



OUR
WAY
IS
TOMORROW.

ANNUAL REPORT 2022
ГРАВЕ Україна



The GRAWE Group – grown strength.

Insurances, financial services and real estate are the core expertise of GRAWE. Eighteen Central, East and Southeast European insurance subsidiaries are responsible for the company's international orientation. GRAWE's down-to-earth attitude and financial stability bear witness to a success story of more than 190 years. With its customer-friendly, personal consultation as well as appropriate, tailor-made products, GRAWE guarantees international quality with domestic standards of security.

GRAWE Group

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ГРАВЕ Україна

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The GRAWE insurance companies in 2022

1828
Austria



2000
Romania



1991
Slovenia



2001
Banja Luka



1993
Croatia



2004
Moldova



1997
Hungary



2004
Podgorica



1997
Beograd



2007
Skopje



1998
Sarajevo



2008
Ukraine



1998
Ukraine



2019
Skopje



1999
Cyprus



2020
Podgorica



2000
Bulgaria





OUR WAY IS TOMORROW.

Time and again in our almost 200-year history, GRAWE has had to cope with challenging times. This was also the case in 2022: As soon as the Covid-19 pandemic seemed to have been overcome, an event followed that seemed truly unthinkable: War returned to Europe.

As difficult as the situation was and is, especially for our colleagues in Ukraine: Overall, GRAWE was able to achieve a good result this year. This once again reaffirms our continuous efforts to overcome all challenges, to learn from them and to grow with them.

Our resilience, our ability to deal with unforeseen events and cope with them in a positive way, is very high – this annual report provides an overview of our most important parameters. But resilience can never be high enough: We continue to work on improving it every day with determination, confidence and a clear vision, based on the stable foundation of GRAWE's world of values.

Note regarding rounding and figures in this annual report: There may be mathematical differences due to computerised rounding when aggregating amounts and percentages.

Gender-specific wording: To make the text easier to read, we have dispensed with any gender-specific differentiation in this report. Corresponding terms apply to both genders in equal measure.



Members of the Board
(from left to right):

MMag. Paul Swoboda
Board director

Dipl.-Ing. Dr. Gernot Reiter
Deputy General Director,
Vice Chairman of the
Board of Directors

Dr. Philipp Meran
Chairman of the Supervisory Board

Mag. Klaus Scheitegel
General Director,
Chairman of the Board of Directors

MMag. Georg Schneider
Board director

Foreword by the Chairmen of the Board

Dear Readers,

With 2022, we leave behind a year that was extraordinary in many respects. We started in January full of new energy and optimism, but since 24th of February we have been confronted with events that we mostly know only theoretically and from history: A war in the middle of Europe with the participation of nuclear/major powers. The resulting consequences do not only impact the company, they also affect every one of us personally.

Despite these events, we encourage looking positively into the future, as Grazer Wechselseitige Versicherung has already experienced many ups and downs in its more than 190-year corporate history. Then as now, adaptability and foresighted planning are the key factors for our sustainable success, in order to remain resilient under the changed framework conditions as well to be prepared for future developments.

In a time characterised by high inflation rates and peak prices in the energy sector, it is most important for us to stand by our customers and business partners as a reliable partner. Individual support and the development of sustainable solutions have always been our overriding premises and are in demand more than ever.

The success of this strategy is also proven by the history of Grazer Wechselseitige Versicherung. Founded in 1828 by Archduke Johann as a regional fire insurance company, the Group today consists of 18 subsidiaries with branches in 13 countries in Central, Eastern and South-Eastern Europe. In addition to its core business in insurance, Grazer Wechselseitige Versicherung also operates as a reliable partner in the financial and real estate sector. With this broadly based business model, it is possible to offer customised solutions for almost all customer groups.

In the past financial year, the GRAWE Group was able to record a total premium growth of 11.5% in the insurance business, driven by the 16.2% increase in property and casualty insurance. The GRAWE Group's result from ordinary activities amounted to EUR 105.7 million in 2022 and the net profit for the year amounted to EUR 70.4 million. Despite the changing framework conditions and the accompanying challenges, the GRAWE Group remains on course for success.

Grazer Wechselseitige Versicherung in Austria was also able to continue on its course of steady growth. Premium income increased by 10.5%, and despite increasingly frequent and intense extreme weather events and particularly high volatility on the financial markets, a result from ordinary business activities of EUR 49.3 million and a net profit for the year of EUR 41.9 million could be achieved.

We would like to thank our clients and business partners for their loyalty. Recommendations are the best indicator of customer satisfaction, so we are particularly proud that we have received the „Recommender Award“ from the Austrian Financial Marketing Association (FMVÖ) for 10 years in a row. In 2022, Grazer Wechselseitige Versicherung AG won in the category „nationwide insurance“ and was also awarded the rating „outstanding customer orientation“.

As an employer, it is utmost important to us that not only our customers, but also and in particular our more than 5.000 employees can rely on GRAWE Group in the long term. They are one of the key factors for the consistent development of our group and are fundamentally responsible for our success. We would like to express our sincere thanks for their high level of commitment, their solution- and goal-oriented way of working and for the trust that they have shown in our company.

The careful handling of resources has the highest priority throughout our companies, which is why we are assigning great importance to sustainability in all areas. Both in capital investment and in the area of building and refurbishment of our properties, we are committed to a sustainable course. For example, suitable roof areas of our buildings are already being equipped with photovoltaic systems in the short to medium term. On the one hand, this is to generate energy to supply the company's own facilities, and on the other hand, environmentally friendly electricity can be supplied to the power grid.

Despite the challenging conditions, GRAWE Group was able to make very good use of the past financial year and we can therefore look back on a gratifying result. True to the motto of the current annual report, „Our way is tomorrow“, we want to proactively shape our tomorrow and are optimistic and confident that we will continue to be as successful in the future. Finally, we would once again like to offer our sincere thanks all our partners, customers and employees.

Yours sincerely,
Klaus Scheitegel

Yours sincerely,
Othmar Ederer

GRAWE Group Profit and Loss Account for Financial Year 2022 (summary)

Profit and Loss Account	2022	2021
	EUR	TEUR
General Insurance		
1. Earned premiums	614,384,587	539,071
2. Allocated investment return	206,449	167
3. Other technical income	3,013,325	2,901
4. Claims accrued	-388,774,082	-342,579
5. Increase in the technical provisions	0	0
6. Decrease in the technical provisions	-292,481	-171
7. Rebates	-1,062,048	-1,164
8. Operating expenses	-201,510,372	-172,784
9. Other technical charges	-4,464,851	-4,029
10. Change in the volatility reserve	1,213,891	-2,176
11. Technical account balance	22,714,419	19,235
12. Investment income and interest income	73,678,726	66,484
13. Investment charges and interest paid	-52,300,848	-25,463
14. Capital income transferred to the technical account	-206,449	-167
15. Other non-technical income	3,563,747	5,583
16. Other non-technical charges	-7,666,802	-7,496
17. Earnings gross before taxes	39,782,793	58,177
Life Insurance		
1. Earned premiums	429,778,712	411,067
2. Allocated investment return transferred from the technical account	61,328,477	111,012
3. Unrealised gains on investments pursuant to asset item C.	221	37,707
4. Other technical income	1,634,669	1,858
5. Claims accrued	-345,350,135	-323,268
6. Increase in the technical provisions	0	-111,726
7. Decrease in technical provisions	25,612,693	123
8. Rebates	-133,563	-400
9. Bonuses and/or policyholders' participation in profits	5,608,518	-5,831
10. Operating expenses	-94,375,638	-91,910
11. Unrealised losses on investments pursuant to asset item C.	-65,439,219	-333
12. Other technical charges	-234,044	-333
13. Technical account balance	18,454,162	27,966
14. Investment income and interest income	174,436,087	141,733
15. Investment charges and interest paid	-117,238,377	-49,155
16. Allocated investment return transferred to the technical account	-61,328,477	-111,012
17. Other non-technical income	2,849,169	889
18. Other non-technical charges	-1,492,955	-527
19. Earnings gross before taxes	15,679,610	9,894
Total		
1. Earnings gross before taxes of insurance undertakings		
General insurance business	39,782,793	58,177
Life insurance	15,679,610	9,894
	55,462,403	68,071
2. Earnings gross before taxes of credit institutions	50,232,481	66,917
3. Earnings gross before taxes in total	105,694,884	134,988
4. Taxes on income and earnings	-35,293,415	-34,669
5. Profit / Loss for the financial year	70,401,468	100,320

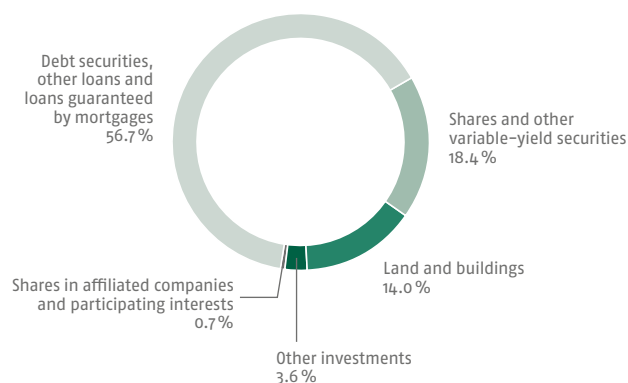
GRAWE Group Balance Sheet on 31 December 2022 (summary)

Assets	31.12.2022	31.12.2021
	EUR	TEUR
A. Intangible assets	26,017,846	22,461
B. Investments		
I. Land and buildings	815,415,115	780,137
II. Investments in affiliated undertakings and participating interests	76,400,186	43,070
III. Other investments	4,386,049,469	4,410,173
IV. Deposits with ceding undertakings	64,315	29
C. Investments of unit-linked and index-linked life insurance	373,041,586	401,038
D. Receivables	118,479,909	117,912
E. Accrued interest and rent	49,046,085	51,004
F. Other assets	167,545,675	113,556
G. Prepaid expenses	6,813,099	6,368
H. Deferred taxes on the assets side	48,309,664	55,012
I. Assets which derive from credit institutions	6,765,572,895	6,499,266
	12,832,755,843	12,500,027

Liabilities	31.12.2022	31.12.2021
	EUR	TEUR
A. Equity	1,782,570,827	1,711,317
B. Technical provisions, net of reinsurance		
I. Provision for unearned premiums	225,843,965	194,384
II. Life insurance provision	2,900,734,207	2,919,299
III. Provision for claims outstanding	1,001,071,687	941,911
IV. Provision for rebates	4,601,146	4,612
V. Provision for bonuses and/or policyholders' participation in profits	122,344,977	133,595
VI. Volatility reserve	68,118,303	69,352
VII. Other technical provisions	11,935,748	11,079
C. Technical provisions of unit-linked and index-linked life insurance	387,614,702	395,818
D. Non-technical provisions	115,699,682	133,564
E. Deposits received from reinsurers	1,184,962	3,434
F. Other liabilities	155,053,871	148,857
G. Deferred income	35,045,511	59,256
H. Provisions, liabilities and deferred income, which derive from credit institutions	6,020,936,256	5,773,548
	12,832,755,843	12,500,027

GRAWE Group Investments – a Reliable Basis

At 31 December 2022 the Group's total investments amounted to EUR 5,650 million (2021: EUR 5,634 million), corresponding to a 0.3 % rise with respect to the previous year.



Auditor's Opinion

We have audited the consolidated financial statements of

**GRAWE – Vermögensverwaltung,
Graz, Austria,**

and its subsidiaries (the Group), which comprise the Consolidated Balance Sheet as at 31 December 2022, and the Consolidated Income Statement, Consolidated Statement of Changes in Equity and Consolidated Statement of Cash Flows for the year then ended, and the Notes to the Consolidated Financial Statements.

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of 31 December 2022, and its consolidated financial performance and consolidated cash flows for the year then ended in accordance with, Austrian Generally Accepted Accounting Principles as well as legal or regulatory requirements.

In our opinion, the group management report is consistent with the consolidated financial statements and has been prepared in accordance with legal requirements.

Vienna, 17 March 2023

KPMG Austria GmbH
Wirtschaftsprüfungs- und
Steuerberatungsgesellschaft
Mag. Michael Schlenk

CENTURION
Wirtschaftsprüfungs-
und Steuerberatungs GmbH
Dr. Andreas Staribacher

This report is a shortened translation of the original report in German, which is solely valid.



Report 2022



Голова Правління
Наталія Базилевська



Член Правління
Етімір Краснічі

Шановні пані та панове!

Попри чисельні виклики воєнного часу минулий 2022-й рік став для ПрАТ «ГРАВЕ УКРАЇНА Страхування життя» вкрай насиченим на бізнес-події та плідним. Він став роком активного розвитку бізнес-процесів, зміцнення ринкових позицій, роком, коли ми ретельно дотримувалися виваженої політики і сфокусували свої зусилля на задачах, які дозволили зберегти ліквідність та платоспроможність нашої компанії. За підсумками 2022 року «ГРАВЕ УКРАЇНА Страхування життя» збільшила клієнтську базу та обсяг залучених страхових премій, розмір страхових резервів та активів, а також отримала позитивний фінансовий результат. Так, кількість фізичних осіб, застрахованих упродовж звітного періоду за договорами страхування життя, зросла на 7 320 осіб. А кількість фізичних осіб, застрахованих на кінець звітного періоду за договорами страхування життя (станом на 31.12.2022) склала всі 99 578 осіб. Клієнтський портфель «ГРАВЕ УКРАЇНА Страхування життя» є одним із найбільш впевнених та збалансованих на українському страховому ринку.

Хочемо підкреслити, що у 2022 році наша компанія ні на один день не припиняла виконувати свої зобов'язання по виплаті страхових сум по дожиттю, ануїтетам, смерті та медичним ризикам. Максимальна страхова виплата, здійснена за окремим страховим випадком, за звітний період склала понад 3 млн грн. Загалом, за 12 місяців минулого року клієнти «ГРАВЕ УКРАЇНА Страхування життя» отримали понад 151 млн. грн страхових виплат. У попередньому 2021 році загальна сума страхових виплат нашим клієнтам склала 144,5 млн грн. Це свідчить про те, що у рік повномасштабної війни загальні страхові виплати «ГРАВЕ УКРАЇНА Страхування життя» зросли.

Люди, які довірили нам свої гроші, переконалися, що «ГРАВЕ УКРАЇНА Страхування життя» — найбільш надійна фінансова установа, яка не тільки надає страховий захист, безпечно зберігає і примножує кошти клієнтів, але й своєчасно та в повному обсязі виконує свої зобов'язання як за гривневими, так і за валютними договорами.

«ГРАВЕ УКРАЇНА Страхування життя» постійно працює над вдосконаленням бізнес-процесів, рівня обслуговування своїх клієнтів, та приймає важливі і далекоглядні управлінські рішення. Минулого року компанія доклала багато зусиль, щоб максимально задовольнити потреби своїх клієнтів, розробила ряд нових програм страхування життя та захисту здоров'я, а також впровадила нові стандарти клієнтського обслуговування.

Наша компанія була визнана гравцем, який робить значний внесок у розвиток страхового ринку численними рейтинговими дослідженнями. Зокрема, у минулому році «ГРАВЕ УКРАЇНА Страхування життя» отримала почесну нагороду «Компанія року 2022» від Всеукраїнського галузево-аналітичного центру, що є визнанням лідерства компанії у сфері страхування життя, гнучкості у відношенні до змін, глибокого розуміння потреб ринку та здатності адаптуватися до нових викликів.

«ГРАВЕ УКРАЇНА Страхування життя», як представник відповідального українського бізнесу, займає чітку позицію у спільній боротьбі українського народу проти російської агресії. З огляду на місію та цінності нашої компанії, ми допомагаємо вирішити нагальні проблеми, пов'язані зі збереженням життя та здоров'я українських військових, а також цивільних, жінок і дітей, які постраждали від війни. Ми робимо вагомий вклад у порятунок державності, української ідентичності, а отже нашого майбутнього в Україні. Зокрема ми пишаємося волонтерськими проєктами, реалізованими спільно з директорами «Євролайф Україна» та ГО «Набуток». Ми будемо продовжувати робити все можливе, щоб підтримку «ГРАВЕ УКРАЇНА» відчувало якомога більше громадян, і впевнені, що так будуть робити і інші представники страхового бізнесу.

Для нас надзвичайно важливими залишаються репутація та гідність, оскільки наш успіх забезпечується консервативним підходом до управління активами та надійною підтримкою наших партнерів. Це дозволяє нам продовжувати впевнено рухатися вперед. Ми пройдемо важкий шлях воєнного часу та повоєнної відбудови України разом з кожним нашим партнером, клієнтом та співробітником. Разом ми станемо ще більш сильними, стійкими та надійними. «ГРАВЕ УКРАЇНА» працює на користь кожного клієнта та робить все можливе для оперативного спілкування та їх підтримки. Ми віримо в нашу перемогу і в те, що вже наступний рік стане роком післявоєнного економічного розвитку України.

З повагою,
Правління «ГРАВЕ УКРАЇНА Страхування життя»

Баланс на 31.12.2022 р.

Актив	31.12.2021 тис. грн.	31.12.2022 тис. грн.
I. Необоротні активи		
Нематеріальні активи	1.988,1	10,7
первісна вартість	2.061,5	93,2
накопичена амортизація	73,4	82,5
Незавершені капітальні інвестиції	0,0	0,0
Основні засоби	24.483,4	23.201,1
первісна вартість	34.616,2	34.878,9
знос	10.132,8	11.677,8
Інвестиційна нерухомість	36.229,2	35.426,8
Первісна вартість інвестиційної нерухомості	40.778,7	40.778,7
Знос інвестиційної нерухомості	4.549,5	5.351,9
Довгострокові біологічні активи	0,0	0,0
Первісна вартість довгострокових біологічних активів	0,0	0,0
Накопичена амортизація довгострокових біологічних активів	0,0	0,0
Довгострокові фінансові інвестиції: які обліковуються за методом участі в капіталі інших підприємств	0,0	0,0
інші фінансові інвестиції	2.247.394,6	2.409.993,5
Довгострокова дебіторська заборгованість	0,0	0,0
Відстрочені податкові активи	5.899,3	7.451,8
Гудвіл	0,0	0,0
Відстрочені аквізиційні витрати	0,0	0,0
Залишок коштів у централізованих страхових резервних фондах	0,0	0,0
Інші необоротні активи	0,0	0,0
Усього за розділом I	2.315.994,6	2.476.083,9
II. Оборотні активи		
Запаси	1.305,5	1.090,0
Виробничі запаси	0,0	0,0
Незавершене виробництво	0,0	0,0
Готова продукція	0,0	0,0
Товари	0,0	0,0
Поточні біологічні активи	0,0	0,0
Депозити перестрашування	0,0	0,0
Векселі одержані	0,0	0,0
Дебіторська заборгованість за продукцію, товари, роботи, послуги	45.487,5	100.820,4
Дебіторська заборгованість за розрахунками: за виданими авансами	2.397,1	4.917,6
з бюджетом	3.414,7	865,0
у тому числі з податку на прибуток	3.078,4	0,0
Дебіторська заборгованість за розрахунками з нарахованих доходів	78.276,9	134.273,5
Дебіторська заборгованість за розрахунками із внутрішніх розрахунків	1.709,9	0,0
Інша поточна дебіторська заборгованість	460,1	4.398,5
Поточні фінансові інвестиції	919.706,8	1.394.014,9
Гроші та їх еквіваленти	53.289,2	493.321,4
Готівка	0,0	0,0
Рахунки в банках	50.304,2	493.321,4
Витрати майбутніх періодів	3.029,6	0,0
Частка перестраховика у страхових резервах	292.142,8	360.643,4
у тому числі в: резервах довгострокових зобов'язань	266.437,3	320.310,2
резервах збитків або резервах належних виплат	25.705,5	40.333,2
резервах незароблених премій	0,0	0,0
інших страхових резервах	0,0	0,0
Інші оборотні активи	0,0	0,0
Усього за розділом II	1.401.220,1	2.494.344,7
III. Необоротні активи, утримувані для продажу, та групи вибуття	0,0	0,0
Баланс	3.717.214,7	4.970.428,6

Баланс на 31.12.2022 р.

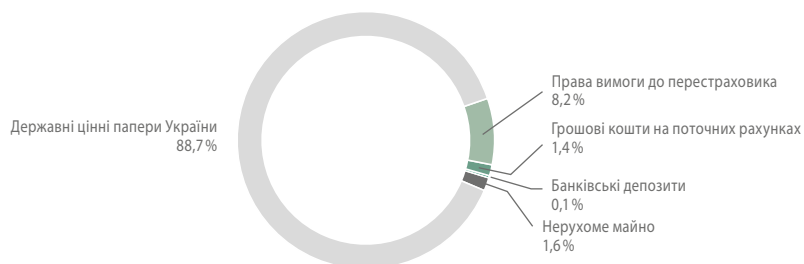
Пасив	31.12.2021 тис. грн.	31.12.2022 тис. грн.
I. Власний капітал		
Зареєстрований (пайовий) капітал	26.903,1	26.903,1
Внески до незареєстрованого статутного капіталу	0,0	0,0
Капітал у дооцінках	441,6	-142,1
Додатковий капітал	0,0	0,0
Емісійний дохід	0,0	0,0
Накопичені курсові різниці	0,0	0,0
Резервний капітал	6.576,7	6.576,7
Нерозподілений прибуток (непокритий збиток)	252.337,2	272.507,3
Неоплачений капітал	0,0	0,0
Вилучений капітал	0,0	0,0
Інші резерви	0,0	0,0
Усього за розділом I	286.258,6	305.845,0
II. Довгострокові зобов'язання і забезпечення		
Відстрочені податкові зобов'язання	0,0	0,0
Пенсійні зобов'язання	0,0	0,0
Довгострокові кредити банків	0,0	0,0
Інші довгострокові зобов'язання	0,0	0,0
Довгострокові забезпечення	0,0	0,0
Довгострокові забезпечення витрат персоналу	0,0	0,0
Цільове фінансування	0,0	0,0
Благодійна допомога	0,0	0,0
Страхові резерви	3.322.050,0	4.448.389,9
у тому числі: резерв довгострокових зобов'язань	3.246.096,5	4.320.618,8
резерв збитків або резерв належних виплат	75.953,5	127.771,1
резерв незароблених премій	0,0	0,0
інші страхові резерви	0,0	0,0
Інвестиційні контракти	0,0	0,0
Призовий фонд	0,0	0,0
Резерв на виплату джек-поту	0,0	0,0
Усього за розділом II	3.322.050,0	4.448.389,9
III. Поточні зобов'язання і забезпечення		
Короткострокові кредити банків	0,0	0,0
Векселі видані	0,0	0,0
Поточна кредиторська заборгованість за: довгостроковими зобов'язаннями	0,0	0,0
товари, роботи, послуги	42.331,6	119.243,6
розрахунками з бюджетом	96,9	4.303,9
у тому числі з податку на прибуток	0,0	4.067,0
розрахунками зі страхування	57,4	0,0
розрахунками з оплати праці	3,1	2,6
Поточна кредиторська заборгованість за одержаними авансами	36.735,1	57.389,6
Поточна кредиторська заборгованість за розрахунками з учасниками	0,0	0,0
Поточна кредиторська заборгованість із внутрішніх розрахунків	0,0	0,0
Поточна кредиторська заборгованість за страховою діяльністю	0,0	0,0
Поточні забезпечення	29.595,4	35.168,6
Доходи майбутніх періодів	0,0	0,0
Відстрочені комісійні доходи від перестраховиків	0,0	0,0
Інші поточні зобов'язання	86,6	85,4
Усього за розділом III	108.906,1	216.193,7
IV. Зобов'язання, пов'язані з необоротними активами, утримуваними для продажу, та групами вибуття	0,0	0,0
V. Чиста вартість активів недержавного пенсійного фонду	0,0	0,0
Баланс	3.717.214,7	4.970.428,6

Фінансові результати 2022 року

	2022 тис. грн.	2021 тис. грн.
Страхові премії	507.511,30	520.749,00
Інші операційні доходи	138.062,80	7.389,80
Премії, сплачені за перестраховання	-74.106,50	-75.113,00
Формування резервів		
Відрахування до резервів	-1.126.339,80	-250.548,79
Частка перестраховика у зміні резервів	68.500,65	-12.481,48
Страхові виплати		
Сплачені страхові виплати	-159.040,20	-177.250,19
Частка страхових виплат, сплачена перестраховиком	36.359,85	34.673,96
Операційні витрати	-283.460,70	-303.448,90
Фінансові доходи	940.071,40	289.200,00
Фінансові витрати	-19.435,40	-19.407,50
Податок на прибуток	-7.953,40	-5.128,80
Чистий прибуток	20.170,00	8.634,10

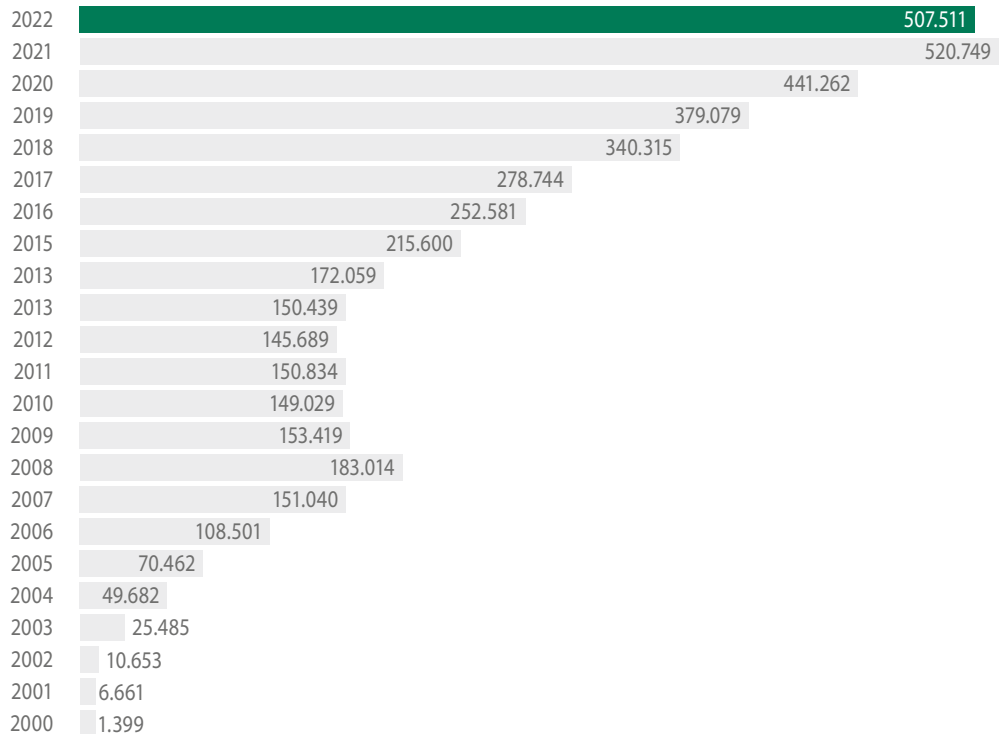
Інвестиційний портфель ГРАВЕ Україна: 4.714.246,99 тис.грн.

(в тому числі страхові резерви: 4.448.389,86 тис.грн.)



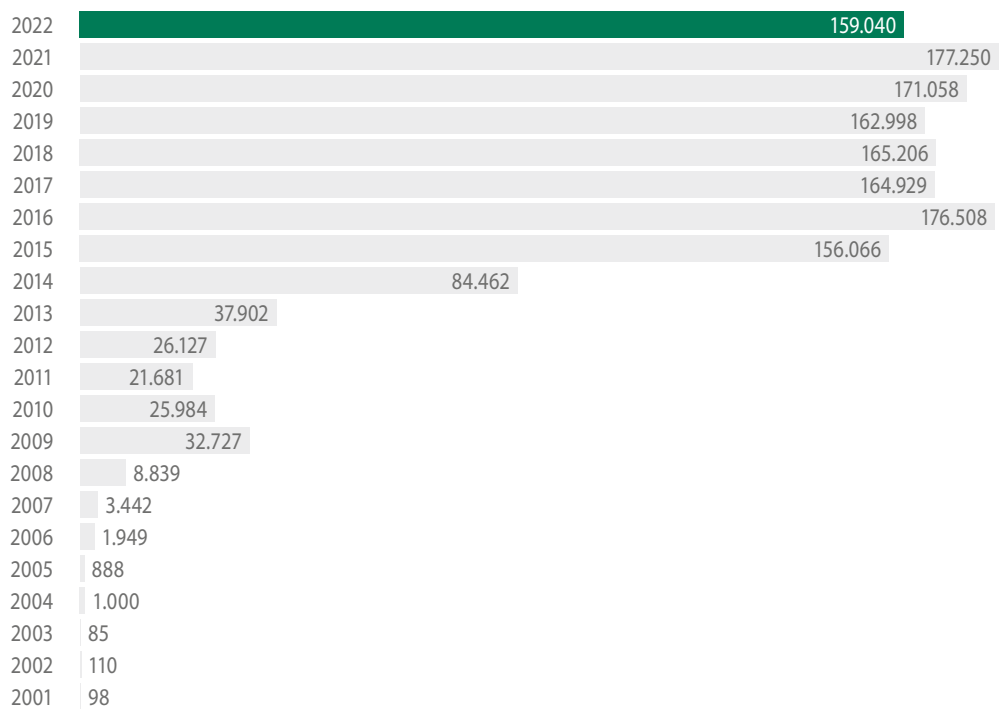
Страхові премії

(тис.грн.)



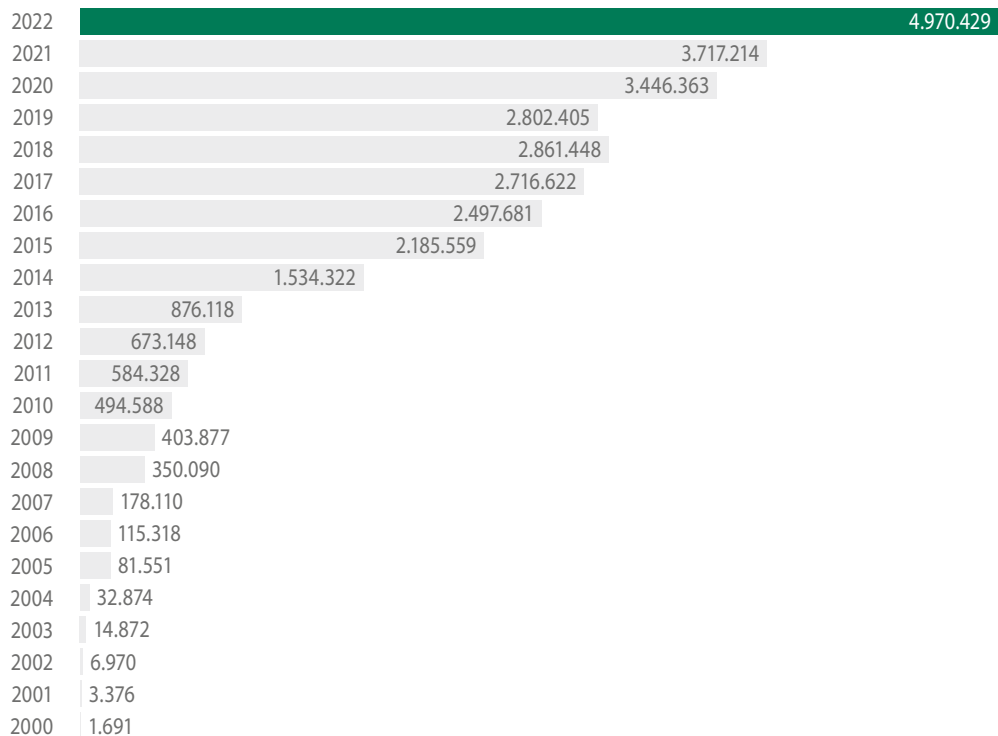
Страхові виплати разом з викупами

(тис.грн.)



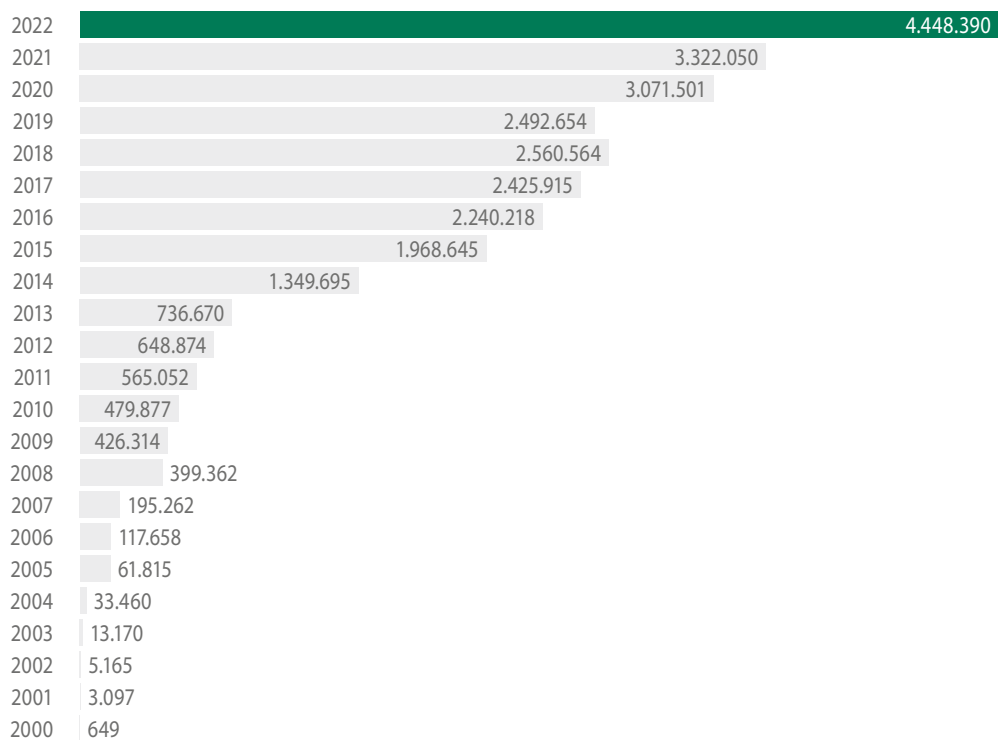
Активи

(тис.грн.)



Страхові резерви

(тис.грн.)





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INDEPENDENT AUDITOR'S REPORT

To the Shareholders and the Supervisory Board of
PRIVATE JOINT STOCK COMPANY
"GRAWE UKRAINE LIFE INSURANCE"

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the annual financial statements of the PRIVATE JOINT STOCK COMPANY "GRAWE UKRAINE LIFE INSURANCE" (hereinafter – the Company), which comprise statement of financial position as at 31 December 2022, statement of profit or loss and other comprehensive income, statement of cash flows, statement of changes in equity for the year then ended and notes to the financial statements, including the summary of significant accounting policies (hereinafter – the financial statements).

In our opinion, the accompanying financial statements present fairly and objectively, in all material respects the financial position of the Company as at 31 December 2022, and its financial performance and cash flows for the year then ended in accordance with the International Financial Reporting Standards (hereinafter – IFRSs) and meets the requirements of the Law of Ukraine "On Accounting and Financial Reporting in Ukraine" regarding preparation of the financial statements.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (hereinafter – ISAs). Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our Independent Auditor's Report. We are independent of the Company in accordance with ethical requirements that are applicable in Ukraine to our audit of the financial statements, such as the International Ethics standards Board for Accountants' Code of Ethics for Professional Accountants (hereinafter – IESBA Code), and we also have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Significant Uncertainty Related to Going Concern

We draw your attention to notes 2 and 26 to the financial statements, which state that as of the date of approval of these financial statements, the full-scale aggression of the Russian Federation against Ukraine, which began on February 24, 2022, and the martial law in Ukraine are in progress. As stated in note 2 to the financial statements, after analyzing the available internal, economic and military factors, including those indicated in note 26 to the financial statements, and taking into account their possible impact, the Company's management concluded that there is a significant uncertainty that may cast significant doubt on the Company's ability to continue as a going concern.

Our opinion was not modified in respect of this matter.

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RSM UKRAINE is a member of the RSM network and trades as RSM. RSM is the trading name used by the members of the RSM network. Each member of the RSM network is an independent accounting and consulting firm which practices in its own right. The RSM network is not itself a separate legal entity in any jurisdiction.



Emphasis of Matter

We draw attention to notes 2 and 24 to the financial statements, which set out judgements on the procedure for determining the fair value of internal and external government bonds and fair value measurement estimates made on the basis of these judgments for the purpose of disclosure in the financial statements.

Our opinion was not modified in respect of this matter.

Key Audit Matters

Key audit matters are the matters that, in our professional judgment, were of most significance in our audit of the financial statements in the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Insurance reserves. Insurance reserves are significant in terms of their volume and effect on the Company's activity. Insurance reserve determination process is accompanied by a significant amount of input data, estimates and systems to be analysed.

Insurance reserves and liabilities as at 31 December 2022 are disclosed in note 9 to the financial statements and the book value of insurance reserves and liabilities (gross) make 95.4% of the Company's liabilities and reinsurer's share in insurance reserves make 7.3% of the Company's assets.

Our audit procedures for the assessment of insurance reserves included: tests of internal controls, the current risk management process in place to determine liabilities under insurance contracts. We examined key judgments and control procedures on preparation of the reserves components that do not require actuarial involvement. We considered the consistency of accounting and methodology used to all insurance reserves taking into account recognized actuarial practices and we also involved independent actuary to test methodology used for reserves recognition, the model and assumptions used for their compliance with best actuarial practice. We analysed disclosures in the financial statements of the Company related to insurance reserves.

Estimation of expected credit losses on investments in internal and external government bonds. Measurement of expected credit losses on investments in internal and external government bonds is a key audit matter given the volume of these transactions. The application of International Financial Reporting Standard 9 "Financial Instruments" (hereinafter - IFRS 9), which requires that expected credit losses are recognized on the basis of scenario analysis with the use of not only information about past events, current conditions, but also forecasts of future economic conditions, to a greater extent is a field of professional judgments applied by the Company's management and therefore the use of certain significant judgments and estimates may lead to different levels of expected credit losses. The process of expected credit losses measurement in accordance with IFRS 9 is accompanied by a significant amount of input data, estimates and systems to be analysed.

The volume of transactions mentioned above and expected credit losses on them as of December 31, 2022 are detailed in note 6 to the financial statements, their book value is 79.2% of the Company's assets.

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Our audit procedures included analysis of the methodology for measuring expected credit losses used by the Company to reflect allowances in the financial statements in accordance with IFRS 9 requirements, in particular:

- analysis of the Company's business model used for asset management;
- analysis of data from international rating agencies;
- analysis of market data regarding the level of expected credit losses for investments in internal and external government bonds;
- analysis of information on repayment of bond debt during 2022;
- analysis of fair value of investments in internal and external government bonds;
- analysis of professional judgment and accounting estimates that were applied by the management during expected credit losses measurement (note 2 to the financial statements);
- analysis of debt modifications for external government bonds during the year;
- analysis of subsequent events;
- verification of input data used to measure expected credit losses.

Other Information

Management of the Company is responsible for other information, which is not the financial statements of the Company and does not contain our Independent Auditor's Report thereon.

Other information includes:

- *The Annual Information of the Issuer*, which shall be formed by the Company on the basis of the requirements of Articles 126 and 127 of the Law of Ukraine "On Capital Markets and Organized Commodity Markets" taking into account the requirements of Article 12² «On Financial Services and State Regulation of Financial Services Markets», and which is not the financial statements of the Company. The Annual Information of the Issuer will be approved after the date of our Independent Auditor's Report. Our opinion on the financial statements does not apply to the Annual Information of the Issuer and we do not conclude with any level of assurance about this Annual Information of the Issuer as at the date of this Independent Auditor's Report. In connection with our audit of the financial statements, our responsibility is to read the Annual Information of the Issuer and, in doing so, consider whether there is a material inconsistency between the Annual Information of the Issuer and the financial statements or our knowledge obtained during the audit, or, whether the Annual Information of the Issuer otherwise appears to be materially misstated. When we read the Annual Information of the Issuer and if we come to the conclusion that it contains a material misstatement, we will be obliged to report this fact to the Supervisory Board of the Company;
- *Management Report*, which is prepared by the Company on the basis of the requirements of the Law of Ukraine "On Accounting and Financial Reporting in Ukraine" and which is not the financial statements of the Company and does not contain our Independent Auditor's Report on it. Our opinion on the financial statements does not cover the Management Report and we do not conclude with any level of assurance about this Management Report as of the date of this Independent Auditor's Report. In connection with our audit of the financial statements our responsibility is to read the Management Report and, in doing so, consider whether there is a material inconsistency between the financial information stated in the Management Report and the financial statements or other information obtained during the audit, or, whether the Management Report otherwise appears to be materially misstated. If, on the basis of our work, we come to the conclusion that there is a material misstatement in the Management Report, we are obliged to report this fact. We have not identified such facts by the results of our reading the Management Report, which would have to be included to this Independent Auditor's Report;

- *The Report of a Participant in the Non-Banking Financial Services Market* (hereinafter - *The Reporting of the Insurer*), which shall be prepared by the Company on the basis of the "Rules for Preparation and Submission of Reports to the National Bank of Ukraine by Participants in the Non-Banking Financial Services Market", approved by the Resolution of the Board of the National Bank of Ukraine No. 123 of November 25, 2021.

The Reporting of the Insurer will be approved after the date of this Independent Auditor's Report. Our opinion on the financial statements does not cover the Reporting of the Insurer and, as of the date of this Independent Auditor's Report, we do not express an opinion with any level of assurance about this Reporting of the Insurer. In connection with our audit of the financial statements, it is our responsibility to read the Reporting of the Insurer and, in doing so, consider whether there is a material inconsistency between it and the financial statements, or our knowledge obtained during the audit, or whether the Reporting of the Insurer otherwise appears to be materially misstated. When we read the Reporting of the Insurer and if we come to the conclusion that there is a material misstatement in it, we will need to inform the Supervisory Board of the Company about this matter.

Responsibility of the Company's Management and The Supervisory Board for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, and for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matter related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Supervisory Board is responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management of the Company;

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that the material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern;
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate to the Supervisory Board of the Company regarding the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Supervisory Board of the Company with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Supervisory Board of the Company, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters.

We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

- *The Law of Ukraine "On Audit of the Financial Statements and Auditing" N2258-VIII dated 21 December 2017*

Information in this section of the Independent Auditor's Report is provided in accordance with sub-points 3 and 4 Article 14 of the Law of Ukraine "On Audit of the Financial Statements and Auditing" No. 2258-VIII dated 21 December 2017.

We were appointed to conduct a statutory audit of the Company's financial statements by the Supervisory Board decision No.163 dated 15 March 2022. *Total duration of the audit engagements without interruptions, taking into account extension of the mandate that took place and the re-appointments for providing the statutory audit services, is 6 years.*

Audit Estimates

Description and assessment of the most significant risks of material misstatement in the audited financial statements, including due to fraud. Reference to the relevant item or other disclosure in the financial statements for each description and assessment of the most significant risks in the financial statements

In performing our audit, we determined that the most significant risks of material misstatements financial statements, including due to fraud, which comprise the following:

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- on the financial statements' level, due to:
 - inherent business risk, derived from the Company's belonging to public interest companies and from the Company's status of a financial institution that provides insurance services (Statement of Financial Position, notes 1,2,21, and 26 to the financial statements of the Company, and the Management Report);
 - preparation of the financial statements on a going concern basis (note 2 to the Company's financial statements and paragraph "Significant Uncertainty Related to Going Concern" of this Independent Auditor's Report);
- On the level of assertions for classes of transactions, account balances and disclosures:
 - For insurance reserves and liabilities (note 9 to the financial statements and the section "Key Audit Matters" of this Independent Auditor's Report);
 - For investments in internal and external government bonds (notes 2 and 6 to the Company's financial statements and the section "Key Audit Matters" of this Independent Auditor's Report).

Brief description of responses taken to address the most significant risks of material misstatement in the financial statements

We applied professional judgment in planning and performing the audit, and planned and performed the audit with professional scepticism, recognizing that circumstances may exist that cause the financial statements to be materially misstated. Based on the risks of material misstatement of the financial statements identified and assessed by us, in addition to the procedures specified in the sections "Key Audit Matters" and "Auditor's Responsibility for the Audit of Financial Statements" of this Independent Auditor's Report, we performed the following:

- planned to conduct an audit in accordance with the RSM International Global Audit Manual, which is developed in full compliance with the ISAs (hereinafter - GAM), in such a way as to reduce the risk of not detecting the material misstatements in financial statements to an acceptable level;
- for classes of transactions, account balances and disclosures, performed a separate and/or combined assessment of risks of material misstatement, which includes assessment of risk of internal control and the inherent risk, that is inherent of certain classes of transactions, account balances or disclosures;
- appointed personnel appropriate in the circumstances to perform statutory audit;
- in accordance with ISQM 2 "Engagement Quality Review", appointed an engagement quality reviewer, who is not a member of the engagement team, to conduct an objective assessment of the significant judgments made by the engagement team and the conclusions reached regarding them;

Main reservations regarding the most significant risks of material misstatement in the financial statements

The main reservation regarding the most significant risks of material misstatements in the financial statements is associated with management's use of judgment in preparing the financial statements, which involves subjective decisions or estimates or a degree of uncertainty, and there may be a range of acceptable interpretations or judgments (note 2 to the financial statements). Therefore, the existing level of variability cannot be eliminated by applying additional audit procedures.

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Clarification of the Extent to which it was Considered Possible to Detect Violations, Including Fraud, during the Statutory Audit

To obtain reasonable assurance, we were required to obtain reasonable audit evidence sufficient to reduce audit risk to an acceptably low level that would enable us to reach reasonable conclusions as an underlying basis for our opinion. This was achieved by complying with GAM and ISAs requirements.

Consistency of the Auditor's Opinion Expressed in the Independent Auditor's Report with Additional Report for the Audit Committee

Audit Committee function in the Company rests with the Supervisory Board Audit Committee. The opinion expressed in the Independent Auditor's Report is brought in line with the Additional Report to the Audit Committee, which was prepared in accordance with the requirements of Article 35 of the Law of Ukraine "On Audit of the Financial Statements and Auditing".

Statement regarding Providing Non-Assurance Services, set forth by the Law of Ukraine "On Audit of the Financial Statements and Auditing" No. 2258-VIII dated 21 December 2017

We have not provided the Company with non-assurance services set forth by the Law of Ukraine "On Audit of the Financial Statements and Auditing" No. 2258-VIII dated 21 December 2017.

Independence of the Key Audit Partner and Audit Firm from the Company during the Audit

Statement of our independence from the Company, including independence of the Key audit partner is disclosed in the *Basis for Opinion* and *Auditor's Responsibility for the Audit of the Financial Statements* paragraphs of this Independent Auditor's Report.

Information about Other Services Provided to the Company or its Controlled Entities, other than Statutory Audit Services, that are not Disclosed in the Financial Statements

From the date of our appointment for conducting statutory audit of the Company's financial statements until the date of this Independent Auditor's Report, we have not provided services to the Company or its controlled entities (subsidiaries), apart from the statutory audit services that are not disclosed in the Management Report or the financial statements, except for those described in note 1 to the financial statements.

Clarifications on the Scope of Audit and Inherent Limitations of the Audit

The scope of audit is disclosed in the *Auditor's Responsibility for the Audit of Financial Statements* paragraph of this Independent Auditor's Report.

Because of the inherent limitations of the audit and inherent limitations of the internal control system, there is an inevitable risk that some significant misstatements cannot be detected even if the audit is properly planned and performed in accordance with the ISAs.

Basic Information about the Audit Firm

- Full name - LIMITED LIABILITY COMPANY "RSM UKRAINE AUDIT".
- Location - 04080, 47 Nizhnyosyrkivska Str., 47, Kyiv, Ukraine.
- Information on including to the Register - record #2874 in the Register of Auditors and Audit Entities, including in the Section "Auditors that are entitled to carry out the statutory audit of financial statements" and in the Section "Auditors that have the right to conduct a statutory audit of financial statements of public interest companies".

- *Decision of the National Securities and Stock Market Commission (hereinafter - the NSSMC) "Requirements for information related to the audit or review of financial statements of capital markets and organized commodity markets participants, supervised by the National Securities and Stock Market Commission" #555 dated July 22, 2021*

The audit of the financial statements of PRIVATE JOINT STOCK COMPANY "GRAWE UKRAINE LIFE INSURANCE" was performed on the basis of the agreement #14-10/2022 C 700 dated October 14, 2022, and was conducted from October 14, 2022 to February 28, 2023 inclusive.

In our opinion, the *disclosure of information about the ultimate beneficial owner and ownership structure* at the audit date was made by the Company in accordance with the requirements of the Regulations on the form and content of ownership structure approved by the Ministry of Finance of Ukraine #163 dated March 19, 2021, registered with the Ministry of Justice of Ukraine on June 8, 2021 by #768/36390 (Note 1 to the financial statements).

In addition, please note that in accordance with the resolution of the Board of the National Bank of Ukraine dated March 6, 2022 #39 "On Regulating the Activities of Participants in the Non-Banking Financial Services Market, Non-Banking Financial Groups, Participants in the Payment Market, Collection Companies and Legal Entities that are Licensed to Provide Collection Services to Banks", information on the ownership structure and information on the owners of significant share is not available to external users.

The Company is a *member of the non-banking financial group* GRAWE UKRAINE (note 1 to the financial statements).

The Company is a *public interest entity* (note 1 to the Financial Statements).

The *parent company* of the Company is the Joint-Stock Company Grazer Vekselzeitige Fersicherung Aktiengesellschaft, Austria, 8010, Graz, ul. Herengasse, 18-20;

The Company has no *subsidiaries* (Note 1 to the financial statements).

Legal and regulatory requirements of the NSSMC do not establish *prudential indicators* for insurance activities (note 1 to the financial statements).

In connection with the Corporate Governance Report preparing by the Company in accordance with the law requirements, we inform the following:

- *according to the audit data, the information specified in paragraphs 1-4 of the third part of Article 127 of the Law of Ukraine "On Capital Markets and Organized Commodity Markets" № 3480-IV dated February 3, 2006 is given in Note 1 to the Financial Statements and the Corporate Governance Report;*

- *in our opinion, the information specified in paragraphs 5 - 9 of the third part of Article 127 of the Law of Ukraine "On Capital Markets and Organized Commodity Markets", namely: description of the main characteristics of internal control and risk management systems of the Company; a list of persons who directly or indirectly own a significant block of shares in the Company; information on any restrictions on the rights of participation and voting of shareholders at the general meeting of the Company; the procedure for appointing and dismissing officials and the powers of the Company's officials set out in the Management Report and the Corporate Governance Report does not contradict the information we obtained during the audit of the Company's financial statements.*

The Company has not formed the *Audit Commission*.

The key audit partner of the audit resulting in this Independent Auditor's Report is Olga Poldiaieva.

Olga Poldiaieva
Key Audit Partner

Registration number
in the Register of Auditors and Audit Entities is 100721

28 February 2023
3/119 Donetska Str., Kyiv, Ukraine
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