company does not separately present payables arising out of the ceded reinsurance business.

In the SII balance sheet, the Company reclassifies past-due premium payables on the ceded reinsurance business from the reinsurers' share of IFRS technical provisions to reinsurance and co-insurance payables.

### D.3.5 Other payables

Other payables of the Company comprise short-term payables to employees for accrued salaries and reimbursement of expenses, tax liabilities, trade payables for operating expenses, and other payables.

The valuation in the SII balance sheet does not differ from the valuation in the IFRS balance sheet.

### D.3.6 Subordinated liabilities

The Company's subordinated bonds are admitted to trading on the Luxembourg Stock Exchange.

The liabilities arising from the subordinated bonds issued are valued at amortised cost in accordance with IFRS and are therefore revalued to fair value for the SII balance sheet based on the published Bloomberg closing price at the date of the SII balance sheet valuation.

### **D.3.7 Other financial liabilities other than debts owed to credit institutions**

Other financial liabilities include long-term lease liabilities that qualify for valuation under IFRS 16. The valuation in the SII balance sheet does not differ from the valuation in the IFRS balance sheet.

### **D.3.8 Any other liabilities, not elsewhere shown**

Any other liabilities, not elsewhere shown, primarily include accrued expenses. The valuation in the SII balance sheet does not differ from the valuation in the IFRS balance sheet.

## D.4 Alternative methods for valuation

Periodically (every three years) the Company obtains market value appraisals of its property for own use and investment property assets from an independent external appraiser. We estimate that these appraisals are most representative of the amount for which the appraised properties could be exchanged between knowledgeable parties in arm's-length transactions. A valuation was obtained in 2025 from a certified real estate appraiser to update the estimated fair values of the properties held for own-use and investment properties.

For investments in Sava Re insurance subsidiaries not listed in a regulated market, the SII value of the capital requirement is calculated using the Standard Formula, applying an adjusted equity method of valuation as the excess of an insurance company's assets over its liabilities in the SII balance sheet (in accordance with Article 13(4) of the Delegated Regulation). Where Sava Re holds less than a 100% interest in a subsidiary, proportionate adjustments are made.

In the SII balance sheet, the Company measures its equity investments in non-insurance companies using the IFRS equity method in accordance with Article 13(5) of the Delegated Regulation. For this purpose, the cost which is the basis for calculations under the equity method, is reduced by the goodwill that was part of the cost. The value of goodwill and other intangible assets that would be valued at zero in accordance with the asset valuation methodology is deducted from the obtained value of the company.

Unlisted shares are measured at cost. The market value calculated using the internal model, which largely takes into account unobserved input, is only used for impairment testing.

## D.5 Any other information

The Company has no other material information relating to valuations.



E.

**CAPITAL**

**MANAGEMENT**

The Company's capital management is defined in the capital management policy of the Group and the Company, laying down the goals and key activities related to capital management. Capital management is inextricably linked to the risk strategy, which determines the risk appetite.

The Company's capital management objectives are:

- long-term solvency within the target capitalisation range defined in the risk strategy;
- an appropriate level of financing flexibility;
- an acceptable level of volatility in the available capital and the solvency ratio;
- steering operating segments that tie up capital towards achieving an adequate profitability;
- managing the business to achieve an adequate return on equity or an adequate dividend yield for shareholders.

The Company manages its capital to ensure that it has at least enough capital to meet its obligations and regulatory requirements at all times. The composition of own funds held to ensure capital adequacy must comply with regulatory requirements and ensure an optimal balance between debt and equity. The amount of own funds must, at all times, at least meet the statutory solvency capital requirement, as well as relevant rating agency requirements and other objectives of the Company.

An important input element of capital management and business planning is the risk strategy, including the risk appetite set out therein. The risk strategy sets the lower bound of the target capitalisation range for the solvency ratio in relation to capital and capital adequacy. The Company's risk appetite in connection with capital adequacy is set at a level in line with statutory and rating agencies' requirements.

Every year the Company prepares a financial plan for the next three-year period. The first phase of the annual verification of the potential for capital optimisation and additional allocation of capital includes a review of the results of the last calculation of the amount and structure of eligible own funds and the SCR. The baselines are then used to prepare a business plan for the next three-year period and a capital management plan, including the activities needed to achieve the objectives of the capital allocation.

Eligible own funds, the SCR and consequently the Company's solvency ratio are calculated based on three-year financial projections. Calculations verify the alignment with the risk appetite, whereupon adjustments to the business plan are made, if necessary. The planned use of capital duly includes planned capital consumption items, such as ordinary dividends, own shares and projects that require additional capital.

In allocating capital to business segments, adequate return on equity is a prerequisite. Taking into account the business aspect, we strive to maximise the ratio of return generated by a particular operating segment tying up capital to allocated capital in terms of the capital allocated to cover risks (the optimum ratio of return to risk).

## E.1 Own funds

As at 31 December 2025, the Company reported an excess of assets over liabilities of EUR 904.0 million (31 December 2024: EUR 763.6 million).

The following is then deducted from basic own funds, i.e., the excess of the Company's assets over its liabilities:

- own shares in the amount of EUR 114.5 million (31 December 2024: EUR 68.9 million),
- foreseeable dividends in the amount of EUR 42.6 million (31 December 2024: EUR 34.9 million), as stated in the proposal of the Company's management and supervisory boards to the general meeting;
- other items in accordance with the provisions of ZZavar-1.

The excess of the Company's assets over its liabilities is increased by subordinated liabilities of EUR 118.7 million (31 December 2024: EUR 115.0 million), as these are part of the Company's basic own funds.

Basic own funds must be additionally reduced by the total value of participations in other financial and credit institutions (excluding insurers) exceeding 10% of the Company's own-fund items (paid-up share capital plus reconciliation reserves). In addition, they are reduced by part of the value of all participations in financial and credit institutions that exceeds 10% of the Company's own-fund items (other than those alone exceeding 10% and thus being excluded). As at 31 December 2025, the Company is not reporting such exclusions from own funds.

As at 31 December 2025, the Company did not report adjustments for other items in accordance with ZZavar-1.

Ancillary own funds are items that do not constitute basic own funds and that the Company may call up to absorb its losses. They include unpaid share capital or uncalled initial funds, letters of credit and guarantees, and other legal commitments received by the Company. As at 31 December 2025, the Company reported no ancillary own funds.

The table below shows the structure of the Company's own funds.

*Structure of own funds*

EUR thousand	31 December 2025	31 December 2024
Ordinary share capital (gross of own shares)	71,856	71,856
Share premium account related to ordinary share capital	54,240	54,240
Initial funds, members' contributions or the equivalent basic own-fund item for mutual and mutual-type undertakings	0	0
Subordinated mutual member accounts	0	0
Surplus funds	0	0
Preference shares	0	0
Share premium account related to preference shares	0	0
Reconciliation reserve (= (1) - (2) - (3) - (4) - (5))	617,192	529,537
<i>(1) Excess of assets over liabilities</i>	<i>903,967</i>	<i>763,620</i>
<i>(2) Own shares (held directly and indirectly)</i>	<i>114,511</i>	<i>68,879</i>
<i>(3) Adjustment for own-fund restricted items with respect to matching adjustment portfolios and ring-fenced funds</i>	<i>0</i>	<i>0</i>
<i>(4) Foreseeable dividends, distributions and charges</i>	<i>42,619</i>	<i>34,870</i>
<i>(5) Other basic own fund items</i>	<i>129,646</i>	<i>130,335</i>
Subordinated liabilities	118,685	114,977
Amount equal to the value of net deferred tax assets	3,550	4,238
<b>Total basic own funds after deductions</b>	<b>865,523</b>	<b>774,848</b>

Total basic own funds after deductions increased by EUR 90.7 million compared to 31 December 2024. The main contributors to the growth in own funds are the higher value of participations in subsidiaries and associates, mainly as a result of the companies' strong financial performance, more favourable valuation of investments and the Company's favourable current profit for the year.

The Company also recognises net deferred tax assets within own funds as at 31 December 2025, which are described in more detail in section [D Valuation for solvency purposes](#).

The following table shows the adjustments to IFRS equity in the valuation of the Solvency II balance sheet.

*Adjustments to IFRS equity for the SII valuation of the balance sheet*

EUR thousand	31 December 2025	31 December 2024
<b>IFRS equity</b>	<b>498,309</b>	<b>458,953</b>
Difference in the valuation of participations	284,990	226,001
Difference in the valuation of other assets	-13,630	-14,193
Difference in the valuation of technical provisions	18,686	18,869
Difference in the valuation of other liabilities	1,102	5,112
Foreseeable dividends, distributions and charges	-42,619	-34,870
Subordinated liabilities in basic own funds	118,685	114,977
<b>Total basic own funds after Solvency II deductions</b>	<b>865,523</b>	<b>774,848</b>
<i>Of which tier 1</i>	<i>743,288</i>	<i>655,633</i>
<i>Of which tier 2</i>	<i>68,712</i>	<i>65,147</i>
<i>Of which tier 3</i>	<i>53,523</i>	<i>54,068</i>

As can be seen from the table, the majority of the difference in assets stems from the revaluation of participations in subsidiaries and associates, with the difference predominantly relating to the revaluation of insurance companies. With liabilities, the largest difference is in the revaluation of technical provisions in line with Solvency II requirements. A detailed description of the valuation methodology used is provided in section [D Valuation for solvency purposes](#).

The MCR and SCR are covered by the Company's own funds. In accordance with the law, the Company is not permitted to use just any kind of own funds to meet its capital requirement. For this purpose, the Solvency II legislation classifies own funds into three tiers. These differ in terms of permanence and loss absorbency. Thus, tier 1 funds include own funds that mostly meet the conditions laid down in items one and two of Article 196(1) of ZZavar-1; such items are available to absorb losses at all times (permanent availability) and, in the event of the Company's winding-up, they become available to the holder only after all of the Company's other obligations are met. It is important whether an item of own funds has a maturity, whether the absence of incentives to repay has been confirmed and whether the item is free of encumbrances.

The Company's tier 1 own funds include:

- paid-up ordinary shares,
- paid-up capital reserves,
- reconciliation reserves set as the excess of assets over liabilities, less paid-up ordinary shares and capital reserves, and less the value of own shares and foreseeable dividends.

The Company's tier 1 own funds do not include own fund items that have a limited duration, they are not subordinated or subject to early redemption.

Tier 2 funds include own fund items that mostly exhibit the features from item two of Article 196(1) of ZZavar-1; in the event of the Company's winding-up, such items become available to the holder only after all of the Company's other obligations are met and paid. It is important whether an item of own funds has a maturity, whether the absence of incentives to repay has been confirmed and whether the item is free of encumbrances.

The Company classifies its subordinated liabilities, subordinated debt issued in 2019, which has a maturity of 20 years and a contractual opportunity to redeem after 10 years, as tier 2 eligible own funds. Subordinated liabilities have the feature of subordination.

Tier 3 is for own fund items classified as neither tier 1 nor tier 2. The Company classifies its subordinated debt issued in October 2024, which matures 5 years from the date of issue, as tier 3 own funds. The Company's net deferred tax assets are also classified as tier 3 and are further described in section [D Valuation for solvency purposes](#).

The legal restrictions for the level of eligible own funds to cover the SCR and MCR are shown in the table below.

*Restrictions for own funds designated to meet the SCR and MCR*

	Tier 1	Tier 2	Tier 3
SCR coverage	minimum 50% of SCR	no additional restrictions <sup>33</sup>	maximum 15% of SCR
MCR coverage	minimum 80% of MCR	maximum 20% of MCR	not eligible

The two tables below show the amounts of own funds eligible to meet the SCR and MCR. They are classified into the statutory tiers described above.

*Own funds eligible to meet the SCR*

EUR thousand	Total	Tier 1	Tier 2	Tier 3
As at 31 December 2025	853,551	743,288	68,712	41,551
As at 31 December 2024	759,481	655,633	65,147	38,702

<sup>33</sup> The total of tier 2 and tier 3 assets must not exceed 50% of the SCR.

*Own funds eligible to meet the MCR*

EUR thousand	Total	Tier 1	Tier 2	Tier 3
As at 31 December 2025	757,138	743,288	13,850	-
As at 31 December 2024	668,534	655,633	12,901	-

As at 31 December 2025, the majority of the Company's eligible own funds was classified as tier 1 funds and free of any ancillary own funds. The Company's tier 2 funds include subordinated liabilities, i.e., the subordinated debt issued in 2019, and its tier 3 funds comprise subordinated liabilities, i.e., the subordinated debt issued in 2024, and net deferred tax assets. In view of the legal restrictions, the Company only included tier 3 own funds to cover the SCR in the amount of 15% of the SCR.

The Company counted its tier 2 subordinated debt as eligible own funds to cover the MCR but only up to 20% of the MCR, as required by regulations. The Company's tier 3 own funds are not eligible to cover the MCR.

There were no items subject to regulatory transitional arrangements among the disclosed eligible own funds.

## E.2 Solvency capital requirement and minimum capital requirement

### E.2.1 Solvency capital requirement (SCR)

The Company calculates its SCR and MCR in accordance with the Standard Formula.

The following table shows the total amount of SCR, SCR by risk module, the amount of eligible own funds and the Company's solvency ratio.

#### *Solvency capital requirement by risk module*

EUR thousand	31 December 2025	31 December 2024
<b>SCR</b>	<b>277,005</b>	<b>258,013</b>
Adjustments for TP and DT	0	0
Operational risk	7,797	7,837
<b>Basic solvency capital requirement (BSCR)</b>	<b>269,208</b>	<b>250,175</b>
Diversification effect	-76,244	-72,083
Sum of risk components	345,453	322,259
Market risk	187,042	164,427
Counterparty default risk	6,798	7,695
Life underwriting risk	1,218	961
Health underwriting risk	3,435	3,008
Non-life underwriting risk	146,960	146,168
<b>Eligible own funds</b>	<b>853,551</b>	<b>759,481</b>
<b>Solvency ratio</b>	<b>308%</b>	<b>294%</b>

The majority of the SCR as at 31 December 2025 relates to market risk, which increased compared to 31 December 2024, mainly due to the rise in the value of participations in subsidiaries, mainly as a result of the strong performance of the subsidiaries and the more favourable valuation of the investments. There were no major changes in the other modules. For details regarding changes in individual modules, see section [C Risk profile](#).

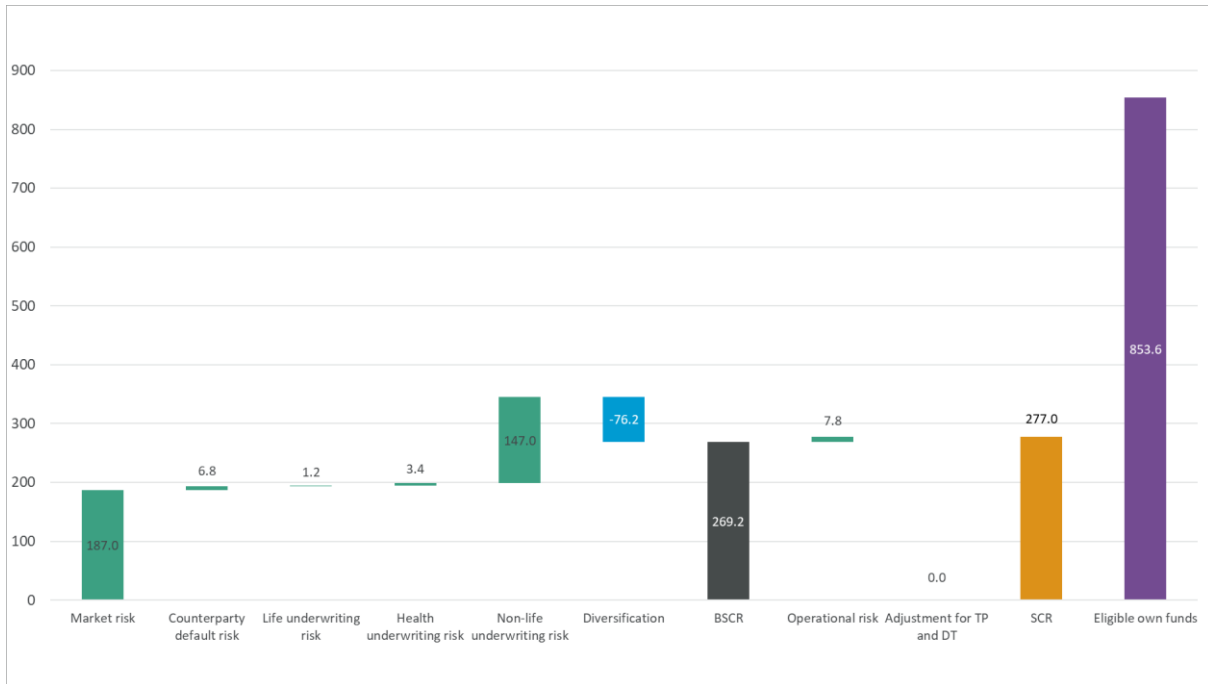
The Company has a relatively small portfolio of accepted life reinsurance business (from annuities related to non-life insurance and term life insurance). The Company makes separate calculations for the accepted life reinsurance business for most cedants in the Group. For this reinsurance business, it calculates the SCR in the life underwriting risk module based on the calculations of Group companies. The capital requirement for accepted non-Group life reinsurance is calculated in line with the nature of the business in the NSLT health insurance module.

The Company calculates its SCR without using the simplifications referred to in Articles 88–112 of the Delegated Regulation. Nor does it use undertaking-specific parameters in calculating the SCR for non-life and NSLT health business.

The adjustment for the loss-absorbing capacity of deferred taxes is calculated in accordance with the Delegated Regulation and Article 23 of the Decision on the Terms and Method of Covering Losses by Reducing Technical Provisions and Deferred Taxes. Adjustments have been made in the amount of the maximum adjustment for loss absorbency of deferred taxes that may be taken into account without providing evidence, i.e., up to the amount of net liabilities for deferred taxes in the SII balance sheet. As the deferred tax assets are higher than the deferred tax liabilities in the SII balance sheet, the SCR adjustment for deferred taxes taken into account at 31 December 2025 is EUR 0.

The following chart shows the individual risk modules of the Standard Formula, the Company's SCR and its eligible own funds as at 31 December 2025.

Solvency capital requirement by risk module as at 31 December 2025 (EUR million)



As evident from the figure above, eligible own funds significantly exceed the SCR, as reflected in the Company's high solvency ratio of 308% as at 31 December 2025 (31 December 2024: 294%).

A major criterion for determining the risk appetite in the Sava Insurance Group's risk strategy is the solvency ratio. In line with the applicable risk strategy, the solvency ratio must be above 200%, based on which the Company is well capitalised as at 31 December 2025, even by internal criteria.

In December 2025, the financial projections and the calculation of eligible own funds, the SCR and the solvency ratio for the next three years were also confirmed. The Company's solvency ratio is planned at a level in line with the risk strategy for the next three years.

### E.2.2 Minimum capital requirement

Sava Re calculates the MCR in accordance with Articles 248–251 of the Delegated Regulation. Non-life MRC is calculated as the linear combination of written premiums after deduction of premiums for reinsurance contracts and technical provisions, net of the risk margin after deduction of amounts recoverable under reinsurance contracts. The linear combination captures all segments of non-life insurance. Input data are shown in the table below.

*Input data for the Company's MCR calculation*

EUR thousand 31 December 2025	Net best estimate technical provisions	Net premiums written
Medical expense insurance and proportional reinsurance	48	24
Income protection insurance and proportional reinsurance	4,080	5,833
Workers' compensation insurance and proportional reinsurance	0	0
Motor vehicle liability insurance and proportional reinsurance	22,135	21,190
Other motor insurance and proportional reinsurance	18,825	29,009
Marine, aviation and transport insurance and proportional reinsurance	9,775	8,547
Fire and other damage to property insurance and proportional reinsurance	73,208	73,987
General liability insurance and proportional reinsurance	16,209	7,591
Credit and suretyship insurance and proportional reinsurance	0	5,236
Legal expenses insurance and proportional reinsurance	28	7
Assistance insurance and proportional reinsurance	9	20
Miscellaneous financial loss insurance and proportional reinsurance	1,911	319
Non-proportional health reinsurance	431	661
Non-proportional casualty reinsurance	5,923	2,872
Non-proportional marine, aviation and transport reinsurance	8,125	1,103
Non-proportional property reinsurance	55,115	50,662

*Input data for the Company's MCR calculation*

EUR thousand 31 December 2024	Net best estimate technical provisions	Net premiums written
Medical expense insurance and proportional reinsurance	0	122
Income protection insurance and proportional reinsurance	2,914	5,973
Workers' compensation insurance and proportional reinsurance	0	0
Motor vehicle liability insurance and proportional reinsurance	20,206	20,486
Other motor insurance and proportional reinsurance	13,850	29,033
Marine, aviation and transport insurance and proportional reinsurance	8,527	8,571
Fire and other damage to property insurance and proportional reinsurance	70,662	65,528
General liability insurance and proportional reinsurance	16,515	5,222
Credit and suretyship insurance and proportional reinsurance	288	74
Legal expenses insurance and proportional reinsurance	0	2
Assistance insurance and proportional reinsurance	0	39
Miscellaneous financial loss insurance and proportional reinsurance	1,586	447
Non-proportional health reinsurance	307	861
Non-proportional casualty reinsurance	7,962	4,747
Non-proportional marine, aviation and transport reinsurance	6,259	2,801
Non-proportional property reinsurance	67,168	37,206

Life MCR is calculated as a linear combination of technical provisions, net of the risk margin and capital at risk.

*Inputs for calculating the Company's life MCR*

EUR thousand	31 December 2025	31 December 2024
Other life and health reinsurance obligations	1,453	2,316
Capital at risk for all life reinsurance obligations	662,454	448,456

The following table shows the Company's MCR.

*Minimum capital requirement*

EUR thousand	31 December 2025	31 December 2024
Linear required MCR	49,017	46,998
Absolute MCR floor	3,900	3,900
Combined MCR	69,251	64,503
<b>MCR</b>	<b>69,251</b>	<b>64,503</b>
Own funds eligible to meet the MCR	757,138	668,534
<b>MCR ratio</b>	<b>1,093%</b>	<b>1,036%</b>

### **E.3 Use of the duration-based equity risk sub-module in the calculation of the solvency capital requirement**

The Company does not use the duration-based equity risk sub-module to calculate the SCR.

## **E.4 Difference between the Standard Formula and any internal model used**

The Company does not use any internal models to calculate capital adequacy.

## **E.5 Non-compliance with the minimum capital requirement and non-compliance with the solvency capital requirement**

As at 31 December 2025, the Company identified no instances of non-compliance with the minimum or solvency capital requirements. The Company was compliant with legislation, its high solvency ratio being substantially higher than the statutory 100%. Moreover, as at 31 December 2025, the Company had a major surplus of eligible own funds above the minimum capital requirement.

Based on the projections of the solvency capital requirement and eligible own funds, we estimate that the Sava Re solvency ratio will remain above the statutory 100% during the entire three-year projection period, as required by law. Therefore, the Company does not expect any further steps or measures in terms of ensuring compliance with its capital requirement.

## E.6 Any other information

The Company has no other material information relating to capital management.

## Appendix – Glossary of selected terms

English term	Slovenian term	Meaning
<b>Adjustment for TP and DT</b>	<b>Prilagoditve za TP in DT</b>	The capital requirement structure of the Standard Formula also includes the adjustment for the loss-absorbing capacity of technical provisions and deferred taxes. The adjustment reflects the potential compensation of unexpected losses through reductions in technical provisions or deferred taxes, or a combination of both. The adjustment takes into account the effect of reduced risk arising from future discretionary benefits under (re)insurance contracts, as (re)insurance companies may expect that the reduction in these benefits may be used to cover potential unexpected losses.
<b>Basic solvency capital requirement – BSCR</b>	<b>Osnovni zahtevani solventnostni kapital – BSCR</b>	The basic solvency capital requirement within the framework of the standard formula is an amount based on the statutory calculation of the following risks: non-life underwriting risk, life underwriting risk, health underwriting risk, market risk and counterparty default risk.
<b>Business continuity procedures</b>	<b>Načrt neprekinjenega poslovanja</b>	Document that includes procedures for ensuring the continuous operation of key business processes and systems. The contingency plan is an integral part of business continuity procedures and sets out technical and organisational measures to restore operations and mitigate the consequences of severe business disruptions.
<b>Capital asset pricing model</b>	<b>CAPM</b>	Model describing the relationship between risk and expected return on assets.
<b>Combined ratio</b>	<b>Kombinirani količnik</b>	The sum of the loss ratio and the expense ratio. The Group's ratio is calculated for the reinsurance and non-life insurance operating segments. Sava Re's ratio does not include expenses arising from holding activities. For the transition to IFRS 17, the Group retained the existing net/net methodology for calculating the combined ratio. In line with the approach adopted by other comparable insurance companies, the Group decided to change its methodology to a net/gross calculation of the combined ratio in 2023, which is also consistent with the presentation of the income statement in accordance with IFRS 17. The revised methodology was used for the first time in the 2023 annual report. Under the new methodology, the net reinsurance expenses are included in the numerator, while the denominator includes insurance revenue net of the reinsurers' share. Calculations using the new methodology slightly deteriorate the combined ratio, but the prior year combined ratio has also been restated for comparison.
<b>Corporate Sustainability Reporting Directive</b>	<b>CSRD</b>	The EU directive on corporate sustainability reporting, which sets mandatory standards and expands the scope of disclosures regarding environmental, social and governance (ESG) factors.
<b>Eligible own funds</b>	<b>Primerni lastni viri sredstev</b>	Own funds eligible to cover the solvency capital requirement.
<b>Emerging risk</b>	<b>Nastajajoča tveganja</b>	New risks, or risks that have been identified previously but which arise in new or unknown circumstances and the impact of which is not fully understood.
<b>European Sustainability Reporting Standards</b>	<b>ESRS</b>	Uniform European sustainability reporting standards adopted pursuant to Directive (EU) 2022/2464 on corporate sustainability reporting (CSRD).

English term	Slovenian term	Meaning
Expected profits included in future premiums	EPIFP	Expected profits included in future premiums.
Gross premiums written	Kosmate premije	The total premiums from all policies written or renewed during a given period, regardless of what portions have been earned.
IFRS	MSRP	International Financial Reporting Standards. EU-wide uniform set of rules governing the accounting of business transactions.
IFRS provisions	MSRP rezervacije	Insurance and reinsurance contract assets and liabilities calculated in accordance with IFRS.
Investments at Fair Value Through Profit or Loss	Naložbe FVTPL	Financial investments measured at fair value through profit or loss.
Market value	Tržna vrednost	The amount for which an asset could be exchanged, or a liability settled, between knowledgeable and willing parties in an arm's length transaction. The amounts are based on prices in active and liquid markets that a company has access to and are commonly used.
Minimum capital requirement – MCR	Zahtevani minimalni kapital – MCR	The minimum capital requirement is equal to the amount of 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 were allowed to continue operating.
Modified duration	Modificirano trajanje	Modified duration measures the portfolio's sensitivity to parallel shifts in the interest rate curve. A change in interest rates of +/-1% has an impact of approximately +/-MD% on the portfolio.
NSLT health business	NSLT zdravstvena zavarovanja	Health insurance provided on a technical basis similar to that of non-life insurance.
Operational limits	Operativni limiti	Operational limits for particular areas are determined on the basis of expressed risk tolerance limits. Underwriting limits or investment limits used by first-line-of-defence staff in the day-to-day risk management process to keep a company within its set risk appetite range.
Own risk and solvency assessment – ORSA	Lastna ocena tveganj in solventnosti – ORSA	Own assessment of the risks associated with a company's business and strategic plans and assessment of the adequacy of own funds to cover risks.
Physical risks of climate change	Fizična tveganja podnebnih sprememb	Risks arising from the physical effects of climate change. They include acute physical risks arising from weather events that adversely affect the business and chronic physical risks arising from long-term climate change that adversely affects a company's business.
Probable maximum loss – PML	Največja verjetna škoda – PML	This is the maximum loss for a risk an insurer assesses could occur in one loss event. Normally, it is expressed as a percentage of the sum insured; in extreme cases, it equals the sum insured (PML is 100% of the sum insured).
Risk appetite	Pripravljenost za prevzem tveganj	Risk level that a company is willing to take in order to meet its strategic goals. At Sava Re defined based on the acceptable solvency ratio, the liquidity ratio of the assets, profitability of insurance products and reputation risk.
Risk management system	Sistem upravljanja tveganj	The risk management system is a set of measures taken by an insurer to manage (i.e. to identify, monitor, measure, manage, report) material risks arising from both the operations of a company and the external environment in order to enhance the implementation of strategic objectives and minimise any loss of own funds.

English term	Slovenian term	Meaning
<b>Risk profile</b>	<b>Profil tveganj</b>	All of the risks that a company is exposed to and the quantification of these exposures for all risk categories.
<b>Risk register</b>	<b>Register tveganj</b>	List of all identified risks maintained and periodically updated by a company.
<b>Risk tolerance limits</b>	<b>Meje dovoljenega tveganja</b>	Limits for risk categories included in a company's risk profile and for risk measures monitored as part of day-to-day risk management. Set annually and aligned with the risk appetite as stated in a company's risk strategy and based on sensitivity analyses, stress tests and scenarios, or professional judgment.
<b>Scenario</b>	<b>Scenarij</b>	Scenarios seek to determine the impact of multiple changes in parameters, such as concurrent changes in different risks types affecting the insurance business, the value of financial assets and a change in interest rates.
<b>Sensitivity analysis</b>	<b>Analiza občutljivosti</b>	In a sensitivity analysis, a single parameter is changed to observe the effect on the value of assets, liabilities and/or own funds as well as any effects of such changes on these values.
<b>Shared Socioeconomic Pathways</b>	<b>SSP scenarij<sup>34</sup></b>	Various pathways of greenhouse gas concentrations and emissions.
<b>Solvency capital requirement – SCR</b>	<b>Zahtevani solventnostni kapital – SCR</b>	The SCR is an amount based on the regulatory calculation of all quantifiable risk, including non-life underwriting risk, life underwriting risk, health underwriting risk, market risk, counterparty default risk and operational risk.
<b>Solvency ratio</b>	<b>Solventnostni količnik</b>	Ratio of eligible own funds to the solvency capital requirement. It represents a company's capital adequacy in accordance with the Solvency II principles. A solvency ratio in excess of 100% indicates that the company has more than sufficient resources to meet the solvency capital requirement.
<b>Standard formula</b>	<b>Standardna formula</b>	Set of calculations prescribed by Solvency II regulations used for generating the solvency capital requirement.
<b>Stress test</b>	<b>Stresni test</b>	In a stress test, a single parameter is changed due to a potential future financial event to observe the effect on the value of a company's assets, liabilities and/or own funds as well as any effects on the value of the parameter itself.
<b>Technical provisions</b>	<b>Zavarovalno-tehnične rezervacije – ZTR</b>	Provisions calculated in accordance with Solvency II (best estimate provisions).
<b>Tier of capital</b>	<b>Kakovostni razred kapitala</b>	Items of own funds are classified into three tiers based on certain criteria (such as duration and whether basic or ancillary).
<b>Transition risk of climate change</b>	<b>Tveganja prehoda podnebnih sprememb</b>	Transition risk arises in the transition to a low-carbon and climate-resilient economy. Such risks include risks of new rules, requirements and policies, legal risks, technology risks, market risks and reputation risks.
<b>Undertaking-specific parameters – USP</b>	<b>Parametri, specifični za posamezno podjetje – USP</b>	Insurance and reinsurance undertakings may, within the design of the standard formula, replace standard deviations for premium and reserve risk of NSLT health underwriting for business for which a system for equalising health risk is used by parameters specific to the undertaking concerned, in accordance with article 104( 7) of Directive 2009/138/EC.

<sup>34</sup> SSP scenarios have been defined by the Intergovernmental Panel on Climate Change (IPCC) and have evolved from Representative Concentration Pathways (RCP) scenarios. A definition of scenarios is available at [www.ipcc.ch/report/ar6/syr/downloads/report/IPCC\\_AR6\\_SYR\\_LongerReport.pdf](http://www.ipcc.ch/report/ar6/syr/downloads/report/IPCC_AR6_SYR_LongerReport.pdf).

# Quantitative Reporting Templates

S.02.01.02 Balance sheet

S.04.05.21 Premiums, claims and expenses by country

S.05.01.02 Premiums, claims and expenses by line of business

S.12.01.02 Life and Health SLT Technical Provisions

S.17.01.02 Non-life Technical Provisions

S.19.01.21 Non-life Insurance Claims Information

S.23.01.01 Own funds

S.25.01.21 Solvency Capital Requirement – for undertakings on Standard Formula

S.28.01.01 Minimum Capital Requirement – Only life or only non-life insurance or reinsurance activity

All amounts in the quantitative reporting templates are in thousands of euros.

## S.02.01.02 Balance sheet

		Solvency II value
		C0010
<b>Assets</b>		
Goodwill	R0010	<del>0</del>
Deferred acquisition costs	R0020	<del>0</del>
Intangible assets	R0030	0
Deferred tax assets	R0040	9,006
Pension benefit surplus	R0050	0
Property, plant & equipment held for own use	R0060	4,379
Investments (other than assets held for index-linked and unit-linked contracts)	R0070	1,116,626
Property (other than for own use)	R0080	11,920
Holdings in related undertakings, including participations	R0090	613,209
Equities	R0100	3,617
Equities – listed	R0110	924
Equities – unlisted	R0120	2,693
Bonds	R0130	451,536
Government bonds	R0140	282,767
Corporate bonds	R0150	168,769
Structured notes	R0160	0
Collateralised securities	R0170	0
Collective Investments Undertakings	R0180	35,325
Derivatives	R0190	0
Deposits other than cash equivalents	R0200	1,018
Other investments	R0210	0
Assets held for index-linked and unit-linked contracts	R0220	0
Loans and mortgages	R0230	8,163
Loans on policies	R0240	0
Loans and mortgages to individuals	R0250	0
Other loans and mortgages	R0260	8,163
Reinsurance recoverables from:	R0270	42,140
Non-life and health similar to non-life	R0280	39,004
Non-life excluding health	R0290	38,767
Health similar to non-life	R0300	237
Life and health similar to life, excluding health and index-linked and unit-linked	R0310	3,137
Health similar to life	R0320	0
Life excluding health and index-linked and unit-linked	R0330	3,137
Life index-linked and unit-linked	R0340	0
Deposits to cedants	R0350	11,902
Insurance and intermediaries receivables	R0360	20,568
Reinsurance receivables	R0370	1,269
Receivables (trade, not insurance)	R0380	220
Own shares (held directly)	R0390	114,511
Amounts due in respect of own fund items or initial fund called up but not yet paid in	R0400	0
Cash and cash equivalents	R0410	7,083
Any other assets, not elsewhere shown	R0420	0
<b>Total assets</b>	<b>R0500</b>	<b>1,335,867</b>

Liabilities	Solvency II value	
		C0010
Technical provisions – non-life	R0510	275,827
Technical provisions – non-life (excluding health)	R0520	270,659
Technical provisions calculated as a whole	R0530	0
Best Estimate	R0540	248,448
Risk margin	R0550	22,210
Technical provisions – health (similar to non-life)	R0560	5,168
Technical provisions calculated as a whole	R0570	0
Best Estimate	R0580	4,796
Risk margin	R0590	372
Technical provisions – life (excluding index-linked and unit-linked)	R0600	4,742
Technical provisions – health (similar to life)	R0610	0
Technical provisions calculated as a whole	R0620	0
Best Estimate	R0630	0
Risk margin	R0640	0
Technical provisions – life (excluding health and index-linked and unit-linked)	R0650	4,742
Technical provisions calculated as a whole	R0660	0
Best Estimate	R0670	4,589
Risk margin	R0680	153
Technical provisions – index-linked and unit-linked	R0690	0
Technical provisions calculated as a whole	R0700	0
Best Estimate	R0710	0
Risk margin	R0720	0
Other technical provisions	R0730	<del>0</del>
Contingent liabilities	R0740	0
Provisions other than technical provisions	R0750	575
Pension benefit obligations	R0760	0
Deposits from reinsurers	R0770	3,520
Deferred tax liabilities	R0780	5,456
Derivatives	R0790	0
Debts owed to credit institutions	R0800	0
Financial liabilities other than debts owed to credit institutions	R0810	430
Insurance & intermediaries payables	R0820	4,517
Reinsurance payables	R0830	7,049
Payables (trade, not insurance)	R0840	8,084
Subordinated liabilities	R0850	118,685
Subordinated liabilities not in Basic Own Funds	R0860	0
Subordinated liabilities in Basic Own Funds	R0870	118,685
Any other liabilities, not elsewhere shown	R0880	3,015
<b>Total liabilities</b>	<b>R0900</b>	<b>431,899</b>
<b>Excess of assets over liabilities</b>	<b>R1000</b>	<b>903,967</b>

### S.04.05.21 Premiums, claims and expenses by country

	Home Country	Top 5 countries (by amount of gross premiums written) – non-life obligations				
	C0010	C0020	C0020	C0020	C0020	C0020
R0010	<del>                    </del>	CN	KR	TR	GB	RSA
		China	Korea (Republic of)	Turkey	Great Britain	South Africa
<b>Premiums written</b>						
Gross – Direct Business	R0020	<del>                    </del>	<del>                    </del>	<del>                    </del>	<del>                    </del>	<del>                    </del>
Gross – proportional reinsurance	R0021	94,665	5,581	5,676	3,839	3,982
Gross – non-proportional reinsurance	R0022	13,098	5,925	3,054	2,043	846
<b>Premiums earned</b>						
Gross – Direct Business	R0030	<del>                    </del>	<del>                    </del>	<del>                    </del>	<del>                    </del>	<del>                    </del>
Gross – Proportional reinsurance accepted	R0031	93,899	5,752	4,153	3,965	189
Gross – Non-proportional reinsurance accepted	R0032	13,121	6,162	3,290	2,043	760
<b>Claims incurred</b>						
Gross – Direct Business	R0040	<del>                    </del>	<del>                    </del>	<del>                    </del>	<del>                    </del>	<del>                    </del>
Gross – proportional reinsurance	R0041	44,601	2,559	3,569	3,428	961
Gross – non-proportional reinsurance	R0042	6,395	3,073	2,367	195	146
<b>Expenses incurred</b>						
Gross – Direct Business	R0050	<del>                    </del>	<del>                    </del>	<del>                    </del>	<del>                    </del>	<del>                    </del>
Gross – proportional reinsurance	R0051	26,721	1,772	1,232	1,186	55
Gross – non-proportional reinsurance	R0052	750	348	187	117	43



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		Home Country	Top 5 countries (by amount of gross premiums written) – life obligations				
		C0030	C0040	C0040	C0040	C0040	C0040
R1010		<del>C0030</del>	CN	KR	TR	GB	RSA
			China	Korea (Republic of)	Turkey	Great Britain	South Africa
Premiums written – gross	R1020	1,372	0	0	0	0	0
Premiums earned – gross	R1030	1,541	0	0	0	0	0
Claims incurred – gross	R1040	813	0	0	0	0	0
Expenses – gross	R1050	313	0	0	0	0	0

### S.05.01.02 Premiums, claims and expenses by line of business

Line of Business for: non-life insurance and reinsurance obligations (direct business and accepted proportional reinsurance)										
	Medical expense insurance	Income protection insurance	Workers' compensation insurance	Motor vehicle liability insurance	Other motor insurance	Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance	Credit and suretyship insurance	
	C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	
<b>Premiums written</b>										
Gross – Direct Business	<b>R0110</b>									
Gross – Proportional reinsurance accepted	<b>R0120</b>	25	5,889	0	21,190	35,910	8,993	95,374	7,652	5,236
Gross – Non-proportional reinsurance accepted	<b>R0130</b>									
<b>Reinsurers' share</b>	<b>R0140</b>	0	61	0	0	7,066	456	21,478	282	0
<b>Net</b>	<b>R0200</b>	24	5,828	0	21,190	28,845	8,537	73,896	7,370	5,236
<b>Premiums earned</b>										
Gross – Direct Business	<b>R0210</b>	0	0	0	0	0	0	0	0	0
Gross – Proportional reinsurance accepted	<b>R0220</b>	73	5,804	0	21,169	35,231	8,283	90,894	7,310	3,618
Gross – Non-proportional reinsurance accepted	<b>R0230</b>									
<b>Reinsurers' share</b>	<b>R0240</b>	0	32	0	44	5,966	367	20,365	1,687	827
<b>Net</b>	<b>R0300</b>	73	5,772	0	21,126	29,265	7,917	70,529	5,623	2,791
<b>Claims incurred</b>										
Gross – Direct Business	<b>R0310</b>	0	0	0	0	0	0	0	0	0
Gross – Proportional reinsurance accepted	<b>R0320</b>	20	2,472	0	15,318	9,828	4,454	46,618	11,107	854
Gross – Non-proportional reinsurance accepted	<b>R0330</b>									
<b>Reinsurers' share</b>	<b>R0340</b>	0	2	0	113	1,348	120	8,829	2,922	63
<b>Net</b>	<b>R0400</b>	20	2,471	0	15,204	8,480	4,334	37,789	8,184	791
<b>Expenses incurred</b>	<b>R0550</b>	21	2,106	0	6,017	10,519	2,526	30,484	2,312	1,167
<b>Balance – other technical expenses/income</b>	<b>R1210</b>									
<b>Total technical expenses</b>	<b>R1300</b>									

	Line of Business for: non-life insurance and reinsurance obligations (direct business and accepted proportional reinsurance)			Line of Business for: accepted non-proportional reinsurance				Total
	Legal expenses insurance	Assistance	Miscellaneous financial loss	Health	Casualty	Marine, aviation, transport	Property	
	C0100	C0110	C0120	C0130	C0140	C0150	C0160	
<b>Premiums written</b>								
Gross – Direct Business	R0110							0
Gross – Proportional reinsurance accepted	R0120	0	45	1,467				181,782
Gross – Non-proportional reinsurance accepted	R0130				712	6,359	3,033	73,633
Reinsurers' share	R0140	0	18	1,058	0	3,339	1,916	22,732
Net	R0200	0	27	409	712	3,020	1,117	50,901
<b>Premiums earned</b>								
Gross – Direct Business	R0210							0
Gross – Proportional reinsurance accepted	R0220	0	51	1,359				173,793
Gross – Non-proportional reinsurance accepted	R0230				641	6,280	3,361	73,635
Reinsurers' share	R0240	0	18	971	0	2,281	1,452	21,460
Net	R0300	0	32	388	641	3,998	1,909	52,175
<b>Claims incurred</b>								
Gross – Direct Business	R0310							0
Gross – Proportional reinsurance accepted	R0320	10	4	1,277				91,961
Gross – Non-proportional reinsurance accepted	R0330				220	6,082	2,341	34,578
Reinsurers' share	R0340	0	0	396	-3	1,918	-36	6,399
Net	R0400	10	4	881	223	4,164	2,377	28,178
Expenses incurred	R0550	0	13	435	34	359	172	4,107
Other expenses	R1200							
Total technical expenses	R1300							79,295

	Line of Business for: life insurance obligations						Life reinsurance obligations		Total
	Health insurance	Insurance with profit participation	Insurance with profit participation	Other life insurance	Annuities stemming from non-life insurance contracts and relating to health insurance obligations	Annuities stemming from non-life insurance contracts and relating to insurance obligations other than health insurance obligations	Health reinsurance	Life reinsurance	
	C0210	C0220	C0230	C0240	C0250	C0260	C0270	C0280	
<b>Premiums written</b>									
Gross	R1410							1643	1643
Reinsurers' share	R1420							876	876
Net	R1500	0	0	0	0	0	0	767	767
<b>Premiums earned</b>									
Gross	R1510							1541	1541
Reinsurers' share	R1520							892	892
Net	R1600	0	0	0	0	0	0	649	649
<b>Claims incurred</b>									
Gross	R1610							877	877
Reinsurers' share	R1620							486	486
Net	R1700	0	0	0	0	0	0	392	392
<b>Expenses incurred</b>	R1900							313	313
<b>Balance – other technical expenses/income</b>	R2510								0
<b>Total technical expenses</b>	R2600								313
<b>Total amount of surrenders</b>	R2700								0

### S.12.01.02 Life and Health SLT Technical Provisions

		Index-linked and unit-linked insurance		Other life insurance			Annuities stemming from non-life insurance contracts and relating to insurance obligations other than health insurance obligations	Accepted reinsurance		
		Insurance with profit participation	C0030	Contracts without options and guarantees	Contracts with options or guarantees	C0060			Contracts without options and guarantees	Contracts with options or guarantees
				C0040	C0050					
		C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100
<b>Technical provisions calculated as a whole</b>	<b>R0010</b>									0
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP calculated as a whole	<b>R0020</b>									0
<b>Technical provisions calculated as a sum of BE and RM</b>										
<b>Best Estimate</b>										
<b>Gross Best Estimate</b>	<b>R0030</b>									4,589
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	<b>R0080</b>									3,137
Best estimate minus recoverables from reinsurance/SPV and Finite Re – total	<b>R0090</b>									1,453
<b>Risk margin</b>	<b>R0100</b>									153
<b>Technical provisions – total</b>	<b>R0200</b>									4,742

		Total (Life other than health insurance, incl. Unit-Linked)	Health insurance (direct business)		Annuities stemming from non-life insurance contracts and relating to health insurance obligations	Health reinsurance (reinsurance accepted)	Total (Health similar to life insurance)
			C0160	Contracts without options and guarantees C0170			
<b>Technical provisions calculated as a whole</b>	<b>R0010</b>	0					
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP calculated as a whole	<b>R0020</b>	0					
<b>Technical provisions calculated as a sum of BE and RM</b>							
<b>Best Estimate</b>							
<b>Gross Best Estimate</b>	<b>R0030</b>	4,589					
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	<b>R0080</b>	3,137					
Best estimate minus recoverables from reinsurance/SPV and Finite Re – total	<b>R0090</b>	1,453					
<b>Risk margin</b>	<b>R0100</b>	153					
<b>Technical provisions – total</b>	<b>R0200</b>	4,742					

## S.17.01.02 Non-life Technical Provisions

	Direct business and accepted proportional reinsurance						
	Medical expense insurance	Income protection insurance	Workers' compensation insurance	Motor vehicle liability insurance	Other motor insurance	Marine, aviation and transport insurance	
	C0020	C0030	C0040	C0050	C0060	C0070	
<b>Technical provisions calculated as a whole</b>	<b>R0010</b>	0	0	0	0	0	
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP calculated as a whole	<b>R0050</b>	0	0	0	0	0	
<b>Technical provisions calculated as a sum of BE and RM</b>							
<b>Best Estimate</b>							
Premium provisions							
Gross	<b>R0060</b>	-8	-166	0	3,552	5,116	-2,110
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	<b>R0140</b>	0	126	0	560	-28	-68
Net Best Estimate of Premium Provisions	<b>R0150</b>	-8	-292	0	2,992	5,144	-2,042
<b>Claims provisions</b>							
Gross	<b>R0160</b>	55	4,504	0	20,264	15,358	12,144
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	<b>R0240</b>	0	131	0	1,122	1,677	326
Net Best Estimate of Claims Provisions	<b>R0250</b>	55	4,373	0	19,142	13,681	11,817
<b>Total Best estimate – gross</b>	<b>R0260</b>	48	4,338	0	23,816	20,474	10,034
<b>Total Best estimate – net</b>	<b>R0270</b>	48	4,080	0	22,135	18,825	9,775
<b>Risk margin</b>	<b>R0280</b>	2	293	0	1,042	1,144	898
<b>Technical provisions – total</b>							
Technical provisions – total	<b>R0320</b>	50	4,631	0	24,858	21,618	10,932
Recoverable from reinsurance contract/SPV and Finite Re after the adjustment for expected losses due to counterparty default – total	<b>R0330</b>	0	257	0	1,682	1,649	258
Technical provisions minus recoverables from reinsurance/SPV and Finite Re – total	<b>R0340</b>	50	4,374	0	23,176	19,969	10,674

	Direct business and accepted proportional reinsurance						
	Fire and other damage to property insurance	General liability insurance	Credit and suretyship insurance	Legal expenses insurance	Assistance	Miscellaneous financial loss	
	C0080	C0090	C0100	C0110	C0120	C0130	
<b>Technical provisions calculated as a whole</b>	<b>R0010</b>	0	0	0	0	0	
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP calculated as a whole	<b>R0050</b>	0	0	0	0	0	
<b>Technical provisions calculated as a sum of BE and RM</b>							
<b>Best Estimate</b>							
Premium provisions							
Gross	<b>R0060</b>	-20,952	-2,602	-4,122	0	-2	-14
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	<b>R0140</b>	-4,365	-370	-611	0	0	16
Net Best Estimate of Premium Provisions	<b>R0150</b>	-16,587	-2,233	-3,511	0	-3	-31
<b>Claims provisions</b>							
Gross	<b>R0160</b>	109,815	19,130	2,405	28	12	2,610
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	<b>R0240</b>	20,019	689	476	0	0	667
Net Best Estimate of Claims Provisions	<b>R0250</b>	89,795	18,442	1,929	28	12	1,942
<b>Total Best estimate – gross</b>	<b>R0260</b>	88,863	16,528	-1,717	28	9	2,595
<b>Total Best estimate – net</b>	<b>R0270</b>	73,208	16,209	-1,582	28	9	1,911
<b>Risk margin</b>	<b>R0280</b>	5,663	1,898	917	1	5	128
<b>Technical provisions – total</b>							
Technical provisions – total	<b>R0320</b>	94,526	18,426	-800	29	14	2,723
Recoverable from reinsurance contract/SPV and Finite Re after the adjustment for expected losses due to counterparty default – total	<b>R0330</b>	15,655	319	-135	0	0	684
Technical provisions minus recoverables from reinsurance/SPV and Finite Re – total	<b>R0340</b>	78,872	18,106	-665	29	14	2,040

		Accepted non-proportional reinsurance				Total Non-Life obligation
		Non-proportional health reinsurance	Non-proportional casualty reinsurance	Non-proportional marine, aviation and transport reinsurance	Non-proportional property reinsurance	
		C0140	C0150	C0160	C0170	
<b>Technical provisions calculated as a whole</b>	<b>R0010</b>	0	0	0	0	0
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP calculated as a whole	<b>R0050</b>	0	0	0	0	0
<b>Technical provisions calculated as a sum of BE and RM</b>						
<b>Best Estimate</b>						
Premium provisions						
Gross	<b>R0060</b>	-248	-3,436	-1,069	-21,514	-47,575
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	<b>R0140</b>	0	-1,237	-2,389	-10,077	-18,443
Net Best Estimate of Premium Provisions	<b>R0150</b>	-248	-2,199	1,321	-11,437	-29,133
<b>Claims provisions</b>						
Gross	<b>R0160</b>	659	14,450	6,531	92,855	300,820
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	<b>R0240</b>	-20	6,328	-273	26,303	57,447
Net Best Estimate of Claims Provisions	<b>R0250</b>	679	8,122	6,804	66,551	243,373
<b>Total Best estimate – gross</b>	<b>R0260</b>	411	11,014	5,463	71,341	253,244
<b>Total Best estimate – net</b>	<b>R0270</b>	431	5,923	8,125	55,115	214,240
<b>Risk margin</b>	<b>R0280</b>	77	679	981	8,855	22,583
<b>Technical provisions – total</b>						
Technical provisions – total	<b>R0320</b>	488	11,694	6,444	80,196	275,827
Recoverable from reinsurance contract/SPV and Finite Re after the adjustment for expected losses due to counterparty default – total	<b>R0330</b>	-20	5,091	-2,662	16,226	39,004
Technical provisions minus recoverables from reinsurance/SPV and Finite Re – total	<b>R0340</b>	508	6,603	9,106	63,970	236,823



### S.19.01.21 Non-life Insurance Claims Information

Accident year / underwriting year	<b>20020</b>	<b>2</b>
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Year	Development year											In Current year	Sum of years (cumulative)		
	0	1	2	3	4	5	6	7	8	9	10 & +			C0170	C0180
Prior	<del>R0100</del>	<del></del>	<del></del>	<del></del>	<del></del>	<del></del>	<del></del>	<del></del>	<del></del>	<del></del>	<del></del>	<del></del>	2,029	R0100	2,029
N-9	R0160	17,600	40,036	13,651	6,093	3,068	2,677	2,381	971	862	283		R0160	283	87,623
N-8	R0170	18,641	42,340	10,682	7,377	3,126	2,612	1,102	1,809	994			R0170	994	88,683
N-7	R0180	15,563	45,027	13,481	6,731	2,878	1,800	2,095	2,785				R0180	2,785	90,360
N-6	R0190	17,262	45,911	16,505	12,072	6,506	3,375	1,754					R0190	1,754	103,384
N-5	R0200	14,294	43,138	21,403	8,808	6,211	5,679						R0200	5,679	99,533
N-4	R0210	22,159	52,787	25,022	10,088	7,345							R0210	7,345	117,402
N-3	R0220	29,780	58,061	15,259	7,095								R0220	7,095	110,196
N-2	R0230	56,191	67,403	21,029									R0230	21,029	144,623
N-1	R0240	26,420	62,308										R0240	62,308	88,728
N	R0250	20,539											R0250	20,539	20,539
<b>Total</b>	<b>R0260</b>												<b>131,839</b>	<b>953,099</b>	



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**Gross undiscounted Best Estimate Claims Provisions**

(absolute amount)

Year	Development year											Year end (discounted data)			
	0	1	2	3	4	5	6	7	8	9	10 & +		C0360		
	C0200	C0210	C0220	C0230	C0240	C0250	C0260	C0270	C0280	C0290	C0300				
Prior	R0100											25,812	R0100	24,661	
N-9	R0160	60,818	29,078	16,829	10,551	7,298	6,475	5,546	4,704	3,638	3,035		R0160	2,862	
N-8	R0170	66,657	33,019	20,905	17,066	9,774	7,175	8,624	7,160	5,966			R0170	5,617	
N-7	R0180	50,227	41,985	23,285	17,217	10,830	7,165	6,081	5,172				R0180	4,993	
N-6	R0190	58,280	52,006	41,329	28,145	15,465	14,174	11,723					R0190	11,213	
N-5	R0200	64,775	62,593	39,532	25,533	16,427	14,897						R0200	14,306	
N-4	R0210	73,622	71,988	37,859	29,371	18,367							R0210	17,507	
N-3	R0220	74,482	45,082	31,682	26,011								R0220	24,742	
N-2	R0230	102,258	58,497	27,177									R0230	25,350	
N-1	R0240	114,120	79,764										R0240	75,798	
N	R0250	98,930											R0250	93,771	
													<b>Total</b>	<b>R0260</b>	<b>300,820</b>

### S.23.01.01 Own funds

		Total	Tier 1 – unrestricted	Tier 1 – restricted	Tier 2	Tier 3
		C0010	C0020	C0030	C0040	C0050
<b>Basic own funds before deduction for participations in other financial sector as foreseen in article 68 of Delegated Regulation (EU) 2015/35</b>						
Ordinary share capital (gross of own shares)	R0010	71,856	71,856		0	
Share premium account related to ordinary share capital	R0030	54,240	54,240		0	
Initial funds, members' contributions or the equivalent basic own-fund item for mutual and mutual-type undertakings	R0040	0	0		0	
Subordinated mutual member accounts	R0050	0		0	0	0
Surplus funds	R0070	0	0			
Preference shares	R0090	0		0	0	0
Share premium account related to preference shares	R0110	0		0	0	0
Reconciliation reserve	R0130	617,192	617,192			
Subordinated liabilities	R0140	118,685		0	68,712	49,973
Amount equal to the value of net deferred tax assets	R0160	3,550				3,550
Other own fund items approved by the supervisory authority as basic own funds not specified above	R0180	0	0	0	0	0
<b>Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds</b>						
Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds	R0220	0				
<b>Deductions</b>						
Deductions for participations in financial and credit institutions	R0230	0	0	0	0	0
<b>Total basic own funds after deductions</b>	R0290	865,523	743,288	0	68,712	53,523
<b>Ancillary own funds</b>						
Unpaid and uncalled ordinary share capital callable on demand	R0300	0			0	
Unpaid and uncalled initial funds, members' contributions or the equivalent basic own fund item for mutual and mutual-type undertakings, callable on demand	R0310	0			0	
Unpaid and uncalled preference shares callable on demand	R0320	0			0	
A legally binding commitment to subscribe and pay for subordinated liabilities on demand	R0330	0			0	
Letters of credit and guarantees under Article 96(2) of the Directive 2009/138/EC	R0340	0			0	
Letters of credit and guarantees other than under Article 96(2) of the Directive 2009/138/EC	R0350	0			0	
Supplementary members calls under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0360	0			0	
Supplementary members calls – other than under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0370	0			0	0
Other ancillary own funds	R0390	0			0	0

		Total	Tier 1 – unrestricted	Tier 1 – restricted	Tier 2	Tier 3
		C0010	C0020	C0030	C0040	C0050
<b>Total ancillary own funds</b>	<b>R0400</b>	0			0	0
<b>Available and eligible own funds</b>						
Total available own funds to meet the SCR	<b>R0500</b>	865,523	743,288	0	68,712	53,523
Total available own funds to meet the MCR	<b>R0510</b>	812,000	743,288	0	68,712	
Total eligible own funds to meet the SCR	<b>R0540</b>	853,551	743,288	0	68,712	41,551
Total eligible own funds to meet the MCR	<b>R0550</b>	757,138	743,288	0	13,850	
<b>SCR</b>	<b>R0580</b>	277,005				
<b>MCR</b>	<b>R0600</b>	69,251				
<b>Ratio of Eligible own funds to SCR</b>	<b>R0620</b>	308%				
<b>Ratio of Eligible own funds to MCR</b>	<b>R0640</b>	1093%				

		C0060	
<b>Reconciliation reserve</b>			
Excess of assets over liabilities	<b>R0700</b>	903,967	
Own shares (held directly and indirectly)	<b>R0710</b>	114,511	
Foreseeable dividends, distributions and charges	<b>R0720</b>	42,619	
Other basic own fund items	<b>R0730</b>	129,646	
Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring-fenced funds	<b>R0740</b>		
<b>Reconciliation reserve</b>	<b>R0760</b>	617,192	
<b>Expected profits</b>			
Expected profits included in future premiums (EPIFP) – Life business	<b>R0770</b>	2,889	
Expected profits included in future premiums (EPIFP) – Non- life business	<b>R0780</b>	10,224	
<b>Total Expected profits included in future premiums (EPIFP)</b>	<b>R0790</b>	13,113	

## S.25.01.21 Solvency Capital Requirement – for undertakings on Standard Formula

		Gross solvency capital requirement	Simplifications
		C0110	C0120
Market risk	R0010	187,042	
Counterparty default risk	R0020	6,798	
Life underwriting risk	R0030	1,218	0
Health underwriting risk	R0040	3,435	0
Non-life underwriting risk	R0050	146,960	0
Diversification	R0060	-76,244	
Intangible asset risk	R0070	0	
<b>Basic Solvency Capital Requirement</b>	<b>R0100</b>	<b>269,208</b>	

		USP
		C0090
Life underwriting risk	R0030	none
Health underwriting risk	R0040	none
Non-life underwriting risk	R0050	none

Calculation of Solvency Capital Requirement		C0100
Operational risk	R0130	7,797
Loss-absorbing capacity of technical provisions	R0140	0
Loss-absorbing capacity of deferred taxes	R0150	0
Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC	R0160	0
<b>Solvency capital requirement excluding capital add-on</b>	<b>R0200</b>	<b>277,005</b>
Capital add-on already set	R0210	0
of which, capital add-ons already set – Article 37 (1) Type a	R0211	0
of which, capital add-ons already set - Article 37 (1) Type b	R0212	0
of which, capital add-ons already set – Article 37 (1) Type c	R0213	0
of which, capital add-ons already set - Article 37 (1) Type d	R0214	0
<b>Solvency capital requirement</b>	<b>R0220</b>	<b>277,005</b>



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Other information on SCR		
Capital requirement for duration-based equity risk sub-module	R0400	0
Total amount of Notional Solvency Capital Requirements for remaining part	R0410	0
Total amount of Notional Solvency Capital Requirements for ring-fenced funds	R0420	0
Total amount of Notional Solvency Capital Requirements for matching adjustment portfolios	R0430	0
Diversification effects due to RFF nSCR aggregation for Article 304	R0440	0

Approach to tax rate

		Yes/No
		C0109
Approach based on average tax rate	R0590	1 – yes

Calculation of adjustments due to loss absorbing capacity of deferred taxes

		LAC DT
		C0130
LAC DT	R0640	0
LAC DT justified by reversion of deferred tax liabilities	R0650	0
LAC DT justified by reference to probable future taxable economic profit	R0660	0
LAC DT justified by carry back, current year	R0670	0
LAC DT justified by carry back, future years	R0680	0
Maximum LAC DT	R0690	-32,801

## S.28.01.01 Minimum Capital Requirement – Only life or only non-life insurance or reinsurance activity

Linear formula component for non-life insurance and reinsurance obligations

		<b>C0010</b>
MCRNL result	<b>R0010</b>	48,522

		Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance) written premiums in the last 12 months
		<b>C0020</b>	<b>C0030</b>
Medical expense insurance and proportional reinsurance	<b>R0020</b>	48	24
Income protection insurance and proportional reinsurance	<b>R0030</b>	4,080	5,833
Workers' compensation insurance and proportional reinsurance	<b>R0040</b>	0	0
Motor vehicle liability insurance and proportional reinsurance	<b>R0050</b>	22,135	21,190
Other motor insurance and proportional reinsurance	<b>R0060</b>	18,825	29,009
Marine, aviation and transport insurance and proportional reinsurance	<b>R0070</b>	9,775	8,547
Fire and other damage to property insurance and proportional reinsurance	<b>R0080</b>	73,208	73,987
General liability insurance and proportional reinsurance	<b>R0090</b>	16,209	7,591
Credit and suretyship insurance and proportional reinsurance	<b>R0100</b>	0	5,236
Legal expenses insurance and proportional reinsurance	<b>R0110</b>	28	7
Assistance insurance and proportional reinsurance	<b>R0120</b>	9	20
Miscellaneous financial loss insurance and proportional reinsurance	<b>R0130</b>	1,911	319
Non-proportional health reinsurance	<b>R0140</b>	431	661
Non-proportional casualty reinsurance	<b>R0150</b>	5,923	2,872
Non-proportional marine, aviation and transport reinsurance	<b>R0160</b>	8,125	1,103
Non-proportional property reinsurance	<b>R0170</b>	55,115	50,662

## Linear formula component for life insurance and reinsurance obligations

		<b>C0040</b>
MCRL result	<b>R0200</b>	494

		Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance/SPV) total capital at risk
		<b>C0050</b>	<b>C0060</b>
Obligations with profit participation – guaranteed benefits	<b>R0210</b>	0	<del>0</del>
Obligations with profit participation – future discretionary benefits	<b>R0220</b>	0	<del>0</del>
Index-linked and unit-linked insurance obligations	<b>R0230</b>	0	<del>0</del>
Other life (re)insurance and health (re)insurance obligations	<b>R0240</b>	1,453	<del>1,453</del>
Total capital at risk for all life (re)insurance obligations	<b>R0250</b>	<del>1,453</del>	662,454

## Overall MCR calculation

		<b>C0070</b>
Linear MCR	<b>R0300</b>	49,017
SCR	<b>R0310</b>	277,005
MCR cap	<b>R0320</b>	124,652
MCR floor	<b>R0330</b>	69,251
Combined MCR	<b>R0340</b>	69,251
Absolute floor of the MCR	<b>R0350</b>	3,900
		<b>C0070</b>
<b>Minimum Capital Requirement</b>	<b>R0400</b>	69,251

A damselfly nymph is shown in profile, resting on a vibrant green leaf. The nymph's body is a bright, iridescent green, and its long, segmented abdomen extends towards the right. Its wings are large and transparent, with a complex network of veins. The background is a clear, light blue sky. The entire scene is framed within a circular vignette that tapers towards the top right.

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