



**Annual Report  
for 2023**

This document is a translation of the original Croatian version and is intended to be used for informational purposes only. While every effort has been made to ensure the accuracy and completeness of the translation, please note that the Croatian original is binding.

Note: The report in PDF format is an unofficial report, while the official version of the annual report, in accordance with the Capital Market Act, has been prepared and publicly available in accordance with the unique electronic reporting format (ESEF - European Single Electronic Format).

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**CROATIA osiguranje d.d.**

**Management Report for 2023**

## **Operating results and financial position of the Company and the Group**

### *Company*

From the 1 January 2023, the new international financial reporting standard – Insurance contracts (IFRS 17) is applied. Standard affects a different way of calculating key business indicators such as revenue, combined ratio and net profit. The introduction of the standard is new for the entire insurance industry in the Republic of Croatia, consequently the calculation of the market size and market share according to the new standard is not available at the date of issuing these financial statements.

Due to positive market trends, better investment result had the greatest positive impact on the operations of CROATIA osiguranje d.d. Despite the inflationary pressures and devastating storms that hit Croatia and Slovenia in the summer of 2023, causing material damage in the amount of more than EUR 35 million, CROATIA osiguranje d.d. achieved an increase in profit before tax compared to last year.

Positive market trends due to the growth in interest rates as well as timely implemented measures regarding cost reduction in administration costs ultimately led to an increase in the Company's pre-tax profit to the amount of EUR 55.1 million, which is a growth of 2 percent, i.e. by EUR 1.1 million compared to last year. Net profit grew by a similar percentage and for 2023 it amounts to EUR 46.9 million.

Total income from insurance contracts amounted to EUR 395.4m and increased by 10.7 percent.

The total non-life insurance income amounted to EUR 388.9m and increased by 10.6 percent compared to the same period of the previous year.

Life insurance contracts and almost all types of non-life insurance contracts achieved nominal growth (except property).

Investment results in non-life and life segment achieved amount of EUR 52.2 million, which is 24.2 percent more compared to the previous year.

Claims amounted to EUR 257.7 million and have a growing trend compared to last year.

Other expenses from the insurance services amounted to EUR 60.3 million and increased by 4.9 percent compared to the previous year. Commissions and other expenses related to the sale of insurance amount to EUR 78.4 million and increased by 3.2 percent compared to the previous year.

Total assets of the Company as at 31 December 2023 amounted to EUR 1.5 billion, which represents an increase of 4.2 percent compared to 31 December 2022.

Liabilities from insurance contracts amounted to EUR 732 million and increased by 4.2 percent compared to the liabilities from insurance contracts as of 31 December 2022.

### *Group*

In 2023, the CROATIA osiguranje d.d. group (hereinafter: the Group) generated consolidated profit after tax and non-controlling interest in the amount of EUR 58.4m.

In 2023, the total insurance income at the Group level amounted to EUR 476.4m, which represents an increase by 11.2 percent. The total non-life insurance income amounted EUR 464.1m and increased by 11.2 percent, while the total life insurance income amounted to EUR 12.2m and increased by 16.4 percent.

Investment results in non-life and life segment achieved a result in the amount of EUR 59.7 million, which is 22 percent more compared to the previous year.

Claims amounted to EUR 299.3 million and increased by 29.5 percent compared to the same period of the previous year.

Other expenses from the insurance services amounted to EUR 73 million and increased by 5.4 percent compared to the previous year. Commissions and other expenses related to the sale of insurance amount to EUR 94.4 million and increased by 5.4 percent compared to the previous year.

Total assets of the Group as at 31 December 2023 amounted to EUR 1.77 billion, which represents an increase of 5 percent compared to 31 December 2022.

Liabilities from insurance contracts amounted to EUR 862 million and increased by 4.7 percent compared to the liabilities from insurance contracts as of 31 December 2022.

## **Significant business events in the reporting period**

*CROATIA osiguranje continues with the process of raising operational excellence and expanding the network of polyclinics at the national level*

CROATIA osiguranje d.d. remains the digital leader with investments exceeding EUR 7.5 million per year. The project of transition from the kuna to the euro was successfully completed, as well as the project of implementing the new accounting standard for insurance companies (IFRS 17). In May the Company launched Spektar, a unique package offer on the insurance market that enables savings and additional benefits for all household members by combining insurance policies within the household. In November, CROATIA osiguranje d.d., the first in Europe, presented the innovation of using artificial intelligence (AI) in the assessment of damage to motor vehicles. It is a sophisticated digital system that enables damage to be resolved in less than three minutes. The automated assessment system relies on the already implemented damage report via QR code, which allows clients to report damage in just a few minutes, without the need for physical documentation. More than EUR 400 thousand were invested in the new assessment center and the development of the AI platform.

The digital business segment recorded new positive results in the 2023. Realised premium from total digital business increased by 27 percent compared to the same period last year, while the number of clients using the Moja Croatia mobile application increased by 14 percent. LAQO, Croatia's digital brand, achieved premium growth of 64 percent compared to the same period last year. In March 2023, Laqo presented the world's first Insurance Museum in the metaverse.

CROATIA osiguranje d.d. investments in healthcare in the last three years amounts to around EUR 20m. In 2023 Croatia Poliklinika recorded an increase in revenue from its core business by 55 percent compared to the same period in 2022. In 2023, three new Croatia Polyclinics were opened in Osijek, Zadar and Varaždin, which achieved the strategic goal of providing top medical services to residents throughout Croatia. Patients are most satisfied with the friendliness and engagement of Croatia Poliklinika doctors, which was pointed out by 97 percent of patients who use the services of Croatia Poliklinika an average of 3.7 times a year. This is a confirmation that the high standard of modern medical services of Croatia Poliklinika is recognized by numerous patients.

In cooperation with the global IT company Liferay, a new innovative digital platform for sales representatives (advanced agent portal) is being developed and implemented, which will improve the user experience and increase the quality of service to the client.

The fourth generation of participants was enrolled in the postgraduate specialist study "Products, digital innovations and technologies in insurance - INSURTECH", which was launched by the Faculty of Electrical Engineering and Computing in Zagreb in cooperation with CROATIA osiguranje d.d. CROATIA osiguranje d.d. and

Faculty of Economics and Business, University of Zagreb signed an agreement on cooperation on the newly launched innovative educational module Economic Analytics. It is a four-semester module in which students will acquire a combination of knowledge and skills with the aim of increasing their own competitiveness on the labor market.

The employee volunteering campaign "Day for more" was launched. In the first semester it was focused on voluntary blood donation, and in the second semester on the afforestation campaign. CROATIA's employees collected 67 doses of blood, and then, through the afforestation campaign as part of the "Day for More", they restored 2,000 square meters of forest areas by planting 2,000 saplings of alder oak and beech.

In the area of improving the organizational culture, CROATIA osiguranje became the first insurance company in Croatia to become part of the MAMFORCE community. The MAMFORCE method is a strategic organizational management tool that provides support in creating a supportive workplace based on open communication, trust and respect for the diversity of employees.

Support for small local sports clubs and the Croatian national football team continued, and during the year the work of more than 70 sports associations throughout Croatia was supported. Croatia is still a proud sponsor of the Croatian national football team.

Four CROATIA osiguranje communication projects were awarded at the Communication Days, while Croatia's Brigometar, a unique interactive platform driven by artificial intelligence that aims to raise awareness of the importance of mental health care, was presented at the Venice Biennale of Architecture.

CROATIA osiguranje and LAQO won the first prize in the "Best user experience" category, which is traditionally awarded by the CX.hr portal. The awards are given to the best contact centers, but also to the employees themselves who show excellent results in the field of improving the user experience.

In November, CROATIA osiguranje won the prestigious annual Golden Kuna award for the most successful insurance company, which is awarded by the Croatian Chamber of Commerce to companies that have distinguished themselves with their business results and contribution to the Croatian economy.

#### *Decision on the election of the member of Supervisory Board*

On 14 March 2023, the General Assembly of CROATIA osiguranje d.d. was held at which the Decision was made on the election of Vitomir Palinec as a member of the Supervisory Board for a period of 4 years, with the beginning of the mandate on 20 June 2023, subject to the approval of HANFA. At the session held on 31 March 2023, the Administrative Council of HANFA passed resolution authorizing Vitomir Palinec to perform the function of member of the Supervisory Board of CROATIA osiguranje d.d., for a term of 20 June 2023 to 20 June 2027.

#### *Geopolitical and macroeconomic situation, conflicts and challenges*

The geopolitical situation in the world in 2023 is still without signs of calming down and significant improvement. There are no signs of a possible end to the war in Ukraine and the resulting sanctions against the Russian Federation. The company respects all introduced sanctions regulations and has no direct operations in insurance and reinsurance business with Russia and Ukraine, and reinsurance contracts through the Sanction & Embargo clause exempt reinsurance transactions with states under any sanctions. The insurance conditions on the direct side exclude damages caused by war. In October 2023, Hamas's attack on Israel caused new geopolitical stress, increasing tensions in a strategically sensitive, resource and traffic-extremely important area. Depending on the development of the situation, with the additional aggravating factor of the attacks carried out by the Houthis

(members of the Yemeni Houthi tribe) on ships transporting cargo through the Red Sea, different scenarios and impacts on the world economy are possible. Even though inflation in the second half of 2023 in the EU and the USA began to show signs of weakening and prices grew at lower rates than before, primarily due to the restrictive measures of central banks, in the event of an escalation of the geopolitical situation different scenarios are possible, i.e. a new change in the inflationary trend and the risk of reduced economic growth.

The end of 2023 represented the end of the cycle of raising interest rates by the ECB and the FED, so if there are no new macroeconomic disturbances that would affect the growth of inflation rates, a slow lowering of the reference rates of central banks is expected from the second half of 2024 and the possible correction of interest curves that have been inverted recently. On the financial markets in December 2023 a drop in bond market yields was visible as a result of such expectations. Regardless of that, due to negative geopolitical events, there is considerable uncertainty in the macroeconomic sense. However, due to the high capitalization, i.e. the Company's solvency (SCR ratio of the Company as of 31 December 2023 was 308%), the results of the ORSA process show that the Group is resistant to various stressful circumstances and would continue to operate in accordance with the regulatory requirements.

## **Significant events after the end of the reporting date**

On 19 January 2024, the Management Board and the Supervisory Board proposed to the General Assembly the payment of a dividend in the total amount of EUR 65,000,265.19, or EUR 151.27 per share. The Company has been operating successfully in the past years, with a growing level of profit and high capital adequacy rates. The Company was continuously highly capitalized (SCR ratio of the Company is 308%, i.e. at the consolidated level 262%, and includes capital reduction for foreseeable dividends), despite geopolitical disturbances, a period of high inflation and natural disasters. The entry of the Republic of Croatia into the Eurozone additionally contributed positively to the above indicator. Considering all the above, the Management Board believes that it is able to pay the dividend to its shareholders without disrupting the stability of operations and while maintaining a high level of capital adequacy.

The Company announced that the member of the Management Board, Vančo Balen, will leave the company by 30 June 2024 on personal request, for private reasons.

## **Expected development in the future**

In addition to the previously mentioned geopolitical situation, the further development of the insurance market in the Republic of Croatia will be greatly influenced by climate change, inflation and rising wages, and the movement of interest rates.

2023 was a record warm year, causing extremely high temperatures and fires in large parts of Asia, Australia and South America, as well as significantly stronger cyclones and floods in North America and Europe. Accordingly, further tightening of the insurance and reinsurance policy around catastrophic and climate risks can be expected. Locally in Croatia, the occurrence of African swine fever further worsens the situation regarding reinsurance.

Although inflation in the Republic of Croatia is slowing down, it is one of the highest in the EU. This especially refers to the prices of food and all services. Inflation expectations for the year 2024 for the Republic of Croatia are between 3 percent and 4 percent (depending on the source). A major driver of inflation should be further pressure on wage corrections (change in the minimum wage from 1 January 2024). In accordance with the above, there is a high probability that there will be corrections in the prices of most insurances, as well as changes in insurance conditions.

The growth of life insurance is greatly influenced by the movement of interest rates. Although interest rates have recovered from extremely low yields during the pandemic, current expectations are that these rates will start falling again (inverted curve). Due to all the above, it is difficult to predict whether life insurance will continue to decline as in previous years or whether the market will finally turn around.

## **Research and development activities**

The Company continuously monitors environmental events and invests in market research, directs and supports the activities of affiliated companies that are in the function of organic growth and recognition of business opportunities and realization of new acquisitions.

## **Company branch**

As at 31 December 2023, the Company has one registered branch (Branch Ljubljana). In its legal transactions, the branch operates under CROATIA osiguranje d.d. branch Ljubljana, in Croatian, and under CROATIA ZAVAROVANJE d.d. branch Ljubljana, in Slovenian.

In accordance with the Company's decision, for the purpose of more efficient operations, the Company plans to close the Ljubljana branch on 31 March 2024. The Company will continue to operate in Slovenia with cross-border distribution of insurance based on the freedom to provide services in accordance with legal regulations, which means that CROATIA osiguranje d.d. continues to provide insurance services in registered types of insurance based on the freedom to provide services to all current and future corporate clients in Slovenia.

## **Financial risk management**

Financial risk management is described in Note 2.33. *Financial risk management* to the Consolidated and separate financial statements for 2023.



## **Other**

In accordance with the statutory obligation and the permitted exemption pursuant to Art. 21.a of the Accounting Act, the Company has prepared a nonfinancial report to be published as part of the annual financial report of the parent company Adris Grupa d.d.

During 2023, PricewaterhouseCoopers d.o.o. (PwC) provided educational services while in 2022 it provided educational and advisory services. During 2023 and 2022, Deloitte d.o.o. provided permitted tax advisory services.

## **Corporate Governance Statement**

CROATIA osiguranje d.d., PIN 26187994862, Vatroslava Jagića 33, Zagreb (hereinafter: the Company), applies the Corporate Governance Code, which was jointly adopted by the Croatian Financial Services Supervisory Agency (HANFA) and Zagreb Stock Exchange and is available on their web sites.

By applying the provisions of the Corporate Governance Code, Rules of the Zagreb Stock Exchange (which are available Zagreb Stock Exchange's website), the Companies Act (Official Gazette 111/93, 34/99, 121/99, 52/00, 118/03, 107/07, 146/08, 137/09, 125/11, 152/11, 111/12, 68/13, 110/15; 40/19, 34/22, 114/22, 18/23, 130/23) and the Capital Market Act (Official Gazette 65/18, 17/20, 83/21, 151/22), the Company makes its operations and operating results transparent and accessible to the public. All explanations and possible deviations from the above rules are going to be published in the Compliance Questionnaire, in accordance with the Corporate Governance Code.

In order to take the necessary measures to achieve its business objectives, the Company has established a system of internal controls as a totality of elements: an adequate organisational structure, an implemented management system with the establishment of key and control functions, prescribed control activities for portfolio management, administrative and accounting procedures, security and adequate information system including a reporting system at all levels of the Company.

The system of internal controls in financial reporting ensures that the Company's financial statements present its financial results and financial position with reasonable accuracy and that they comply with International Financial Reporting Standards (IFRS).

The Company's accounting policies represent the principles, rules and practices that the Company applies in preparing and presenting financial statements. The Company's accounting policies are defined by a special Rulebook. A summary of significant accounting policies is disclosed in the Company's financial statements.

The internal accounting control procedures include the control of formal, substantive and computational accuracy of an accounting document:

- Control of formal accuracy of an accounting document determines whether the document has been prepared in accordance with applicable regulations,
- Substantive control of an accounting document determines whether the business changes actually occurred and in the range as indicated,
- Control of computational accuracy of an accounting document means the control of mathematical operations (division, multiplication, addition and subtraction), based on which the results are obtained in the document.

The control of accounting documents is carried out in accordance with the Company's organizational structure and internal regulations by a person holding authorisation to do so as defined in the internal documents of the Company. The organisational chart is located on the internal network and is available to all employees.

In accordance with the provisions of the Insurance Act, the Company has formed an internal audit function at the highest organizational level which structurally reports directly to the Management Board and functionally to the Audit Committee and the Supervisory Board. Activities of the internal audit function are based on the work plans adopted by the Supervisory Board following a positive opinion of the Management Board. The internal audit function analyses and evaluates the activities of the Company and provides expert advice, recommendations and advice on controls. Internal audit assists the Company in meeting the set goals by introducing a systematic and disciplined approach to assessing and improving the effectiveness of risk management, control and corporate governance.

The Company has established a risk management function in the form of an independent organisational unit directly responsible to the Management Board. This function established a risk management system consisting of a set of internal acts, procedures and methodologies to identify, estimate or measure, control and report risks. The risk management system is regularly being improved in line with best market practices and the requirements

of external regulations. More detailed information on risk management can be found in the Notes to the financial statements.

In accordance with the Insurance Act, the Company has formed an effective compliance function which includes advising and reporting to the Management Board and Supervisory Board on Company compliance with the Insurance Act and other regulations governing the operation of an insurance company, carrying out an assessment of the possible impact of changes in the legal environment on Company operations, and determining and assessing compliance risk.

The Company has established an effective actuarial function that according to the Insurance Act coordinates calculation of technical reserves, ensures the appropriateness of methodologies and models, evaluates the adequacy and quality of data needed to evaluate technical reserves, compares the assumptions and experience, and gives its opinion to the Management Board and Supervisory Board about calculating technical reserves, insurance risk takeovers, the appropriateness of the reinsurance program and participation of actuarial function in the implementation of the Company's risk management system.

In accordance with the Insurance Act, the Company has appointed a certified actuary who verifies data, methods and underlying documents for the calculation of technical provisions according to accounting regulations, and whether the technical provisions and premiums are designed to enable a permanent fulfilment of all Company obligations under the insurance or reinsurance contract regarding which the actuary provides an Opinion and Report to the Management Board and Supervisory Board.

Under the Insurance Act, the Company applies internal control systems to Group companies involved in the insurance part of business, while the companies concerned apply systems of internal controls in accordance with its legal framework.

As at 31 December 2023, significant direct holders of shares in the Company are:

- ADRIS GRUPA d.d. with a share of 66.96% and
- Restructuring and Sales Centre, for the Republic of Croatia, with a share of 30.1%.

The data on the 10 largest shareholders is available on the website of the Central Depository and Clearing Company.

According to the Company's applicable Articles of Association, the limitation of voting rights of shareholders or partial restriction of voting rights does not exist.

The members of the Management Board and the Supervisory Board are not shareholders of the Company.

The Company does not own treasury shares, and the General Assembly did not authorise the Company to acquire treasury shares.

The bodies of the Company are the General Assembly, the Supervisory Board and the Management Board.

### *General Assembly*

The General Assembly of the Company consists of all shareholders of the Company.

The General Assembly of the Company, in accordance with the provisions of the Articles of Association, makes decisions by public voting at sessions, convened usually by the Management Board and the Supervisory Board only when it deemed this necessary for the benefit of the Company. The powers of the General Assembly are regulated by the Company's Articles of Association and do not deviate from the powers which General Assembly of a public limited company has under the Companies Acts. A shareholder has the right to participate and vote at the General Assembly only if he / she has registered his / her participation in writing to the Management Board no later than six days before the General Assembly.

The Company's Articles of Association may be amended at the General Assembly in accordance with the provisions of the Companies Act, and the Supervisory Board is authorized to amend the provisions of the Articles of Association based on the decision of the General Assembly to the extent of editorial changes.

### *Supervisory Board*

The right to appoint individual members of the Supervisory Board are set out in Article 24 of the Articles of Association in favour of the Republic of Croatia and employees of the Company. In accordance with the provisions of the Articles of Association, and in connection with the provision of Article 256, paragraph 3 of the Companies Act, the Republic of Croatia has the right to directly appoint two members of the Supervisory Board, as long as it holds at least 25% of the Company's ordinary shares plus one ordinary share; however, as long as it holds at least 10% of ordinary shares of the Company, pursuant to the same statutory provisions, and in connection with the provision of Article 256 paragraph 3 of the Companies Act, the Republic of Croatia has the right to directly appoint one member of the Supervisory Board. One member of the Supervisory Board is appointed by the work council of the Company, i.e. by employees, through direct and secret elections in the manner prescribed for the election by the work council, and they are entitled to this right as long as the conditions prescribed by the Labour Act are met. The remaining 4 (four) members, ie the remaining 5 (five) members of the Supervisory Board are elected by the General Assembly of the Company.

The Supervisory Board has competencies prescribed by law and the Company's Articles of Association.

In the period from 1 January 2023 to 31 December 2023, the Supervisory Board of the Company consisted of:

- |   |                         |                |
|---|-------------------------|----------------|
| • | Roberto Škopac          | President      |
| • | Željko Lovrinčević, PhD | Vice President |
| • | Vitomir Palinec*        | Member         |
| • | Hrvoje Patajac          | Member         |
| • | Zoran Barac, PhD        | Member         |
| • | Hrvoje Šimović, PhD     | Member         |
| • | Pero Kovačić            | Member         |

*\* The previous mandate of Vitomir Palinec ended on 19 June 2023 and was re-elected as a member of the Supervisory Board at the General Assembly of the Company held on 14 March 2023, with the beginning of the mandate from 20 June 2023.*

During 2023, the Supervisory Board held a total of 13 meetings, and all members of the Supervisory Board attended all meetings of the Supervisory Board during 2023.

The Supervisory Board formed the Audit Committee and the Nomination and Remuneration Committee.

The Audit Committee consists of three members appointed by the Supervisory Board from among its members.

In the period from 1 January 2023 to 31 December 2023, the Audit Committee consisted of:

- |   |                         |           |
|---|-------------------------|-----------|
| • | Hrvoje Patajac          | President |
| • | Željko Lovrinčević, PhD | Member    |
| • | Vitomir Palinec*        | Member    |

\* By the decision of the Supervisory Board on the appointment of a member of the Audit Committee of CROATIA osiguranje d.d. from 16 June 2023, Vitomir Palinec was appointed as a member of the Audit Committee for a new mandate, from 20 June 2023 to 20 June 2027.

➤ *Report on the work of the Audit Committee for the period from 1 January 2023 to 31 December 2023.*

The Audit Committee is an expert body that provides support to the Supervisory Board in terms of improving the quality of supervision that the Supervisory Board is obliged to conduct in accordance with the prescribed competencies.

The Audit Committee performs the tasks determined by the Audit Committee's Rules and Procedures, and in accordance with the provisions of the Audit Act, Regulation (EU) no. 537/2014, Code of Corporate Governance of the Zagreb Stock Exchange d.d. and the Croatian Financial Services Supervisory Agency and other applicable regulations. The task description of the Audit Committee is publicly available, free of charge, on the website of CROATIA osiguranje d.d.

The organization and manner of work of the Audit Committee are regulated in more detail by the Audit Committee's Rules and Procedures.

During 2023, the Audit Committee held a total of 6 sessions and all members of the Audit Committee attended all sessions of the Audit Committee during 2023.

At its sessions during 2023, the Audit Committee discussed the following:

- Report on own risk and solvency assessment for 2022;
- Report on the adequacy of the procedures and effectiveness of the internal control system;
- strategic and annual internal audit plan;
- internal audit reports;
- actuarial function reports;
- consolidated and non-consolidated financial statements;
- Solvency and financial condition report of the CROATIA osiguranje Group;
- Related party report of CROATIA osiguranje d.d.;
- audit engagement for 2023;
- Quality Assurance and Improvement Program (QAIP) and Reports on the results of the Quality Assurance and Improvement Program (QAIP);
- Charter of Internal Audit CROATIA osiguranje d.d.;
- annual risk management report;
- Internal control system policy;
- Investment limits of CROATIA osiguranje d.d.;
- Risk management strategies;
- Policy of self-assessment of risk and solvency;
- Risk management policy;
- Report on the solvency and financial condition of CROATIA osiguranje d.d. for the year 2022;
- Auditor's report on the audit status of financial statements;
- the effectiveness of procedures for approving and publishing transactions of members of the Management Board or the Supervisory Board of the Company with the Company (or persons related to any party).

The Audit Committee regularly reported to the Supervisory Board on the recommendations made at its meetings in form of the submitted minutes of the Committee meetings.

*The Nomination and Remuneration Committee* consists of three members appointed by the Supervisory Board from among its members.

In the period from 1 January 2023 to 31 December 2023, Nomination and Remuneration Committee consisted of:

- |   |                  |           |
|---|------------------|-----------|
| • | Roberto Škopac   | President |
| • | Vitomir Palinec* | Member    |
| • | Hrvoje Patajac   | Member    |

*\*By decision of the Supervisory Board on the appointment of members of the Appointments and Remuneration Committee of CROATIA osiguranje d.d. as of 16 June 2023, Vitomir Palinec were appointed member of the Appointments and Remuneration Committee for a new mandate, as of 20 June 2023 until 20 June 2027.*

➤ *Report on the work of the Nomination and Remuneration Committee for the period from 1 January 2023 to 31 December 2023.*

The Nomination and Remuneration Committee is an expert body that provides support to the Supervisory Board in terms of improving the quality of supervision that the Supervisory Board is obliged to carry out in accordance with the prescribed competencies.

The Nomination and Remuneration Committee performs tasks determined by the Decision of the Supervisory Board on the establishment of the Nomination and Remuneration Committee and the appointment of the members of the Committee, and in accordance with the provisions of the Corporate Governance Code of the Zagreb Stock Exchange and the Croatian Financial Services Supervisory Agency applicable to the role of the Board. The task description of the Nomination and Remuneration Committee is publicly available, free of charge, on the website of CROATIA osiguranje d.d.

The Committee on Appointments and Remuneration shall apply the Rules of Procedure of the Supervisory Board to the manner of work, as well as to other issues that are important for the work of the Committee.

During 2023, the Nomination and Remuneration Committee held a total of 7 sessions, and all members of the Nomination and Remuneration Committee attended all sessions of the Nomination and Remuneration Committee in 2023.

At its sessions during 2023, the Nomination and Receipts Committee performed the following tasks:

- consideration of the initial assessment and assessment of the existence of conditions for performing the function of a member of the Supervisory Board;
- consideration of the proposed Decision on compensation for the work of members of the Supervisory Board of CROATIA osiguranje d.d.;
- consideration of annual assessments of the existence of conditions for performing the function of a member of the Management Board of CROATIA osiguranje d.d.;
- consideration of the proposal of the Decision on the adoption of the Report on remuneration for 2022 and determination of the proposal of the Decision of the General Assembly on the approval of the Report on remuneration for 2022;
- consideration of the proposal of the Decision on payment of bonuses for 2022 to the members of the Management Board of CROATIA osiguranje d.d.;
- consideration of the Remuneration Policy;
- revaluation of the balance of remuneration of CROATIA osiguranje d.d.;
- consideration of the analysis of compensation packages in relation to the data from the relevant Remuneration reports in Croatia in 2022.

The Nomination and Remuneration Committee regularly reported to the Supervisory Board on the recommendations made at its meetings, in form of the submitted minutes from the Committee meetings.

*Management Board*

According to the Company's Articles of Association, the Management Board consists of a minimum of three and a maximum of seven members, one of whom is the President of the Management Board. As of 31 December 2023, the Management Board consisted of four members.

The Management Board of the Company manages all the affairs of the Company jointly, and the Company is represented jointly by at least two members of the Management Board. Members of the Management Board, in conducting the Company's affairs, must adhere to the restrictions prescribed by positive legal regulations, the Company's Articles of Association, decisions of the Supervisory Board and the General Assembly of the Company.

In the period from 1 January 2023 to 8 April 2024, the Management Board of the Company operated as follows:

- Davor Tomašković President
- Robert Vučković Member
- Luka Babić Member
- Vančo Balen Member

During 2023, the Company actively implemented measures to promote gender equality at the Company's overall level. The focus was placed on equal terms in terms of sex and age in the implementation of the recruitment process as well as internal redistribution of workers. Equal criteria applied to the recruitment of employees for management positions of the Company. There are also no differences in salaries for the same type of work or work of equal value. On all levels we are recording equal representation of experts regardless of sex and age parameters. With respect to the professional criteria, the Company applies the strategy of recruiting and developing the management functions of the appropriate profession and level of education in relation to the nature of the function and its requirements. The Company also continuously carries out education and training of employees for the purpose of further improvement and development of competencies.

Zagreb, 8 April 2024


  
\_\_\_\_\_  
Luka Babić  
Member of the Management Board

  
\_\_\_\_\_  
Davor Tomašković  
President of the Management Board

\_\_\_\_\_  
Vančo Balen  
Member of the Management Board

\_\_\_\_\_  
Vančo Balen  
Member of the Management Board



  
\_\_\_\_\_  
Robert Vučković  
Member of the Management Board

CROATIA osiguranje d.d.  
Vatroslava Jagića 33  
10 000 Zagreb  
Republic of Croatia



**Consolidated and separate financial statements  
for 2023**



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## Responsibility for the Annual report

The Management Board of the Company is required to prepare separate and consolidated financial statements for each financial year which give a true and fair view of the financial position of the Company and the Group and the results of their operations and cash flow, in accordance with applicable accounting standards, and is responsible for keeping proper accounting records so that it can, at any time, enable the preparation of financial statements. The Management Board has a general responsibility for taking such steps as are reasonably available to safeguard the assets of the Company and Group and to prevent and detect fraud and other irregularities.

The Management Board is responsible for selecting suitable accounting policies that are in accordance with the International Financial Reporting Standards as adopted in the European Union and then applying them consistently; adopting reasonable and prudent judgments and estimates; and preparing the financial statements on the going concern basis unless it is inappropriate to presume that the Company and the Group will continue in business.

In accordance with Accounting Act, the Management Board is obliged to prepare an Annual report of the Company and the Group comprising the Annual financial statements, Management Report and Corporate Governance Statement. Management Report and Corporate Governance Statement have been prepared in line with the requirements of Article 21, 22 and 24 of the Accounting Act.

The Management Board is responsible for submitting the Annual report of the Company and the Group, which includes the Annual financial statements, to the Supervisory Board, following which the Supervisory Board should approve these for submitting to the General Assembly for acceptance.

The separate and consolidated financial statements which have been prepared in accordance with the International Financial Reporting Standards as adopted in the European Union and which are presented on the following pages, as well as the forms, prepared in accordance with the *Ordinance on the structure and content of financial statements and additional reports of insurance and reinsurance companies (Official Gazette 20/23)* adopted by the Croatian Financial Services Supervision Agency were approved by the Management Board on 8 April 2024 and submitted for issue to the Supervisory Board. In acknowledgment, the financial statements have been signed by the Company's authorized persons, as follows.

Zagreb, 8 April 2024



Luka Babić  
Member of the Management Board



Davor Tomašković  
President of the Management Board



Vančo Balen  
Member of the Management Board



Robert Vučković  
Member of the Management Board

CROATIA osiguranje d.d.  
Vatroslava Jagića 33  
10 000 Zagreb  
Republic of Croatia

## INDEPENDENT AUDITOR'S REPORT

To the Shareholders of CROATIA osiguranje d.d., Zagreb

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the separate financial statements of Croatia osiguranje d.d. (the Company) and consolidated financial statements of the Croatia osiguranje d.d. and its subsidiaries (the Group) which comprise the separate and the consolidated statement of financial position as at 31<sup>st</sup> December 2023, the separate and the consolidated statement of comprehensive income, the separate and the consolidated statement of changes in equity and the separate and the consolidated cash flow statement for the year then ended, and notes to the separate and the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying separate and consolidated financial statements present fairly, in all material respects, the financial position of the Company and the Group as at 31<sup>st</sup> December 2023, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union ("IFRS").

#### Basis for Opinion

We conducted our audit in accordance with the International Standards on Auditing (ISAs) and Regulation (EU) 537/2014 of the European Parliament and of the Council, dated 16 April 2014, on specific requirements regarding statutory audit of public-interest entities. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Separate and the Consolidated Financial Statements* section of our report. We are independent of the Company and the Group in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants, including International Independence Standards (IESBA Code) and we have fulfilled our ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Key Audit Matter

Key audit matter is that matter that, in our professional judgment, was of most significance in our audit of the separate and the consolidated financial statements of the current period. This matter was addressed in the context of our audit of the separate and the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter.

*This version of the auditor's report is translation from the original, which was prepared in the Croatian language. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the original language version of the report takes precedence over this translation.*

The company was registered at Zagreb Commercial Court: MBS 030022053; paid-in initial capital: EUR 5,930.00; Company Directors: Katarina Kadunc, Goran Končar and Helena Schmidt, Bank: Privredna banka Zagreb d.d., Radnička cesta 50, 10 000 Zagreb, bank account no. 2340009-1110098294; SWIFT Code: PBZGHR2X IBAN: HR3823400091110098294.

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**INDEPENDENT AUDITOR'S REPORT (continued)****Report on the Audit of the Financial Statements (continued)****Key audit matter (continued)****Valuation of assets and liabilities from insurance contracts**

For accounting policies please see description of key assumptions, methodologies and models used in the measurement of assets and liabilities from insurance contract presented in Note 2.22. *Insurance contracts* that have a material effect on the amount, timing and uncertainty of future cash flows of the financial statements.

**Key audit matter**

Insurance contracts represent a significant component of financial statements, reflecting the financial obligations and uncertainties arising from the Company's and Group's insurance activities. The valuation of assets and liabilities from insurance contracts is crucial as it directly impacts the financial position, performance, and overall risk profile of the Company and the Group.

The adoption of the International Financial Reporting Standard ('IFRS') 17 *Insurance Contracts*, effective from 1<sup>st</sup> January 2023, has introduced a fundamental change in how assets and liabilities arising from insurance contracts are measured and presented. As IFRS 17 replaced the previous standard IFRS 4 *Insurance Contracts*, it also introduced a new comprehensive framework for the recognition, measurement, and disclosure of insurance contracts aiming to provide users of financial statements with improved transparency and comparability regarding the financial performance and risk exposure of insurance activities.

The implementation of IFRS 17 has presented significant changes and complexities to the measurement of assets and liabilities from insurance contracts, impacting various account balances and classes of transactions. Under IFRS 17, insurance contracts, that meet the scoping criteria of the Standard, are required to be valued using specific measurement models such as the *General Measurement Model* ('GMM'), the *Variable Fee Approach* ('VFA'), or the *Premium Allocation Approach* ('PAA'). The valuation process involves estimating the present value of expected future cash flows, incorporating both financial and non-financial risks, with a particular focus on the *contractual service margin* ('CSM') in GMM and VFA. The transition to IFRS 17 required substantial changes to internal systems, processes, and controls, introducing a heightened level of management judgment and discretion in estimating insurance assets and liabilities.

In its financial statements, the Company and the Group have presented the transition effect of the IFRS 17 adoption that comprises a positive effect on the shareholders' equity in the amount of 41,110 thousand EUR and 37,406 thousand EUR respectively as at transition date 1<sup>st</sup> January 2022, and a positive effect on the income statement in the amount of 4,086 thousand EUR and 8,018 thousand EUR respectively for the year ending 31<sup>st</sup> December 2022.

The process of valuation of assets and liabilities from insurance contracts involves significant management judgment in developing and using input data within the actuarial calculation models. This judgement is reliant on various factors, including historical trends, future expectations, internal and external variables, any of which could significantly impact the value of these assets and liabilities. There is also a high degree of complexity due to the numerous assumptions and actuarial valuation models applied with key assumptions including but not limited to estimation of risk adjustment return on investment, interest rates, costs, mortality, longevity, withdrawal assumptions, damage quotas and cost quotas being integral to the valuation.

Considering the pervasive complexities of the overall valuation process and the specific challenges associated with the transition to IFRS 17, we consider the valuation of assets and liabilities from insurance contracts in accordance with IFRS 17 a key audit matter for our audit of the financial statements.

**INDEPENDENT AUDITOR'S REPORT (continued)****Report on the Audit of the Financial Statements (continued)****Key audit matter (continued)****Key audit matter (continued)****How we addressed the key audit matter:**

To address the risks associated with the valuation of assets and liabilities from insurance contracts identified as a key audit matter, we designed audit procedures that enabled us to obtain sufficient appropriate audit evidence for our conclusion on that matter.

For the valuation of the assets and liabilities from insurance contracts, we performed the following audit procedures with the use of our own actuarial experts:

*Review of the IFRS 17 Adoption Process*

- Gaining an understanding of the processes to estimate the transition effect and understanding relevant controls over the transition process;
- Assessing the first-time adoption of IFRS 17, including identification of groups of contracts, determination of the appropriate measurement models, establishment of specific levels of aggregation and methodology elections to ensure conformity with requirements of IFRS 17;
- Analyzing documentation supporting application choices for the identification of the group of contracts and consequent valuation models adopted at the transition date.

*Evaluation of internal controls*

- Gaining an understanding of the control environment and relevant internal controls by the Management in the valuation process of assets and liabilities from insurance contracts, including the applications and information technology tools used;
- Evaluating the adequacy of the design and verifying the implementation of identified relevant internal controls;
- Testing the operating effectiveness of identified relevant internal controls.

*Test of actuarial models*

- Testing the reliability and accuracy of relevant actuarial models used for the valuation of assets and liabilities from insurance contracts;
- Verifying mathematical calculations, logic, and appropriateness of relevant actuarial model's inputs;
- Reviewing and verifying projected cash flows and assumptions used in the actuarial models on a sample basis.

*Assessment of management assumptions*

- Reviewing key technical and accounting decisions, judgments and assumptions made by the Management;
- Reviewing sensitivity analyses to assess the impact of changes in key assumptions on the valuation of assets and liabilities from insurance contracts and CSM.

*Review of disclosures in the financial statements*

- Verifying completeness and accuracy of the disclosures made in the financial statements in accordance with the requirements of the IFRS.

## **INDEPENDENT AUDITOR'S REPORT (continued)**

### **Report on the Audit of the Financial Statements (continued)**

#### **Other Information**

Management is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the separate and the consolidated financial statements and our auditor's report.

Our opinion on the separate and the consolidated financial statements does not cover the other information.

In connection with our audit of the separate and the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the separate and the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. With respect to the Management Report and the Corporate Governance Statement, which is included in the Annual Report, we have also performed the procedures prescribed by the Accounting Act. These procedures include examination of whether the Management Report include required disclosures as set out in the Articles 21 and 24 of the Accounting Act and whether the Corporate Governance Statement includes the information specified in the Articles 22 and 24 of the Accounting Act.

Based on the procedures performed during our audit, to the extent we are able to assess it, we report that:

- 1) Information included in the other information is, in all material respects, consistent with the attached separate and consolidated financial statements.
- 2) Management Report has been prepared, in all material respects, in accordance with the Articles 21 and 24 of the Accounting Act.
- 3) Corporate Governance Statement has been prepared, in all material aspects, in accordance with the Articles 22 and 24 of the Accounting Act.

Based on the knowledge and understanding of the Company and the Group and its environment, which we gained during our audit of the separate and the consolidated financial statements, we have not identified material misstatements in the other information.

#### **Responsibilities of Management and Those Charged with Governance for the Separate and the Consolidated Financial Statements**

Management is responsible for the preparation and fair presentation of the separate and the consolidated financial statements in accordance with IFRSs and for such internal control as Management determines is necessary to enable the preparation of separate and consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the separate and the consolidated financial statements, Management is responsible for assessing the Company's and the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management either intends to liquidate the Company or the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's and the Group's financial reporting process.

#### **Auditor's Responsibilities for the Audit of the Separate and the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the separate and the consolidated 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



## **INDEPENDENT AUDITOR'S REPORT (continued)**

### **Report on the Audit of the Financial Statements (continued)**

#### **Auditor's Responsibilities for the Audit of the Separate and the Consolidated Financial Statements (continued)**

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 separate and consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the separate and the consolidated 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 and the Group's internal controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- 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 and the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the separate and the consolidated 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 and the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the separate and the consolidated financial statements, including the disclosures, and whether the separate and the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, 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 those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the separate and the consolidated 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.





## INDEPENDENT AUDITOR'S REPORT (continued)

### Report on Other Legal and Regulatory Requirements

#### Report based on the requirements of Delegated Regulation (EU) No. 2018/815 amending Directive No. 2004/109/EC of the European Parliament and of the Council as regards regulatory technical standards for the specification of the uniform electronic format for reporting (ESEF)

Auditor's reasonable assurance report on the compliance of separate and consolidated financial statements (financial statements), prepared based on the provision of Article 462 (5) of the Capital Market Act by applying the requirements of the Delegated Regulation (EU) 2018/815 specifying for the issuers a single electronic reporting format ("ESEF Regulation"). We conducted a reasonable assurance engagement on whether the financial statements of the Company the Group for the financial year ended 31<sup>st</sup> December 2023 prepared to be made public pursuant to Article 462 (5) of the Capital Market Act, contained in the electronic file *croatiaosiguranjedd-2023-12-31-en*, have been prepared in all material aspects in accordance with the requirements of the ESEF Regulation.

#### Responsibilities of the Management and Those Charged with Governance

Management is responsible for the preparation and content of the financial statements in line with the ESEF Regulation.

In addition, Management is responsible for maintaining the internal controls system that reasonably ensures the preparation of financial statements without material differences with the reporting requirements from the ESEF Regulation, whether due to fraud or error.

Furthermore, Company Management is responsible for the following:

- public reporting of financial statements presented in the annual report in valid XHTML format
- selection and use of XBRL markups in line with the requirements of the ESEF Regulation.

Those charged with governance are responsible for supervising the preparation of financial statements in ESEF format as part of the financial reporting process.

#### Auditor's Responsibilities

It is our responsibility to carry out a reasonable assurance engagement and, based on the audit evidence obtained, give our conclusion on whether the financial statements have been prepared without material differences with the requirements from the ESEF Regulation. We conducted our reasonable assurance engagement in accordance with the *International Standard on Assurance Engagements 3000 (Revised) – Assurance Engagements Other than Audits or Reviews of Historical Financial Information* (ISAE 3000). This standard requires that we plan and perform the engagement to obtain reasonable assurance for providing a conclusion.

#### Quality management

We have conducted the engagement in compliance with independence and ethical requirements as provided by the Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants. The code is based on the principles of integrity, objectivity, professional competence and due diligence, confidentiality, and professional conduct. We comply with the *International Standard on Quality Management 1, Quality Management for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements* (ISQM 1) and accordingly maintain an overall management control system, including documented policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and statutory requirements.



## **INDEPENDENT AUDITOR'S REPORT (continued)**

### **Report on Other Legal and Regulatory Requirements (continued)**

**Report based on the requirements of Delegated Regulation (EU) No. 2018/815 amending Directive No. 2004/109/EC of the European Parliament and of the Council as regards regulatory technical standards for the specification of the uniform electronic format for reporting (ESEF) (continued)**

#### **Procedures performed**

As part of the selected procedures, we have conducted the following activities:

- We have read the requirements of the ESEF Regulation;
- We have gained an understanding of internal controls of the Company and the Group, relevant for the application of the ESEF Regulation requirements;
- We have identified and assessed the risks of material differences with the ESEF Regulation due to fraud or error;
- We have devised and designed procedures for responding to estimated risks and obtaining reasonable assurance in order to give our conclusion.

Our procedures focused on assessing whether:

- Financial statements included in the separate and the consolidated report have been prepared in valid XHTML format;
- Data included in the separate and the consolidated financial statements required by the ESEF Regulation have been marked up and meet all of the following requirements:
  - XBRL has been used for markups.
  - Core taxonomy elements stipulated in the ESEF Regulation with the closest accounting meaning were used unless an extension taxonomy element was created in line with the Annex IV of the ESEF Regulation;
  - Markups comply with the common rules on markups in line with the ESEF Regulation.

We believe the evidence we obtained to be sufficient and appropriate to provide a basis for our conclusion.

#### **Conclusion**

We believe that, based on the procedures performed and evidence obtained, the financial statements of the Company and the Group presented in the ESEF format, contained in the aforementioned electronic file, and based on the provision of Article 462 (5) of the Capital Market Act, have been prepared to be published for public, in all material aspects in accordance with the requirements of articles 3, 4 and 6 of the ESEF Regulation for the year ended 31<sup>st</sup> December 2023.

In addition to this conclusion, as well as the audit opinion contained in this Independent Auditor's Report for the accompanying financial statements and annual report for the year ended 31<sup>st</sup> December 2023, we do not express any opinion on the information contained in these documents or other information contained in the above mentioned file.



## **INDEPENDENT AUDITOR'S REPORT (continued)**

### **Report on Other Legal and Regulatory Requirements (continued)**

#### **Other reporting obligations as required by Regulation (EU) No. 537/2014 of the European Parliament and the Council and the Audit Act**

We were appointed as the statutory auditor of the Company and the Group by the shareholders on General Shareholders' Meeting held on 31<sup>st</sup> May 2023 to perform audit of accompanying separate and consolidated financial statements. Our total uninterrupted engagement has lasted three years and covers period 1<sup>st</sup> January 2021 to 31<sup>st</sup> December 2023.

We confirm that:

- our audit opinion on the accompanying separate and consolidated financial statements is consistent with the additional report issued to the Audit Committee of the Company on 5<sup>th</sup> April 2024 in accordance with the Article 11 of Regulation (EU) No. 537/2014 of the European Parliament and the Council;
- no prohibited non-audit services referred to in the Article 5(1) of Regulation (EU) No. 537/2014 of the European Parliament and the Council were provided.

There are no services, in addition to the statutory audit, which we provided to the Company and its controlled undertakings, and which have not been disclosed in the Annual Report.

The engagement partner on the audit resulting in this independent auditor's report is Goran Končar.

**Goran Končar**

Director and certified auditor

For signatures, please refer to the original Croatian auditor's report, which prevails.

Deloitte d.o.o.

8th April 2024

Radnička cesta 80,

10 000 Zagreb,

Croatia

**Statement of comprehensive income**  
for 2023

	Note	Company	Company	Group	Group
		2023	Restated 2022	2023	Restated 2022
		In EUR'000	In EUR'000	In EUR'000	In EUR'000
Insurance revenue	4	395,384	357,229	476,396	428,583
Insurance service expenses	5	(375,931)	(325,508)	(442,601)	(382,491)
Net result of (passive) reinsurance contracts		(7,677)	(11,308)	(8,542)	(13,433)
<b>Result from insurance contracts</b>		<b>11,776</b>	<b>20,413</b>	<b>25,253</b>	<b>32,659</b>
Interest revenue calculated using the effective interest rate method	6	27,224	23,128	30,793	25,686
Net gains/losses (net) from financial assets at fair value through profit or loss	6	6,050	(1,045)	6,237	(1,166)
Net impairment/release of impairment of financial assets	6	2,019	1,103	1,493	1,161
Income from investment property	6	4,691	4,943	16,780	13,927
Net exchange rate differences	6	(964)	3,020	(1,012)	2,902
Other income/expenditure from investments	6	13,193	10,890	5,470	6,538
<b>Net investment income</b>	6	<b>52,213</b>	<b>42,039</b>	<b>59,761</b>	<b>49,048</b>
Net financial result from insurance contracts	7	(4,723)	2,439	(6,907)	2,475
Net financial result from (passive) reinsurance contracts	7	673	46	790	48
<b>Net financial result from insurance and (passive) reinsurance contracts</b>	7	<b>(4,050)</b>	<b>2,485</b>	<b>(6,117)</b>	<b>2,523</b>
Other income	8	5,653	7,250	30,629	28,603
Other financial expenses	9	(1,418)	(1,441)	(1,815)	(1,737)
Other operating expenses	10	(9,021)	(16,698)	(40,319)	(42,952)
Share of profit of companies consolidated using equity method, net of tax		-	-	1,781	1,395
<b>Profit before tax</b>		<b>55,153</b>	<b>54,048</b>	<b>69,173</b>	<b>69,539</b>
Income tax	11	(8,274)	(8,423)	(10,722)	(11,262)
<b>Profit for the year</b>		<b>46,879</b>	<b>45,625</b>	<b>58,451</b>	<b>58,277</b>

The accompanying notes form an integral part of these financial statements.

## Statement of comprehensive income (continued)

for 2023

	Note	Company		Group	
		2023	Restated 2022	2023	Restated 2022
		In EUR'000	In EUR'000	In EUR'000	In EUR'000
<b>Other comprehensive income for the year</b>					
<i>Items that will not be subsequently recognised in profit or loss</i>					
Net change in fair value of equity securities (OCI)	22.3/i/	19,096	-	19,096	-
Change in fair value of property for own use, net of deferred tax		(112)	(128)	38	(53)
		<b>18,984</b>	<b>(128)</b>	<b>19,134</b>	<b>(53)</b>
<i>Items that can be subsequently recognised in profit or loss</i>					
Net change in fair value of debt securities (OCI)	22.3/ii/	15,039	(77,596)	15,513	(89,022)
Net change in fair value of equity securities classified as available-for-sale	22.3/ii/	-	13,180	-	13,180
Foreign exchange differences	22.3/ii/	-	(9)	(6)	155
Net financial income/expenditure from insurance contracts		(39,310)	69,759	(40,420)	83,777
Net financial income/expenditure from (passive) reinsurance contracts		945	(2,214)	965	(2,329)
		<b>(23,326)</b>	<b>3,120</b>	<b>(23,948)</b>	<b>5,761</b>
<b>Other comprehensive (loss)/income for the year</b>		<b>(4,342)</b>	<b>2,992</b>	<b>(4,814)</b>	<b>5,708</b>
<b>Total comprehensive (loss)/income for the year</b>		<b>42,537</b>	<b>48,617</b>	<b>53,637</b>	<b>63,985</b>
<b>Profit attributable to:</b>					
- Company shareholders		46,879	45,625	58,380	58,199
- Non-controlling interest		-	-	71	78
		<b>46,879</b>	<b>45,625</b>	<b>58,451</b>	<b>58,277</b>
<b>Total comprehensive (loss)/income attributable to:</b>					
- Company shareholders		42,537	48,617	53,596	63,841
- Non-controlling interest		-	-	41	144
		<b>42,537</b>	<b>48,617</b>	<b>53,637</b>	<b>63,985</b>
<b>Earnings per share attributable to the Company's shareholders</b>					
Basic and diluted earnings per share (EUR)	12	-	-	<b>138.69</b>	<b>138.26</b>

The accompanying notes form an integral part of these financial statements.

## Statement of financial position

as at 31 December 2023

Note	Company			Group			
	31 Dec 2023	Restated 31 Dec 2022	Restated 1 Jan 2022	31 Dec 2023	Restated 31 Dec 2022	Restated 1 Jan 2022	
	In EUR'000	In EUR'000	In EUR'000	In EUR'000	In EUR'000	In EUR'000	
<b>Assets</b>							
Intangible assets	13	15,767	15,418	17,747	19,391	17,784	19,157
Property at revaluation model	14	25,693	25,929	26,831	58,548	57,681	56,191
Property and equipment at cost model	14.1	36,954	38,244	39,047	61,942	52,986	51,967
Investment property	15	67,926	69,394	69,561	138,689	138,440	142,272
Investments in subsidiaries, associates and participation in joint ventures	16	54,531	51,512	50,992	10,123	9,659	9,611
Assets from reinsurance contracts	17	49,917	41,205	34,601	54,438	42,917	36,495
Assets from insurance contracts	17	16,997	22,924	19,718	16,997	22,924	19,718
Financial assets	18	1,159,780	1,037,345	1,126,211	1,296,815	1,157,987	1,248,226
<i>Financial assets at amortised cost</i>	18	351,439	-	-	394,241	-	-
<i>Financial assets at fair value through other comprehensive income</i>	18	672,698	-	-	756,730	-	-
<i>Financial assets at fair value through profit and loss account</i>	18	135,643	30,513	50,976	145,844	39,416	57,340
<i>Held-to-maturity investments</i>	18	-	291,628	308,711	-	303,834	319,582
<i>Available-for-sale financial assets</i>	18	-	647,933	685,806	-	726,177	772,574
<i>Loans and receivables</i>	18	-	67,271	80,718	-	88,560	98,730
Deferred tax assets	19	-	-	-	907	350	893
Current income tax assets		-	-	-	-	418	462
Trade receivables and other receivables	20	29,211	24,963	32,771	42,102	33,197	41,244
Cash and cash equivalents	21	45,289	114,589	80,833	66,823	143,097	105,815
<b>Total assets</b>		<b>1,502,065</b>	<b>1,441,523</b>	<b>1,498,312</b>	<b>1,766,775</b>	<b>1,677,440</b>	<b>1,732,051</b>
<b>Capital and reserves</b>							
Subscribed share capital	22	78,296	78,217	78,217	78,296	78,217	78,217
Premium on issued shares		90,448	90,448	90,448	90,448	90,448	90,448
Reserves	22	53,279	53,360	53,360	53,279	53,360	53,360
Revaluation reserve	22	78,275	87,141	84,221	91,431	100,690	94,605
Retained earnings		364,136	313,565	267,851	450,957	389,141	331,543
<b>Equity attributable to shareholders of the Company</b>		<b>664,434</b>	<b>622,731</b>	<b>574,097</b>	<b>764,411</b>	<b>711,856</b>	<b>648,173</b>
Non-controlling interests		-	-	-	747	1,370	1,261
<b>Total capital and reserves</b>		<b>664,434</b>	<b>622,731</b>	<b>574,097</b>	<b>765,158</b>	<b>713,226</b>	<b>649,434</b>
<b>Liabilities</b>							
Liabilities from insurance contracts	17	732,122	702,494	802,750	861,986	823,665	937,833
Liabilities from reinsurance contracts	17	1,910	1,961	2,695	4,025	2,158	3,274
Financial liabilities at fair value through profit and loss account	23	91	82	795	91	82	795
Financial liabilities at amortized cost	24	37,058	48,117	48,291	48,149	53,954	54,768
Provisions	25	6,767	6,537	7,705	8,085	7,690	8,971
Deferred tax liability	19	8,275	19,120	17,638	15,200	25,542	23,512
Accounts payable and other liabilities	26	40,470	39,154	41,337	52,015	49,061	49,460
Current income tax liability		10,938	1,327	3,004	12,066	2,062	4,004
<b>Total liabilities</b>		<b>837,631</b>	<b>818,792</b>	<b>924,215</b>	<b>1,001,617</b>	<b>964,214</b>	<b>1,082,617</b>
<b>Total capital, reserves and liabilities</b>		<b>1,502,065</b>	<b>1,441,523</b>	<b>1,498,312</b>	<b>1,766,775</b>	<b>1,677,440</b>	<b>1,732,051</b>

The accompanying notes form an integral part of these financial statements.

**Statement of changes in equity**  
for 2023

Company	Subscribed	Premium on	Reserves	Revaluation	Retained	Total capital
	share capital	issued shares		reserve	earnings	and reserves
	In EUR'000	In EUR'000	In EUR'000	In EUR'000	In EUR'000	In EUR'000
<b>Balance at 1 January 2022</b>	<b>78,217</b>	<b>90,448</b>	<b>53,360</b>	<b>82,048</b>	<b>228,915</b>	<b>532,988</b>
Adjustment on initial recognition of IFRS 17	-	-	-	2,173	38,937	41,110
<b>Restated balance at 1 January 2022</b>	<b>78,217</b>	<b>90,448</b>	<b>53,360</b>	<b>84,221</b>	<b>267,852</b>	<b>574,098</b>
<b>Total comprehensive income for the year</b>						
Change in fair value of property for own use (Note 14)	-	-	-	(156)	-	(156)
Deferred tax on change in fair value of property for own use (Note 19)	-	-	-	28	-	28
Change in fair value of available-for-sale financial assets, net of amounts realised	-	-	-	(78,556)	-	(78,556)
Deferred tax on change in fair value of available-for-sale financial assets, net of amounts realised (Note 19)	-	-	-	14,140	-	14,140
Financial income from insurance contracts	-	-	-	85,061	-	85,061
Deferred taxes on financial income/expenditure from insurance contracts (Note 19)	-	-	-	(15,302)	-	(15,302)
Financial expenditure from (passive) reinsurance contracts	-	-	-	(2,700)	-	(2,700)
Deferred taxes on financial income/expenditure from (passive) reinsurance contracts (Note 19)	-	-	-	486	-	486
Foreign exchange differences on translation of foreign operations	-	-	-	(9)	-	(9)
<i>Other comprehensive income</i>	-	-	-	2,992	-	2,992
<i>Profit for the year</i>	-	-	-	-	45,625	45,625
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,992</b>	<b>45,625</b>	<b>48,617</b>
<b>Transactions with owners, recognised directly in equity</b>						
Transfer due to depreciation and sale of revalued property for own use	-	-	-	(88)	88	-
Deferred tax on transfer due to depreciation and sale of revalued property for own use (Note 19)	-	-	-	16	-	16
<b>Restated balance at 31 December 2022</b>	<b>78,217</b>	<b>90,448</b>	<b>53,360</b>	<b>87,141</b>	<b>313,565</b>	<b>622,731</b>

## Statement of changes in equity (continued)

for 2023

Company	Subscribed share capital	Premium on issued shares	Reserves	Revaluation reserve	Retained earnings	Total capital and reserves
	In EUR'000	In EUR'000	In EUR'000	In EUR'000	In EUR'000	In EUR'000
<b>Restated balance at 1 January 2023</b>	<b>78,217</b>	<b>90,448</b>	<b>53,360</b>	<b>87,141</b>	<b>313,565</b>	<b>622,731</b>
Adjustment on initial recognition of IFRS 9	-	-	-	(3,333)	2,490	(843)
<b>Restated balance at 1 January 2023</b>	<b>78,217</b>	<b>90,448</b>	<b>53,360</b>	<b>83,808</b>	<b>316,055</b>	<b>621,888</b>
<b>Total comprehensive income for the year</b>						-
Change in fair value of property for own use (Note 14)	-	-	-	(137)	-	(137)
Deferred tax on change in fair value of property for own use (Note 19)	-	-	-	25	-	25
Change in fair value of financial assets at fair value through OCI, net of amounts realised	-	-	-	41,628	-	41,628
Deferred tax on change in fair value of financial assets at fair value through OCI, net of amounts realised (Note 19)	-	-	-	(7,493)	-	(7,493)
Financial expenditure from insurance contracts	-	-	-	(47,933)	-	(47,933)
Deferred taxes on financial income/expenditure from insurance contracts (Note 19)	-	-	-	8,623	-	8,623
Financial income from (passive) reinsurance contracts	-	-	-	1,152	-	1,152
Deferred taxes on financial income/expenditure from (passive) reinsurance contracts (Note 19)	-	-	-	(207)	-	(207)
Foreign exchange differences on translation of foreign operations	-	-	-	-	-	-
<i>Other comprehensive income</i>	-	-	-	(4,342)	-	(4,342)
<i>Profit for the year</i>	-	-	-	-	46,879	46,879
<b>Total comprehensive income for the year</b>	-	-	-	<b>(4,342)</b>	<b>46,879</b>	<b>42,537</b>
<b>Transactions with owners, recognised directly in equity</b>						
Conversion of share capital	79	-	(81)	-	-	(2)
Other transfers	-	-	-	-	11	11
Transfer of revaluation reserve based on realization of equity securities at fair value through OCI	-	-	-	(1,093)	1,093	-
Deferred tax on the transfer of revaluation reserve based on the realization of equity securities at fair value through OCI (note 19)	-	-	-	197	(197)	-
Transfer due to depreciation and sale of revalued property for own use	-	-	-	(360)	360	-
Deferred tax on transfer due to depreciation and sale of revalued property for own use (Note 19)	-	-	-	65	(65)	-
<b>Balance at 31 December 2023</b>	<b>78,296</b>	<b>90,448</b>	<b>53,279</b>	<b>78,275</b>	<b>364,136</b>	<b>664,434</b>

The accompanying notes form an integral part of these financial statements.



## Statement of changes in equity (continued)

for 2023

Group	Subscribed share capital	Premium on issued shares	Reserves	Revaluation reserve	Retained earnings	Total	Non-controlling interest	Total capital and reserves
	In EUR'000	In EUR'000	In EUR'000	In EUR'000	In EUR'000	In EUR'000	In EUR'000	In EUR'000
<b>Balance at 1 January 2022</b>	<b>78,217</b>	<b>90,448</b>	<b>53,360</b>	<b>92,433</b>	<b>296,220</b>	<b>610,678</b>	<b>1,350</b>	<b>612,028</b>
Adjustment on initial recognition of IFRS 17	-	-	-	2,172	35,323	<b>37,495</b>	(89)	<b>37,406</b>
<b>Restated balance at 1 January 2022</b>	<b>78,217</b>	<b>90,448</b>	<b>53,360</b>	<b>94,605</b>	<b>331,543</b>	<b>648,173</b>	<b>1,261</b>	<b>649,434</b>
<b>Total comprehensive income for the year</b>								
Change in fair value of property for own use (Note 14)	-	-	-	(84)	-	(84)	1	<b>(83)</b>
Deferred tax on change in fair value of property for own use (Note 19)	-	-	-	30	-	30	-	<b>30</b>
Change in fair value of available-for-sale financial assets, net of amounts realised	-	-	-	(91,501)	-	(91,501)	(3)	<b>(91,504)</b>
Deferred tax on change in fair value of available-for-sale financial assets, net of amounts realised (Note 19)	-	-	-	15,662	-	15,662	-	<b>15,662</b>
Financial income from insurance contracts	-	-	-	100,630	-	100,630	80	<b>100,710</b>
Deferred taxes on financial income from insurance contracts (Note 19)	-	-	-	(16,925)	-	(16,925)	(8)	<b>(16,933)</b>
Financial expenditure from (passive) reinsurance contracts	-	-	-	(2,836)	-	(2,836)	(6)	<b>(2,842)</b>
Deferred taxes on financial expenditure from (passive) reinsurance contracts (Note 19)	-	-	-	512	-	512	1	<b>513</b>
Foreign exchange differences on translation of foreign operations	-	-	-	154	-	154	1	<b>155</b>
<i>Other comprehensive income</i>	-	-	-	5,642	-	<b>5,642</b>	<b>66</b>	<b>5,708</b>
<i>Profit for the year</i>	-	-	-	-	58,199	<b>58,199</b>	<b>78</b>	<b>58,277</b>
<b>Total comprehensive income for the year</b>	-	-	-	5,642	58,199	<b>63,841</b>	<b>144</b>	<b>63,985</b>
<b>Transactions with owners, recognised directly in equity</b>								
Dividends paid	-	-	-	-	-	-	(33)	<b>(33)</b>
Purchase of minority interest	-	-	-	-	-	-	(2)	<b>(2)</b>
Transfer due to depreciation and sale of revalued property for own use	-	-	-	601	(601)	-	-	-
Deferred tax on transfer due to depreciation and sale of revalued property for own use (Note 19)	-	-	-	(158)	-	(158)	-	<b>(158)</b>
<b>Balance at 31 December 2022</b>	<b>78,217</b>	<b>90,448</b>	<b>53,360</b>	<b>100,690</b>	<b>389,141</b>	<b>711,856</b>	<b>1,370</b>	<b>713,226</b>

**Statement of changes in equity (continued)**  
*for 2023*

Group	Subscribed share capital	Premium on issued shares	Reserves	Revaluation reserve	Retained earnings	Total	Non-controlling interest	Total capital and reserves
	In EUR'000	In EUR'000	In EUR'000	In EUR'000	In EUR'000	In EUR'000	In EUR'000	In EUR'000
<b>Balance at 1 January 2023</b>	<b>78,217</b>	<b>90,448</b>	<b>53,360</b>	<b>100,690</b>	<b>389,141</b>	<b>711,856</b>	<b>1,370</b>	<b>713,226</b>
Adjustment on initial recognition of IFRS 9	-	-	-	(3,088)	1,712	(1,376)	(10)	(1,386)
<b>Restated balance at 1 January 2023</b>	<b>78,217</b>	<b>90,448</b>	<b>53,360</b>	<b>97,602</b>	<b>390,853</b>	<b>710,480</b>	<b>1,360</b>	<b>711,840</b>
<b>Total comprehensive income for the year</b>								
Change in fair value of property for own use (Note 14)	-	-	-	(1)	-	(1)	2	1
Deferred tax on change in fair value of property for own use (Note 19)	-	-	-	37	-	37	-	37
Change in fair value of financial assets at fair value through OCI, net of amounts realised	-	-	-	42,255	-	42,255	-	42,255
Deferred tax on change in fair value of financial assets at fair value through OCI, net of amounts realised (Note 19)	-	-	-	(7,646)	-	(7,646)	-	(7,646)
Financial expenditure from insurance contracts	-	-	-	(49,176)	-	(49,176)	(37)	(49,213)
Deferred taxes on financial expenditure from insurance contracts (Note 19)	-	-	-	8,789	-	8,789	4	8,793
Financial income from (passive) reinsurance contracts	-	-	-	1,184	-	1,184	1	1,185
Deferred taxes on financial income from (passive) reinsurance contracts (Note 19)	-	-	-	(220)	-	(220)	-	(220)
Foreign exchange differences on translation of foreign operations	-	-	-	(6)	-	(6)	-	(6)
<i>Other comprehensive income</i>	-	-	-	(4,784)	-	(4,784)	(30)	(4,814)
<i>Profit for the year</i>	-	-	-	-	58,380	58,380	71	58,451
<b>Total comprehensive income for the year</b>	-	-	-	(4,784)	58,380	53,596	41	53,637
<b>Transactions with owners, recognised directly in equity</b>								
Conversion of share capital	79	-	(81)	-	-	(2)	-	(2)
Other transfers	-	-	-	-	22	22	-	22
Dividends paid	-	-	-	-	-	-	(32)	(32)
Purchase of non-controlling interest	-	-	-	-	315	315	(622)	(307)
Transfer of revaluation reserve based on realization of equity securities at fair value through OCI	-	-	-	(1,093)	1,093	-	-	-
Deferred tax on the transfer of revaluation reserve based on the realization of equity securities at fair value through OCI (note 19)	-	-	-	197	(197)	-	-	-
Transfer due to depreciation and sale of revalued property for own use	-	-	-	(600)	600	-	-	-
Deferred tax on transfer due to depreciation and sale of revalued property for own use (Note 19)	-	-	-	109	(109)	-	-	-
<b>Balance at 31 December 2023</b>	<b>78,296</b>	<b>90,448</b>	<b>53,279</b>	<b>91,431</b>	<b>450,957</b>	<b>764,411</b>	<b>747</b>	<b>765,158</b>

The accompanying notes form an integral part of these financial statements.

## Cash flow statement

for 2023

	Note	Company	Company	Group	Group
		2023	Restated 2022	2023	Restated 2022
		in EUR'000	in EUR'000	in EUR'000	in EUR'000
<b>Cash flows from operating activities</b>					
Profit after tax		<b>46,879</b>	<b>45,625</b>	<b>58,451</b>	<b>58,277</b>
<i>Adjustments for:</i>					
Depreciation and amortisation	13,14, 14.1	8,897	8,073	14,035	12,310
Impairment of property and equipment and intangible assets	10	71	6,280	74	6,396
Impairment of shares in subsidiaries and associates	6.5	(519)	71	-	-
Interest expense	9	1,418	1,441	1,815	1,737
Interest income	6.1, 6.3	(28,339)	(23,153)	(31,908)	(25,711)
Dividend income and share in profit of associates and joint ventures	6.2	(14,672)	(9,693)	(9,565)	(8,114)
(Gains)/losses on sale of intangible asset and property and equipment		(460)	(7)	(562)	(15)
Income tax expense	11	8,274	8,423	10,722	11,262
Net foreign exchange differences on cash and cash equivalents		(12)	(333)	(11)	(323)
Other adjustments		(1,053)	(318)	(1,942)	(405)
<b>Cash flows before changes in operating assets and liabilities</b>		<b>20,484</b>	<b>36,409</b>	<b>41,109</b>	<b>55,414</b>
Changes in available-for-sale financial assets		-	(43,348)	-	(45,081)
Changes in financial assets at fair value through other comprehensive income		17,509	-	14,349	-
Changes in financial assets and financial liabilities at fair value through profit or loss		(105,256)	20,319	(106,554)	17,779
Changes in held-to-maturity financial assets		-	16,471	-	15,117
Changes in loans and receivables		-	13,592	-	10,317
Changes in financial assets at amortised cost		5,517	-	(3,882)	-
Changes in assets/liabilities from insurance contract		(13,351)	(35,918)	(4,927)	(35,994)
Changes in assets/liabilities from reinsurance contract		(7,611)	(7,337)	(8,471)	(7,538)
Changes in trade receivables and other receivables		(877)	7,910	(5,403)	9,908
Changes in investment property		1,468	166	(249)	3,832
Changes in financial liabilities		(10,417)	(694)	(9,794)	(462)
Changes in provisions		210	(1,178)	399	(1,281)
Changes in tax liabilities		(548)	16,379	(927)	16,879
Changes in accounts payable and other liabilities		2,650	(2,058)	3,292	(1,196)
<b>Changes in operating assets and liabilities</b>		<b>(110,706)</b>	<b>(15,696)</b>	<b>(122,167)</b>	<b>(17,720)</b>
Income tax paid		(7,831)	(9,933)	(9,043)	(11,718)
Interest income		25,659	26,320	26,731	24,471
Dividends income		14,339	9,624	7,562	6,625
<b>Net cash flows (used in)/from operating activities</b>		<b>(58,055)</b>	<b>46,724</b>	<b>(55,808)</b>	<b>57,072</b>

## Cash flow statement (continued)

for 2023

Continued:

	Note	Company		Group	
		2023	Restated 2022	2023	Restated 2022
		in EUR'000	in EUR'000	in EUR'000	in EUR'000
<b>Cash flows from investing activities</b>					
Proceeds from sale of tangible assets		909	62	990	132
Purchase of tangible assets		(1,783)	(2,423)	(9,799)	(7,024)
Proceeds from sale of intangible assets		-	-	-	-
Purchase of intangible assets		(4,379)	(6,867)	(5,943)	(8,118)
Proceeds from investment in subsidiaries		(2,500)	(591)	-	-
<b>Net cash flows from investing activities</b>		<b>(7,753)</b>	<b>(9,819)</b>	<b>(14,752)</b>	<b>(15,010)</b>
<b>Cash flows from financing activities</b>					
Cash outflows from loan repayments		-	-	(138)	(106)
Cash outflows for repayment of principal element of lease liabilities		(3,362)	(3,019)	(5,106)	(4,509)
Cash outflows for payment of share in profit (dividend)		(130)	(130)	(162)	(163)
Acquisition of minority interest		-	-	(308)	(2)
<b>Net cash flows from financing activities</b>		<b>(3,492)</b>	<b>(3,149)</b>	<b>(5,714)</b>	<b>(4,780)</b>
Cash and cash equivalents at beginning of period	21	114,589	80,833	143,097	105,815
Cash and cash equivalents at end of period	21	45,289	114,589	66,823	143,097
<b>Net (decrease)/ increase in cash and cash equivalents</b>		<b>(69,300)</b>	<b>33,756</b>	<b>(76,274)</b>	<b>37,282</b>

The accompanying notes form an integral part of these financial statements.

## Notes to the financial statements

### 1. GENERAL INFORMATION ON THE COMPANY

#### 1.1. Legal framework, activities and employees

CROATIA osiguranje d.d., Zagreb, Vatroslava Jagića 33 (the "Company"), in Republic of Croatia is registered in the Court Register of the Commercial Court in Zagreb, Republic of Croatia, under the Company's Court Reg. No. ("MBS") 080051022 and PIN ("OIB") 26187994862 as a joint stock company.

The Company's principal activity is non-life and life insurance business and reinsurance business in the non-life insurance group in the territory of Republic of Croatia and Slovenia, while the Group also operates in the territory of Northern Macedonia, Bosnia and Herzegovina and Serbia. Since 2004 the Company's shares have been listed at Official Market of the Zagreb Stock Exchange, Zagreb.

The Company is the parent company of the CROATIA osiguranje d.d. Group (the "Group").

Company is majorly owned by ADRIS GRUPA d.d., Rovinj (Adris is also an ultimate parent of the Company) and is included in the consolidated financial statements of ADRIS GRUPA d.d. which are available on the ADRIS GRUPA d.d.'s website, Zagreb Stock Exchange and the Officially appointed mechanism for the central storage of regulated information.

Average number of employees of the Company is 2,436 (2022: 2,424), and of the Group 3,786 (2022: 3,708).

#### 1.2. Company bodies

The Company's bodies are the General Assembly, the Supervisory Board and the Management Board.

##### Members of the Supervisory Board:

- |   |                         |                |
|---|-------------------------|----------------|
| • | Roberto Škopac          | President      |
| • | Željko Lovrinčević, PhD | Vice President |
| • | Vitomir Palinec         | Member         |
| • | Hrvoje Patajac          | Member         |
| • | Zoran Barac, PhD        | Member         |
| • | Pero Kovačić            | Member         |
| • | Hrvoje Šimović, PhD     | Member         |

##### Members of the Management Board:

- |   |                  |           |
|---|------------------|-----------|
| • | Davor Tomašković | President |
| • | Robert Vučković  | Member    |
| • | Luka Babić       | Member    |
| • | Vančo Balen      | Member    |

### 1.3. Subsidiaries

The Group consolidated the following entities as at 31 December 2023:

Group	Principal activity	31 December 2023		
		Shares directly held by parent (%)	Shares held by the Group (%)	Shares held by non-controlling interests (%)
<b>Subsidiaries registered in Croatia which are consolidated:</b>				
Croatia premium d.o.o., Zagreb	<i>Real estate business</i>	100	100	-
<i>M teh d.o.o.</i>	<i>Equipment rental</i>	100	100	-
Core 1 d.o.o., Zagreb	<i>Real estate business</i>	100	100	-
Razne usluge d.o.o. (currently being wound up), Zagreb	-	100	100	-
Auto Maksimir Vozila d.o.o., Zagreb	<i>Insurance agency</i>	100	100	-
Koreqt d.o.o.	<i>Real estate business</i>	100	100	-
Strmec projekt d.o.o.	<i>Real estate business</i>	100	100	-
CO Zdravlje d.o.o., Zagreb	<i>Consulting and services</i>	100	100	-
<i>CROATIA Poliklinika Zagreb</i>	<i>Healthcare</i>	-	100	-
Croatia-Tehnički pregledi d.o.o., Zagreb	<i>MOT*</i>	100	100	-
<i>Herz d.d., Požega</i>	<i>MOT</i>	-	100	-
<i>Slavonijatrans-Tehnički pregledi d.o.o., Sl. Brod</i>	<i>MOT</i>	-	76	24
<i>STP Pitomača, Pitomača</i>	<i>MOT</i>	-	100	-
<i>STP Blato</i>	<i>MOT</i>	-	100	-
<i>Autoprijevoz d.d.</i>	<i>MOT</i>	-	79.12	20.88
<i>Crotehna d.o.o., Ljubuški</i>	<i>MOT</i>	-	100	-
Croatia osiguranje mirovinsko društvo d.o.o., Zagreb	<i>Fund management</i>	100	100	-
ASTORIA d.o.o.	<i>Real estate</i>	100	100	-
<b>Subsidiaries registered abroad which are consolidated:</b>				
Milenijum osiguranje a.d.o., Belgrade	<i>Insurance</i>	100	100	-
Croatia osiguranje d.d., Mostar	<i>Insurance</i>	97.12	97.12	2.88
<i>Croatia remont d.d., Čapljina**</i>	<i>MOT</i>	-	83.48	16.52
<i>Crauto d.o.o., Mostar</i>	<i>MOT</i>	-	93.80	6.20
<i>Tia auto d.o.o.</i>	<i>Technical examination and analysis of motor vehicles</i>	-	100	-
<i>Skadenca d.o.o.</i>	<i>Insurance agency</i>	-	100	-
Croatia osiguranje d.d., društvo za osiguranje neživota, Skopje	<i>Insurance</i>	100	100	-
Croatia osiguranje d.d., društvo za osiguranje života, Skopje	<i>Insurance</i>	95	100	-

\* MOT - Motor vehicle examination stations

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A summary of significant accounting policies adopted in the preparation of financial statements is set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Hereinafter, the policies applied by the Group also mean the policies applied by the Company, unless otherwise stated.

### 2.1. Statement of compliance

In accordance with Accounting Act (Official Gazette 78/15, 134/15, 120/16, 116/18, 42/20, 47/20, 114/22, 82/23), the financial statements for 2023 have been prepared in accordance with International Financial Reporting Standards ('IFRS') as adopted in the European Union and in accordance with the Ordinance on the structure and content of the financial statements for insurance or reinsurance companies (Official Gazette 20/23).

These are consolidated financial statements of the Group that also include separate financial statements of the Company ("Parent" of the Group) as defined in International Accounting Standard 27 "Separate Financial Statements" and International Financial Reporting Standard 10 "Consolidated financial statements".

### 2.2. Basis of preparation

The consolidated and separate financial statements have been prepared under the historical cost convention, as modified by the revaluation of land and buildings, investment property, available-for-sale financial assets i.e. financial assets at fair value through other comprehensive income and financial assets at fair value through profit and loss account, and by evaluating the estimated cash flows and contractual service margin when valuing insurance and reinsurance contracts.

The preparation of financial statements in conformity with IFRS as adopted in the EU requires the use of certain critical accounting estimates. It also requires the Management Board to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated and separate financial statements, are disclosed in Note 2.31.

### 2.3. Adoption of new and amended International Financial Reporting Standards ("IFRSs")

The accounting policies adopted are consistent with those of the previous financial year, unless otherwise stated and disclosed.

The Group has adopted the following new and amended IFRS and IFRIC interpretations during the year which were endorsed by the EU. When the adoption of the standard or interpretation is deemed to have an impact on the financial statements or performance of the Group, its impact is described below.

#### (a) *New and amended standards adopted by the Group:*

- *Amendments to IAS 1 "Presentation of Financial Statements" - Disclosure of Accounting Policies*

The amendments provide guidance on the application of materiality judgements to accounting policy disclosures. In particular, the amendments to IAS 1 replace the requirement to disclose 'significant' accounting policies with a requirement to disclose 'material' accounting policies. Also, guidance and illustrative examples are added in the Practice Statement to assist in the application of the materiality concept when making judgements about accounting policy disclosures. Management has assessed that these amendments won't have significant influence on financial reports of the Company and the Group.

- *Amendments to IAS 1 "Presentation of Financial Statements" - Classification of Liabilities as Current or Non-Current (effective for annual periods beginning on or after 1 January 2023)*

These narrow scope amendments clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Liabilities are non-current if the entity has a substantive right, at the end of the reporting period, to defer settlement for at least twelve months. The guidance no longer requires such a right to be unconditional. Management's expectations whether they will subsequently exercise the right to defer settlement do not affect classification of liabilities. The right to defer only exists if the entity

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**Notes to the financial statements for 2023**

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complies with any relevant conditions as of the end of the reporting period. A liability is classified as current if a condition is breached at or before the reporting date even if a waiver of that condition is obtained from the lender after the end of the reporting period. Conversely, a loan is classified as non-current if a loan covenant is breached only after the reporting date. In addition, the amendments include clarifying the classification requirements for debt a company might settle by converting it into equity. 'Settlement' is defined as the extinguishment of a liability with cash, other resources embodying economic benefits or an entity's own equity instruments. There is an exception for convertible instruments that might be converted into equity, but only for those instruments where the conversion option is classified as an equity instrument as a separate component of a compound financial instrument. The European Union has not yet approved the amendments. The Company and the Group are currently assessing the impact of the amendments on its consolidated financial statements.

The amendment to IAS 1 on classification of liabilities as current or non-current was issued in January 2020 with an original effective date 1 January 2022. However, in response to the Covid-19 pandemic, the effective date was deferred by one year to provide companies with more time to implement classification changes resulting from the amended guidance.

- *Amendments to IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors" – Definition of Accounting Estimates (effective for annual periods beginning on or after 1 January 2023)*

The Amendments become effective for annual reporting periods beginning on or after 1 January 2023 with earlier application permitted and apply to changes in accounting policies and changes in accounting estimates that occur on or after the start of that period. The amendments introduce a new definition of accounting estimates, defined as monetary amounts in financial statements that are subject to measurement uncertainty. Also, the amendments clarify what changes in accounting estimates are and how these differ from changes in accounting policies and corrections of errors. Management has assessed that these amendments won't have significant influence on financial reports of the Company and the Group.

- *Amendments to IAS 12 "Income Taxes" - Deferred Tax related to Assets and Liabilities arising from a Single Transaction*

In May 2021, the Board issued amendments to IAS 12, which narrow the scope of the initial recognition exception under IAS 12 and specify how companies should account for deferred tax on transactions such as leases and decommissioning obligations. Under the amendments, the initial recognition exception does not apply to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. It only applies if the recognition of a lease asset and lease liability (or decommissioning liability and decommissioning asset component) give rise to taxable and deductible temporary differences that are not equal. Management has assessed that these amendments won't have significant influence on financial reports of the Company and the Group.

Their adoption did not have any significant impact on the disclosures or on the amounts shown in these financial statements.

- *IFRS 17 Insurance Contracts*

The Group initially applied IFRS 17, including all subsequent amendments to other standards, from 1 January 2023. IFRS 17 significantly affected changes in accounting for insurance and reinsurance contracts, and as a result, the Group applied a retrospective approach and restated the comparative amounts and presented an additional report on the financial position as of 1 January 2022.

*Recognition, measurement and presentation of insurance contracts*

IFRS 17 establishes principles for the recognition, measurement, presentation and disclosure of insurance contracts, reinsurance contracts and investment contracts with discretionary participation features and introduced a model that measures groups of contracts based on the Group's estimates of the present value of future cash flows that are expected to arise as the Group fulfills contracts, risk adjustment for non-financial risk and contractual service margin ("CSM"). According to IFRS 17, for premium allocation approach, insurance revenue in each reporting period represents the change in liabilities for remaining coverage related to services for which the Group expects to receive compensation and an allocation of part of premiums that relate to recovering insurance acquisition cash flows. In addition, investment components are no longer included in insurance revenue and insurance service expenses.



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Insurance and reinsurance finance income and expenses, disaggregated between profit or loss and OCI, are presented separately from insurance revenue and insurance service expenses.

The Group applies the premium allocation approach ("PAA") to simplify the measurement of contracts in the non-life segment, except for groups of acquired contracts that do not qualify for the PAA. When measuring liabilities for remaining coverage, the PAA is similar to the Group's previous accounting treatment in accordance with IFRS 4. However, when measuring liabilities for incurred claims, the Group now discounts the future cash flows and includes an explicit risk adjustment for non-financial risk.

The new accounting policies adopted by the Group are set out in note 2.22 Insurance contracts, while the nature and key effects of the changes resulting from the adoption of IFRS 17 are set out below.

*Transition*

Changes in accounting policies resulting from the adoption of IFRS 17 have been applied using a full retrospective approach to the extent practicable. The Group applied the full retroactive approach for groups of contracts measured using the premium allocation approach.

Under the full retrospective approach, as at 1 January 2022 the Group:

- o identified, recognized and measured each group of insurance contracts as if IFRS 17 had always been applied;
- o derecognised previously reported balances that would not have existed if IFRS 17 had always been applied. This includes deferred acquisition costs for insurance contracts, insurance receivables and liabilities, etc. According to IFRS 17, they are included in the measurement of insurance contracts;
- o recognised all the resulting net effects in equity

Where retroactive application for a group of insurance contracts is impractical, the Group will use two alternative transition methods - modified retroactive approach and fair value approach.

The Group considers the that full retrospective approach was impracticable under any of the following circumstances:

- o the effects of retroactive application could not be determined because the necessary information was not collected (or was not collected with sufficient precision) or was not available due to system migrations, data archiving requirements or other reasons. Such information include for certain contracts: expectations of contract cost-effectiveness and risks of becoming onerous, which are required to identify a group of contracts; information on historical cash flows and discount rates required to determine estimates of cash flows at initial recognition and subsequent changes to retroactive basis; information necessary to allocate fixed and variable general overheads to contract groups, as the Group's previous accounting policies did not require such information.
- o the full retrospective approach requires assumptions about what Group management's intentions would have been in previous periods or significant accounting estimates that cannot be made without the use of hindsight.

The modified retroactive approach allows certain simplifications and modifications over full retroactive application. This approach allows insurers who lack certain information to calculate initial balances as close as possible to the conditions that would be obtained by applying full retroactive approach, using information that is available, verifiable and appropriate to the insurer. The Group will apply this approach to groups of insurance contracts relating to loan insurance against inability to repay and include contracts issued with a difference of more than one year.

Under the fair value approach, the CSM (or the loss component) as at 1 January 2022 was determined as the difference between the fair value of a group of contracts at that date and the fulfilment cash flows at that date. The Group measured the fair value of the contracts in accordance with the principles of IFRS 13, using the discounted cash flow method, as the sum of present value of the best estimate of the net cash flows expected to be generated by the contracts and additional elements that represent a justified cost, i.e. compensation that would potential market participants require to undertake the servicing of the insurance contract in the transaction under market conditions (margin for associated risks and uncertainty, cost of capital). The cash flows considered in the fair value measurement are consistent with those that are within the contract boundary. For all contracts measured by fair value approach, the Group used reasonable and reliable information available on 1 January 2022 to determine how to identify groups of contracts. Some groups of contracts measured under the fair value approach contain contracts issued more than one year apart. Discount rates on initial recognition were determined on 1 January 2022 instead of at the date of initial recognition regardless of the length of the specified time gap. For all contracts measured under the fair value approach, the net amount of insurance financial income

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or expenses accumulated in the insurance contract financial reserve at 1 January 2022 is determined to be zero. The Group applied a fair value approach to life insurance contracts and for groups of insurance contracts relating to loan beneficiaries' insurance against the inability to repay the loan.

The Group applied the transitional provisions from IFRS 17 and did not disclose the impact of the adoption of IFRS 17 on each item in the financial statements and earnings per share. The effects of the adoption of IFRS 17 on the separate and consolidated financial statements as of 1 January 2022 are presented in the statement of changes in equity.

- *IFRS 9 Financial instruments and related annexes to various other standards (effective for annual periods beginning after 1 January 2023)*

IFRS 9 replaced IAS 39 *Financial Instruments: Recognition and Measurement* regulates the classification, measurement and derecognition of financial assets and financial liabilities, introduces new rules for hedging accounting and a new model of impairment of financial assets and other categories in accordance with IFRS 9. IFRS 9 is effective for annual periods starting on or after 1 January 2018, with early application permitted. However, the Group has met the relevant criteria and has applied the temporary exemption from IFRS 9 for annual periods before 1 January 2023. Consequently, the Group applied IFRS 9 for the first time on 1 January 2023.

*Classification of financial assets and liabilities*

Financial assets are distributed in the following categories with respect to the valuation method: valuation according to the amortised cost method, valuation at fair value through profit and loss, and valuation at fair value through other comprehensive income. The classification of financial assets depends on the business model used to manage financial assets and contracted cash flows.

The adoption of IFRS 9 did not have an effect on financial liabilities.

*Impairment of financial assets*

In accordance with IFRS 9, the impairment model required the recognition of impairment provisions based on expected credit losses (so-called 'ECL'), not just on the basis of incurred credit losses as is the case with IAS 39 and applies to financial assets classified at amortised cost and debt instruments measured in other comprehensive income.

Details related to the classification, measurement of financial assets, recognition of income and expenses based on IFRS 9 and impairment are provided in note 2.17 *Financial instruments*.

*Transition*

For the purposes of the first application of IFRS 9, the Group decided on a simplified method based on which it will not change comparative data and will recognize adjustments to the carrying amount of financial assets in initial retained earnings from the date of the first application of the standard, i.e. from 1 January 2023.

The following tables and accompanying notes below explain the original measurement categories under IAS 39 and the new measurement categories under IFRS 9 for each class of financial assets and financial liabilities of the Company and the Group as of 1 January 2023:

a) Equity financial instruments (shares) that were previously classified at fair value through the profit and loss according to IAS 39 and are part of the portfolio related to asset and liability management activities, are reclassified into the category of fair value through other comprehensive income according to IFRS 9, i.e. the option of valuation through other comprehensive income was chosen for them since they are not held for trading.

b) Debt financial instruments (bonds) that were previously classified at amortised cost or as available for sale (fair value through other comprehensive income) according to IAS 39, are reclassified into the category of fair value through the profit and loss according to IFRS 9 due to the business model of holding assets for the purpose

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of sale. The aforementioned reclassification was carried out considering the fact that with the entry into force of IFRS 17, due to the decrease in the value of a part of insurance liabilities significantly increased the coverage of insurance liabilities (so-called statutory technical reserves) with assets, and the Group determined the need and additional space for optimizing the management of this part investment portfolio. Since the Group's plans for the stated part of debt instruments are aligned with the business model of holding assets for the purpose of sale, the stated reclassification was carried out for overall compliance with the requirements of IFRS 17 and optimization of portfolio management.

c) Equity financial instruments (investment funds) are reclassified from the category of assets available for sale (fair value through other comprehensive income) according to IAS 39 to the category of assets that are mandatorily fair value through the profit and loss according to IFRS 9 since they refer to financial assets whose cash flows do not contain only principal and interest.

The items of financial assets and liabilities and the related items of the statement of comprehensive income for the comparative period of 2022 are presented applying IAS 39.

in EUR'000	Original classification in accordance with IAS 39	Revised classification in accordance with IFRS 9	Company	Company
			Net book value in accordance with IAS 39 as of 31 December 2022	Net book value in accordance with IFRS 9 as of 1 January 2023
<b>Financial investments</b>				
<b>Financial assets</b>				
<i>Debt financial instruments</i>				
Government bonds	Held-to-maturity investments	Amortised cost	283,141	282,625
Government bonds	Available-for-sale financial assets	Fair value through profit and loss account	45,385	45,385
Government bonds	Available-for-sale financial assets	Fair value through other comprehensive income	386,808	386,808
Corporate bonds	Held-to-maturity investments	Fair value through profit and loss account	5,842	5,742
Corporate bonds	Held-to-maturity investments	Amortised cost	2,645	2,637
Corporate bonds	Available-for-sale financial assets	Fair value through profit and loss account	21,315	21,315
Corporate bonds	Available-for-sale financial assets	Amortised cost	236	236
Corporate bonds	Available-for-sale financial assets	Fair value through other comprehensive income	39,348	39,348
Deposits	Loans and receivables	Amortised cost	9,048	8,967
Loans	Loans and receivables	Amortised cost	58,223	58,059
<i>Equity financial instruments and units in investment funds</i>				
Shares	Available-for-sale financial assets	Fair value through other comprehensive income	102,747	102,747
Shares	Financial assets at fair value through profit or loss	Fair value through other comprehensive income	2,974	2,974
Open-ended investment funds	Available-for-sale financial assets	Fair value through profit and loss account	52,094	52,094
Open-ended investment funds - assets for coverage of unit-linked products	Financial assets at fair value through profit or loss	Fair value through profit and loss account	25,733	25,733
<i>Derivative financial instruments</i>				
Foreign currency forward contracts	Financial assets at fair value through profit or loss	Fair value through profit and loss account	1,806	1,806
Receivables (other assets)	Loans and receivables	Amortised cost	24,963	24,936
Cash and cash equivalents	Loans and receivables	Amortised cost	114,589	114,433
<b>Total financial investments</b>			<b>1,176,897</b>	<b>1,175,872</b>
<b>Financial liabilities</b>				
Financial liabilities at amortized cost, except lease liabilities	Amortised cost	Amortised cost	11,915	11,915
Financial liabilities at fair value through profit or loss account	Financial liabilities at fair value through profit or loss	Fair value through profit and loss account	82	82
<b>Total financial liabilities</b>			<b>11,997</b>	<b>11,997</b>

in EUR'000	Original classification in accordance with IAS 39	Revised classification in accordance with IFRS 9	Group Net book value in accordanc e with IAS 39 as of 31 December 2022	Group Net book value in accordan ce with IFRS 9 as of 1 January 2023
<b>Financial investments</b>				
<b>Financial assets</b>				
<i>Debt financial instruments</i>				
Government bonds	Held-to-maturity investments	Amortised cost	295,315	294,724
Government bonds	Available-for-sale financial assets	Fair value through profit and loss account	45,385	45,385
Government bonds	Available-for-sale financial assets	Fair value through other comprehensive income	465,051	465,051
Corporate bonds	Held-to-maturity investments	Fair value through profit and loss account	5,842	5,742
Corporate bonds	Held-to-maturity investments	Amortised cost	2,677	2,668
Corporate bonds	Available-for-sale financial assets	Fair value through profit and loss account	21,315	21,315
Corporate bonds	Available-for-sale financial assets	Amortised cost	236	236
Corporate bonds	Available-for-sale financial assets	Fair value through other comprehensive income	39,348	39,348
Deposits	Loans and receivables	Amortised cost	64,028	63,341
Loans	Loans and receivables	Amortised cost	24,532	24,506
<i>Equity financial instruments and units in investment funds</i>				
Shares	Available-for-sale financial assets	Fair value through other comprehensive income	102,747	102,747
Shares	Financial assets at fair value through profit or loss	Fair value through other comprehensive income	2,974	2,974
Open-ended investment funds	Available-for-sale financial assets	Fair value through profit and loss account	52,095	52,095
Open-ended investment funds	Financial assets at fair value through profit or loss	Fair value through profit and loss account	5,600	5,600
Open-ended investment funds - assets for coverage of unit-linked products	Financial assets at fair value through profit or loss	Fair value through profit and loss account	29,036	29,036
<i>Derivative financial instruments</i>				
Foreign currency forward contracts	Financial assets at fair value through profit or loss	Fair value through profit and loss account	1,806	1,806
Receivables (other assets)	Loans and receivables	Amortised cost	33,197	33,197
Cash and cash equivalents	Loans and receivables	Amortised cost	143,097	142,860
<b>Total financial investments</b>			<b>1,334,281</b>	<b>1,332,631</b>
<b>Financial liabilities</b>				
Financial liabilities at amortized cost, except lease liabilities	Amortised cost	Amortised cost	12,131	12,131
Financial liabilities at fair value through profit or loss account	Financial liabilities at fair value through profit or loss	Fair value through profit and loss account	82	82
<b>Total financial liabilities</b>			<b>12,213</b>	<b>12,213</b>

The following tables present the reconciliation of the present values of each category of financial assets previously measured in accordance with IAS 39 and the new amounts determined according to IFRS 9 for the Company and the Group.

**Company**

in EUR'000	Note	Net book value in accordance with IAS 39 as of 31 December 2022	Reclassification	Valuation impact		Net book value in accordance with IFRS 9 as of 1 January 2023	Impact on retained earnings (before tax)	Impact on revaluation reserve (before tax)
				ECL impact (expected credit loss)	Reassessment due to reclassification			
<b>Fair value through profit and loss account</b>								
Transfer from Financial assets at fair value through profit and loss in accordance with IAS 39								
Shares	a)	2,974	(2,974)			-		
Open-ended investment funds - assets for coverage of unit-linked products		25,733				25,733		
Foreign currency forward contracts		1,806				1,806		
Reclassification from Available-for-sale financial assets in accordance with IAS 39								
Government bonds	b)		45,385			45,385		
Corporate bonds	b)		21,315			21,315		
Open-ended investment funds	c)		52,094			52,094		
Reclassification from Held-to-maturity investments in accordance with IAS 39								
Corporate bonds	b)		5,842		(100)	5,742	(100)	
Reclassification from Loans and receivables in accordance with IAS 39								
<b>Total fair value through profit and loss account</b>		<b>30,513</b>	<b>121,662</b>		<b>(100)</b>	<b>152,075</b>	<b>(100)</b>	<b>-</b>
<b>Fair value through other comprehensive income</b>								
Transfer from Available-for-sale financial assets in accordance with IAS 39								
Government bonds	b)	45,385	(45,385)			-	(428)	428
Government bonds		386,808	-			386,808	(741)	741
Corporate bonds	b)	21,315	(21,315)			-	(1,307)	1,307
Corporate bonds		236	(236)			-	(24)	24
Corporate bonds		39,348	-			39,348	(74)	74
Shares		102,747	-			102,747	-	-
Open-ended investment funds	c)	52,094	(52,095)			-	6,639	(6,639)
Reclassification from Financial assets at fair value through profit and loss account in accordance with IAS 39								
Shares	a)		2,974			2,974	-	-
<b>Total fair value through other comprehensive income</b>		<b>647,933</b>	<b>(116,057)</b>		<b>-</b>	<b>531,878</b>	<b>4,065</b>	<b>(4,065)</b>

**Amortised cost**

Transfer from Held-to-maturity investments in accordance with IAS 39

Government bonds	283,141		(516)	282,625	(516)
Corporate bonds	b) 5,842	(5,842)		-	-
Corporate bonds	2,645	-	(8)	2,637	(8)
Reclassification from Available-for-sale financial assets in accordance with IAS 39					
Corporate bonds	-	236	-	236	-
Transfer from Loans and receivables in accordance with IAS 39					
Deposits	9,048	-	(81)	8,967	(81)
Loans	58,223	-	(164)	58,059	(164)
Receivables	24,963	-	-	24,963	-
Cash and cash equivalents	114,589	-	(156)	114,433	(156)
<b>Total amortised cost</b>	<b>498,451</b>	<b>(5,606)</b>	<b>(925)</b>	<b>- 491,920</b>	<b>(925)</b>

Deferred tax effects after transition to IFRS 9:

Company

	Net book value in accordance with IAS 39 as of 31 December 2022	Valuation impact		Net book value in accordance with IFRS 9 as of 1 January 2023	Impact on retained earnings	Impact on revaluation reserve
		ECL impact (expected credit loss)	Reassessment due to reclassification			
Deferred tax assets	12,342	310	18	12,670	328	
Deferred tax liability	31,465	146		31,611	(878)	732

Group				Valuation impact				
in EUR'000	Note	Net book value in accordance with IAS 39 as of 31 December 2022	Reclassification	ECL impact (expected credit loss)	Reassessment due to reclassification	Net book value in accordance with IFRS 9 as of 1 January 2023	Impact on retained earnings (before tax)	Impact on revaluation reserve (before tax)
<b>Fair value through profit and loss account</b>								
Transfer from Financial assets at fair value through profit and loss in accordance with IAS 39								
Shares	a)	2,974	(2,974)			-		
Open-ended investment funds		5,600				5,600		
Open-ended investment funds - assets for coverage of unit-linked products		29,036				29,036		
Foreign currency forward contracts		1,806				1,806		
Reclassification from Available-for-sale financial assets in accordance with IAS 39								
Government bonds	b)		45,385			45,385		
Corporate bonds	b)		21,315			21,315		
Open-ended investment funds	c)		52,095			52,095		
Reclassification from Held-to-maturity investments in accordance with IAS 39								
Corporate bonds	b)		5,842		(100)	5,742	(100)	
<b>Total fair value through profit and loss account</b>		<b>39,416</b>	<b>121,663</b>		<b>(100)</b>	<b>160,979</b>	<b>(100)</b>	<b>-</b>
<b>Fair value through other comprehensive income</b>								
Transfer from Available-for-sale financial assets in accordance with IAS 39								
Government bonds	b)	45,385	(45,385)			-	(411)	411
Government bonds		465,051				465,051	(1,022)	1,022
Corporate bonds	b)	21,315	(21,315)			-	(1,307)	1,307
Corporate bonds		236	(236)			-	(24)	24
Corporate bonds		39,348				39,348	(74)	74
Shares		102,747	-			102,747		
Open-ended investment funds	c)	52,095	(52,095)			-	6,639	(6,639)
Reclassification from Financial assets at fair value through profit and loss account in accordance with IAS 39								
Shares	a)		2,974			2,974		
<b>Total fair value through other comprehensive income</b>		<b>726,177</b>	<b>(116,057)</b>		<b>-</b>	<b>610,120</b>	<b>3,801</b>	<b>(3,801)</b>
<b>Amortised cost</b>								
Transfer from Held-to-maturity investments in accordance with IAS 39								
Government bonds		295,315		(591)		294,724	(591)	



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Corporate bonds	b)	<b>5,842</b>	(5,842)		-	
Corporate bonds		<b>2,677</b>		(9)	<b>2,668</b>	(9)
Reclassification from Available-for-sale financial assets in accordance with IAS 39						
Corporate bonds			236		<b>236</b>	
Transfer from Loans and receivables in accordance with IAS 39						
Deposits		<b>64,028</b>		(687)	<b>63,341</b>	(687)
Loans		<b>24,532</b>		(26)	<b>24,506</b>	(26)
Receivables		<b>33,197</b>			<b>33,197</b>	
Cash and cash equivalents		<b>143,097</b>		(237)	<b>142,860</b>	(237)
<b>Total amortised cost</b>		<b>568,688</b>	<b>(5,606)</b>	<b>(1,550)</b>	-	<b>561,532 (1,550)</b>

Deferred tax effects after transition to IFRS 9:

Group	Net book value in accordance with IAS 39 as of 31 December 2022	Valuation impact		Net book value in accordance with IFRS 9 as of 1 January 2023	Impact on retained earnings	Impact on revaluation reserve
		ECL impact (expected credit loss)	Reassessment due to reclassification			
Deferred tax assets	<b>13,411</b>	442	18	<b>13,871</b>	460	-
Deferred tax liability	<b>38,605</b>	186	-	<b>38,791</b>	(899)	713

in EUR'000	Company			Group		
	IAS 39 - 31.12.2022	ECL impact (expected credit loss))	IFRS 9 - 1.1.2023	IAS 39 - 31.12.2022	ECL impact (expected credit loss)	IFRS 9 - 1.1.2023
Debt securities at fair value through OCI previously classified as available-for-sale	-	(839)	<b>(839)</b>	-	(1,120)	<b>(1,120)</b>
Financial assets at amortised cost in accordance with IFRS 9 previously classified as:						
financial assets held-to-maturity with IAS 39	(995)	(524)	<b>(1,519)</b>	(995)	(600)	<b>(1,595)</b>
loans and receivables in accordance with IAS 39	(14,619)	(245)	<b>(14,864)</b>	(14,665)	(713)	<b>(15,378)</b>
Trade receivables	(7,566)	-	<b>(7,566)</b>	(10,852)	-	<b>(10,852)</b>
	<b>(23,180)</b>	<b>(1,608)</b>	<b>(24,788)</b>	<b>(26,512)</b>	<b>(2,433)</b>	<b>(28,945)</b>

**b) Standards and amendments to existing standards published by the International Accounting Standards**

Certain new standards and interpretations have been published that are not mandatory for 31 December 2023 reporting periods and have not been early adopted by the Group. The Group's assessment of the impact of these new standards and interpretations is set out below:

- *Amendments to IFRS 16 "Leases" - Lease Liability in a Sale and Leaseback (effective for annual periods beginning on or after 1 January 2024)*

The Amendments are effective for annual periods beginning on or after 1 January 2024 with earlier application permitted. The amendment clarifies how a seller-lessee subsequently measures sale and leaseback transactions that satisfy the requirements in IFRS 15 to be accounted for as a sale. The Amendments have not yet been endorsed by the EU. Management has assessed that these amendments won't have significant influence on financial reports of the Company and the Group.

- *Amendments to IAS 1 "Presentation of Financial Statements" - Non-current Liabilities with Covenants (effective for annual periods beginning on or after 1 January 2024)*

The Amendments are effective for annual periods beginning on or after 1 January 2024 with earlier application permitted. The amendment addresses the inconsistency of the amendment to IAS 1 "Presentation of Financial Statements" - Classification of Liabilities as Current or Non-Current which refers to the classification of debts and other financial liabilities as current or long-term in certain circumstances: Only covenants with which an entity is required to comply on or before the reporting date affect the classification of a liability as current or non-current. In addition, an entity has to disclose information in the notes that enables users of financial statements to understand the risk that non-current liabilities with covenants could become repayable within twelve months. The Amendments have not yet been endorsed by the EU. Management has assessed that these amendments won't have significant influence on financial reports of the Company and the Group.

**c) New standards and amendments to standards published by the Committee for International Accounting Standards, but not yet adopted by the European Union**

Currently, the standards adopted by the EU do not differ significantly from the regulations adopted by the International Accounting Standards Board, except for the following new standards and amendments to existing standards, which have not yet been adopted by the EU at the date of issuance of these financial statements:

- *Amendments to IAS 7 and IFRS 7 – Supplier Financing Agreements (effective for annual periods beginning on or after 1 January 2024) – not yet adopted by the EU.*
- *Amendments to IAS 21 - Impossibility of Substitution (effective for annual periods beginning on or after 1 January 2025) - not yet adopted in the EU.*
- *IFRS 14 "Regulatory Deferral Accounts" (effective for annual periods beginning on or after 1 January 2016) - the European Commission has decided not to launch the endorsement process of this interim standard and to wait for the final standard*
- *Amendments to IFRS 10 "Consolidated Financial Statements" and IAS 28 "Investments in Associates and Joint Ventures" - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture and further amendments (effective date deferred indefinitely until the research project on the equity method has been concluded)*

These amendments address an inconsistency between the requirements in IFRS 10 and those in IAS 28 in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The main consequence of the amendments is that a full gain or loss is recognised when a transaction involves a business. A partial gain or loss is recognised when a transaction involves assets that do not constitute a business, even if these assets are held by a subsidiary.

Unless otherwise stated above, the new standards and interpretations are not expected to significantly affect the unconsolidated and consolidated financial statements of the Company and the Group.

#### **2.4. Critical accounting judgements and key sources of estimation uncertainty**

In preparing these financial statements, certain estimates were used which influence the presentation of assets and liabilities of the Group, the income and expenses of the Group and the disclosure of contingent liabilities of the Group.

Future events and their effects cannot be reliably anticipated, and therefore actual results may differ from these estimates. The accounting estimates used in the preparation of the financial statements are subject to change as new events occur, as more experience is gained, additional information is obtained and due to the changing environment in which the Group operates.

The key estimates used in applying accounting policies in the preparation of the financial statements relate to impairment losses on financial assets and calculation of expected credit losses (note 2.17), the classification, grouping of insurance contracts and the measurement of insurance contracts (note 2.22) and determination of the fair value of investment property.

Information about the assessments of the Management regarding the application of IFRS, which have a significant impact on the financial statements, and the information about the estimates with a high risk of likely significant adjustment in the next year, is presented in note 2.31 while carrying amounts of the assets and liabilities are presented in notes 15, 17 and 18.

#### **2.5. Consolidation**

The consolidated financial statements comprise the Company and its subsidiaries (together "the Group").

##### *Subsidiaries*

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group and are de-consolidated from the date that control ceases.

The Group applies the acquisition method for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition related costs are reported in the statement of comprehensive income as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. On an acquisition basis, the Group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of identifiable acquiree's net assets.

Goodwill is initially measured as excess of the aggregate of the consideration transferred and the fair value of non-controlling interest in the acquiree and acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the Group's share of the identifiable net assets acquired. If this is lower

than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in profit or loss.

#### *Transactions eliminated at consolidation*

Balances and transactions between Group members and any unrealised income and expenses arising from intragroup transactions, are eliminated in preparing the consolidated financial statements. Unrealised losses are also eliminated in the same way as unrealised gains, but only if there are no indicators of impairment.

#### *Non-controlling interests*

Non-controlling interests in subsidiaries are included in the total equity of the Group.

Losses applicable to non-controlling interests in subsidiaries are added to non-controlling interests in situations where this causes non-controlling interests to be disclosed with negative value. The reconciliation of non-controlling interest is based on the proportionate amount of the net assets of the subsidiary, with no adjustment to goodwill and recognition of profit or loss in the income statement.

#### *Loss of control*

At the moment of loss of control, the Group derecognises assets and liabilities of subsidiaries, interests of minority shareholders and other elements of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any share in the subsidiary, such share is measured at fair value at the date that control ceases. After that, this is reported as an investment valued using the equity method or as available-for-sale financial assets, depending on the level of influence retained.

#### *Joint arrangements*

The Group applies IFRS 11 to all joint arrangements. Under IFRS 11 investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations of each investor. The Group has assessed the nature of its joint arrangements and determined them to be joint ventures. Joint ventures are accounted for using the equity method.

#### *Merger of entities under common control*

A merger or a business combination involving business entities under common control is a business combination in which all of the combining business entities are controlled by the same party (or parties) both before and after the business combination, and that control is not transitory. The predecessor method of accounting is used to account for the mergers of entities under common control. According to the predecessor method of accounting, the carrying amount of the assets (including goodwill, if any) and liabilities of the acquired or merged company (or the company that has ceased to exist as a result of the merger) are transferred to the successor company from the consolidated financial statements of the highest entity that has common control and which prepares consolidated financial statements or a lower level entity if justified. The merged entity's results and balance sheet are incorporated prospectively from the date on which the merger or business combination between entities under common control occurred.

On the date of the merger, inter-company transactions, balances and unrealised gains and losses on mutual transactions are eliminated.

The difference between the transferred fee and the carrying amount of the net assets of the acquired company is recognised in equity (in retained earnings).

## **2.6. Presentation currency**

The Group's financial statements are presented in euros (EUR) as the functional currency of the Company and subsidiaries in Croatia and presentation currency of the Group. On 1 January 2023, the euro became the official monetary unit and legal tender in the Republic of Croatia. The fixed conversion rate is set at HRK

7.53450 for one euro. The introduction of the euro as the official currency in the Republic of Croatia represents a change in the functional currency that is calculated prospectively. Comparative periods and balances in the financial statements have been recalculated using the conversion rate.

## **2.7. Foreign currency transactions**

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currency are translated into the functional currency using the exchange rate effective at the reporting day. Non-monetary assets and liabilities denominated in foreign currency and measured at fair value are translated into the functional currency using the exchange rate effective on the date their fair value is determined.

Changes in the fair value of monetary securities denominated in or linked to a foreign currency and classified as financial assets at fair value through other comprehensive income are analysed between translation differences resulting from changes in the amortised cost of the security and other changes in the carrying amount of the security. Foreign exchange rate differences resulting from the conversion of monetary assets and liabilities are recognised through profit or loss and are presented within finance income or finance cost.

## **2.8. Revenue recognition**

/i/ For the revenue recognition arising from insurance and reinsurance contracts and the net financial result from insurance and reinsurance contracts, please see note 2.22.

/ii/ Group recognise other operating income not directly related to insurance operations and sales income from subsidiaries which main activities are not insurance operations. Other operating income is recognised when an invoice is issued.

The Group provides vehicle inspection services and similar services under fixed price contracts, where price lists are an integral part of each contract. The services are delivered in a short time (within one day), and revenue is recognized on the basis of the actual service after the Group fulfils the obligation to perform. Purchase contracts are simple and usually involve a single performance obligation. Customers are invoiced immediately after the delivery of the service, and payment follows the delivery of the service at the point of sale.

## **2.9. Operating expenses**

/i/ Expenses from the insurance contract includes the costs of obtaining insurance and other costs incurred in the execution of the contract and which can be directly attributable to the execution of the insurance contract (so-called attributable costs). For more details, please see note 2.22.

/ii/ Other operating expenses consist of all costs that are not attributable, are not allocated to groups of insurance contracts and are reported in the financial statements separately from the items of the technical result, i.e. the result from the insurance contract.

## **2.10. Investment income and expenses**

Net investment income comprises of gains on investments in land and buildings, interest income calculated using the effective interest rate method, net gains/losses from financial assets at fair value through profit or loss, net impairment/release of impairment of financial assets, net foreign exchange rate differences, income realised through participating interests (dividends, profit share, write-ups – increases in value) and other income and expenses from investments.

Gains on investments in land and buildings consist of income realised due to an increase in the value of land and buildings, gains on sale of land and buildings, land and buildings rental income and other gains on investments in land and buildings.

Land and buildings rental income and income from other operating leases are recognised in profit or loss on a straight-line basis over the entire term of the lease.

Recognition of interest income and expenses from investments is disclosed in Note 2.17 "Financial instruments".

#### **2.11. Other financial expenses**

Other financial expenses refer to interest costs based on lease agreements (see chapter 2.14 Leases), interest expenses on preferred shares and interest expenses based on other liabilities measured at amortized cost (see chapter 2.17 Financial instruments).

#### **2.12. Intangible assets**

Intangible assets are initially carried at cost, which includes the purchase price, including import duties and non-refundable tax after deducting trade discounts and rebates, as well as all other costs directly attributable to bringing the asset to their working condition for their intended use.

Non-current intangible assets are recognised if it is probable that future economic benefits associated with the item will flow to the Group, if the cost of the asset can be reliably measured, and if the cost exceeds EUR 465.

After initial recognition, assets are measured at cost less accumulated amortisation and any accumulated impairment losses.

The amortisation of assets commences when the assets are ready for use, i.e. when the assets are at the required location and the conditions necessary for use have been met. The amortisation of assets ceases when the assets are fully amortised or classified as assets held for sale. The amortisation is calculated by writing off the purchase cost of each particular asset during the estimated useful life of the asset, by applying the straight-line method. The estimated useful life of intangible assets is from 2 to 15 years (2022: from 2 to 15 years).

#### **2.13. Property and equipment**

Property, plant and equipment are initially carried at cost, which includes the purchase price, including import duties and non-refundable tax after deducting trade discounts and rebates, as well as all other costs directly attributable to bringing the asset to their working condition for their intended use.

Property, plant and equipment are recognised if it is probable that future economic benefits associated with the item will flow to the Group, if the cost of the asset can be reliably measured, and if the cost exceeds EUR 465.

After initial recognition, land and buildings are carried at revalued amount, being their fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. The increase in value of assets due to the revaluation is recognised in other comprehensive income and accumulated in equity under the heading of revaluation surplus. However, the increase is recognised in profit or loss to the extent that it reverses a revaluation decrease of the same asset previously recognised in profit or loss. If an asset's carrying amount is decreased as a result of a revaluation, the decrease is recognised in profit or loss. However, the decrease is recognised in other comprehensive income to the extent of any credit balance existing in the revaluation surplus in respect of that asset. The decrease recognised in other comprehensive income reduces the amount accumulated in equity under the heading of revaluation surplus.

A revaluation is performed with sufficient regularity such that the carrying amount does not differ materially from that which would be determined using fair value at the balance sheet date. The Group assessed the fair value of these assets during 2019.

After initial recognition, equipment and other tangible assets are measured at cost less accumulated depreciation and any accumulated impairment losses.

Maintenance and repairs, replacements and improvements of minor scale are expensed when incurred. In situations where it can be clearly demonstrated that the expenditures have resulted in an increase in the future economic benefits expected to be obtained from the use of an asset beyond its originally assessed standard performance, the expenditures are capitalised and included in the carrying value of the asset.

Gains or losses on the retirement or disposal of assets are included in the income statement in the period when incurred.

The depreciation of assets commences when the assets are ready for use, i.e. when the assets are at the required location and the conditions necessary for use have been met. The depreciation of assets ceases when the assets are fully depreciated or classified as assets held for sale. Depreciation is charged so as to write off the cost of each asset, other than land and tangible assets under construction, over their estimated useful lives, using the straight-line method, as follows:

	<b>2023</b>	<b>2022</b>
	<b>Estimated useful life</b>	<b>Estimated useful life</b>
Buildings	40 years	40 years
Furniture and equipment	4-10 years	4-10 years
Computer equipment	3-4 years	3-4 years
Vehicles	5 years	5 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

#### **2.14. Leases**

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises:

- the amount of the initial measurement of the lease liability,
- any lease payments made at or before the commencement date, less any lease incentives received,
- initial direct costs incurred,
- an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories. The lessee incurs the obligation for those costs either at the commencement date or as a consequence of having used the underlying asset during a particular period.

After the commencement date, the Group measures the right-of-use asset applying a cost model. To apply a cost model, the Group measures the right-of-use asset at cost, less any accumulated depreciation and any accumulated impairment losses and adjusted for any remeasurement of the lease liability.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term. Lease agreements are made for fixed and indefinite periods. For a lease that is made for an indefinite period, the Group estimates the lease term with respect to the possibility of extension or termination, the historical lease term or the significant cost of replacing the leased asset. The same was applied to lease agreements with a fixed period, and the lease term was reviewed on a case-by-case basis.

The Group mainly leases offices, vehicles and IT equipment.

At the commencement date, a lease liability is measured at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease, if that



rate can be readily determined. If that rate cannot be readily determined (mostly in case of office premises lease), the Group use the incremental borrowing rate. As of 31.12.2023 the weighted average incremental borrowing rate applied to lease liabilities recognised under IFRS 16 ranged from 2.57% to 5.25% (31.12.2022: from 2.57% to 5.25%). The Group determines its incremental borrowing rate based on publicly available information, considering various factors such as the lease term, the value of the leased asset, the economic environment, and the specifics related to the creditworthiness of the lessee.

At the commencement date, the lease payments included in the measurement of the lease liability comprise the following payments for the right to use the underlying asset during the lease term that are not paid at the commencement date:

- fixed payments less any lease incentives receivable,
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date,
- amounts expected to be payable by the lessee under residual value guarantees,
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option,
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

After the commencement date, a Group measure the lease liability by:

- increasing the carrying amount to reflect interest on the lease liability,
- reducing the carrying amount to reflect the lease payments made,
- remeasuring the carrying amount to reflect any reassessment or lease modifications, or to reflect revised in-substance fixed lease payments.

Interest on the lease liability in each period during the lease term is the amount that produces a constant periodic rate of interest on the remaining balance of the lease liability. The periodic rate of interest is the discount rate, or if applicable the revised discount rate.

The Group as lessee, in accordance with IFRS 16, elected not to apply the requirements of standard to:

- short-term leases (lease term of 12 months or less),
- leases for which the underlying asset is of low value (such as tablets and personal computers, telephones etc.).

In that case, the Group recognise the lease payments associated with those leases as an expense on a straight-line basis over the lease term.

In statement of financial position, right-of-use assets are presented within Property and equipment at cost model, while lease liabilities are presented within Financial liabilities at amortized cost.

Lease income in which the Group is lessor, are recognised in the statement of comprehensive income on a straight-line basis over the lease term in note 6.4 Income from Investment property. The Group leases business premises for a period of 1 to 8 years. Lease receivables are disclosed as Trade receivables in note 20 Trade receivables and other receivables.

## **2.15. Investment property**

Investment property (land and buildings) that are not used for operations and that are owned by the Group that are held to enable the Group to earn rental income and/or for capital appreciation and are measured at fair value through profit or loss.

The Group measures the fair value of its investment property at the end of each accounting period, and such measurement is based on the appraisal by a hired appraiser.

Subsequent expenditure is capitalised only when it is probable that future economic benefits associated with it will flow to the Group and the cost can be measured reliably. All other repairs and maintenance costs are expensed when incurred. If an investment property becomes owner-occupied, it is reclassified to property and equipment, and its carrying amount at the date of reclassification becomes its deemed cost to be subsequently depreciated.

## **2.16. Investments in subsidiaries, associates and joint ventures**

Subsidiaries are entities which are controlled by the Group.

Associates are companies in which the Company has significant influence but not control over the adoption and implementation of financial and operating policies.

Investments in subsidiaries, associates and joint ventures are presented in separate financial statements using the cost method.

## **2.17. Financial instruments**

*Accounting policies applicable from 1.1.2023.*

### **/i/ Classification and recognition**

The Group allocates its financial instruments, i.e. financial assets, into the following categories regarding to the valuation method:

- valuation according to the amortized cost method ("AC"),
- valuation at fair value through the profit and loss account ("FVTPL") and
- valuation at fair value through other comprehensive income. ("FVOCI").

The classification of financial assets depends on the business model used for the financial assets management in which the individual instrument is acquired, the characteristics of the contracted cash flows, i.e. the results of the SPPI test, but also the fair valuation options provided by the IFRS 9 standard.

A financial asset is measured at amortised cost if it meets both of the following conditions:

- is held within a business model aimed at holding assets in order to collect contracted cash flows ("Held to collect").

Financial assets within this business model are managed by the Group in order to generate cash flows by collecting contractual payments during the life of the instrument. The Group assesses the performance of assets based on realised interest income and credit losses. Collection of cash flows is an integral element of achieving the goal of this model, while sales of financial assets are limited to certain situations (sale close to maturity or if it is driven by credit risk, infrequent sale of significant amount of financial assets or frequent sale of insignificant amount of financial asset).

Although the goal of this business model is to hold assets in order to collect contractual cash flows, the Group does not have to hold all instruments until they mature, that is, financial assets can be held within this model even if a certain part has been sold or is expected to be sold in the future periods.

- contracted cashflows relate exclusively to principal and interest payments based on the assessment of the characteristics of contractual cash flows ('SPPI test' - test which requires that the contractual terms of the financial asset (as a whole) give rise to cash flows that are solely payments of principal and interest on the principal amounts outstanding, ie cash flows that are consistent with a basic lending arrangement. The test consists from a set of criteria defined in alignment with the IFRS 9 standard, which are prescribed within the Group's internal acts).

Financial assets are measured at fair value through other comprehensive income if they meet both of the following conditions:

- is held within a business model aimed at holding assets in order to collect contracted cash flows and sell financial assets ('Holdings for collection and sale').

The goal of this business model is the collection of contractual cash flows and the sale of financial assets. The group holds financial assets as part of this model in order to maintain a certain

interest yield profile and to manage liquidity. Also, the goal of the model is to harmonize the maturities of financial assets and liabilities. The Group assesses the performance of assets based on realised interest income and profit or loss from sales.

- contracted cashflows relate exclusively to principal and interest payments based on the assessment of the characteristics of contractual cash flows ('SPPI test').

All financial assets that are not classified as measured at amortised cost or at fair value through other comprehensive income as described above (the "Other" business model), are measured at fair value through profit and loss. Furthermore, at initial recognition, the Group may irrevocably designate financial assets, which otherwise meet the requirements to be measured at amortised cost or at fair value through other comprehensive income, measured at fair value through profit and loss if this eliminates or significantly reduces the accounting mismatch that would otherwise arise.

As a rule, equity instruments do not have contractual cash flows, which are only the payment of principal and interest, and they are measured at fair value through profit or loss, unless upon initial recognition, for equity instruments that are not held for trading, the Group irrevocably decided to presents subsequent changes in the fair value of the investment in the equity instrument (recognition option through other comprehensive income) in the other comprehensive income. Investment funds and derivative financial instruments are recognized exclusively through classification, the valuation of which is carried out through the profit and loss account.

In addition, for each individual debt instrument at the time of acquisition, it is determined whether it is an instrument whose value at the time of (initial) recognition has been reduced by credit losses, due to the established significant credit risk. After the analysis, the Group identifies whether it is an asset that contains a significant credit risk at the time of (initial) recognition, i.e. whether it is classified as a "POCI asset". POCI assets are recognized at fair value at the time of acquisition. For POCI assets, the effective interest rate modified for credit risks ("CRAEIR") is calculated. CRAEIR is a rate that discounts all expected cash flows, adjusted for expected credit losses, to fair value at the time of (initial) recognition, and which also represents the amortized cost of the instrument at that time.

The initial recognition of financial assets related to debt securities, bank deposits, reverse repo contracts and loans, and long-term receivables is recorded at fair value (acquisition cost), whereby transaction costs incurred during the investment are attributed to the acquisition cost. As an exception to the previous provision, the initial recognition of the mentioned financial asset, if it is classified at fair value through the profit and loss account, is recorded at fair value (acquisition cost), whereby transaction costs do not constitute the cost of acquisition, but charge the expenses of the accounting period in which they are arose.

#### **/ii/ Subsequent measurement**

Subsequent recognition of transactions related to the holding of financial instruments according to valuation methods is as follows:

- valuation according to the amortised cost method - at amortised cost using the effective interest rate method. Interest income, gains and losses from exchange differences and impairment are recognized in the income statement. Any gain or loss from derecognition is also recognized in the income statement.
- valuation at fair value through profit and loss account - subsequent measurement is at fair value and all net gains and losses, including interest income, dividends and gains and losses from exchange differences are recognized in the income statement.
- valuation at fair value through other comprehensive income for debt securities – subsequent measurement is at fair value. Interest income, calculated using the effective interest method, gains and losses from exchange differences and impairment are recognized in the income statement. Other net gains and losses (changes from fair value) are recognized in other comprehensive income and accumulated in the fair value reserve. Upon derecognition, gains and losses accumulated in other comprehensive income are reclassified to profit or loss.
- valuation at fair value through other comprehensive income for equity securities - subsequent measurement is at fair value. Dividends are recognized as income in the profit and loss account when

the Group's right to dividend payment is established. Other net gains and losses are recognized in other comprehensive income and are never reclassified to profit or loss. After derecognition, cumulative gains and losses recognized in other comprehensive income are transferred to retained earnings.

In the case of POCl assets, the CRAEIR calculated at the time of (initial) recognition is used for the calculation of interest income on POCl instruments throughout their lifetime and for subsequent determinations of the value of the instrument at amortized cost. For POCl assets, when calculating interest income, CRAEIR is applied to the amortized cost of POCl assets (net book value).

#### Principles of fair value measurement

Fair value is the price that can be realised on the measurement date by selling an asset or paying for the transfer of a liability in a regular transaction on the primary market, or, if such a market does not exist, on the most favorable market accessible on that date. The fair value of the liability reflects the risk of default. When available, the fair value of the instrument is based on a quoted price in an active market. A market is considered active if transactions related to assets or liabilities occur frequently enough and in sufficient volume to provide constant information on quoted prices.

The fair value of financial assets and liabilities at fair value through profit or loss and financial assets through other comprehensive income is:

- their value determined on the basis of (non-adjusted) prices quoted on the active market for identical assets or liabilities on the reporting date (Level 1),
- If the market for financial assets or liabilities is not active (and for securities that are not listed) or if, for other reasons, the fair value cannot be reliably determined based on the market price, the Group determines the fair value based on the price for similar assets or on the basis of other inputs which are observable and not related to quoted prices, such as interest rates and yield curves available at regular intervals, credit spreads, etc. (Level 2),
- When neither of the above is available, the Group applies various valuation techniques that use all relevant information and inputs that can help estimate fair value (Level 3) such as the discounted cash flow method, the comparable company method, etc.

When applying the discounted cash flow method, the estimated future cash flows are based on the best estimate of the management, and the discount rate is the market rate valid on the reporting date for financial instruments with similar terms.

#### **/iii/ Impairment of financial assets - calculation and recognition of expected credit losses**

Expected credit losses related to a particular instrument are estimated on the basis of expected future cash flows (based on principal, interest, fees and commissions) related to the contract, including the amounts that may arise from the realization of the relevant collateral. All expected cash flows are reduced to present value by discounting at the relevant effective interest rate. The calculation of expected credit losses depends on the estimated assumed credit risk and on the change in credit risk arising from the moment of the initial assessment, i.e. from the initial recognition.

For each reporting date, the Group recognizes impairment provisions for expected credit losses ("ECL") for debt financial instruments classified as AC or FVOCI.

Group measures the expected credit losses of a financial instrument in a way that reflects:

- an unbiased and probabilistically determined amount based on an assessment of the range of possible outcomes;
- the time value of money and

- reasonable and substantiated information, available at the reporting date without undue cost or effort, about past events, current conditions and forecasts of future economic conditions.

When measuring expected credit losses, the Group does not determine every possible scenario, but takes into account the estimated risk or probability of credit loss in possible scenarios of changes in macroeconomic conditions.

In simplified terms, expected credit losses are calculated as the product of the probability of default ("PD"), loss given default ("LGD") and exposure at default ("EaD"). Default status is considered to have occurred when one or both circumstances have occurred: the improbability of payment by the debtor, when the Group considers that the payment of existing loan obligations in full by the debtor is unlikely to be without the realization of collateral and when there has been a materially significant delay in payment, i.e. the debtor is late with the payment of due obligations towards the Group for more than 90 days.

Probability-weighted scenarios- expected credit losses are modeled by several forward-looking scenarios, which take into account the probability of occurrence of "stressful" and favorable economic conditions, so that the resulting value of the ECL represents a probable-weighted number based on the results of several analyzed economic scenarios within which credit risk parameters are modeled.

The appropriate selection of a set of representative economic scenarios based on the impartial and objective information available to the Group, as well as the probability of a particular (representative) economic scenario, is determined by the relevant organizational units of the Group by the expert method.

There are 3 credit risk groups for debt financial assets:

- Stage 1 – the first level of credit risk, i.e. the level of the lowest risk initially assigned to all new exposures, except in the case of POCI instruments. If, after initial recognition, the credit risk of a financial instrument has not significantly increased by the reporting date, the amount of provisions for impairment for that financial instrument is equal to the expected credit losses in the twelve-month period, whereby the one-year probability of default (PD) of the observed issuer is taken into account for the calculation and the total possible loss given default (LGD).
- Stage 2 – if after initial recognition until the reporting date there was a significant increase in the credit risk of a financial instrument, the amount of provisions for impairment for that financial instrument is equal to the lifetime expected credit losses for the entire period, taking into account the cumulative probability of default of the observed issuer (cumulative PD) and total possible loss given default (LGD).
- Stage 3 – the third level of credit risk assigned to individual credit exposures for which the status of default has been established from the moment of initial recognition. For all credit exposures where default status has been identified, the lifetime expected credit loss is calculated, taking into account the observed issuer's probability of default (PD), which is 100%, and the total possible loss given default (LGD).

Changes in the total calculated ECL within the reporting periods are shown through the profit and loss account. Any change in the fair value of a debt instrument includes the effect of a change in the credit risk of the issuer of that financial instrument. For all debt instruments that are measured at fair value through other comprehensive income, it is necessary to estimate and report value adjustments, i.e. provisions for expected credit losses. All changes in the amount of provisions for expected credit losses are recognized in the profit and loss account, and the book value of financial assets at fair value through other comprehensive income in the statement of financial position is not reduced, but an increase in the revaluation reserve in equity is recognized since the amount of value adjustments in the name of expected credit losses, already included in the cumulative amount of the change in fair value, also shown in other comprehensive income. Changes in

fair value that were previously recognized in other comprehensive income are recycled in full to the income statement after the derecognition of the debt instrument.

If Group identified increased credit risk during initial classification, financial instrument is classified as POCI – credit-impaired instrument (purchased or originated credit-impaired instrument, i.e. purchased or originated credit-impaired asset). For POCI assets, the Group recognizes in the reporting period only the cumulative change in expected credit losses over the entire life of the financial asset compared to initial recognition. If there is a positive change in the expected credit losses in relation to the initially determined expected credit losses, the Group recognizes a reversal of impairment loss, even if the expected credit losses during the lifetime are lower than the amount of expected credit losses that were included in the estimated cash flows, while in the event of a negative change in expected credit losses in relation to the initially determined expected credit losses, impairment provisions are formed.

For financial assets classified as Stage 1 and Stage 2, interest income is calculated using the effective interest rate on the gross book value, while for financial assets classified as Stage 3, interest income is calculated using the effective interest rate on the net book value, i.e. to the value minus the expected credit risk.

**/iv/ Reclassification of financial instruments**

Reclassification of financial instruments is possible if and only if the business model is changed for the purpose of managing the financial assets in question. Such changes are expected to be very rare. Such changes must be significant for the business and must be able to be proven by a sequence of external and internal changes.

If the Group reclassifies financial assets, it is obliged to apply the reclassification prospectively from the date of reclassification, which means that it will not revise previously recognized gains, losses (including impairments) and interests.

**/v/ Specific instruments and financial liabilities**

Derivative financial instruments

As part of its regular operations, the Group concludes contracts on derivative financial instruments for the purpose of managing risk (contribution to risk reduction) or to facilitate efficient portfolio management. Therefore, these financial instruments are classified as Financial assets or liabilities held for trading – at fair value through profit and loss - derivatives.

Increase / decrease in fair value is recognized as an asset if their fair value is positive and liabilities if their fair value is negative and changes in fair value of derivatives are included in profit or loss i.e. in Net investment income.

Other financial liabilities include all financial liabilities that are not allocated to the fair value category through profit and loss account.

Obligations for preferred shares - a preferred share with the feature of mandatory payment by the issuer for a precisely determined or determinable amount, on a determined or determinable future date, or which gives the holder the right to demand payment by the issuer on or after a specified date, for a precisely determined or determinable amount, represents a financial obligation.

The Group classifies preferred shares as financial liabilities and values them at amortized cost.

Other financial liabilities at amortized cost except lease liabilities (loan liabilities, repo liabilities, etc.) – are measured at amortized cost using the effective interest rate method. Interest expenses and gains and losses from exchange differences are recognized in the income statement. Gain or loss on derecognition is also recognized in the income statement.

**/vi/ Offsetting of financial instruments**

Financial assets and liabilities are offset and presented in the financial statement on a net basis when there is a legally enforceable right to offset the recognised amounts and an intention to settle on a net basis, or the acquisition of assets and settlement of liabilities take place simultaneously.

**/vii/ Derecognition of financial assets and financial liabilities**

Derecognition of asset finance occurs when the contractual right to receive cash flows from the financial asset or its sale expires, which means that the Group essentially transfers all the risks and benefits of ownership to another business entity or when the rights have been realised, transferred or expired.

Similar as with financial liability, the Group ceases to recognize a financial liability (or part of a financial liability) from its statement of financial position only when it is settled, that is, when the contractual obligation is fulfilled, canceled or when it expires.

At the moment of sale or other derecognition of financial assets, all realised gains or losses for the period are reported in the income statement.

An exception is the sale of equity instruments for which the OCI option was selected during initial recognition, or which are classified as FVOCI. In the case of the sale of these equity instruments, all realised gains and losses resulting from gains on the value (price) as well as all effects arising from exchange rate differences are recognized in retained earnings, not in the current period's income statement.

In the case of a financial liability, the difference between the carrying amount of the financial liability (or part of the financial liability) that is settled or transferred to another party and the consideration paid, including any non-monetary assets transferred or liabilities assumed, is recognized in the income statement.

Upon derecognition, previously recognized financial assets and liabilities are removed from the Group's financial position statement.

*Accounting policies applicable until 31.12.2022.:*

**/i/ Classification and recognition**

The Group classifies its financial instruments into the following categories: financial assets and financial liabilities at fair value through profit or loss, loans and receivables, available-for-sale financial assets, held-to-maturity investments and other financial liabilities. The classification depends on the purpose for which the financial assets and liabilities were acquired.

The Management Board determines the classification of financial assets and financial liabilities at initial recognition and, where appropriate, re-evaluates this designation at each reporting date.

**Financial assets and financial liabilities at fair value through profit or loss**

Financial assets and financial liabilities at fair value through profit or loss are those that are classified as assets and liabilities held for trading or those that the Group initially classified as at fair value through profit or loss.

Trading assets and liabilities are those assets and liabilities that the Group acquires or incurs principally for the purpose of selling or repurchasing in the near term or holds as a part of a portfolio that is managed together for short-term profit or position taking as well as for the purpose of hedging (derivatives financial instruments).

The Group designates financial assets and liabilities at fair value through profit or loss when either:

- the assets and liabilities are managed, evaluated and reported internally on a fair value basis;
- the designation eliminates or significantly reduces an accounting mismatch which would otherwise arise; or
- the asset or liability contains an embedded derivative that significantly modifies the cash flows that would otherwise be required under the contract.

Financial assets at fair value through profit or loss is included in debt and equity securities, investments funds and other financial assets held for trading. Derivatives are classified as assets held for trading. The Group does not use hedge accounting.

#### **Loans and receivables**

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market, other than those:

- that the entity intends to sell immediately or in a short period of time and that will be classified as financial assets held for trading, and that which the Management classifies at initial recognition as assets at fair value through profit or loss;
- that the entity, upon initial recognition, classifies as available for sale; or
- for which it is unlikely that the entity will recover the larger portion of the initial investment value, except in the case of credit rating deterioration, and which will be classified as available for sale.

Loans and receivables are created when the Group approves financial resources to clients without the intention to trade in such receivables, and they include deposits with credit institutions, loans secured mostly by mortgages and loans given to the insured parties from mathematical provisions for life insurance, secured by life insurance policies.

#### **Held-to-maturity financial assets**

Held-to-maturity financial assets are non-derivative financial assets with fixed or determinable payments and fixed maturity that an entity has the positive intention and ability to hold to maturity and are quoted in an active market. Held-to-maturity investments include state and corporate bonds with fixed income.

#### **Available-for-sale financial assets**

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. Financial assets designated as available for sale are intended to be held for an indefinite period of time, but may be sold in response to needs for liquidity or changes in interest rates, foreign exchange rates, or equity prices.

#### **Other financial liabilities**

Other financial liabilities include all financial liabilities that are not classified in the category at fair value through profit or loss (preference shares) and derivative financial instruments at fair value through profit or loss (Note 2.17 /iv/).

#### **/ii/ Recognition and derecognition**

Regular way purchases and sales of financial assets at fair value through profit or loss, held-to-maturity investments and available-for-sale financial assets are recognised on the trading date, that is, the date on which the Group commits to purchasing or selling the instrument. Loans and receivables as well as financial liabilities are initially recognized on the date of occurrence, that is, on the day they are advanced to borrowers or received from lenders.

The Group derecognises financial assets (in full or in part) when the contractual rights to receive cash flows from the financial asset have expired or when it loses control over the contractual rights to such financial assets. This occurs when the Group essentially transfers all risks and benefits to another business entity, or when the rights are exercised, surrendered or expired.

The Group derecognises financial liabilities only when are extinguished, that is, when they are discharged, cancelled or expired, or when they are transferred. Should the terms of financial liabilities substantially change, the Group shall derecognise that particular liability and at the same time recognise a new financial liability, with new terms.



### **Initial and subsequent measurement**

Financial assets and liabilities are recognised initially at their fair value plus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

After initial recognition, the Group measures financial instruments at fair value through profit or loss, and available-for-sale financial assets at their fair value, without any deduction for selling costs.

For financial instruments traded in active markets, the determination of fair values of financial assets and financial liabilities is based on quoted market prices. This includes listed equity securities and quoted debt instruments on official stock exchanges.

For all other financial instruments, fair value is determined using valuation techniques. In these techniques, fair values are estimated from observable financial information based on which value is determined using the discounted cash flow method and/or the method of comparable companies and transactions.

In cases where the fair value of unlisted equity instruments cannot be determined reliably, the instruments are carried at cost.

Loans and receivables and held-to-maturity investments are measured at amortised cost net of impairment. Financial liabilities not classified at fair value through profit or loss are measured at amortised cost. Premiums and discounts, including initial transaction costs, are included in the carrying amount of the associated instrument and amortized using the effective interest rate of that instrument.

### **Gains and losses**

Gains and losses arising from a change in the fair value of financial assets or financial liabilities at fair value through profit or loss are recognised in profit or loss.

Gains and losses arising from changes in the fair value of available-for-sale monetary assets are recognised in other comprehensive income. Impairment losses, foreign exchange gains and losses, interest income and amortisation of premium or discount using the effective interest method on available-for-sale monetary assets are recognised in profit or loss. Foreign exchange differences resulting from revaluation of non-monetary financial assets denominated in or linked to foreign currency that are classified as available for sale are recognised within other comprehensive income, along with all other changes in their fair value, whereas income earned from dividends is recognised through profit or loss. Upon sale or other derecognition of available-for-sale financial assets, all cumulative gains or losses are transferred from other comprehensive income to profit or loss.

Gains and losses on financial instruments carried at amortised cost may also arise, and are recognised in profit or loss, when a financial instrument is derecognized or when its value is impaired.

Apart from gains and losses arising from the change in fair value of available-for-sale financial assets which are recognized in other comprehensive income, as described above, all other gains and losses and interest are recognised in profit or loss in line items "Net investment income".

### **Fair value measurement principles**

The fair value of financial assets and liabilities at fair value through profit or loss and financial assets available for sale is their quoted market price at the reporting date without any deduction for estimated future costs to sell. If the financial assets market (including the unlisted securities market) is not active, or if, for any other reason the fair value cannot be reliably measured on the basis of the market price, the Group determines the fair value based on observable prices (prices of similar or identical items), and when this is not available, it applies various estimation techniques that use all relevant information and inputs that can help in estimating the fair value. This includes the use of prices attained in recent transactions between knowledgeable and willing parties, reference to other essentially similar instruments, discounted cash flow analysis and option

pricing models, maximising the use of observable market data and relying as little as possible on entity-specific estimates.

Where discounted cash flow techniques are used, estimated future cash flows are based on the Management Board's best estimates and the discount rate is the market rate effective at the reporting date and used for financial instruments with similar conditions. Where a pricing model is used, the market related rates effective at the reporting date are used.

**/iii/ Impairment of financial assets**

At each reporting date the Group assesses whether there is objective evidence that financial assets not classified as financial assets at fair value through profit or loss are impaired. Financial assets are impaired when objective evidence demonstrates that a loss event has occurred after the initial recognition of the asset, and that the loss event has an impact on the future cash flows of the asset that can be estimated reliably.

The Group considers the evidence of impairment for both a specific asset and at group level. All individually significant financial assets are tested for impairment. All individually significant financial assets where impairment has not been identified are included in the base for testing for impairment on a collective basis for impairment that has occurred but has yet to be identified. Assets that are not individually significant are tested for impairment by grouping together financial assets (presented at amortised cost) on the basis of shared risk characteristics.

Objective evidence of impairment of financial assets (including equity securities) includes default or delinquency by a borrower, restructuring of loans or advances by the Group on terms that the Group would not otherwise consider, indications that a borrower or issuer will enter bankruptcy, or other available data relating to a group of assets, such as adverse changes in the payment status of borrowers or issuers within the group, or economic conditions that are connected with defaults within the group.

For the purposes of assessing impairment at portfolio level, the Group relies on historical experience in terms of loss rates, periods of loss recognition, adjusted for the purposes of the Management Board's assessment as to whether current economic and credit conditions are such that the actual losses may be higher or lower than before. Loss rates and the expected recognition period are reviewed regularly.

Impairment losses on assets carried at amortised cost are measured as the difference between the carrying amount of the financial assets and the present value of estimated cash flows discounted at the assets' original effective interest rate. Losses are recognised through profit or loss and reflected in impairment provisions.

In the case of equity investments classified as available for sale, a significant or prolonged decline in the fair value of the investment below its cost is considered as an indicator of impairment. If any such evidence exists for available-for-sale financial assets, the cumulative loss, calculated as the difference between the cost and current fair value, less any loss on impairment of that financial asset that was previously recognised in profit or loss, is transferred from other comprehensive income and recognised in profit or loss. Impairment losses recognised in profit or loss on equity securities cannot be subsequently reversed through profit or loss, but all value increases are recognised in other comprehensive income until the final sale.

If a subsequent event results in the decrease in the amount of impairment loss for financial assets that are presented at amortised cost and for debt securities available for sale, the previously recognised impairment loss is reversed and recognised through profit or loss. Changes in the amount of impairment related to the time value of money are recognised as a component of interest income.

**/iv/ Specific instruments**

**Debt securities**

Debt securities are classified as held-to-maturity investments or financial assets at fair value through profit or loss, or as financial assets available for sale, depending on the purpose for which the debt security has been acquired.

#### Loans and advances to banks

Deposits with banks are classified as loans and receivables and valued at amortised cost less impairment losses.

#### Equity securities

Equity securities are classified as assets at fair value through profit or loss or as available-for-sale financial assets and measured at fair value, unless it is impossible to reliably establish the fair value (as described above) when they are measured at cost.

#### Loans and receivables from policyholders

Loans and receivables from policyholders are presented at amortised cost less impairment to reflect the estimated recoverable amounts.

#### Investments in funds

Investments in open-end investment funds are classified as financial assets at fair value through profit or loss or as financial assets available for sale and they are measured at current fair value.

#### Investments for the account and risk of life insurance policyholders

Investments for the account and risk of life insurance policyholders include investments in unit-linked products and are classified as financial assets at fair value through profit or loss.

#### Derivative financial instruments

As part of its regular operations, the Group concludes contracts on derivative financial instruments for the purpose of managing currency risk and therefore these financial instruments are classified as Financial assets or liabilities held for trading - derivatives. Derivatives of the Group include foreign exchange forward and swap contracts.

Increase / decrease in fair value is recognized as an asset if their fair value is positive and liabilities if their fair value is negative and changes in fair value of derivatives are included in profit or loss i.e. in financial income and expenses.

#### **/iv/ Offsetting of financial instruments**

Financial assets and liabilities are offset and presented in the financial statement on a net basis when there is a legally enforceable right to offset the recognised amounts and an intention to settle on a net basis, or the acquisition of assets and settlement of liabilities take place simultaneously.

#### **2.18. Receivables**

/i/ Receivables from customers and other receivables include receivables from customers for goods sold or services delivered, receivables from the government, card companies, advances, etc.

Receivables from customers are stated at amortized cost less impairment.

Revenue recognition is described in Note 2.8. Revenue recognition.

/ii/ For short-term receivables without significant financial components, the Group applies a simplified approach in accordance with the requirements of IFRS 9 and estimates the value adjustment for the expected lifetime of credit losses from the initial recognition of the receivable (described in chapter 2.17 Financial instruments).

/iii/ Receivables for default interest together with the related income are recognized when the default interest is collected.

/iv/ Prepaid expenses - refers to expenses that relate to future periods and/or are paid in advance (eg rent, insurance premiums, license costs, advertising costs, professional literature costs, etc.) and are recorded as a deferred cost.

#### **2.19. Cash and cash equivalents and short-term deposits**

/i/ Cash consists of balances with banks. Cash equivalents are short-term, high-liquidity investments that can be converted at any time into known amounts of cash and are not exposed to significant changes in value. The carrying amounts of cash and cash equivalents generally approximate their fair value.

/ii/ For the purposes of reporting on cash flows, cash and cash equivalents refer to cash with banks and in hand, as well as deposits with original maturity up to three months.

/iii/ At each reporting date, the Group recognizes loss allowance for expected credit losses, which is described in detail in chapter 2.17 Financial instruments.

#### **2.20. Income tax**

The tax expense represents the sum of the current tax liability and deferred tax.

##### *Current tax*

The current tax liability is based on taxable profit for the year. Taxable profit differs from profit as reported in the statement of comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates enacted or substantively enacted at the end of the reporting period.

##### *Deferred tax*

Deferred tax is the amount for which it is expected that a liability will arise based on the differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences, and deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition, other than in a business combination, of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognized on the basis of revaluation of land and buildings and of financial assets through other comprehensive income and insurance and reinsurance contracts.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax laws that have been enacted or substantively enacted by the end of the reporting period. The calculation of deferred tax liabilities and assets reflects the amount at which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. Deferred tax assets and liabilities are not discounted and are classified as non-current assets and/or liabilities.

*Current and deferred income tax for the period*

Current and deferred tax is recognised as an expense or income in income statement, except when they relate to items credited or debited to other comprehensive income in which case the deferred tax is also recognised in comprehensive income.

**2.21. Capital**

In its financial records the Group records capital categorized as follows: subscribed capital, share premium, fair value reserve, reserves (statutory reserves, legal reserves, other reserves), retained profit and current year profit/(loss).

/i/ Subscribed capital represents the indivisible share capital of the Company, paid in full

/ii/ Revaluation reserve

The revaluation reserve includes profits from the revaluation of properties, net of taxes. The revaluation reserve is transferred directly to retained profit in proportion to the depreciation of the asset.

Up to 31.12.2022., revaluation reserve of available-for-sale financial assets includes unrealised gains and losses from changes in fair value of available-for-sale financial assets, net of impairment and deferred tax.

After 1.1.2023., revaluation reserve of financial assets at fair value through other comprehensive income includes unrealised gains and losses from changes in fair value of financial assets, net of deferred tax.

The revaluation reserve also includes the financial reserve from insurance and reinsurance contracts, net of taxes, which includes the effects of changes in the valuation of assets and liabilities from insurance and reinsurance contracts resulting from a change in the current discount rate compared to the initial one (the so-called "locked-in") discount rate.

/iii/ Allocations to statutory reserves, legal reserves, other reserves and retained profit are regulated by the Decisions of the Company's General Assembly.

/iv/ The current year income is presented according to the balance as at reporting date and it is transferred to the upcoming fiscal year. The utilization or allocation of profit is determined by the Decision of the Company's General Assembly.

**2.22. Insurance contracts**

An insurance contract is contract on the basis of which one party (issuer) assumes a significant insurance risk from the other party (the policyholder) and agrees to pay the policyholder compensation if the policyholder suffers damage due to an uncertain future event (insured event).

The Group is required to make a classification of all insurance contracts and conducts a test to determine whether the Group accepts a significant insurance risk from the policyholder when creating new product.

Certain insurance contracts issued by the Group in which the investor is entitled to and expected to receive, in addition to an amount not subject to the Group's discretion, potentially significant supplemental benefits based on the return of certain pools of investment assets, meet the criteria of a contract with a discretionary participation feature (DPF).

When identifying contracts in the scope of IFRS 17, in some cases the Group will have to assess whether a set or series of contracts should be treated as a single contract and whether embedded derivatives, investment components and goods and services components have to be separated and calculated according to a different standard.

In the Group's life insurance contracts, there are no contracts that contain one or more components whose separation from the basic contract would be required under IFRS 17.

*/i/ Level of aggregation*

Insurance contracts are aggregated into groups for measurement purposes and are determined firstly by identifying insurance portfolios, each comprising contracts subject to similar risks which are managed together. Contracts in different product lines are expected to be in different portfolios. Each portfolio is then divided into groups of contracts for which the recognition and measurement requirements under IFRS 17 apply. Upon initial recognition, The Group divides each portfolio into annual cohorts according to the beginning of the coverage year and each annual cohort is classified into one of the following groups:

- a group of contracts that are onerous upon initial recognition;
- a group of contracts for which, upon initial recognition, there is no significant possibility of becoming onerous subsequently;
- other groups of contracts, if they exist.

After the initial recognition, the classification of the contract in the insurance group is no longer changed. Reinsurance contracts are generally valued individually.

The level of aggregation requirements of IFRS 17 limit the offsetting of gains on groups of profitable contracts, through deferred recognition of contractual service margin ("CSM"), against losses on groups of onerous contracts, which are recognized immediately.

*/ii/ Contract boundaries*

The coverage period represents the contract boundary relevant when applying IFRS 17 requirements because the measurement of a group of contracts includes all of the future cash flows within the boundaries of each contract in that group.

○ Insurance contracts

Cash flows are within the contract boundary if they arise from substantive rights and obligations that exist during the reporting period in which the Group can compel the policyholder to pay premiums or in which the Group has a substantive obligation to provide the policyholder with the insurance contract services. A substantive obligation to provide services ends when:

- the Group has the practical ability to reassess the risks of the particular policyholder and as a result, can set a price or level of benefits that fully reflects those reassessed risks; or
- the Group has the practical ability to reassess the risks of the portfolio that contract contains, and consequently, can set a price or level of benefits that fully reflects the risks of that portfolio, and the pricing of the premiums up to the reassessment date does not take into account risks that relate to periods after the reassessment date.

Groups of issued insurance contracts are initially recognized upon the occurrence of the first of the following events at the beginning of the coverage period:

- coverage start date,
- when the first payment from the policyholder becomes due,
- when the Company determines that a group of insurance contracts becomes onerous.

In the portfolio of life insurance contracts it is not possible to change the terms of the insurance contract in the context of the requirements of IFRS 17.72. Therefore, the only criterion for derecognition of an insurance contract is the expiration or fulfillment of the obligations specified in the contract in accordance with the requirement of IFRS 17.74.

- Reinsurance contracts

For reinsurance contracts, cash flows are within the contract boundary if they arise from substantive rights and obligations that exist during the reporting period in which the Group is compelled to pay amounts to the reinsurer or has a substantive right to receive services from the reinsurer. A substantive right to receive services from the reinsurer ends when the reinsurer:

- has the practical ability to reassess the risks transferred to it and can set a price or level of benefits that fully reflects those reassessed risks; or
- has a substantive right to terminate the coverage.

*/iii/ Initial and subsequent measurement of insurance contracts*

Measurement method depends on the insurance contract characteristics. Below are more detailed individual models.

- *General measurement model – GMM and Variable fee approach – VFA*

At initial recognition, the Group measures the contract group with a general model (General measurement model – GMM). The general model measures the group of insurance contracts at the level of:

(a) total cash flows from the performance of the contract, which include:

- (i) estimates of future cash flows;
- (ii) adjustments to reflect the time value of money and the financial risks associated with future cash flows where financial risks are not included in future cash flow estimates; and
- (iii) adjustment of value for non-financial risk.

(b) the total margin for the service contracted (Contractual service margin – CSM).

The fulfillment cash flows from the group of contracts do not reflect the risk of non-performance of Group's obligations. Estimation of the value of future cash flows is measured as the present value of future gross expenditure (fees and expenses) reduced by the present value of future gross income (gross premium of future periods) taking into account the estimated probabilities of possible outcomes. All cash flows are discounted using risk-free interest rates adjusted to reflect the characteristics of the cash flows and, where applicable, the liquidity characteristics of the contracts.

The risk adjustment for non-financial risk for a group of contracts, determined separately from the other estimates, is the compensation required for uncertainty regarding the amount and timing of the cash flows arising from non-financial risk.

The CSM of a group of contracts represents the unearned profit that the Group will recognize as it provides services under those insurance contracts.

Upon initial recognition of a group of contracts, the group is not onerous if the total of the following is a net inflow:

- (a) cashflows from the fulfillment of contract;
- (b) any cash flows arising from related group of contracts at that date; and
- (c) any amount arising from the derecognition of any assets or liabilities previously recognized for cash flows related to a group of contracts.

In the case of net outflows, the group of contracts constitutes onerous contracts and the net outflow is recognized as a loss in the profit and loss account. The Group determines the loss component of the liability for remaining coverage period for the onerous group by stating the losses displayed in accordance with the above mentioned. The loss component determines the amounts that are recognized in the profit and loss account as reversals of losses under onerous contracts and are, therefore, excluded from income from insurance contracts.

Subsequently, the carrying amount of a insurance contract assets and liabilities (statutory technical provisions of insurance contracts) at each reporting date is the sum of the liability for remaining coverage and the liability for claims incurred. The liability for remaining coverage comprises the fulfilment cash flows that relate to services that will be provided under the contracts in future periods and any remaining CSM at that date or

loss component at that date. The liability for claims incurred includes the fulfilment cash flows for claims incurred and expenses that have not yet been paid, including claims that have been incurred but not yet reported.

The fulfilment cash flows of groups of contracts are measured at the reporting date using current estimates of future cash flows, current discount rates and current estimates of the risk adjustment for non-financial risk. Changes in fulfilment cash flows are recognized as follows:

Changes related to future services	<i>Adjusted against the CSM (or recognized in the insurance service result in profit or loss if the group is onerous)</i>
Changes related to current or past services	<i>Recognized in the insurance service result in profit or loss</i>
Effects of time value of money, financial risk and changes on estimated future cash flows	<i>Recognized as part of net financial income or expense from the insurance contract</i>

The CSM is adjusted subsequently only for changes in fulfilment cash flows that relate to future services and other specified amounts and is recognized in profit or loss account as services are provided. The CSM at each reporting date represents the profit in the group of contracts that has not yet been recognized in profit or loss account because it relates to future service.

Regarding life insurance reinsurance contracts, the Group applies the same accounting policies as for the measurement of a group of insurance contracts.

Cash flows from acquisition costs arise from the activities of sales and underwriting of a group of contracts that are directly attributable to the portfolio of contracts to which the group belongs. For life insurance contracts, cash flows from insurance acquisition are allocated to groups of contracts using systematic and rational methods. The Group applies the above model for life insurance contracts and loan insurance contracts in the non-life insurance segment.

A variation of the general measurement model, called the "variable fee approach", is also envisaged, which shall be applied to certain life insurance contracts in which the owners of insurance policies participate in the change in the fair value of the specific items defined by the relevant insurance contracts. Application of this model is mandatory if certain criterias are met. Reinsurance contracts cannot have the characteristics of direct participation. It is considered that insurance contracts with features of direct participation essentially create a liability to the policyholders in an amount equal to the fair value of the underlying investments less the variable service fee. This fee is equal to the amount of the Group's share in the fair value of underlying investments less fulfilment cash flows that do not vary based on the returns on underlying investments.

Insurance contracts with direct participation features are insurance contracts that are essentially investment-related service contracts under which the entity promises a return on investment based on the related investments. Therefore, they are defined as insurance contracts for which the following applies:

- it is established in the contractual conditions that the policyholder participates in a part of a clearly defined set of related investments;
- the Group expects to pay the policyholder an amount equal to a substantial share of the recovery of the fair value of the related investments; and
- the Group expects that a significant proportion of any changes in amounts payable to the policyholder will change based on changes in the fair value of the related investments.

The Group assesses whether the specified conditions are met when concluding the contract and does not re-evaluate these conditions later, unless the contract is amended. IFRS 17 specifies how CSM is adjusted in subsequent measurements, i.e. at the end of the reporting period. This adjustment differs from GMM method because it requires additional adjustments for changes in the amount of the Group's share in underlying investments and financial risks other than those arising from related investments, for example the effect of financial guarantees.



○ *Premium allocation approach – PAA*

The Premium allocation approach (PAA) is a simplified measurement model in IFRS 17 that is available for insurance and reinsurance contracts for which the Group reasonably expects that such simplification would produce a measurement of the liability for remaining coverage for the group that would not differ materially from GMM measurement or the coverage period of each contract in the group is one year or less.

The Group applies PAA to all contracts in the non-life insurance segment, except loan insurance to which the general measurement model as described in the life insurance section is applied, as the following criteria are expected to be met at initial recognition:

- Insurance contracts and disproportionate reinsurance contracts: the coverage of each contract in the group of contracts is one year or less.
- Reinsurance contracts containing related risks: the result of measuring assets for the remaining coverage does not differ significantly from the results obtained of the application of the general measurement model.

Upon initial recognition of each group of non-life insurance contracts, the carrying amount of the liability for remaining coverage is measured on the premiums received upon initial recognition. The Group recognizes the cash flows from the acquisition of insurance as an expense when they arise, except for commission costs, which are accrued for the duration of the insurance contract and recognized based on the passage of time. Subsequently, the carrying amount of the liability for remaining coverage is increased by any further premiums received and decreased by the amount recognized as insurance revenue for services provided and decreases by the paid commission and increased by the amortized part of the commission. The time between providing each part of the services and the related premium due date will not exceed one year. Accordingly, as permitted by IFRS 17, the Group does not adjust the liability for remaining coverage to reflect the time value of money and the effect of financial risk.

If at any time before and during the coverage period, facts and circumstances indicate that a group of contracts is onerous, then the Group recognizes a loss in profit or loss account and increases the liability for remaining coverage to the extent that the current estimates of the fulfilment cash flows that relate to remaining coverage exceed the carrying amount of the liability for remaining coverage. In that case, the fulfilment cash flows are discounted.

The Group recognizes the liability for incurred claims of a group of contracts at the amount of the fulfilment cash flows relating to incurred claims and the future cash flows are discounted.

The Group applies the same accounting policies to measure a group of reinsurance contracts, adapted where necessary to reflect features that differ from those of insurance contracts.

*/vi/ Measurement - significant judgments and estimates*

○ *Estimates of future cash flows*

In estimating future cash flows, the Group includes in an unbiased manner all reasonable and reliable data available without undue cost and effort regarding the amount, timing and uncertainty of those future cash flows at the reporting date. This information includes both internal and external historical data about claims and other experiential data, updated to reflect current expectations of future events.

The estimates of future cash flows reflect the Group's view of current conditions at the reporting date, as long as the estimates of any relevant market variables are consistent with observable market prices.

When estimating future cash flows, the Group takes into account current expectations of future events that might affect those cash flows. However, expectations of future changes in legislation that would change or annul a present obligation or create new obligations under existing contracts are not taken into account until the change in legislation is substantively enacted.

Cash flows within the contract boundary are those that relate directly to the fulfilment of the contract, including those for which the Group has discretion over the amount or timing. This includes premiums (including policyholders' premium adjustments and installment premiums and any additional cash flows resulting from these premiums), payments to (or on behalf of) the policyholder, cash flows from the

acquisition of insurance and other costs incurred in performing the contract. Insurance acquisition cash flows and other costs that are incurred in fulfilling contracts comprise both direct costs and an allocation of fixed and variable overheads which can be directly attributed to the execution of the insurance contract (i.e. Attributable costs).

Cost cash flows are distributed into groups of contracts using systematic and meaningful methods that are consistently applied to all costs with similar characteristics. A significant part of direct administrative costs are directly allocated to life and non-life insurance segments. Administrative costs that cannot be directly allocated to life or non-life insurance are allocated by the Group on the basis of an analysis of the time spent of administrative employees on activities related to life and non-life insurance. The allocation of these costs within a particular segment to the associated insurance groups is carried out on the basis of a share of the annual insurance income. Further allocation of non-life insurance contracts costs to non-life insurance groups is carried out on the basis of estimates of the share in insurance income in the past period of the current accounting year. For life insurance contracts, the further allocation of costs to the insurance groups is based on the number of active policies in the accounting period.

Other non-attributable expenses are not allocated to groups of insurance contracts and are reported in the financial statements separately from the technical result items, i.e. results from the insurance contract.

- Discount rates

The Group sets discount rates with the so-called Bottom-up approach, creating a risk-free interest curve using market yields of government bonds as well as the market yields of other highly liquid financial instruments in the corresponding currency, with the application of credit risk correction and EIOPA methodology for extrapolation. To reflect the liquidity characteristics of insurance contracts, risk-free interest curves can be further adjusted by illiquidity adjustment, if needed. The discount rates used on the date of initial recognition (so-called "locked-in") are determined as the average of the discount rates at the end of the months within the accounting period in which new contracts enter the group of insurance contracts.

The Group measures life insurance obligations by discounting future cash flows (cash flows from the execution of life insurance group contracts) with the application of current discount rates at the appropriate measurement date. The current discount rates are also used for the margin for the contractual obligation and the loss component of the VFA method. Locked-in discount rates are used for the margin for contractual obligations and for the loss component of the GMM method and for coverage units.

The Group discounts cash flows of non-life insurance contracts measured in accordance with the general measurement model (loan insurance). For all other contracts, for which the premium distribution model – PAA applies, cash flows from the performance of contracts relating to claims incurred are also discounted. Applicable discount rates are determined in accordance with the methodology described earlier.

- Adjustment of value for non-financial risk

Risk adjustments for non-financial risk is determined to reflect the compensation that the Group requires for bearing non-financial risk and its level of risk aversion. They are determined separately for the life and non-life contracts.

The adjustment of value for non-financial risk is determined using the following techniques:

- for measurement of the adjustment of value for non-financial risk in non-life insurances two methods are used: the quantum method and the cost of capital method, where the choice of the method depends on the availability of data and the stability of the results of statistical calculations of a particular portfolio; exceptionally, due to the nature of the risk, a method based on shock scenarios can also be used for liabilities for annuity claims. The confidence level of the adjustment for non-financial risk for the non-life insurance segment is 80%, and it was calculated from the net cash flows for claims using the copula method.
- for life insurance contracts: The calculation of the value correction for non-financial risk for life insurance is based on shock scenarios with explicit margins. These margins are derived on the basis of the corresponding shocks from the life insurance risk submodules defined in Solvency II. The shocks calibrated by EIOPA in Solvency II were adjusted to the requirements of IFRS 17 and the target

confidence interval. The confidence level of the adjustment for non-financial risk for the life insurance segment is 80%, and it was calculated on the basis of the correlation matrix and individual confidence levels.

○ *CSM - Contractual Service Margin*

The CSM of a group of contracts is recognized in profit or loss account to reflect the services provided under the group of insurance contracts in that period. This amount is determined by identifying the coverage units in the group of contracts, evenly distributing the CSM at the end of the period (before any allocation) to each coverage unit insured in the current period and expected to be insured in the future, and recognized in the profit and loss account the amount of the units allocated to the coverage units insured in that period. The number of coverage units is the measure of quantity of services provided by a group of contracts, taking into account for each contract the quantity of benefits provided and the expected coverage period.

If there is a loss component instead of a contractual service margin, the Group allocates the following items between the loss component and the remain reserve for residual coverage:

- Expected insurance claims and administration costs in the period
- Change in risk adjustment in the period.

Allocations are made based on the ratio of the loss component and the cash flows from the fulfillment of the insurance contract, which refer to the expected future cash outflows.

*/v/ Presentation and disclosure*

Amounts recognized in the profit or loss statement are disaggregated into:

- an insurance service result, comprising insurance revenue and insurance service expenses; and
- net financial income or expense from insurance contracts.

The amounts from the reinsurance contract are reported separately.

○ *Insurance service result*

For contracts that are not measured using PAA, the revenue from the insurance contract for each year represents changes in liabilities for the remaining coverage relating to the services the Group expects to receive compensation from and the distribution of part of the premiums related to the return of cash flows from obtaining insurance. For contracts measured using PAA, the income from the insurance contract is recognized on the basis of the passage of time or based on the expected dynamics of service provided. Expenses that relate directly to the fulfilment of contracts are recognized in profit or loss account as insurance service expenses, when they are incurred. Expenses that do not relate directly to the fulfilment of contracts are presented outside the insurance service result.

Investment components are not included in insurance revenue and insurance service expenses according to IFRS 17. The Group identifies the investment component of a contract by determining the amount required to repay to the policyholder in all scenarios with commercial substance. These include circumstances in which an insured event occurs or the contract matures or is terminated without an insured event occurring. The Group has established an investment component in the amount of the redemption value for all life insurance contracts with a savings component. The Group separates changes in the adjustment for non-financial risk between results from insurance contracts and net financial income or expenses from insurance contracts. All changes in the allowance for non-financial risk that are recognized in the income statement are included in the result from the insurance contract.

○ *Insurance finance income and expense*

Changes in the carrying amounts of groups of contracts arising from the effects of the time value of money, financial risk and changes therein are generally presented as insurance finance income or expenses. They include changes in the measurement of groups of contracts caused by changes in the value of underlying items.

For most insurance and reinsurance contracts, the Group is using the option of recognizing a change in the value of liabilities and assets from insurance and reinsurance contracts based on the current discount rates in relation to the initial (so-called "locked-in") discount rate in other comprehensive income and accordingly separates net financial income or expenses from the insurance contract to the aforementioned part to be recognized in other comprehensive income and the part that is recognized through profit and loss account as release of the discount effect. Insurance contracts that are assets and those which are liabilities, and reinsurance contracts that are assets and those which are liabilities, are presented separately in the statement of financial position as assets from insurance or reinsurance contracts and as liabilities from insurance or reinsurance contracts.

### **2.23. Accounts payables and other liabilities**

/i/ Accounts payable and other liabilities are recognized when the Group has a present obligation arising from past events and is expected to sample an outflow of economic resources. The Group recognizes liabilities at amortized cost.

/ii/ Liabilities for claims and contracted insurance amounts - refers to liabilities for liquidated claims that are recognized upon claim liquidation, i.e. when the amount that will be paid to settle the claim is determined.

/iii/ Liabilities for contributions - regarding to defined contribution plans, the Group pays contributions to state pension and health insurance funds in accordance with legal regulations or at its own discretion. The Group's obligation ends when the contributions are settled. Contributions are recognized as an expense in the income statement as incurred.

/iv/ Liabilities to the guarantee fund - The Group makes monthly payments to the guarantee fund of the Croatian Insurance Bureau for the settlement of claims for damages caused by uninsured and unknown vehicles. The monthly fee is determined according to the share of collected insurance premium or the number of risks in certain type of compulsory insurance in the year to which the contribution relates.

/v/ Accrued expenses and deferred income of the future period includes the calculated costs for the delivery of goods and services performed by the balance sheet date, if no invoice or other documentation necessary for recording a business event has been submitted for the same, and deferred income that is recognized when it is not possible to recognize income in the statement of comprehensive income since not all conditions for revenue recognition have been met.

/vi/ Other liabilities pertain to liabilities toward domestic suppliers, liabilities for advances received, liabilities to employees, commission liabilities etc.

### **2.24. Employee benefits and pension plans**

#### *Pension obligations*

For defined contribution plans, the Group pays contributions to state-owned pension and health insurance funds, in accordance with legal requirements or individual choice. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as an expense in profit or loss as they occur.

#### *Short-term employee benefits*

Short-term employee benefits are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under the short-term cash bonus or profit-sharing plans if the Group has a present legal obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

#### *Other employee benefits*

Liabilities based on other long-term employee benefits, such as jubilee awards and termination benefits at retirement, are recorded as the net present value of the liability for defined benefits at the balance sheet date. Provisions for employee benefits for long-term employment and retirement (regular jubilee awards and termination benefits) are determined in such a manner that in each year of work, the present value of the proportional part of the expected amount of regular jubilee rewards and termination benefit depends on the total time remaining until the jubilee award is paid, less expected employee turnover. The discount rate applied is the yield on the respective bonds. The discounted future cash flow method is used for the calculation of the present value of the liability.

#### *Termination benefits*

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits, The Group recognises termination benefits at the earlier of the following dates:

(a) when the Group can no longer withdraw the offer of those benefits and

(b) when the entity recognises costs for a restructuring that is within the scope of IAS 37 and involves the payment of termination benefits.

In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer.

#### **2.25. Provisions**

Provisions are recognised when the Group has a present obligation as a result of a past event, it is more likely than not that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are reviewed at each balance sheet date and adjusted to reflect the best current estimate.

Provisions are determined for costs of legal disputes and costs of employee benefits for the number of years of service and retirement (regular jubilee awards and termination benefits) and stimulation termination benefits as part of the redundancy plan.

#### **2.26. Impairment of non-financial assets**

The net book value of the Group's assets, other than financial assets (see Note 2.17 - "Financial instruments") and income tax (see Note 2.20 - "Income tax"), are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount of the asset is estimated. For intangible assets with no finite useful life (the Group had no such assets on the date of reporting) and intangible assets not yet in use, the recoverable amount is estimated at each reporting date.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable asset group that generates cash flows that are largely independent from other assets and groups. Impairment losses are recognised in profit or loss. Exceptionally, the impairment of property measured by using the revaluation model is debited to fair value reserves, if any, and the remaining amount of the impairment after these reserves have been exhausted is recognised in profit or loss for the period.

The recoverable amount of an asset and cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

The value impairment loss recognised in prior periods is assessed on each reporting date in order to establish whether the loss has decreased or no longer exists. Impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of accumulated depreciation or amortisation, if no impairment loss had been recognised.

## **2.27. Contingent liabilities and assets**

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity, or a present obligation that arises from past events but is not recognised because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation, or the amount of the obligation cannot be measured with sufficient reliability.

Contingent liabilities are recognised as a provision in the financial statements when it is more likely than not that there will be a cash outflow. Other contingent liabilities are only disclosed in the notes to the financial statements.

Contingent assets are not recognised in the financial statements, rather they are recognized when an inflow of economic benefits is nearly certain.

## **2.28. Events after the balance sheet date**

Events after the balance sheet date, which provide additional information on the Group's position at the balance sheet date (adjusting events), are reflected in the financial statements. Events that are not adjusting events are disclosed in the notes to the financial statements, if material.

## **2.29. Earnings per share**

Earnings per share are calculated as profit of the period attributable to Company shareholders decreased by dividends of preference shares (in the case of shares classified as equity, not financial liabilities) divided by the weighted average of ordinary shares (without treasury shares). When the parent's separate financial statements and consolidated financial statements are presented, earnings per share are presented only on the basis of the consolidated information.

## **2.30. Segment reporting**

A segment is an integral part of the Company that carries out business activities from which it can earn income or have expenses incurred, including income and expenses relating to transactions with other constituents of the Company, whose business results are regularly reviewed by the chief operating decision maker. Profit before tax is mostly used as performance measure for segment reporting. The review is carried out in order to make decisions about resources to be allocated to a particular segment and to assess its performance, and for which there is separate financial information. Segments of the Group and the Company include the life insurance and non-life insurance segments.

### *Distribution of costs between life and non-life insurance segments*

Investment income, realised and unrealised profits and losses, expenses and compensations arising the funds of an individual segment, are distributed to the segment to whom they relate.

A significant part of direct administrative costs is directly charged to the life and non-life insurance segments. Administrative costs that cannot be directly allocated to life or non-life insurance are allocated by the Group based on an analysis of the time spent by administrative staff on tasks related to life or non-life insurance. The allocation of the mentioned costs within a particular segment to the corresponding insurance portfolios is done on the basis of an estimate of the annual revenue shares. Further allocation of non-life portfolio costs to non-life insurance groups is performed on the basis of estimates of the share in insurance income in the past period of the current accounting year. For life insurance portfolios, the further allocation of costs to the corresponding insurance groups is based on the number of active policies in the accounting period. Commissions are directly posted separately to the life and non-life insurance segments.

### *Allocation of capital, reserves and assets*

Property and equipment, intangible assets and investment property are allocated to the non-life segment, unless directly related to life insurance segment. Financial investments are allocated in accordance with sources of funding. Fair value reserves are allocated according to the source of related financial assets while

legal and other provisions are allocated to each segment based on the results of the related segment. Other receivables and liabilities are allocated to those segments from which they arise.

**2.31. Key sources of estimation uncertainty and critical accounting judgments in applying the Group's accounting policies**

/i/ Impairment losses on financial assets at amortised cost and fair value through other comprehensive income

The need for impairment of assets carried at amortised cost and fair value through other comprehensive income is estimated as described in Note 2.17. Financial instruments. The calculation of expected credit losses requires significant judgments related to the value and recoverability of collateral, future and macroeconomic information. The Group applies a neutral and impartial approach when dealing with uncertainties and when making decisions based on significant estimates.

Expected credit losses ("ECL") related to a specific instrument are estimated based on the expected future cash flows (based on principal, interest, fees and commissions) related to the contract in question, including amounts that may arise from the realization of relevant collateral. All expected cash flows are reduced to present value by discounting at the relevant effective interest rate.

In simplified terms, in most cases expected credit losses are calculated as the product of probability of default (PD), loss given default (LGD) and exposure at default (EaD).

The gross value of financial assets at amortized cost and financial assets at fair value through other comprehensive income and the rate of recognized expected credit loss at the end of the year are listed in the table below. Also, an analysis of the sensitivity to a change in the discount rate by 1 pp (as a result of a change in the expected cash flows and/or the fair value of the insurance instrument) on the gross amount of the assets listed below for the Company and the Group is also listed below:

	<b>Company</b>	<b>Company</b>	<b>Group</b>	<b>Group</b>
	<b>31 Dec 2023</b>	<b>31 Dec 2022</b>	<b>31 Dec 2023</b>	<b>31 Dec 2022</b>
<b>Bonds – at amortized cost</b>				
Gross exposure (EUR 000)	286,351	292,623	303,178	304,829
Reduction rate (%)	0.45%	0.34%	0.45%	0.33%
Sensitivity to a change in the reduction rate 1 pp	(2,864)	(2,926)	(3,032)	(3,048)
<b>Loans</b>				
Gross exposure (EUR 000)	66,628	72,710	29,948	39,064
Reduction rate (%)	15%	20%	34%	37%
Sensitivity to a change in the reduction rate 1 pp	(666)	(727)	(299)	(391)
<b>Deposits</b>				
Gross exposure (EUR 000)	10,149	9,180	73,395	64,161
Reduction rate (%)	3%	1%	1%	0%
Sensitivity to a change in the reduction rate 1 pp	(101)	(92)	(734)	(642)
<b>Cash and cash equivalents</b>				
Gross exposure (EUR 000)	45,293	114,589	66,892	143,097
Reduction rate (%)	0.01%	0%	0.1%	0%
Sensitivity to a change in the reduction rate 1 pp	(453)	(1,146)	(669)	(1,431)

/ii/ Fulfilment cash flows

Estimates of future cash flows

In estimating future cash flows, the Group includes in an unbiased manner all reasonable and reliable data available without undue cost and effort regarding the amount, timing and uncertainty of those future cash

flows at the reporting date. This information includes both internal and external historical data about claims and other experiential data, updated to reflect current expectations of future events.

The estimates of future cash flows reflect the Group's view of current conditions at the reporting date, as long as the estimates of any relevant market variables are consistent with observable market prices.

The Group offers different types of non-life insurance, mainly motor vehicles, property, liability insurance, marine insurance, transport insurance, and accident insurance. The main source of uncertainty affecting the amount and timing of future cash flows arises from the uncertainty of the occurrence of future insured events as well as the uncertainty associated with their amounts. The amount payable under individual claims is limited by the insured amount as established in the insurance policy.

Other significant sources of uncertainty related to non-life insurance result from legislation that entitles policyholders to report a claim before the statute of limitation, which occurs three years from the first notification of the claim, but not later than five years from the beginning of the year after the year of occurrence. This stipulation is particularly important in cases of permanent disability under accident insurance, due to difficulties in estimating the period between the occurrence of the accident and the confirmation of permanent consequences thereof.

The portfolio of non-life insurance does not include products that warrant unlimited coverage, while the maximum amount for which the insurer may be held liable per each policy due to the occurrence of one loss event is always limited by the contractually agreed insured sum. The exception to this rule is motor vehicles liability insurance in the Green Card Insurance System member states that have unlimited coverage. Since legal provisions in motor vehicles liability insurance prescribe the application of insured sums in the state where the damage occurred, this risk cannot be completely avoided, but it can be transferred through appropriate reinsurance contracts.

When estimating future cash flows, the Group takes into account current expectations of future events that might affect those cash flows. However, expectations of future changes in legislation that would change or annul a present obligation or create new obligations under existing contracts are not taken into account until the change in legislation is substantively enacted.

Cash flows within the contract boundary are those that relate directly to the fulfilment of the contract, including those for which the Group has discretion over the amount or timing. This includes premiums (including policyholders' premium adjustments and installment premiums and any additional cash flows resulting from these premiums), payments to (or on behalf of) the policyholder, cash flows from the acquisition of insurance and other costs incurred in performing the contract. Insurance acquisition cash flows and other costs that are incurred in fulfilling contracts comprise both direct costs and an allocation of fixed and variable overheads which can be directly attributed to the execution of the insurance contract (i.e. Attributable costs).

Cost cash flows are distributed into groups of contracts using systematic and meaningful methods that are consistently applied to all costs with similar characteristics. A significant part of direct administrative costs are directly allocated to life and non-life insurance segments. Administrative costs that cannot be directly allocated to life or non-life insurance are allocated by the Group on the basis of an analysis of the time spent of administrative employees on activities related to life and non-life insurance. The allocation of these costs within a particular segment to the associated insurance groups is carried out on the basis of a share of the annual insurance income. Further allocation of non-life insurance contracts costs to non-life insurance groups is carried out on the basis of estimates of the share in insurance income in the past period of the current accounting year. For life insurance contracts, the further allocation of costs to the insurance groups is based on the number of active policies in the accounting period.

Other non-attributable expenses are not allocated to groups of insurance contracts and are reported in the financial statements separately from the technical result items, i.e. results from the insurance contract.



#### Life insurance risks

Assumptions about mortality/longevity, morbidity and policyholder behavior used to estimate future cash flows are developed by product type at the Group member level, reflecting the experience and profile of policyholders within a particular group of insurance contracts.

#### Non-life insurance

On the balance sheet date provisions are created for the estimated final cost of settling all claims resulting from events occurred by that date, whether reported or not, together with relevant costs of processing such claims, decreased by amounts already paid.

The liability for reported but unsettled claims is estimated separately for every individual claim, taking into consideration the circumstances, available information from the claims adjuster and historical evidence of amounts of similar claims. Individual claims are regularly examined and provisions are regularly updated when new information is available. The liability for reported and unliquidated claims is part of the set of input data that is used when determining the total amount of the best estimate of the final cost of settlement of the incurred damages.

Depending on the feature of each insurance type, the Group's portfolio and the form and quality of available data, the best estimate of the final cost settlement of incurred claims are formed using the most appropriate model which is based on deterministic or stochastic methods whose basis is the claims triangle. In order to describe as best as possible future claims development, the selected model may contain one or a combination of several methods.

The calculations are formed according to the homogeneous risk groups.

For long-tail claims, the level of provision greatly depends on the assessment of claims development for which there is historical data until the final development. The residual factor of claims development is prudently assessed by using mathematical methods of curves which serve as projections of observed factors or which are based on actuarial assessment.

The actual method which is used depends on the year of claim occurrence and the observed historical development of claims. To the extent that these methods use historical claim rates, the past pattern of claim rates is assumed to recur in the future. There are reasons for partial fulfilment of the above, so the methods should be modified. Possible reasons may be:

- economic, political and social trends (which cause a different level of inflation than expected);
- changes in the combination of the types of insurance contracts which are acquired;
- random variations, including the effect of major losses,.

#### Discount rates

The Group sets discount rates with the so-called Bottom-up approach, creating a risk-free interest curve using market yields of government bonds as well as the market yields of other highly liquid financial instruments in the corresponding currency, with the application of credit risk correction and EIOPA methodology for extrapolation. To reflect the liquidity characteristics of insurance contracts, risk-free interest curves are further adjusted by illiquidity adjustment.

The Group measures life insurance obligations by discounting future cash flows (cash flows from the execution of life insurance group contracts) with the application of current discount rates at the appropriate measurement date.

The Group discounts cash flows of non-life insurance contracts measured in accordance with the general measurement model (loan insurance). For all other contracts, for which the premium distribution model – PAA applies, cash flows from the performance of contracts relating to claims incurred are also discounted. Applicable discount rates are determined in accordance with the methodology described earlier.

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The tables below show the yield curves used to discount the insurance contract cash flows for the major end-of-period currencies:

<b>Company</b>						
2023	1 year	3 years	5 years	10 years	20 years	
<b>Life insurance contracts</b>						
EUR	3.36%	2.63%	2.61%	2.82%	3.07%	
<b>Non-life insurance contracts</b>						
EUR	3.36%	2.63%	2.61%	2.82%	3.07%	

<b>Group</b>						
2023	1 year	3 years	5 years	10 years	20 years	
<b>Life insurance contracts</b>						
EUR	3.36%	2.63%	2.61%	2.82%	3.07%	
BAM	3.36%	2.44%	2.32%	2.39%	2.41%	
MKD	3.36%	3.64%	3.88%	4.45%	4.86%	
RSD	4.44%	4.49%	4.82%	5.44%	5.40%	
<b>Non-life insurance contracts</b>						
EUR	3.36%	2.63%	2.61%	2.82%	3.07%	
BAM	3.36%	2.44%	2.32%	2.39%	2.41%	
MKD	3.36%	3.64%	3.88%	4.45%	4.86%	
RSD	4.44%	4.49%	4.82%	5.44%	5.40%	

<b>Company</b>						
2022	1 year	3 years	5 years	10 years	20 years	
<b>Life insurance contracts</b>						
HRK	2.49%	3.04%	3.35%	4.15%	4.36%	
<b>Non-life insurance contracts</b>						
HRK	2.49%	3.04%	3.35%	4.15%	4.36%	

<b>Group</b>						
2022	1 year	3 years	5 years	10 years	20 years	
<b>Life insurance contracts</b>						
HRK	2.49%	3.04%	3.35%	4.15%	4.36%	
BAM	3.18%	3.20%	3.13%	3.09%	3.27%	
MKD	3.18%	3.20%	3.26%	3.98%	4.51%	
RSD	4.38%	5.59%	6.12%	6.32%	5.90%	
<b>Non-life insurance contracts</b>						
HRK	2.49%	3.04%	3.35%	4.15%	4.36%	
BAM	3.18%	3.20%	3.13%	3.09%	3.27%	
MKD	3.18%	3.20%	3.26%	3.98%	4.51%	
RSD	4.38%	5.59%	6.12%	6.32%	5.90%	

Adjustment of value for non-financial risk

Risk adjustments for non-financial risk is determined to reflect the compensation that the Group requires for bearing non-financial risk and its level of risk aversion. They are determined separately for the life and non-life contracts.

In accordance with the Group accounting policies, for measurement of the adjustment of values for non-financial risk in non-life insurances two methods are used: the quantum method and the cost of capital method, where the choice of the method depends on the availability of data and the stability of the results of statistical calculations of a particular portfolio and exceptionally, due to the nature of the risk, a method based on shock scenarios can also be used for liabilities for annuity claims. The confidence level of the adjustment for non-financial risk for the non-life insurance segment is 80%, and it was calculated from the net cash flows for claims using the copula method. For life insurance contracts, the calculation of the value correction for non-financial risk for life insurance is based on shock scenarios with explicit margins. These margins are derived on the basis of the corresponding shocks from the life insurance risk submodules defined in Solvency II. The shocks calibrated by EIOPA in Solvency II were adjusted to the requirements of IFRS 17 and the target confidence interval which amounts to 80%.

/ii/ Contractual Service Margin

Identification of the coverage units

The CSM of a group of contracts is recognized in income statement to reflect the services provided under the group of insurance contracts in that period. This amount is determined by identifying the coverage units in the group of contracts, evenly distributing the CSM at the end of the period (before any allocation) to each coverage unit insured in the current period and expected to be insured in the future, and recognized in the profit and loss account the amount of the units allocated to the coverage units insured in that period.

The Group determines the amount of benefits provided by insurance coverage under each contract as follows:

<b>Product</b>	<b>Basis for determining quantity of benefits provided</b>
Profit sharing insurance	Expected sum assured payable on death / survival, i.e. in the case of annuity insurance, expected insured amount of annuity
Other life insurance	Expected sum assured payable on death
Insurance linked to the index and shares in investment funds	The expected sum insured for death resulting from the risk part of the policy
Loan insurance and guarantee insurance	Unearned premium

/iii/ Investments components

Investment components are not included in insurance revenue and insurance service expenses according to IFRS 17. The Group identifies the investment component of a contract by determining the amount required to repay to the policyholder in all scenarios with commercial substance. These include circumstances in which an insured event occurs or the contract matures or is terminated without an insured event occurring. The Group has established an investment component in the amount of the redemption value for all life insurance contracts with a savings component.

/iv/ Fair value of the insurance contract

The Group measured the fair value of insurance contracts when applying the fair value approach during the transition to IFRS 17 (see note 2.3).

/v/ Fair valuation of investment property

Fair valuation of investment property of the Company and the Group is subjective in nature due to individual nature of each property, location and the expected future rental income. The management engages external appraisers to determine the fair value of the property. Fair value techniques, key inputs and sensitivity analysis are presented in Note 2.33 Fair value.

/vi/ Estimation of the useful life of right-of-use assets

We distinguish between lease agreements made for a fixed period, for an indefinite period or for a fixed period with an extension option.

In the case of real property and office leases, the Company and the Group consider each lease contract and evaluate whether it is possible to extend it after its planned completion if it is defined as a fixed term contract or estimate the duration of the lease in case of contract made for indefinite period. The estimated life expectancy is based on historical experience and business plans for the future operations of the Company and the Group.

In case of lease agreements made for fixed period, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option.

During the current financial year, the financial effect of revising lease terms to reflect the effect of exercising extension options was an increase in recognised lease liabilities and right-of-use assets of EUR 318 thousand for the Company and the Group (2022: EUR 170 thousand for the Company and EUR 177 thousand for the Group).

### **2.32. Insurance risk management**

Underwriting risk pertains to the risk that may arise if actual payments of claims and compensations exceed the net book amount of insurance liabilities due to coincidence, error and/or change in circumstances. Underwriting risk includes the risk of the occurrence of a loss event, risk of determining the amount of premium (setting the tariff), the risk of forming provisions and the risk of reinsurance.

Premium risk is present at the moment of issuing the policy, before the insured event occurs. There is a risk that the costs and losses which may occur might be greater than the premiums received. The provision risk represents the risk of having the absolute amount of liabilities from insurance contracts wrongly assessed or of having the actual losses vary around the statistical mean value. Non-life underwriting risk also includes the risk of disaster which arises from highly extraordinary events which are not sufficiently covered by the premium risk or provision risk. Life underwriting risk includes biometrical risk (which involves mortality, longevity, risk of becoming ill or disability risk) and the lapse risk. Lapse risk represents a higher or lower rate of withdrawal from policies, interruptions, changes in capitalization (cessation of payments of premium) and surrender.

The Group manages its underwriting risk through underwriting limits, approval procedures for transactions that involve new products or that exceed set limits, through tariff determination, product design and management of reinsurance. The underwriting strategy aims at diversity which will ensure a balanced portfolio, and which is based on a large portfolio of similar risks for several years, which reduces the variability of results. As a rule, all non-life insurance contracts are concluded on a yearly basis and the policyholders have the right to decline renewal of contract or to change the contract terms upon renewal.

The fair value of financial assets related to contracts with the feature of direct participation (ie unit linked products) is stated in note 18. Financial assets.

The Group transfers a portion of the risk to reinsurance in order to control its exposure to losses and protect capital resources. The Group purchases a combination of proportional and non-proportional reinsurance contracts to reduce the net exposure to a particular risk depending on the type of insurance.

Underwriting risk in the Group is monitored by the actuaries within the scope of their tasks and the Risk Management Department, in agreement with them, takes the indicators in order to include the risks in the risk management process at the overall Group level.

A report on the reliability and adequacy of the statutory technical reserves and the report on the formation and adequacy of the insurance premium are submitted by the appointed certified actuary, while a report on the adequacy of reinsurance program based on which is confirmed adequacy of its own part is submitted by the actuarial function.

#### *Concentration of insurance risk*

A key aspect of underwriting risk is that the Group is exposed to is the degree of underwriting risk concentration which determines the extent to which a particular event or a series of events may affect the Group's liabilities. Such concentrations may arise from a single insurance contract or through a number of related contracts which may result in a similar liability. An important aspect of the insurance risk concentration is that it may arise from the accumulation of risk through different types of insurance.

Concentration risk may arise from events that are not frequent but with considerable consequences such as natural disasters, in situations where the Group is exposed to unexpected changes in trends, for example unexpected changes in human mortality or in policyholder behaviour; or where significant litigation or regulatory risks could cause a large single loss or have a pervasive effect on a large number of contracts.

The concentration of insurance risk after reinsurance, or retrocession in relation to the type of accepted insurance risk (line of business) is shown below with reference to the carrying value of insurance contract (net of reinsurance) arising under the insurance contract:

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	Company	Company	Group	Group
	31 Dec 2023	Restated 31 Dec 2022	31 Dec 2023	Restated 31 Dec 2022
	in EUR'000	in EUR'000	in EUR'000	in EUR'000
Medical expenses insurance	4,160	2,428	6,055	4,056
Income protection insurance	7,789	7,438	9,781	9,409
Workers' compensation insurance	87	86	87	86
Motor vehicle liability insurance	178,245	156,687	225,589	197,111
Other motor insurance	44,628	34,421	50,791	39,441
Marine, aviation and transport insurance	11,419	16,831	11,511	16,831
Fire and other damage to property insurance	33,640	22,534	36,016	24,319
General liability insurance	45,747	41,702	45,911	41,911
Credit and suretyship insurance	(4,944)	(5,238)	2,153	3,388
Legal expenses insurance	122	125	122	125
Assistance	571	499	1,305	1,203
Miscellaneous financial loss insurance	1,797	2,018	1,753	1,925
Non-proportional health reinsurance (non-life)	-	-	-	-
Non-proportional reinsurance casualty	-	-	-	-
Non-proportional marine, aviation and transport reinsurance	-	-	-	-
Non-proportional property reinsurance	1,033	(152)	1,033	(152)
<b>Total non-life insurance</b>	<b>324,294</b>	<b>279,379</b>	<b>392,107</b>	<b>339,653</b>
Health insurance	-	-	-	-
Insurance with profit participation	324,737	330,754	374,233	379,799
Index-linked and unit-linked insurance	18,052	30,085	24,392	35,208
Other life insurance	35	108	3,844	5,322
Health reinsurance	-	-	-	-
Life reinsurance	-	-	-	-
<b>Total life insurance</b>	<b>342,824</b>	<b>360,947</b>	<b>402,469</b>	<b>420,329</b>
<b>Total</b>	<b>667,118</b>	<b>640,326</b>	<b>794,576</b>	<b>759,982</b>

The Management believes that the non-life insurance has no significant exposure to any client group insured by social, professional, generation or similar criteria. The greatest likelihood of significant losses could arise from catastrophic events, such as floods, hail, storms or earthquake damage. The techniques and assumptions that the Group uses to calculate these risks include:

- Measurement of geographical accumulations,
- Assessment of probable maximum losses,
- Contracting reinsurance protection.

For life insurance contracts that cover the death of the insured, there is no significant geographic concentration of risk, although the concentration of the sum at risk can affect the insurance payout ratio at the portfolio level.

*The sensitivity on profit or loss and equity to changes in significant variables regarding insurance and market risk*

Profit or loss and insurance liabilities are mostly sensitive to changes in mortality and morbidity rates of life insurance contracts together with the used interest rates. The table below analyses how profit or loss and total capital would have increased (decreased) if there had been changes in the risk variables that were reasonably possible at the reporting date. This analysis presents sensitivity both before and after risk reduction by reinsurance and assumes that all other variables remain constant.

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Company	Balance as at 31 Dec 2023		Balance as at 31 Dec 2023		Balance as at 31 Dec 2022		Balance as at 31 Dec 2022	
	Profit or loss before taxes		Equity		Profit or loss before taxes		Equity	
	Gross	Net	Gross	Net	Gross	Net	Gross	Net
	in EUR'000	in EUR'000	in EUR'000	in EUR'000	in EUR'000	in EUR'000	in EUR'000	in EUR'000
<b>Life insurance contracts</b>								
Mortality rates +15%	(27)	(27)	(17)	(17)	(463)	(463)	(127)	(127)
Costs rates +10%	(134)	(134)	120	120	(2,739)	(2,739)	399	399
Interest rate + 1%	-	-	14,441	14,441	-	-	13,565	13,565
Interest rate - 1%	-	-	(16,206)	(16,206)	-	-	(16,609)	(16,609)
<b>Group</b>								
Group	Balance as at 31 Dec 2023		Balance as at 31 Dec 2023		Balance as at 31 Dec 2022		Balance as at 31 Dec 2022	
	Profit or loss before taxes		Equity		Profit or loss before taxes		Equity	
	Gross	Net	Gross	Net	Gross	Net	Gross	Net
	in EUR'000	in EUR'000	in EUR'000	in EUR'000	in EUR'000	in EUR'000	in EUR'000	in EUR'000
<b>Life insurance contracts</b>								
Mortality rates +15%	(104)	(104)	(5)	(5)	(687)	(687)	(103)	(103)
Costs rates +10%	(230)	(230)	191	191	(2,894)	(2,894)	473	473
Interest rate + 1%	-	-	18,655	18,655	-	-	17,874	17,874
Interest rate - 1%	-	-	(20,966)	(20,966)	-	-	(21,521)	(21,521)

In non-life insurance variables, which would have the greatest impact on insurance liabilities relate to legal claims from auto insurance liability. Obligations relating to judicial damages are sensitive to legal, judicial, political, economic and social trends. The Management Board believes that it is not practicable to quantify the sensitivity of non-life insurance to changes in these variables.

### 2.33. Financial risk management

The Group's primary objective in financial risk management is to maintain a level of capital which is adequate for the scope and types of insurance it transacts, and with due consideration of the risks it is exposed to. The Management recognizes the importance of having an efficient and effective risk management system.

National competent authorities control the Company's and Group solvency in order to ensure that there is coverage for liabilities arising from possible economic changes or natural disasters.

The Group actively manages its assets by using an approach which balances quality, diversification, harmonization of assets and liabilities, liquidity and return on investments. Management examines and approves portfolios, determines the limits and supervises the process of managing assets and liabilities. Due attention is also given to the compliance with the rules established by the Insurance Act.

Transactions with financial instruments result in the Group assuming financial risks. These risks include market risk, credit risk and liquidity risk. Each of these risks is described below, together with a summary of the methods used by the Group to manage such risks.

#### Market risk

Market risk includes currency risk, interest rate risk and price risk. Market risk is the fluctuation risk of future cash flows' fair value of financial instruments resulting from changes in market prices. The comprehensive system of market risk management is prescribed by a series of internal acts of the Group.

a) Currency risk - the risk of fluctuation of fair value or cash flows under financial instruments resulting from changes in foreign currency exchange rates.

The Group is exposed to the risk of exchange rate fluctuations through its transactions in foreign currencies, with USD being the most important one. The Group is exposed to currency risk through its investments in debt and equity securities, deposits, loans and other investments. The Group manages foreign exchange risk by attempting to reduce the difference between assets and liabilities denominated in foreign currency or with a currency clause. Investments for covering insurance contracts liabilities are mostly denominated in Euro, since most of the insurance contract liabilities are also denominated in Euro. The Group actively uses derivatives in order to hedge against currency risk exposure. On December 31, 2023, the official exchange rate of the euro was 0.937559 euros for 1 US dollar. An analysis of the sensitivity of financial assets and financial liabilities to the exchange rate fluctuations is given below:

Change in USD by 1%	2023		2023		2022		2022	
	Impact on profit before tax		Impact on comprehensive income		Impact on profit before tax		Impact on comprehensive income	
	Strengthening	Weakening	Strengthening	Weakening	Strengthening	Weakening	Strengthening	Weakening
	in EUR'000	in EUR'000	in EUR'000	in EUR'000	in EUR'000	in EUR'000	in EUR'000	in EUR'000
<b>Company</b>								
Financial instruments	18	(18)	12	(12)	4,754	(4,754)	1,178	(1,178)
<b>Group</b>								
Financial instruments	112	(112)	353	(353)	5,176	(5,176)	1,178	(1,178)



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At the reporting date, the currency structure of the Company's assets and liabilities is as follows:

Company in EUR'000	31 December 2023				Restated 31 December 2022				
	EUR	USD	Other currencies	Total	HRK	EUR	USD	Other currencies	Total
<b>Assets</b>									
Investments in subsidiaries, associates, and participation in joint ventures	54,531	-	-	<b>54,531</b>	51,512	-	-	-	<b>51,512</b>
Assets from reinsurance contracts	48,856	1,061	-	<b>49,917</b>	34,515	5,682	1,008	-	<b>41,205</b>
Assets from insurance contracts	16,997	-	-	<b>16,997</b>	22,965	(34)	(7)	-	<b>22,924</b>
Financial assets at amortised cost	351,439	-	-	<b>351,439</b>	-	-	-	-	<b>-</b>
Financial assets at fair value through other comprehensive income	671,530	-	1,168	<b>672,698</b>	-	-	-	-	<b>-</b>
Held-to-maturity investments	-	-	-	-	91,639	199,989	-	-	<b>291,628</b>
Available-for-sale financial assets	-	-	-	-	164,662	460,760	22,479	32	<b>647,933</b>
Financial assets at fair value through profit or loss	96,870	38,386	387	<b>135,643</b>	867	15,692	13,954	-	<b>30,513</b>
<i>Derivative financial assets at fair value through profit or loss</i>	228	258	-	<b>486</b>	-	1,605	201	-	<b>1,806</b>
<i>Non derivative financial assets at fair value through profit or loss</i>	96,642	38,128	387	<b>135,157</b>	867	14,087	13,753	-	<b>28,707</b>
Loans and receivables	-	-	-	-	54,768	12,503	-	-	<b>67,271</b>
Trade receivables and other receivables	29,108	-	103	<b>29,211</b>	13,695	11,218	50	-	<b>24,963</b>
Cash and cash equivalents	45,217	33	39	<b>45,289</b>	103,803	5,966	4,798	22	<b>114,589</b>
<b>Total assets</b>	<b>1,314,548</b>	<b>39,480</b>	<b>1,697</b>	<b>1,355,725</b>	<b>538,426</b>	<b>711,776</b>	<b>42,282</b>	<b>54</b>	<b>1,292,538</b>
<b>Liabilities</b>									
Liabilities from insurance contracts	729,998	2,123	1	<b>732,122</b>	313,831	381,478	7,184	1	<b>702,494</b>
Liabilities from reinsurance contracts	1,910	-	-	<b>1,910</b>	847	986	128	-	<b>1,961</b>
Financial liabilities at amortised cost	37,058	-	-	<b>37,058</b>	6,419	41,698	-	-	<b>48,117</b>
Financial liabilities at fair value through profit or loss	91	-	-	<b>91</b>	-	-	82	-	<b>82</b>
Provisions	6,767	-	-	<b>6,767</b>	6,533	4	-	-	<b>6,537</b>
Accounts payable and other liabilities	40,446	18	6	<b>40,470</b>	36,046	3,102	6	-	<b>39,154</b>
<b>Total liabilities</b>	<b>816,270</b>	<b>2,141</b>	<b>7</b>	<b>818,418</b>	<b>363,676</b>	<b>427,268</b>	<b>7,400</b>	<b>1</b>	<b>798,345</b>
<b>Foreign currency gap</b>	<b>498,278</b>	<b>37,339</b>	<b>1,690</b>	<b>537,307</b>	<b>174,750</b>	<b>284,508</b>	<b>34,882</b>	<b>53</b>	<b>494,193</b>

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The analysis of the currency structure of the Group's assets and liabilities at the reporting date is as follows:

Group in EUR'000	31 December 2023				Restated 31 December 2022				
	EUR	USD	Other currencies	Total	HRK	EUR	USD	Other currencies	Total
<b>Assets</b>									
Investments in subsidiaries, associates and participation in joint ventures	9,838	-	285	<b>10,123</b>	9,384	-	-	275	<b>9,659</b>
Assets from reinsurance contracts	48,856	1,061	4,521	<b>54,438</b>	34,515	5,682	1,008	1,712	<b>42,917</b>
Assets from insurance contracts	16,997	-	-	<b>16,997</b>	22,965	(35)	(6)	-	<b>22,924</b>
Financial assets at amortised cost	327,855	-	66,386	<b>394,241</b>	-	-	-	-	<b>-</b>
Financial assets at fair value through other comprehensive income	709,660	-	47,070	<b>756,730</b>	-	-	-	-	<b>-</b>
Held-to-maturity investments	-	-	-	-	91,639	207,689	-	4,506	<b>303,834</b>
Available-for-sale financial assets	-	-	-	-	166,437	495,198	22,479	42,063	<b>726,177</b>
Financial assets at fair value through profit or loss	96,870	38,386	10,588	<b>145,844</b>	867	15,693	13,953	8,903	<b>39,416</b>
<i>Derivative financial assets at fair value through profit or loss</i>	229	258	-	<b>486</b>	-	1,605	201	-	<b>1,806</b>
<i>Non derivative financial assets at fair value through profit or loss</i>	96,641	38,128	10,588	<b>145,357</b>	867	14,088	13,752	8,903	<b>37,610</b>
Loans and receivables	-	-	-	-	22,090	12,141	-	54,329	<b>88,560</b>
Trade receivables and other receivables	36,437	-	5,665	<b>42,102</b>	17,678	11,597	50	3,872	<b>33,197</b>
Cash and cash equivalents	60,329	33	6,461	<b>66,823</b>	124,835	6,083	4,798	7,381	<b>143,097</b>
<b>Total assets</b>	<b>1,306,841</b>	<b>39,480</b>	<b>140,976</b>	<b>1,487,297</b>	<b>490,410</b>	<b>754,048</b>	<b>42,282</b>	<b>123,041</b>	<b>1,409,781</b>
<b>Liabilities</b>									
Liabilities from insurance contracts	727,975	2,122	131,889	<b>861,986</b>	310,230	381,478	7,184	124,773	<b>823,665</b>
Liabilities from reinsurance contracts	1,910	-	2,115	<b>4,025</b>	847	986	128	197	<b>2,158</b>
Financial liabilities at amortised cost	42,789	-	5,360	<b>48,149</b>	9,409	40,301	-	4,244	<b>53,954</b>
Financial liabilities at fair value through profit or loss	91	-	-	<b>91</b>	-	-	82	-	<b>82</b>
Provisions	7,888	-	197	<b>8,085</b>	7,365	4	-	321	<b>7,690</b>
Accounts payable and other liabilities	46,028	18	5,969	<b>52,015</b>	40,686	3,151	6	5,218	<b>49,061</b>
<b>Total liabilities</b>	<b>826,681</b>	<b>2,140</b>	<b>145,530</b>	<b>974,351</b>	<b>368,537</b>	<b>425,920</b>	<b>7,400</b>	<b>134,753</b>	<b>936,610</b>
<b>Foreign currency gap</b>	<b>480,160</b>	<b>37,340</b>	<b>(4,554)</b>	<b>512,946</b>	<b>121,873</b>	<b>328,128</b>	<b>34,882</b>	<b>(11,712)</b>	<b>473,171</b>

b) Interest rate risk

Interest rate risk is the risk of fluctuation in fair value or cash flows under financial instruments resulting from changes in market interest rates. The Group is exposed to interest rate risk on the basis of financial instruments whose value is sensitive to interest rate changes. Exposure of financial instruments is presented in the Note 18.1.

Interest rate changes do affect the level of liabilities and assets from insurance and reinsurance contracts, since they are measured by discounting future cash flows (cash flows from contract execution) with the application of current discount rates. The accounting amount of liabilities and assets from insurance and reinsurance contracts are presented in note 17 while the sensitivity of interest rate changes in liabilities and assets from insurance and reinsurance contracts is included in note 2.32 Insurance risk management.

The Group monitors this exposure through periodic reviews of its asset and liability positions. The Group intends to harmonize future earnings from such assets with liabilities under insurance by purchasing debt securities and other financial instruments with defined cash flows or for which cash flows can be estimated, and additionally contracts interest derivatives as protection from interest risk.

An analysis of the sensitivity of financial assets to a change in market interest rates is given below:

Change in interest rate by +/- 100 bps	2023		2023		2022		2022	
	Impact on profit before tax		Impact on comprehensive income		Impact on profit before tax		Impact on comprehensive income	
	Strengt hening	Weaken ing	Strengt hening	Weaken ing	Strengt hening	Weaken ing	Strengt hening	Weaken ing
	in EUR'000	in EUR'000	in EUR'000	in EUR'000	in EUR'000	in EUR'000	in EUR'000	in EUR'000
<b>Company</b>								
Financial instruments	(189)	189	(21,554)	21,554	-	-	(19,090)	19,090
<b>Group</b>								
Financial instruments	(189)	189	(25,848)	25,848	-	-	(23,433)	23,433

c) Other price risks

The equity securities and investments funds risk is caused by the fluctuation of fair value or cash flows in connection with financial instruments resulting from changes in market prices (which are not the result of interest rate risk or foreign exchange risk), whether this involves changes caused by factors relating to an individual financial instrument or its issuer or if there are other factors which affect all similar financial instruments being traded in the market.

The marketable equity securities and investments funds portfolio, which is presented in the balance sheet at fair value, exposes the Group to this risk. The Group's portfolio comprises securities of various issuers, and the concentration risk in any individual company is monitored and limited by legal requirements and the adopted limits.

The Group assesses, or measures, and controls the exposure to market risk by monitoring exposure to investment, establishing the limits and powers of investment, and through a series of statistical and other quantitative risk measures and through contracting derivatives to protect (reduce) price risk.

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**Notes to the financial statements for 2023**

Price risk analysis

	2023		2022	
	Impact on profit/loss before tax	Impact on comprehensive income	Impact on profit/loss before tax	Impact on comprehensive income
	in EUR'000	in EUR'000	in EUR'000	in EUR'000
<b>Company</b>				
Change in price by +/- 5%	5,458/(5,458)	6,941/(6,941)	149/(149)	7,742/(7,742)
<b>Group</b>				
Change in price by +/- 5%	5,747/(5,747)	6,941/(6,941)	429/(429)	7,742/(7,742)

**Credit risk**

Credit risk is the risk that one contractual party to a financial instrument might cause the other party to suffer financial losses as a result of failure to fulfil its obligations.

The Group is exposed to credit risk through the following financial assets:

- deposits and given loans
- debt securities (bonds and commercial bills)
- receivables from insurance brokers and other receivables
- assets from insurance and reinsurance contracts
- cash at bank

The Group manages this risk by up-front analysis of credit risk and exposure monitoring, regular reviews carried out by the Management and regular meetings held to monitor the credit risk development. The Group manages credit risk and continuously monitors exposure to credit risk. Assessments of creditworthiness of all policyholders are made, and collaterals are collected prior to payment of granted loans or renewal of such loans.

Credit risk exposure	Company	Company	Group	Group
	31 Dec. 2023	Restated 31 Dec. 2022	31 Dec. 2023	Restated 31 Dec. 2022
	in EUR'000	in EUR'000	in EUR'000	in EUR'000
Investments in debt securities (note 18.1)	829,919	784,720	930,682	875,170
Investments in bank deposits (note 18.1)	9,889	9,047	72,553	64,028
Loans (note 18.1)	56,481	58,224	19,888	24,532
Assets from reinsurance contracts	49,917	41,205	54,438	42,917
Assets from insurance contracts	16,997	22,924	16,997	22,924
Trade receivables and other receivables	24,924	17,358	34,856	22,921
Cash and cash equivalents	45,289	114,589	66,823	143,097
	<b>1,033,416</b>	<b>1,048,067</b>	<b>1,196,237</b>	<b>1,195,588</b>

**Concentration of receivables from the Republic of Croatia as at 31 December**

	Company	Company	Group	Group
	31 Dec. 2023	31 Dec. 2022	31 Dec. 2023	31 Dec. 2022
	in EUR'000	in EUR'000	in EUR'000	in EUR'000
Government bonds	658,293	680,782	662,298	684,387
Undue interest on bonds	10,080	10,406	10,090	10,417
Treasury bills	4,936	-	4,936	-
Other receivables	363	288	770	773
	<b>673,672</b>	<b>691,476</b>	<b>678,094</b>	<b>695,577</b>

**CROATIA osiguranje d.d., Zagreb**  
**Notes to the financial statements for 2023**

The table below shows the company's asset analysis by category according to the ratings by the agencies Standard&Poor's (S&P).

	2023	Company
	S&P	31 Dec. 2023
		in EUR'000
<b>Financial assets at amortised cost – debt securities</b>		<b>285,069</b>
Ministry of Finance of the Republic of Croatia	BBB+	282,207
Corporations rated by another agency	-	-
No rating	-	2,862
<b>Financial assets at fair value through other comprehensive income</b>		<b>533,886</b>
Ministry of Finance of the Republic of Croatia	BBB+	391,102
Ministry of Finance of Hungary	BBB-	13,579
Ministry of Finance of Romania	BBB-	24,545
Ministry of Finance of Slovenia	AA-	-
Ministry of Finance of Bulgaria	BBB	9,509
Ministry of Finance of Poland	A-	5,365
Ministry of Finance of Germany	AAA	9,922
Rated corporations	A	6,174
	A-	6,367
	BBB+	4,102
	BBB	8,551
	BBB-	10,499
Corporations rated by another agency	-	39,744
No rating	-	4,427
<b>Financial assets at fair value through profit and loss account</b>		<b>10,964</b>
Ministry of Finance of Romania	BBB-	1,340
Rated corporations	BBB-	9,624
<b>Loans and receivables</b>		<b>66,370</b>
Other banks and financial institutions*	-	9,888
No rating**	-	56,482
<b>Assets from reinsurance contracts</b>		<b>49,917</b>
Rated reinsurers	AA+	1,975
	AA	222
	AA-	17,982
	A+	18,404
	A	5,580
	A-	1,659
Reinsurers rated by another agency	-	2,927
No rating	-	1,168
<b>Assets from insurance contracts</b>		<b>16,997</b>
No rating	-	16,997
<b>Trade receivables and other receivables</b>		<b>24,924</b>
No rating	-	24,924
<b>Cash and cash equivalents</b>		<b>45,289</b>
Other banks and financial institutions*	-	45,289
		<b>1,033,416</b>

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**Notes to the financial statements for 2023**

	2022	Company
	S&P	Restated 31 Dec. 2022
		in EUR'000
<b><i>Held-to-maturity investments</i></b>		<b>291,628</b>
Ministry of Finance of the Republic of Croatia	BBB+	283,141
Corporations rated by another agency	-	5,842
No rating	-	2,645
<b><i>Available-for-sale financial assets</i></b>		<b>493,092</b>
Ministry of Finance of the Republic of Croatia	BBB+	408,047
Ministry of Finance of Romania	BBB-	17,173
Ministry of Finance of Slovenia	AA-	4,495
Ministry of Finance of Bulgaria	BBB	2,478
Rated corporations		
	B	1,348
	BBB-	18,010
	BBB	1,831
	A-	2,474
	A	1,199
Corporations rated by another agency	-	31,161
No rating	-	4,876
<b><i>Loans and receivables</i></b>		<b>67,271</b>
Other banks and financial institutions*	-	9,047
No rating**	-	58,224
<b><i>Assets from reinsurance contracts</i></b>		<b>41,205</b>
Rated reinsurers	AA+	1,262
	AA	224
	AA-	10,727
	A+	19,398
	A	4,478
	A-	2,586
Reinsurers rated by another agency	-	1,822
No rating	-	708
<b><i>Assets from insurance contracts</i></b>		<b>22,924</b>
No rating		22,924
<b><i>Trade receivables and other receivables</i></b>		<b>17,358</b>
No rating	-	17,358
<b><i>Cash and cash equivalents</i></b>		<b>114,588</b>
Other banks and financial institutions*	-	114,588
		<b>1,048,067</b>

**CROATIA osiguranje d.d., Zagreb**  
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	2023	Group
	S&P	31 Dec. 2023
		in EUR'000
<b>Financial assets at amortised cost – debt securities</b>		<b>301,800</b>
Ministry of Finance of the Republic of Croatia	BBB+	283,810
Ministry of Finance of Macedonia	BB-	11,273
Republic of Bosnia and Herzegovina	B+	3,855
Corporations rated by another agency	-	-
No rating	-	2,862
<b>Financial assets at fair value through other comprehensive income</b>		<b>617,918</b>
Ministry of Finance of the Republic of Croatia	BBB+	393,514
Ministry of Finance of France	AA	1,201
Ministry of Finance of Hungary	BBB-	13,579
Ministry of Finance of Macedonia	BB-	44,731
Ministry of Finance of Serbia	BB+	35,687
Ministry of Finance of Romania	BBB-	24,545
Ministry of Finance of Bulgaria	BBB	9,509
Ministry of Finance of Poland	A-	5,365
Ministry of Finance of Germany	AAA	9,922
Rated corporations	A	6,174
	A-	6,367
	BBB+	4,102
	BBB	8,551
	BBB-	10,499
Corporations rated by another agency	-	39,744
No rating	-	4,428
<b>Financial assets at fair value through profit and loss account</b>		<b>10,964</b>
Ministry of Finance of Romania	BBB-	1,340
	BBB-	9,624
<b>Loans and receivables</b>		<b>92,441</b>
Other banks and financial institutions*	-	45,592
No rating**	-	46,849
<b>Assets from reinsurance contracts</b>		<b>54,438</b>
Rated reinsurers	AA+	1,975
	AA	222
	AA-	17,982
	A+	18,404
	A	5,580
	A-	1,659
Reinsurers rated by another agency	-	2,927
No rating	-	5,689
<b>Assets from insurance contracts</b>		<b>16,997</b>
No rating		16,997
<b>Trade receivables and other receivables</b>		<b>34,856</b>
No rating	-	34,856
<b>Cash and cash equivalents</b>		<b>66,823</b>
Rated banks		12,074
Other banks and financial institutions*	-	54,749
		<b>1,196,237</b>

**CROATIA osiguranje d.d., Zagreb**  
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	2022	Group
	S&P	Restated 31 Dec. 2022
		in EUR'000
<b><i>Held-to-maturity investments</i></b>		<b>303,834</b>
Ministry of Finance of the Republic of Croatia	BBB+	283,963
Ministry of Finance of Macedonia	BB-	7,988
Corporations rated by another agency	-	5,842
No rating	-	6,041
<b><i>Available-for-sale financial assets</i></b>		<b>571,335</b>
Ministry of Finance of the Republic of Croatia	BBB+	410,841
Ministry of Finance of Macedonia	BB-	43,677
Ministry of Finance of Serbia	BB+	31,773
Ministry of Finance of Slovenia	AA-	4,495
Ministry of Finance of Romania	BBB-	17,173
Ministry of Finance of Bulgaria	BBB	2,478
Rated corporations	A	1,199
	A-	2,474
	BBB	1,831
	BBB-	18,010
	B	1,348
Corporations rated by another agency	-	31,161
No rating	-	4,875
<b><i>Loans and receivables</i></b>		<b>88,560</b>
Other banks and financial institutions*	-	64,027
No rating**	-	24,534
<b><i>Assets from reinsurance contracts</i></b>		<b>42,917</b>
Rated reinsurers	AA+	1,261
	AA	224
	AA-	10,727
	A+	19,398
	A	4,478
	A-	2,586
Reinsurers rated by another agency	-	1,822
No rating	-	2,421
<b><i>Assets from insurance contracts</i></b>		<b>22,924</b>
No rating	-	22,924
<b><i>Trade receivables and other receivables</i></b>		<b>22,921</b>
No rating	-	22,921
<b><i>Cash and cash equivalents</i></b>		<b>143,097</b>
Other member banks of reputable banking groups in the EU*	-	143,097
		<b>1,195,588</b>

\* Other banks and financial institutions mostly include banks and financial institutions rated by another agency and banks and financial institutions that have no rating, but their parent banks have a rating.

\*\* Loans and receivables with no rating relate to loans to related parties, domestic companies with no rating and retail loans that are insured.



**Liquidity risk**

Liquidity risk is the risk that a sudden and unexpected settlement of liabilities might require the Group to liquidate assets in a short time and at a low price. It includes both the risk of being unable to fund assets at appropriate maturities and rates and the risk of being unable to liquidate an asset at a reasonable price and in an appropriate timeframe. The Group has a portfolio of liquid assets as a part of liquidity risk management strategy, which ensures continuation of business and satisfies legal requirements.

Legal claims for damages have been met in a timely manner. The Organizational units for finance monitor the inflows and outflows on a daily basis and develop monthly plans as well as scenarios of deteriorated liquidity. Liquidity risk is taken into account in the assessment of matching assets and liabilities.

The following table shows the amounts of contracted discounted cash flows by maturity for financial assets and, for insurance liabilities, the estimated maturity of the amounts recognized in the statement of financial position.

**CROATIA osiguranje d.d., Zagreb**  
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The maturity analysis on the reporting date is as follows:

Company in EUR'000

	31 December 2023					Total	Restated 31 December 2022					Total
	No later than 1 year	1-3 years	3-5 years	5-10 years	More than 10 years		No later than 1 year	1-3 years	3-5 years	5-10 years	More than 10 years	
<b>Assets</b>												
Investments in subsidiaries, associates and participation in joint ventures	-	-	-	-	54,531	<b>54,531</b>	-	-	-	-	51,512	<b>51,512</b>
Assets from reinsurance contracts	24,496	13,509	4,814	4,247	2,851	<b>49,917</b>	21,123	12,060	2,941	3,022	2,059	<b>41,205</b>
Assets from insurance contracts	7,895	3,333	2,432	3,000	337	<b>16,997</b>	12,932	3,907	2,592	3,131	362	<b>22,924</b>
Financial assets at amortised cost	69,886	40,153	49,657	139,495	52,248	<b>351,439</b>	-	-	-	-	-	-
Financial assets at fair value through other comprehensive income	52,842	132,617	217,960	253,840	15,439	<b>672,698</b>	-	-	-	-	-	-
Held-to-maturity investments	-	-	-	-	-	-	9,606	61,746	23,661	143,426	53,189	<b>291,628</b>
Available-for-sale financial assets	-	-	-	-	-	-	65,347	134,369	143,932	246,698	57,587	<b>647,933</b>
Financial assets at fair value through profit or loss	45,959	9,465	15,599	46,482	18,138	<b>135,643</b>	1,036	769	867	27,840	1	<b>30,513</b>
Loans and receivables	-	-	-	-	-	-	23,180	15,794	14,938	8,140	5,219	<b>67,271</b>
Trade receivables and other receivables	29,211	-	-	-	-	<b>29,211</b>	24,963	-	-	-	-	<b>24,963</b>
Cash and cash equivalents	45,289	-	-	-	-	<b>45,289</b>	114,589	-	-	-	-	<b>114,589</b>
<b>Total</b>	<b>275,578</b>	<b>199,077</b>	<b>290,462</b>	<b>447,064</b>	<b>143,544</b>	<b>1,355,725</b>	<b>272,776</b>	<b>228,645</b>	<b>188,931</b>	<b>432,257</b>	<b>169,929</b>	<b>1,292,538</b>
<b>Liabilities</b>												
Liabilities from insurance contracts	285,203	146,209	91,616	86,125	122,969	<b>732,122</b>	223,245	190,357	95,427	90,884	102,581	<b>702,494</b>
Liabilities from reinsurance contracts	2,070	(82)	(30)	3,000	(3,048)	<b>1,910</b>	1,991	(27)	(3)	3,131	(3,131)	<b>1,961</b>
Financial liabilities at amortized cost	2,705	3,862	3,336	7,859	19,296	<b>37,058</b>	12,544	3,642	2,773	7,003	22,155	<b>48,117</b>
Financial liabilities at fair value through profit or loss	36	-	-	55	-	<b>91</b>	82	-	-	-	-	<b>82</b>
Provisions	785	2,739	2,723	253	267	<b>6,767</b>	941	2,532	2,465	283	316	<b>6,537</b>
Accounts payable and other liabilities	36,407	1,686	682	519	1,175	<b>40,469</b>	34,205	2,586	657	574	1,132	<b>39,154</b>
<b>Total</b>	<b>327,206</b>	<b>154,414</b>	<b>98,327</b>	<b>97,811</b>	<b>140,659</b>	<b>818,417</b>	<b>273,008</b>	<b>199,090</b>	<b>101,319</b>	<b>101,875</b>	<b>123,053</b>	<b>798,345</b>
<b>Maturity mismatch</b>	<b>(51,628)</b>	<b>44,663</b>	<b>192,135</b>	<b>349,253</b>	<b>2,885</b>	<b>537,308</b>	<b>(232)</b>	<b>29,555</b>	<b>87,612</b>	<b>330,382</b>	<b>46,876</b>	<b>494,193</b>

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**Notes to the financial statements for 2023**

The maturity analysis at the Group's reporting date is as follows:

Group in EUR'000	31 December 2023						Restated 31 December 2022					
	No later than 1 year	1-3 years	3-5 years	5-10 years	More than 10 years	Total	No later than 1 year	1-3 years	3-5 years	5-10 years	More than 10 years	Total
<b>Assets</b>												
Investments in subsidiaries, associates and participation in joint ventures	-	-	-	-	10,123	<b>10,123</b>	-	-	-	-	9,659	<b>9,659</b>
Assets from reinsurance contracts	27,765	14,095	5,065	4,442	3,071	<b>54,438</b>	22,163	12,366	3,054	3,146	2,188	<b>42,917</b>
Assets from insurance contracts	7,894	3,333	2,432	3,000	338	<b>16,997</b>	12,933	3,907	2,592	3,131	361	<b>22,924</b>
Financial assets at amortised cost	100,138	61,771	42,422	140,304	49,606	<b>394,241</b>	-	-	-	-	-	-
Financial assets at fair value through other comprehensive income	62,395	159,934	222,379	275,375	36,647	<b>756,730</b>	-	-	-	-	-	-
Held-to-maturity investments	-	-	-	-	-	-	10,186	69,234	26,362	144,044	54,008	<b>303,834</b>
Available-for-sale financial assets	-	-	-	-	-	-	70,968	166,524	144,509	264,414	79,762	<b>726,177</b>
Financial assets at fair value through profit or loss	50,943	10,792	17,269	47,224	19,616	<b>145,844</b>	4,918	1,890	1,523	30,106	979	<b>39,416</b>
Loans and receivables	-	-	-	-	-	-	42,826	29,812	12,094	3,623	205	<b>88,560</b>
Trade receivables and other receivables	42,076	26	-	-	-	<b>42,102</b>	33,133	64	-	-	-	<b>33,197</b>
Cash and cash equivalents	66,823	-	-	-	-	<b>66,823</b>	143,097	-	-	-	-	<b>143,097</b>
<b>Total</b>	<b>358,034</b>	<b>249,951</b>	<b>289,567</b>	<b>470,345</b>	<b>119,401</b>	<b>1,487,298</b>	<b>340,224</b>	<b>283,797</b>	<b>190,134</b>	<b>448,464</b>	<b>147,162</b>	<b>1,409,781</b>
<b>Liabilities</b>												
Liabilities from insurance contracts	335,658	159,800	100,827	99,597	166,104	<b>861,986</b>	264,790	204,096	106,108	106,765	141,906	<b>823,665</b>
Liabilities from reinsurance contracts	4,797	(374)	(128)	2,889	(3,159)	<b>4,025</b>	2,195	(34)	(3)	3,131	(3,131)	<b>2,158</b>
Financial liabilities at amortized cost	4,329	6,995	6,960	9,777	20,088	<b>48,149</b>	13,788	5,545	3,865	8,054	22,702	<b>53,954</b>
Financial liabilities at fair value through profit or loss	36	-	-	55	-	<b>91</b>	82	-	-	-	-	<b>82</b>
Provisions	1,068	2,909	2,952	512	644	<b>8,085</b>	1,174	2,718	2,670	497	631	<b>7,690</b>
Accounts payable and other liabilities	47,945	1,686	691	519	1,174	<b>52,015</b>	44,084	2,608	666	574	1,129	<b>49,061</b>
<b>Total</b>	<b>393,833</b>	<b>171,016</b>	<b>111,302</b>	<b>113,349</b>	<b>184,851</b>	<b>974,351</b>	<b>326,113</b>	<b>214,933</b>	<b>113,306</b>	<b>119,021</b>	<b>163,237</b>	<b>936,610</b>
<b>Maturity mismatch</b>	<b>(35,799)</b>	<b>78,935</b>	<b>178,265</b>	<b>356,996</b>	<b>(65,450)</b>	<b>512,947</b>	<b>14,111</b>	<b>68,864</b>	<b>76,828</b>	<b>329,443</b>	<b>(16,075)</b>	<b>473,171</b>

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The following table shows a separate maturity analysis for portfolios of insurance and reinsurance contracts that are liabilities and shows the present value of future cash flows for each of the first five years after the reporting date and in total after the first five years:

Company in EUR'000	31 December 2023							31 December 2022						
	No later than 1 year	1-2 years	2-3 years	3-4 years	4-5 years	More than 5 years	Total	No later than 1 year	1-2 years	2-3 years	3-4 years	4-5 years	More than 5 years	Total
<b>Assets</b>														
Assets from reinsurance contracts	24,496	8,373	5,136	2,824	1,990	7,098	<b>49,917</b>	21,123	8,655	3,405	1,816	1,125	5,081	<b>41,205</b>
Assets from insurance contracts	7,895	1,765	1,568	1,299	1,133	3,337	<b>16,997</b>	12,932	2,067	1,840	1,308	1,284	3,493	<b>22,924</b>
<b>Total</b>	<b>32,391</b>	<b>10,138</b>	<b>6,704</b>	<b>4,123</b>	<b>3,123</b>	<b>10,435</b>	<b>66,914</b>	<b>34,055</b>	<b>10,722</b>	<b>5,245</b>	<b>3,124</b>	<b>2,409</b>	<b>8,574</b>	<b>64,129</b>
<b>Liabilities</b>														
Liabilities from insurance contracts	285,203	86,155	60,054	51,753	39,863	209,094	<b>732,122</b>	223,245	120,387	69,970	49,984	45,443	193,465	<b>702,494</b>
Liabilities from reinsurance contracts	2,070	(49)	(33)	(18)	(12)	(48)	<b>1,910</b>	1,991	(21)	(6)	(2)	(1)	-	<b>1,961</b>
<b>Total</b>	<b>287,273</b>	<b>86,106</b>	<b>60,021</b>	<b>51,735</b>	<b>39,851</b>	<b>209,046</b>	<b>734,032</b>	<b>225,236</b>	<b>120,366</b>	<b>69,964</b>	<b>49,982</b>	<b>45,442</b>	<b>193,465</b>	<b>704,455</b>
<b>Maturity mismatch</b>	<b>(254,882)</b>	<b>(75,968)</b>	<b>(53,317)</b>	<b>(47,612)</b>	<b>(36,728)</b>	<b>(198,611)</b>	<b>(667,118)</b>	<b>(191,181)</b>	<b>(109,644)</b>	<b>(64,719)</b>	<b>(46,858)</b>	<b>(43,033)</b>	<b>(184,891)</b>	<b>(640,326)</b>
<b>Group in EUR'000</b>														
<b>Assets</b>														
Assets from reinsurance contracts	27,765	8,742	5,353	2,972	2,093	7,513	<b>54,438</b>	22,163	8,851	3,515	1,881	1,173	5,334	<b>42,917</b>
Assets from insurance contracts	7,894	1,765	1,568	1,299	1,133	3,338	<b>16,997</b>	12,933	2,067	1,840	1,308	1,284	3,492	<b>22,924</b>
<b>Total</b>	<b>35,659</b>	<b>10,507</b>	<b>6,921</b>	<b>4,271</b>	<b>3,226</b>	<b>10,851</b>	<b>71,435</b>	<b>35,096</b>	<b>10,918</b>	<b>5,355</b>	<b>3,189</b>	<b>2,457</b>	<b>8,826</b>	<b>65,841</b>
<b>Liabilities</b>														
Liabilities from insurance contracts	335,658	93,371	66,429	56,447	44,380	265,701	<b>861,986</b>	264,790	127,660	76,436	55,540	50,568	248,671	<b>823,665</b>
Liabilities from reinsurance contracts	4,797	(210)	(164)	(75)	(53)	(270)	<b>4,025</b>	2,195	(26)	(8)	(2)	(1)	-	<b>2,158</b>
<b>Total</b>	<b>340,455</b>	<b>93,161</b>	<b>66,265</b>	<b>56,372</b>	<b>44,327</b>	<b>265,431</b>	<b>866,011</b>	<b>266,985</b>	<b>127,634</b>	<b>76,428</b>	<b>55,538</b>	<b>50,567</b>	<b>248,671</b>	<b>825,823</b>
<b>Maturity mismatch</b>	<b>(304,796)</b>	<b>(82,654)</b>	<b>(59,344)</b>	<b>(52,101)</b>	<b>(41,101)</b>	<b>(254,580)</b>	<b>(794,576)</b>	<b>(231,889)</b>	<b>(116,716)</b>	<b>(71,073)</b>	<b>(52,349)</b>	<b>(48,110)</b>	<b>(239,845)</b>	<b>(759,982)</b>

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The table below shows the future undiscounted cash flows of financial liabilities which refer to lease liabilities:

Lease liabilities	Company in EUR'000						Group in EUR'000					
	No later than 1 year	1-3 years	3-5 years	5-10 years	More than 10 years	Total	No later than 1 year	1-3 years	3-5 years	5-10 years	More than 10 years	Total
31 December 2023	3,863	6,291	5,120	11,599	27,187	54,060	5,545	9,415	8,824	13,807	28,256	65,847
31 December 2022	3,638	7,253	4,812	13,368	29,802	58,873	4,632	8,399	6,298	14,235	30,268	63,832

The table below shows the contractual obligations for future investments (note 30):

Contractual obligations for future investments	Company in EUR'000						Group in EUR'000					
	No later than 1 year	1-3 years	3-5 years	5-10 years	More than 10 years	Total	No later than 1 year	1-3 years	3-5 years	5-10 years	More than 10 years	Total
31 December 2023	14,404	12,714	2,122	-	-	29,240	14,404	12,714	2,122	-	-	29,240
31 December 2022	-	-	-	-	44,862	44,862	-	-	-	-	44,862	44,862

**Fair value**

Fair value is the amount that should be received for an asset sold or paid to settle a liability in an arm's length transaction between market participants at the value measurement date. Fair value is based on quoted market prices, where available. If market prices are not available, fair value is estimated by using discounted cash flow models or other appropriate pricing techniques. Changes in assumptions on which the estimates are based, including discount rates and estimated future cash flows, significantly affect the estimates. Therefore, at this point the estimated fair value cannot be achieved from the sale of a financial instrument.

Details related to fair value principles are provided in chapter 2.17 Financial instruments.

The fair value of investments at amortised cost is presented below:

	31 Dec. 2023			31 Dec. 2022		
	Net book value	Fair value	Difference	Net book value	Fair value	Difference
	in EUR'000	in EUR'000	in EUR'000	in EUR'000	in EUR'000	in EUR'000
<b>Company</b>						
Debt securities	285,069	268,392	(16,677)	291,628	266,781	(24,847)
Loans	56,481	54,403	(2,078)	58,224	59,309	1,085
Deposits	9,889	9,889	-	9,047	9,047	-
	<b>351,439</b>	<b>332,684</b>	<b>(18,755)</b>	<b>358,899</b>	<b>335,137</b>	<b>(23,762)</b>
<b>Group</b>						
Debt securities	301,800	284,690	(17,110)	303,834	279,022	(24,812)
Loans	19,888	19,872	(16)	24,532	24,565	33
Deposits	72,553	72,553	-	64,028	64,028	-
	<b>394,241</b>	<b>377,115</b>	<b>(17,126)</b>	<b>392,394</b>	<b>367,615</b>	<b>(24,779)</b>

The overview of fair value by individual levels for investments at amortized cost is presented below:

	31 Dec. 2023				31 Dec. 2022			
	Level 1 in EUR'000	Level 2 in EUR'000	Level 3 in EUR'000	Total in EUR'000	Level 1 in EUR'000	Level 2 in EUR'000	Level 3 in EUR'000	Total in EUR'000
<b>Company</b>								
Debt securities	101,938	166,235	219	<b>268,392</b>	142,469	124,312	-	<b>266,780</b>
Loans	-	54,403	-	<b>54,403</b>	-	59,309	-	<b>59,309</b>
Deposits	-	-	9,889	<b>9,889</b>	-	-	9,047	<b>9,047</b>
	<b>101,938</b>	<b>220,638</b>	<b>10,108</b>	<b>332,684</b>	<b>142,469</b>	<b>183,621</b>	<b>9,047</b>	<b>335,137</b>

	31 Dec. 2023				31 Dec. 2022			
	Level 1 in EUR'000	Level 2 in EUR'000	Level 3 in EUR'000	Total in EUR'000	Level 1 in EUR'000	Level 2 in EUR'000	Level 3 in EUR'000	Total in EUR'000
<b>Group</b>								
Debt securities	107,516	176,956	218	<b>284,690</b>	146,654	132,368	-	<b>279,022</b>
Loans	-	19,432	440	<b>19,872</b>	-	23,974	591	<b>24,565</b>
Deposits	-	-	72,553	<b>72,553</b>	-	-	64,028	<b>64,028</b>
	<b>107,516</b>	<b>196,388</b>	<b>73,211</b>	<b>377,115</b>	<b>146,654</b>	<b>156,342</b>	<b>64,619</b>	<b>367,615</b>

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The table below analyses financial instruments and other assets carried at fair value using the valuation method.

The Company's assets measured at fair value as at 31 December 2023 are presented as follows:

	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
	in EUR'000	in EUR'000	in EUR'000	in EUR'000
<b>Property for own use</b>	-	-	<b>25,693</b>	<b>25,693</b>
<b>Investment property</b>	-	-	<b>67,926</b>	<b>67,926</b>
Equity securities	109,828	-	28,984	<b>138,812</b>
Debt securities	406,803	127,083	-	<b>533,886</b>
Investment funds	-	-	-	-
<b>Financial assets at fair value through other comprehensive income</b>	<b>516,631</b>	<b>127,083</b>	<b>28,984</b>	<b>672,698</b>
Equity securities	387	-	-	<b>387</b>
Debt securities	10,964	-	-	<b>10,964</b>
Investment funds	46,856	76,950	-	<b>123,806</b>
Foreign currency forward contracts	-	486	-	<b>486</b>
<b>Financial assets at fair value through profit or loss</b>	<b>58,207</b>	<b>77,436</b>	-	<b>135,643</b>
<b>Total assets at fair value</b>	<b>574,838</b>	<b>204,519</b>	<b>122,603</b>	<b>901,960</b>

The Company's assets measured at fair value as at 31 December 2022 are presented as follows:

	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
	in EUR'000	in EUR'000	in EUR'000	in EUR'000
<b>Property for own use</b>	-	-	<b>25,157</b>	<b>25,157</b>
<b>Investment property</b>	-	-	<b>69,394</b>	<b>69,394</b>
Equity securities	80,279	12,698	9,770	<b>102,747</b>
Debt securities	377,738	115,119	235	<b>493,092</b>
Investment funds	382	51,712	-	<b>52,094</b>
<b>Available-for-sale financial assets</b>	<b>458,399</b>	<b>179,529</b>	<b>10,005</b>	<b>647,933</b>
Equity securities	2,974	-	-	<b>2,974</b>
Debt securities	-	-	-	-
Investment funds	25,733	-	-	<b>25,733</b>
Foreign currency forward contracts	-	1,806	-	<b>1,806</b>
<b>Financial assets at fair value through profit or loss</b>	<b>28,707</b>	<b>1,806</b>	-	<b>30,513</b>
<b>Total assets at fair value</b>	<b>487,106</b>	<b>181,335</b>	<b>104,556</b>	<b>772,997</b>

The Group's assets measured at fair value as at 31 December 2023 are presented as follows:

	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
	in EUR'000	in EUR'000	in EUR'000	in EUR'000
<b>Property for own use</b>	-	-	<b>58,548</b>	<b>58,548</b>
<b>Investment property</b>	-	-	<b>138,689</b>	<b>138,689</b>
Equity securities	109,827	-	28,985	<b>138,812</b>
Debt securities	446,105	171,813	-	<b>617,918</b>
Investment funds	-	-	-	-
<b>Financial assets at fair value through other comprehensive income</b>	<b>555,932</b>	<b>171,813</b>	<b>28,985</b>	<b>756,730</b>
Equity securities	387	-	-	<b>387</b>
Debt securities	10,963	-	-	<b>10,963</b>
Investment funds	57,058	76,950	-	<b>134,008</b>
Foreign currency forward contracts	-	486	-	<b>486</b>
<b>Financial assets at fair value through profit or loss</b>	<b>68,408</b>	<b>77,436</b>	-	<b>145,844</b>
<b>Total assets at fair value</b>	<b>624,340</b>	<b>249,249</b>	<b>226,222</b>	<b>1,099,811</b>



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The Group's assets measured at fair value as at 31 December 2022 are presented as follows:

	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
	in EUR'000	in EUR'000	in EUR'000	in EUR'000
<b>Property for own use</b>	-	-	<b>56,745</b>	<b>56,745</b>
<b>Investment property</b>	-	-	<b>138,440</b>	<b>138,440</b>
Equity securities	80,279	12,698	9,770	<b>102,747</b>
Debt securities	412,305	158,795	235	<b>571,335</b>
Investment funds	383	51,712	-	<b>52,095</b>
<b>Available-for-sale financial assets</b>	<b>492,966</b>	<b>223,205</b>	<b>10,006</b>	<b>726,177</b>
Equity securities	2,974	-	-	<b>2,974</b>
Debt securities	-	-	-	-
Investment funds	34,636	-	-	<b>34,636</b>
Foreign currency forward contracts	-	1,806	-	<b>1,806</b>
<b>Financial assets at fair value through profit or loss</b>	<b>37,610</b>	<b>1,806</b>	-	<b>39,416</b>
<b>Total assets at fair value</b>	<b>530,576</b>	<b>225,011</b>	<b>205,191</b>	<b>960,778</b>

The following table presents the changes in level 3 items for the Company:

<b>Company</b>	<b>Equity securities</b>	<b>Debt securities</b>	<b>Investment funds</b>	<b>Total</b>
	in EUR'000	in EUR'000	in EUR'000	in EUR'000
<b>31 December 2021</b>	<b>1,054</b>	<b>251</b>	<b>8</b>	<b>1,313</b>
Transfer from/to Level 2	8,705	-	-	8,705
Increase	11	-	-	11
Decrease	-	(16)	(8)	(23)
<b>31 December 2022</b>	<b>9,770</b>	<b>235</b>	-	<b>10,006</b>
Transfer from/to Level 2	-	-	-	-
Increase	19,076	-	-	19,076
Decrease	(1)	(235)	-	(236)
(Losses) recognized in other comprehensive income	(244)	-	-	(244)
Gains recognized in other comprehensive income	383	-	-	383
<b>31 December 2023</b>	<b>28,984</b>	-	-	<b>28,984</b>

Movement of property for own use and investment property for the Company are disclosed in Note 14 and 15.

The following table presents the changes in level 3 items for the Group:

<b>Group</b>	<b>Equity securities</b>	<b>Debt securities</b>	<b>Investment funds</b>	<b>Total</b>
	in EUR'000	in EUR'000	in EUR'000	in EUR'000
<b>31 December 2021</b>	<b>1,061</b>	<b>251</b>	<b>8</b>	<b>1,320</b>
Transfer from/to Level 2	8,705	-	-	8,705
Increase	12	-	-	12
Decrease	(8)	(15)	(8)	(32)
<b>31 December 2022</b>	<b>9,770</b>	<b>235</b>	-	<b>10,005</b>
Transfer from/to Level 2	-	-	-	-
Increase	19,075	-	-	19,075
Decrease	(1)	(235)	-	(236)
(Losses) recognized in other comprehensive income	(244)	-	-	(244)
Gains recognized in other comprehensive income	385	-	-	385
<b>31 December 2023</b>	<b>28,985</b>	-	-	<b>28,985</b>

Movement of property for own use and investment property for the Group are disclosed in Note 14 and 15.

Information on fair value measurements of equity securities, debt securities and investment funds which included significant parameters that are not available on the market (level 3):

	Fair value at 31 Dec. 2023 <small>in EUR'000</small>	Unob- servable inputs	Range of inputs (probability- weighted average)	Relationship of unobservable inputs to fair value
Equity securities	28,984	Discount rate	7.84%-13.21% (10.09%)	An increase in the discount rate by 100 bps would decrease the fair value by EUR 3,543 thousand. A decrease in the discount rate by 100 bps would increase the fair value by EUR 4,664 thousand.
Debt securities	-	Discount rate	-	-
Investment funds	-	Discount rate	-	-

	Fair value at 31 Dec. 2022 <small>in EUR'000</small>	Unob- servable inputs	Range of inputs (probability- weighted average)	Relationship of unobservable inputs to fair value
Equity securities	9,770	Discount rate	4.93%-12.10% (8.30%)	An increase in the discount rate by 100 bps would decrease the fair value by EUR 1,832 thousand. A decrease in the discount rate by 100 bps would increase the fair value by EUR 2,207 thousand.
Debt securities	235	Discount rate	12.5% - 14.5% (13.5%)	An increase in the discount rate by 100 bps would decrease the fair value by EUR 6 thousand. A decrease in the discount rate by 100 bps would increase the fair value by EUR 6 thousand.
Investment funds	-	Discount rate	-	-

The Company has adopted IFRS 13, pursuant to which it is required to disclose the fair value hierarchy of financial assets that are not measured at fair value as well as a description of valuation techniques and inputs used.

Financial liabilities are recorded at amortised cost. Since the interest rate they bear is aligned with market rates, the Management Board believes that the carrying value of these instruments is not significantly different from their fair value.

The fair value of deposits, loans and financial liabilities are estimated on the basis of inputs that are not commercially available rates, and would therefore be classified as level 3, or by using publicly available rates published by the Croatian national bank (for the Company's loans) and would therefore be classified as level 2 in the fair value hierarchy. Investments with available market prices that are classified in the portfolio of held-to-maturity investments i.e. at amortised cost would be classified as level 1.

The fair values of cash and cash equivalents and trade receivables and other receivables do not differ significantly from their carrying amounts due to the short-term nature of these financial instruments. Fair value is determined based on level 2 inputs for cash and cash equivalents and based on level 3 inputs for trade receivables and other receivables.

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2. The fair value of financial instruments that are classified as level 3 is determined by using discontinued cash flow techniques or other valuation techniques by using relevant observable market data, information about current business and estimation of issuer's future business.

The fair value of held-to-maturity investments i.e. at amortised cost is based on the available market prices and market inputs and is classified as level 1 and level 2 in accordance with IFRS 13.

#### **Fair value of properties**

An independent valuation of the Group's investment property was conducted by external valuers in order to determine the fair value as at 31 December 2023 and 31 December 2022.

To determine fair value of the property for own use, the Group use real estate appraisals conducted by independent certified authorized external valuers in 2019, whereas in 2023 it reviewed whether there were any indications of impairment and recognized impairment of the property for own use where there was a significant difference in its net book value in comparison to the previously determined value. The effects are listed in Note 14.1.

#### *Valuation techniques used for determining fair value on Level 3*

The fair value of investment property is derived primarily by applying a sales comparison and income approach, and sometimes lacking information on market parameters by applying the cost method, depending on a particular property.

The fair value of the property for own use for was carried out primarily by applying the income method.

The most significant inputs in the valuations were prices or rental income per square meter, generated based on comparable properties in the immediate vicinity and then adjusted by differences in key characteristics.

Information on fair value measurement of investment property which included significant parameters that are not available on the market (level 3)

Description	Fair value as at 31 December	Fair value Land as at 31 December	Fair value Building as at 31 December	Fair value as at 31 December	Fair value Land as at 31 December	Fair value Building as at 31 December	Valuation technique(s)	Unavailable parameters	Range of unavailable parameters	
	2023	2023	2023	2022	2022	2022			2023	2022
Company	67,926	9,451	58,475	69,394	9,662	59,732	Income approach	Capitalization rate	6-10%	5.5-10%
							Cost approach	Building unit price per m2 (EUR)	133-986	16-711
							Sales comparison approach	Average price per m2 (EUR)	1-3,403	0.3-3,374
Group	138,689	20,365	118,324	138,440	20,300	118,140	Income approach	Capitalization rate	6%-10%	5.5%-10%
								Discount rate	10%	10%
							Cost approach	Building unit price (EUR)	133-986	16-711
							Sales comparison approach	Building unit price per m2 (EUR)	1 – 4,236	0.3-4,568

A significant increase (decrease) in the estimated capitalization rate, average building price and the average price per m2, with other variables held constant, would have an impact on a significant increase (decrease) in the fair value of investment property. A significant increase (decrease) in the discount rate, with other variables held constant, would have an impact on a significant decrease (increase) in the fair value of investment property.

There is no significant interaction between invisible inputs used in estimates that would have a significant effect on fair value.

### **2.34. Capital management**

The Company's objectives when managing capital are:

- Ensuring the Company's going concern;
- Compliance with Croatian and EU laws and subordinate legislation, regulations and instructions of the regulatory body governing capital management;
- Maintaining a high level of capitalization and consequently financial stability, thus providing an adequate level of security to the insurers and the insured party;
- Achieving efficient and optimal capital allocation as well as maximizing return on capital;
- Ensuring continuous compliance of the Company's and the Group's business strategy with risk appetite and targeted levels of capital adequacy;
- Providing a high level of capitalization or sufficient surplus capital for further investment in the development and growth of the Company and the Group.

The Company and the Group are subject to the statutory and subordinate regulations of the Republic of Croatia and the EU governing capital management, which also define the minimum levels of capital that the Company and the Group must maintain (regulatory framework Sovereignty 2 applied since 2016). The above-mentioned regulatory framework defines the rules governing the method of calculation and reporting on capital adequacy. In particular, it stipulates that the Company and the Group must at all times maintain eligible own funds (available capital) in such a manner as to cover the Minimum Capital Requirement (the so-called MCR), as well as the Solvency Capital Requirement (SCR).

The SCR ratio is defined as the ratio of the amount of total eligible own funds to cover the required solvency capital (SCR) and the amount of solvent capital required. The MCR ratio is defined as the ratio of the amount of total eligible own funds to cover the Minimum Capital Requirement (MCR) and the amount of minimum required capital.

Based on information provided internally to key management personnel, the Company and the Group comply with the legal and subordinate regulations governing the capital adequacy, as follows:

	Regulatory requirement	Company	Company
		31 Dec. 2023	31 Dec. 2022
SCR ratio	>100%	308%	289%
MCR ratio	>100%	1064%	1086%

	Regulatory requirement	Group	Group
		31 Dec. 2023*	31 Dec. 2022**
SCR ratio	>100%	262%	239%
MCR ratio	>100%	837%	839%

\* Temporary quarterly data for the last reference date for which the data is available at the time of this Report are presented. The Group will disclose the final (annual) data for 31 December 2023 as part of the Solvency and Financial Condition Report of CROATIA osiguranje Group for 2023, which will be published on the Company's website within the stipulated deadlines.

\*\* Data presented for 31 December 2022 are the data that are published in the Solvency and Financial Condition Report of CROATIA osiguranje Group for 2022.

The Company and the Group regularly monitor capital adequacy and conduct stress tests of capital and its adequacy in order to prevent the possibility of capital shortages in time.

### 3. Segment reporting

The Company's statement of comprehensive income by segments for the year is as follows:

	2023	2023	2023	Restated 2022	Restated 2022	Restated 2022
	in EUR'000	in EUR'000	in EUR'000	in EUR'000	in EUR'000	in EUR'000
	NON-LIFE	LIFE	TOTAL	NON-LIFE	LIFE	TOTAL
Insurance revenue	388,942	6,442	395,384	351,741	5,488	357,229
Insurance service expenses	(373,366)	(2,565)	(375,931)	(319,116)	(6,392)	(325,508)
Insurance revenue	(7,676)	(1)	(7,677)	(11,307)	(1)	(11,308)
<b>Result from insurance contracts</b>	<b>7,900</b>	<b>3,876</b>	<b>11,776</b>	<b>21,318</b>	<b>(905)</b>	<b>20,413</b>
Interest revenue calculated using the effective interest rate method	17,365	9,859	27,224	12,200	10,928	23,128
Realised gains/losses (net) from financial assets at fair value through profit or loss	4,158	1,892	6,050	(1,262)	217	(1,045)
Net impairment/release of impairment of financial assets	1,649	370	2,019	1,240	(137)	1,103
Income from investment property	4,691	-	4,691	4,943	-	4,943
Net exchange rate differences	(805)	(159)	(964)	2,220	800	3,020
Other income/expenditure from investments	11,874	1,319	13,193	10,898	(8)	10,890
<b>Net investment income</b>	<b>38,932</b>	<b>13,281</b>	<b>52,213</b>	<b>30,239</b>	<b>11,800</b>	<b>42,039</b>
Net financial result from insurance contracts	(3,573)	(1,150)	(4,723)	472	1,967	2,439
Net financial result from (passive) reinsurance contracts	673	-	673	46	-	46
<b>Net financial result from insurance and (passive) reinsurance contracts</b>	<b>(2,900)</b>	<b>(1,150)</b>	<b>(4,050)</b>	<b>518</b>	<b>1,967</b>	<b>2,485</b>
Other income	5,636	17	5,653	7,149	101	7,250
Other financial expenses	(1,382)	(36)	(1,418)	(1,378)	(63)	(1,441)
Other operating expenses	(8,834)	(187)	(9,021)	(16,395)	(303)	(16,698)
Share of profit of companies consolidated using equity method, net of tax	-	-	-	-	-	-
<b>Profit before tax</b>	<b>39,352</b>	<b>15,801</b>	<b>55,153</b>	<b>41,451</b>	<b>12,597</b>	<b>54,048</b>
Income tax	(5,525)	(2,749)	(8,274)	(6,254)	(2,169)	(8,423)
<b>Profit for the year</b>	<b>33,827</b>	<b>13,052</b>	<b>46,879</b>	<b>35,197</b>	<b>10,428</b>	<b>45,625</b>
<b>Profit attributable to:</b>						
- Company shareholders	33,827	13,052	46,879	35,197	10,428	45,625
- Non-controlling interest	-	-	-	-	-	-
	<b>33,827</b>	<b>13,052</b>	<b>46,879</b>	<b>35,197</b>	<b>10,428</b>	<b>45,625</b>

Total depreciation cost of the non-life segment amounts to EUR 8,777 thousand (2022: EUR 7,889 thousand), while depreciation cost of the life segment amounts to EUR 120 thousand (2022: EUR 184 thousand).

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The Company's statement of financial position by segments at the reporting date is as follows:

	31 Dec. 2023	31 Dec. 2023	31 Dec. 2023	Restated 31 Dec. 2022	Restated 31 Dec. 2022	Restated 31 Dec. 2022
	in EUR'000	in EUR'000	in EUR'000	in EUR'000	in EUR'000	in EUR'000
<b>Assets</b>	<b>NON-LIFE</b>	<b>LIFE</b>	<b>TOTAL</b>	<b>NON-LIFE</b>	<b>LIFE</b>	<b>TOTAL</b>
Intangible assets	15,767	-	<b>15,767</b>	15,418	-	<b>15,418</b>
Property at revaluation model	25,693	-	<b>25,693</b>	25,929	-	<b>25,929</b>
Property and equipment at cost model	36,952	2	<b>36,954</b>	38,242	2	<b>38,244</b>
Investment property	67,926	-	<b>67,926</b>	69,394	-	<b>69,394</b>
Investments in subsidiaries, associates and participation in joint ventures	54,531	-	<b>54,531</b>	51,512	-	<b>51,512</b>
Assets from reinsurance contracts	49,917	-	<b>49,917</b>	41,196	9	<b>41,205</b>
Assets from insurance contracts	16,997	-	<b>16,997</b>	22,924	-	<b>22,924</b>
Financial assets	747,549	412,231	<b>1,159,780</b>	612,014	425,331	<b>1,037,345</b>
<i>Financial assets at amortised cost</i>	199,241	152,198	<b>351,439</b>	-	-	-
<i>Financial assets at fair value through other comprehensive income</i>	472,001	200,697	<b>672,698</b>	-	-	-
<i>Financial assets at fair value through profit and loss account</i>	76,308	59,335	<b>135,643</b>	4,491	26,022	<b>30,513</b>
<i>Held-to-maturity investments</i>	-	-	-	139,120	152,508	<b>291,628</b>
<i>Available-for-sale financial assets</i>	-	-	-	417,459	230,474	<b>647,933</b>
<i>Loans and receivables</i>	-	-	-	50,943	16,328	<b>67,271</b>
Deferred tax assets	-	-	-	-	-	-
Current income tax assets	-	-	-	-	-	-
Trade receivables and other receivables	29,931	61	<b>29,992</b>	27,485	718	<b>28,203</b>
Cash and cash equivalents	42,908	2,381	<b>45,289</b>	100,834	13,755	<b>114,589</b>
<b>Total assets</b>	<b>1,088,171</b>	<b>414,675</b>	<b>1,502,846</b>	<b>1,004,948</b>	<b>439,815</b>	<b>1,444,763</b>
<b>Capital and reserves</b>						
Subscribed share capital	72,415	5,881	<b>78,296</b>	72,339	5,878	<b>78,217</b>
Premium on issued shares	90,448	-	<b>90,448</b>	90,448	-	<b>90,448</b>
Reserves	41,961	11,318	<b>53,279</b>	42,039	11,321	<b>53,360</b>
Revaluation reserve	63,612	14,663	<b>78,275</b>	55,475	31,666	<b>87,141</b>
Retained earnings	330,690	33,446	<b>364,136</b>	293,193	20,372	<b>313,565</b>
<b>Total capital and reserves</b>	<b>599,126</b>	<b>65,308</b>	<b>664,434</b>	<b>553,494</b>	<b>69,237</b>	<b>622,731</b>
<b>Liabilities</b>						
Liabilities from insurance contracts	389,298	342,824	<b>732,122</b>	341,538	360,956	<b>702,494</b>
Liabilities from reinsurance contracts	1,910	-	<b>1,910</b>	1,961	-	<b>1,961</b>
Financial liabilities at fair value through profit and loss account	72	19	<b>91</b>	79	3	<b>82</b>
Financial liabilities at amortized cost	37,058	-	<b>37,058</b>	48,117	-	<b>48,117</b>
Provisions	6,374	393	<b>6,767</b>	6,140	397	<b>6,537</b>
Deferred tax liability	5,573	2,702	<b>8,275</b>	15,186	3,934	<b>19,120</b>
Accounts payable and other liabilities	37,822	3,429	<b>41,251</b>	37,107	5,288	<b>42,395</b>
Current income tax liability	10,938	-	<b>10,938</b>	1,327	-	<b>1,327</b>
<b>Total liabilities</b>	<b>489,045</b>	<b>349,367</b>	<b>838,412</b>	<b>451,454</b>	<b>370,578</b>	<b>822,032</b>
<b>Total capital, reserves and liabilities</b>	<b>1,088,171</b>	<b>414,675</b>	<b>1,502,846</b>	<b>1,004,948</b>	<b>439,815</b>	<b>1,444,763</b>

Differences in the amounts of *Trade receivables and other receivables* and the amounts of *Account payable and other liabilities*, stated in the Statement of financial position and Note 3 arise from intersegmental receivables and liabilities.

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The Company's additions to non-current assets by segments at the reporting date are as follows:

	<b>2023</b>	<b>2023</b>	<b>2023</b>	<b>2022</b>	<b>2022</b>	<b>2022</b>
	in EUR'000	in EUR'000	in EUR'000	in EUR'000	in EUR'000	in EUR'000
	<b>NON-LIFE</b>	<b>LIFE</b>	<b>TOTAL</b>	<b>NON-LIFE</b>	<b>LIFE</b>	<b>TOTAL</b>
Additions to non-current assets (Note 13, 14, 15)	8,672	-	<b>8,672</b>	11,620	-	<b>11,620</b>



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The Group's statement of comprehensive income by segments for the year is as follows:

	2023	2023	2023	Restated 2022	Restated 2022	Restated 2022
	in EUR'000	in EUR'000	in EUR'000	in EUR'000	in EUR'000	in EUR'000
	NON-LIFE	LIFE	TOTAL	NON-LIFE	LIFE	TOTAL
Insurance revenue	464,151	12,245	476,396	418,064	10,519	428,583
Insurance service expenses	(436,407)	(6,194)	(442,601)	(372,918)	(9,573)	(382,491)
Net result of (passive) reinsurance contracts	(8,495)	(47)	(8,542)	(13,388)	(45)	(13,433)
<b>Result from insurance contracts</b>	<b>19,249</b>	<b>6,004</b>	<b>25,253</b>	<b>31,758</b>	<b>901</b>	<b>32,659</b>
Interest revenue calculated using the effective interest rate method	18,235	12,558	30,793	12,338	13,348	25,686
Realised gains/losses (net) from financial assets at fair value through profit or loss	4,235	2,002	6,237	(1,329)	163	(1,166)
Net impairment/release of impairment of financial assets	1,134	359	1,493	1,304	(143)	1,161
Income from investment property	16,770	10	16,780	13,922	5	13,927
Net exchange rate differences	(850)	(162)	(1,012)	2,194	708	2,902
Other income/expenditure from investments	3,694	1,776	5,470	6,881	(343)	6,538
<b>Net investment income</b>	<b>43,218</b>	<b>16,543</b>	<b>59,761</b>	<b>35,310</b>	<b>13,738</b>	<b>49,048</b>
Net financial result from insurance contracts	(4,983)	(1,924)	(6,907)	(28)	2,503	2,475
Net financial result from (passive) reinsurance contracts	790	-	790	48	-	48
<b>Net financial result from insurance and (passive) reinsurance contracts</b>	<b>(4,193)</b>	<b>(1,924)</b>	<b>(6,117)</b>	<b>20</b>	<b>2,503</b>	<b>2,523</b>
Other income	30,558	71	30,629	28,458	145	28,603
Other financial expenses	(1,773)	(42)	(1,815)	(1,656)	(81)	(1,737)
Other operating expenses	(39,816)	(503)	(40,319)	(42,474)	(478)	(42,952)
Share of profit of companies consolidated using equity method, net of tax	1,781	-	1,781	1,395	-	1,395
<b>Profit before tax</b>	<b>49,024</b>	<b>20,149</b>	<b>69,173</b>	<b>52,811</b>	<b>16,728</b>	<b>69,539</b>
Income tax	(7,547)	(3,175)	(10,722)	(8,582)	(2,680)	(11,262)
<b>Profit for the year</b>	<b>41,477</b>	<b>16,974</b>	<b>58,451</b>	<b>44,229</b>	<b>14,048</b>	<b>58,277</b>
<b>Profit attributable to:</b>						
- Company shareholders	41,426	16,954	58,380	44,172	14,027	58,199
- Non-controlling interest	51	20	71	57	21	78
	<b>41,477</b>	<b>16,974</b>	<b>58,451</b>	<b>44,229</b>	<b>14,048</b>	<b>58,277</b>

Total depreciation cost of the non-life segment amounts to EUR 13,794 thousand (2022: EUR 11,961 thousand), while depreciation cost of the life segment amounts to EUR 241 thousand (2022: EUR 394 thousand).

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The Group's statement of financial position by segments at the reporting date is as follows:

	31 Dec. 2023	31 Dec. 2023	31 Dec. 2023	Restated 31 Dec. 2022	Restated 31 Dec. 2022	Restated 31 Dec. 2022
	in EUR'000	in EUR'000	in EUR'000	in EUR'000	in EUR'000	in EUR'000
<b>Assets</b>	<b>NON-LIFE</b>	<b>LIFE</b>	<b>TOTAL</b>	<b>NON-LIFE</b>	<b>LIFE</b>	<b>TOTAL</b>
Intangible assets	19,288	103	<b>19,391</b>	17,719	65	<b>17,784</b>
Property at revaluation model	56,779	1,769	<b>58,548</b>	55,886	1,795	<b>57,681</b>
Property and equipment at cost model	60,783	1,159	<b>61,942</b>	52,509	477	<b>52,986</b>
Investment property	138,525	164	<b>138,689</b>	138,275	165	<b>138,440</b>
Investments in subsidiaries, associates and participation in joint ventures	10,123	-	<b>10,123</b>	9,659	-	<b>9,659</b>
Assets from reinsurance contracts	54,438	-	<b>54,438</b>	42,908	9	<b>42,917</b>
Assets from insurance contracts	16,997	-	<b>16,997</b>	22,924	-	<b>22,924</b>
Financial assets	806,909	489,906	<b>1,296,815</b>	656,652	501,335	<b>1,157,987</b>
<i>Financial assets at amortised cost</i>	214,149	180,092	<b>394,241</b>	-	-	-
<i>Financial assets at fair value through other comprehensive income</i>	512,244	244,486	<b>756,730</b>	-	-	-
<i>Financial assets at fair value through profit and loss account</i>	80,515	65,329	<b>145,844</b>	8,670	30,746	<b>39,416</b>
<i>Held-to-maturity investments</i>	-	-	-	144,689	159,145	<b>303,834</b>
<i>Available-for-sale financial assets</i>	-	-	-	453,001	273,176	<b>726,177</b>
<i>Loans and receivables</i>	-	-	-	50,292	38,268	<b>88,559</b>
Deferred tax assets	906	1	<b>907</b>	427	-	<b>427</b>
Current income tax assets	-	-	-	418	-	<b>418</b>
Trade receivables and other receivables	48,262	4,740	<b>53,002</b>	40,814	4,431	<b>45,245</b>
Cash and cash equivalents	63,660	3,163	<b>66,823</b>	128,750	14,347	<b>143,097</b>
<b>Total assets</b>	<b>1,276,670</b>	<b>501,005</b>	<b>1,777,675</b>	<b>1,166,941</b>	<b>522,624</b>	<b>1,689,565</b>
<b>Capital and reserves</b>						
Subscribed share capital	72,415	5,881	<b>78,296</b>	72,339	5,878	<b>78,217</b>
Premium on issued shares	90,448	-	<b>90,448</b>	90,448	-	<b>90,448</b>
Reserves	41,961	11,318	<b>53,279</b>	42,039	11,321	<b>53,360</b>
Revaluation reserve	70,928	20,503	<b>91,431</b>	62,373	38,317	<b>100,690</b>
Retained earnings	405,034	45,923	<b>450,957</b>	359,390	29,751	<b>389,141</b>
<b>Equity attributable to shareholders of the Company</b>	<b>680,786</b>	<b>83,625</b>	<b>764,411</b>	<b>626,589</b>	<b>85,267</b>	<b>711,856</b>
Non-controlling interests	599	148	<b>747</b>	1,216	154	<b>1,370</b>
<b>Total capital and reserves</b>	<b>681,385</b>	<b>83,773</b>	<b>765,158</b>	<b>627,805</b>	<b>85,421</b>	<b>713,226</b>
<b>Liabilities</b>						
Liabilities from insurance contracts	459,521	402,465	<b>861,986</b>	403,352	420,313	<b>823,665</b>
Liabilities from reinsurance contracts	4,021	4	<b>4,025</b>	2,134	24	<b>2,158</b>
Financial liabilities at fair value through profit and loss account	72	19	<b>91</b>	79	3	<b>82</b>
Financial liabilities at amortized cost	47,174	975	<b>48,149</b>	53,518	436	<b>53,954</b>
Provisions	7,680	405	<b>8,085</b>	7,285	405	<b>7,690</b>
Deferred tax liability	11,967	3,233	<b>15,200</b>	21,180	4,439	<b>25,619</b>
Accounts payable and other liabilities	53,050	9,865	<b>62,915</b>	49,765	11,344	<b>61,109</b>
Current income tax liability	11,800	266	<b>12,066</b>	1,823	239	<b>2,062</b>
<b>Total liabilities</b>	<b>595,285</b>	<b>417,232</b>	<b>1,012,517</b>	<b>539,136</b>	<b>437,203</b>	<b>976,339</b>
<b>Total capital, reserves and liabilities</b>	<b>1,276,670</b>	<b>501,005</b>	<b>1,777,675</b>	<b>1,166,941</b>	<b>522,624</b>	<b>1,689,565</b>

Differences in the amounts of *Trade receivables and other receivables* and the amounts of *Account payable and other liabilities*, stated in the Statement of financial position and Note 3 arise from intersegmental receivables and liabilities.

Group's additions to non-current assets by segments at the reporting date are as follows:

	<b>2023</b>	<b>2023</b>	<b>2023</b>	<b>2022</b>	<b>2022</b>	<b>2022</b>
	in EUR'000	in EUR'000	in EUR'000	in EUR'000	in EUR'000	in EUR'000
	<b>NON-LIFE</b>	<b>LIFE</b>	<b>TOTAL</b>	<b>NON-LIFE</b>	<b>LIFE</b>	<b>TOTAL</b>
Additions to non-current assets (Note 13, 14 and 15)	25,669	1,333	<b>27,002</b>	18,368	70	<b>18,438</b>

The measurement of the assets and liabilities segment and the revenues and result segment is based on the accounting policies set out in the notes on accounting policies. Based on the internal management reports, one of the key performance measure for measurement of profitability of each segment and insurance type identified by the Group is profit before tax.

The Group's main reportable segments are non-life and life. The Group performs insurance business in segments of non-life and life insurance. Among other important activities, the Group also carries out activities of pension fund management, technical examinations and providing medical services of clinics within the segment of non-life.

Segment results, assets and liabilities include items directly attributable to the segment as well as those that are allocated on a reasonable basis.

The main products offered by reportable segments include:

**Non-life:**

- 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
- Legal expenses insurance
- Assistance
- Miscellaneous financial loss insurance
- Non-proportional health reinsurance (non-life)
- Non-proportional reinsurance casualty
- Non-proportional marine, aviation and transport reinsurance
- Non-proportional property reinsurance

**Life:**

- Health insurance
- Insurance with profit participation
- Index-linked and unit-linked insurance
- Other life insurance
- Health reinsurance
- Life reinsurance

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An overview of insurance revenue by type of insurance is shown below:

	<b>Company</b>	<b>Company</b>	<b>Group</b>	<b>Group</b>
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
	in EUR'000	in EUR'000	in EUR'000	in EUR'000
Medical expense insurance	59,214	52,888	64,702	56,601
Income protection insurance	15,790	14,582	19,732	17,981
Workers' compensation insurance	-	-	-	(57)
Motor vehicle liability insurance	85,316	73,479	127,782	112,262
Other motor insurance	70,907	57,263	80,812	65,237
Marine, aviation and transport insurance	13,187	11,478	13,715	11,995
Fire and other damage to property insurance	110,733	111,125	116,769	117,004
General liability insurance	18,873	16,678	19,612	17,343
Credit and suretyship insurance	3,764	3,588	6,452	6,164
Legal expenses insurance	3	1	5	2
Assistance	3,723	2,785	6,989	5,431
Miscellaneous financial loss insurance	7,431	7,873	7,581	8,101
Non-proportional health reinsurance (non-life)	-	-	-	-
Non-proportional reinsurance casualty	-	-	-	-
Non-proportional marine, aviation and transport reinsurance	-	-	-	-
Non-proportional property reinsurance	-	-	-	-
<b>Total non-life insurance</b>	<b>388,941</b>	<b>351,740</b>	<b>464,151</b>	<b>418,064</b>
Health insurance	-	-	-	-
Insurance with profit participation	5,873	4,972	7,348	6,717
Index-linked and unit-linked insurance	431	381	828	610
Other life insurance	139	136	4,069	3,192
Health reinsurance	-	-	-	-
Life reinsurance	-	-	-	-
<b>Total life insurance</b>	<b>6,442</b>	<b>5,489</b>	<b>12,245</b>	<b>10,519</b>
<b>Total</b>	<b>395,384</b>	<b>357,229</b>	<b>476,396</b>	<b>428,583</b>

**CROATIA osiguranje d.d., Zagreb**  
**Notes to the financial statements for 2023**

An overview of the Company's and the Group's revenues by geographical area is shown below:

Company in EUR'000	2023			
	Republic of Croatia	Slovenia	Other countries	TOTAL
Insurance revenue	381,206	8,692	5,486	<b>395,384</b>
<b>Net operating income</b>	<b>381,206</b>	<b>8,692</b>	<b>5,486</b>	<b>395,384</b>

Company in EUR'000	2022			
	Republic of Croatia	Slovenia	Other countries	TOTAL
Insurance revenue	344,406	7,775	5,048	<b>357,229</b>
<b>Net operating income</b>	<b>344,406</b>	<b>7,775</b>	<b>5,048</b>	<b>357,229</b>

Group in EUR'000	2023					
	Republic of Croatia	Republic of Serbia	Bosnia and Herzegovina	North Macedonia	Other countries	TOTAL
Insurance revenue	380,710	41,448	22,600	21,044	10,594	<b>476,396</b>
<b>Net operating income</b>	<b>380,710</b>	<b>41,448</b>	<b>22,600</b>	<b>21,044</b>	<b>10,594</b>	<b>476,396</b>

Group in EUR'000	2022					
	Republic of Croatia	Republic of Serbia	Bosnia and Herzegovina	North Macedonia	Other countries	TOTAL
Insurance revenue	343,910	36,351	21,270	17,539	9,513	<b>428,583</b>
<b>Net operating income</b>	<b>343,910</b>	<b>36,351</b>	<b>21,270</b>	<b>17,539</b>	<b>9,513</b>	<b>428,583</b>

An overview of the Company's and the Group's non-current assets by geographical area is shown below:

Company in EUR'000	2023			
	Republic of Croatia	Slovenia	Other countries	TOTAL
Non-current assets (note 13, 14 and 15)	145,949	391	-	<b>146,340</b>

Company in EUR'000	2022			
	Republic of Croatia	Slovenia	Other countries	TOTAL
Non-current assets (note 13, 14 and 15)	148,550	435	-	<b>148,985</b>

**CROATIA osiguranje d.d., Zagreb**  
**Notes to the financial statements for 2023**

Group in EUR'000	2023					TOTAL
	Republic of Croatia	Republic of Serbia	Bosnia and Herzegovina	North Macedonia	Other countries	
Non-current assets (note 13, 14 and 15)	257,287	4,247	13,223	3,422	391	<b>278,570</b>

Group in EUR'000	2022					TOTAL
	Republic of Croatia	Republic of Serbia	Bosnia and Herzegovina	North Macedonia	Other countries	
Non-current assets (note 13, 14 and 15)	248,936	3,150	13,164	1,196	445	<b>266,891</b>

**CROATIA osiguranje d.d., Zagreb**  
**Notes to the financial statements for 2023**

**4. Insurance revenue**

	2023	2023	2023	Restated 2022	Restated 2022	Restated 2022
Company	NON-LIFE	LIFE	TOTAL	NON-LIFE	LIFE	TOTAL
	in EUR'000	in EUR'000	in EUR'000	in EUR'000	in EUR'000	in EUR'000
<b>Contracts not measured under the Premium allocation approach ("PAA")</b>						
<i>Amounts relating to changes in liabilities from remaining coverage</i>						
- Changes in contractual service margin	1,106	1,215	2,321	509	694	<b>1,203</b>
- Change in risk adjustment for non-financial risk	139	434	573	207	521	<b>728</b>
- Expected incurred claims and other insurance service expenses	1,728	4,487	6,215	2,371	4,118	<b>6,489</b>
- Other changes	38	-	38	-	-	-
<i>Allocation of the portion of the premiums that relate to the recovery of insurance acquisition cash flows</i>	418	307	725	276	156	<b>432</b>
<b>Total</b>	<b>3,429</b>	<b>6,443</b>	<b>9,872</b>	<b>3,363</b>	<b>5,489</b>	<b>8,852</b>
<b>Contracts measured under the Premium allocation approach ("PAA")</b>	385,512	-	385,512	348,377	-	<b>348,377</b>
<b>Total income from insurance contracts</b>	<b>388,941</b>	<b>6,443</b>	<b>395,384</b>	<b>351,740</b>	<b>5,489</b>	<b>357,229</b>
	2023	2023	2023	Restated 2022	Restated 2022	Restated 2022
Group	NON-LIFE	LIFE	TOTAL	NON-LIFE	LIFE	TOTAL
	in EUR'000	in EUR'000	in EUR'000	in EUR'000	in EUR'000	in EUR'000
<b>Contracts not measured under the Premium allocation approach ("PAA")</b>						
<i>Amounts relating to changes in liabilities from remaining coverage</i>						
- Changes in contractual service margin	2,172	2,030	4,202	1,633	1,337	<b>2,970</b>
- Change in risk adjustment for non-financial risk	209	740	949	300	781	<b>1,081</b>
- Expected incurred claims and other insurance service expenses	2,984	7,912	10,896	3,701	7,808	<b>11,509</b>
- Other changes	38	-	38	-	-	-
<i>Allocation of the portion of the premiums that relate to the recovery of insurance acquisition cash flows</i>	562	1,563	2,125	291	593	<b>884</b>
<b>Total</b>	<b>5,965</b>	<b>12,245</b>	<b>18,210</b>	<b>5,925</b>	<b>10,519</b>	<b>16,444</b>
<b>Contracts measured under the Premium allocation approach ("PAA")</b>	458,186	-	458,186	412,139	-	<b>412,139</b>
<b>Total income from insurance contracts</b>	<b>464,151</b>	<b>12,245</b>	<b>476,396</b>	<b>418,064</b>	<b>10,519</b>	<b>428,583</b>

5. Insurance service expenses

	Company		Group	
	2023	Company Restated 2022	2023	Group Restated 2022
	in EUR'000	in EUR'000	in EUR'000	in EUR'000
Incurring claims	257,715	198,256	299,289	231,036
Other insurance service expenses	60,283	57,476	73,065	69,287
Other sale related insurance expenses	38,510	39,059	47,780	47,446
Provisions	39,912	36,941	46,582	42,069
Losses and reversals of losses on onerous contracts	(2,147)	1,790	(2,210)	2,921
Adjustments to liabilities for incurred claims	(18,342)	(8,014)	(21,905)	(10,268)
	<b>375,931</b>	<b>325,508</b>	<b>442,601</b>	<b>382,491</b>

5.1. Other insurance expenses

	Company		Group	
	2023	Company 2022	2023	Group 2022
	in EUR'000	in EUR'000	in EUR'000	in EUR'000
Services	15,820	14,779	18,216	16,919
Net salaries and fees	13,005	12,378	15,939	14,870
Contributions from salaries	2,994	2,988	3,472	3,279
Contributions on salaries	2,263	2,276	2,394	2,397
Taxes and surtaxes	1,844	1,818	1,905	1,876
Amortisation of intangible assets	3,850	3,282	3,996	3,442
Depreciation of tangible assets	2,811	2,538	3,418	3,138
Depreciation – right-of-use assets	2,236	2,253	2,557	2,664
Contributions for health insurance from motor liability premium	2,423	1,874	3,885	3,168
Commission expenses of credit card companies, payment transactions and banking services	1,946	1,857	2,373	2,212
Energy consumed	1,555	1,283	2,131	1,843
Insurance premiums	1,575	1,522	1,906	1,807
Other contributions and fees	1,063	951	1,231	1,129
Fire Department fee	1,065	929	1,401	1,292
Sponsorships	1,064	1,034	1,102	1,067
Other employee benefits in line with collective agreement	768	891	811	932
Transportation to and from work	430	429	472	464
Other employee benefits	163	131	183	156
Guarantee fund fee	464	370	1,119	1,065
Fee to supervisory authorities (e.g. HANFA)	337	343	661	625
Fee to Croatian Insurance Bureau	291	216	325	244
Materials used	275	330	560	596
Severance pay and jubilee awards expenses	27	18	32	20
Provisions for unused vacation days	89	278	109	281
(Reversal)/reservation for jubilee awards and old-age severance pay	(82)	14	(75)	(14)
Other provisions	(249)	199	(249)	199
Other various costs and expenditures	2,256	2,495	3,191	3,616
	<b>60,283</b>	<b>57,476</b>	<b>73,065</b>	<b>69,287</b>



## 5.2 Other sale related insurance expenses

	<b>Company</b>	<b>Company</b>	<b>Group</b>	<b>Group</b>
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
	in EUR'000	in EUR'000	in EUR'000	in EUR'000
Sales staff costs	29,399	27,434	38,642	35,067
Marketing costs	4,829	7,417	5,746	8,287
Other direct sales costs	4,282	4,208	3,392	4,092
	<b>38,510</b>	<b>39,059</b>	<b>47,780</b>	<b>47,446</b>

## 6. Net investment income

	<b>Company</b>	<b>Company</b>	<b>Group</b>	<b>Group</b>
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
	in EUR'000	in EUR'000	in EUR'000	in EUR'000
Interest revenue calculated using the effective interest rate method	27,224	23,128	30,793	25,686
Other income/expenditure from investments	13,193	10,890	5,470	6,538
Realised gains/losses (net) from financial assets at fair value through profit or loss	6,050	(1,045)	6,237	(1,166)
Income from investment property	4,691	4,943	16,780	13,927
Net gains/losses from derecognition of financial assets at amortized cost	-	-	-	-
Net impairment/release of impairment of financial assets	2,019	1,103	1,493	1,161
Net exchange rate differences	(964)	3,020	(1,012)	2,902
	<b>52,213</b>	<b>42,039</b>	<b>59,761</b>	<b>49,048</b>

### 6.1. Interest revenue calculated using the effective interest rate method

	<b>Company</b>	<b>Company</b>	<b>Group</b>	<b>Group</b>
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
	in EUR'000	in EUR'000	in EUR'000	in EUR'000
Financial assets at amortised cost	13,401	12,005	14,013	11,885
Financial assets at fair value through other comprehensive income	13,823	11,123	16,780	13,801
	<b>27,224</b>	<b>23,128</b>	<b>30,793</b>	<b>25,686</b>

6.2. Other income/expenses from investments

	Company		Group	
	2023	2022	2023	2022
	in EUR'000	in EUR'000	in EUR'000	in EUR'000
Dividend income	14,672	9,693	7,784	6,719
Realised gains/losses (net) from financial assets at fair value through other comprehensive income	289	4,280	293	4,280
<i>-equity securities (IAS 39)</i>	-	2,265	-	2,265
<i>-debt securities</i>	289	2,015	293	2,015
Other income	298	(1,062)	788	(1,351)
Net realised gain/loss from the sale of subsidiaries and associates	-	-	-	-
Other realised net gains/losses	-	-	-	-
Gain on bargain purchase	-	-	-	-
Other expenses	(1)	(45)	(2)	(45)
Foreign exchange gains from nonfinancial assets	(7)	51	(5)	59
Payment transactions expenses	(214)	(207)	(239)	(252)
Utilities - investments	(840)	(946)	(2,124)	(1,981)
Personnel costs - investments	(1,004)	(874)	(1,025)	(891)
	<b>13,193</b>	<b>10,890</b>	<b>5,470</b>	<b>6,538</b>

6.3. Realised gains/losses (net) from financial assets at fair value through profit or loss

	Company		Group	
	2023	2022	2023	2022
	in EUR'000	in EUR'000	in EUR'000	in EUR'000
Net unrealised gains/losses	3,877	982	4,051	836
Interest income	1,115	25	1,115	25
Realised gain/loss from the sale	1,058	(2,052)	1,071	(2,027)
	<b>6,050</b>	<b>(1,045)</b>	<b>6,237</b>	<b>(1,166)</b>

6.4. Income from investment property

	Company		Group	
	2023	2022	2023	2022
	in EUR'000	in EUR'000	in EUR'000	in EUR'000
Rental income	3,759	3,603	14,084	13,203
Net (loss)/income from the sale of land and building	37	488	37	491
Income from increase in the fair value of land and buildings	895	852	2,659	233
	<b>4,691</b>	<b>4,943</b>	<b>16,780</b>	<b>13,927</b>

6.5. Net impairment/release of impairment of financial assets

	Company		Group	
	2023	2022	2023	2022
	in EUR'000	in EUR'000	in EUR'000	in EUR'000
Financial assets at amortised cost	1,321	-	1,339	-
Financial assets at fair value through other comprehensive income	179	-	154	-
Investments in subsidiaries, associates and participation in joint ventures	519	(71)	-	-
Equity securities classified as available for sale	-	(430)	-	(430)
Net release of impairment of loans	-	1,604	-	1,591
	<b>2,019</b>	<b>1,103</b>	<b>1,493</b>	<b>1,161</b>

7. Net financial result from insurance and (passive) reinsurance contracts

	Company		Group	
	2023	Restated 2022	2023	Restated 2022
	in EUR'000	in EUR'000	in EUR'000	in EUR'000
Net financial result from insurance contracts	(4,723)	2,439	(6,907)	2,475
Net financial result from (passive) reinsurance contracts	673	46	790	48
	<b>(4,050)</b>	<b>2,485</b>	<b>(6,117)</b>	<b>2,523</b>

8. Other income

	Company		Group	
	2023	2022	2023	2022
	in EUR'000	in EUR'000	in EUR'000	in EUR'000
Other income	1,983	975	3,674	2,153
Income based on the nuclear pool	618	725	618	725
Income from collection of sued receivables	619	681	619	686
Income from the guarantee fund	420	136	420	136
Gain on sale of tangible assets	460	7	562	15
Income from assessment services	618	600	650	654
Income from liabilities and collected receivables written off	491	3,262	577	3,377
Income from penalty interest	387	681	389	684
Income from the medical services of polyclinics	-	-	9,621	7,248
Income from entry fees and management fees	-	-	2,304	2,055
Income from the technical inspection services	-	-	10,982	10,532
Income from the collected costs of settlement	-	-	65	71
Income from claims incurred abroad	57	183	148	267
	<b>5,653</b>	<b>7,250</b>	<b>30,629</b>	<b>28,603</b>

Income from motor vehicle examination, polyclinic medical services and income from entry and management fees by geographical area mostly relate to the Republic of Croatia and to non-life reportable segment. Income from entry and management fees is recognized when revenue can be reliably measured, when the Group will have future economic benefits and when specific criteria are met, all in accordance with IFRS 15 Revenue from Contracts with Customers.

9. Other financial expenses

	<b>Company</b>	<b>Company</b>	<b>Group</b>	<b>Group</b>
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
	in EUR'000	in EUR'000	in EUR'000	in EUR'000
Interest on lease liabilities	1,266	1,297	1,653	1,587
Interest on collateral deposits	10	-	10	-
Interest on repo transactions	1	14	1	14
Interest costs on derivative instruments	11	-	11	-
Interest on preference shares	130	130	130	130
Interest on loans	-	-	10	6
	<b>1,418</b>	<b>1,441</b>	<b>1,815</b>	<b>1,737</b>

**10. Other operating expenses**

	<b>Company</b>		<b>Group</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
	in EUR'000	in EUR'000	in EUR'000	in EUR'000
Intellectual costs	1,859	3,809	1,939	3,880
Representation costs	1,368	1,374	1,655	1,801
Net provision for termination benefits and jubilee awards and retirement benefits	52	(623)	298	(465)
Termination benefits	1,587	1,178	1,694	1,291
Impairment of receivables	525	2,188	712	2,307
Other contributions and fees	776	849	3,011	2,849
Other various costs and expenditures	1,125	964	3,902	3,623
Marketing costs	516	623	1,599	1,365
Daily allowances and transportation expenses	376	231	509	416
Tax expenses not depending on the result	133	69	688	215
Service costs	200	306	2,814	3,074
Impairment of intangible assets	-	6,080	12	6,082
Rents of business premises	-	-	1,886	1,538
Depreciation of tangible assets	-	-	2,947	2,266
Depreciation – right-of-use assets	-	-	957	665
Amortisation of intangible assets	-	-	160	135
Depreciation – investment property	-	-	-	-
Contributions from salaries	-	-	1,936	1,549
Contributions on salaries	-	-	1,540	1,405
Net salaries and fees	-	-	7,390	5,875
Net impairment/release of impairment of tangible assets	71	200	62	314
Other provisions	-	-	191	135
Other employee benefits in line with collective agreement	-	-	278	241
Write off of small inventory	-	-	70	83
Taxes and surtaxes	-	-	1,201	937
Energy consumed	-	-	548	536
Insurance premiums	-	-	148	39
Net provisions for unused vacation days	-	-	95	47
Net provisions for termination benefits and jubilee awards	-	-	6	7
Transportation to and from work	-	-	367	290
Commission expenses of credit card companies, payment transactions and banking services	-	-	251	233
Vacation allowance to employees	-	-	83	56
Sponsorship expenses	-	-	-	3
Materials used	-	-	1,180	902
Income from reversal of long-term provisions	(62)	(116)	(351)	(348)
Provisions for legal disputes	496	(434)	541	(394)
	<b>9,021</b>	<b>16,698</b>	<b>40,319</b>	<b>42,952</b>

## 11. Income tax

Income tax is calculated in accordance with legal regulations on the tax base, which represents the difference between the realised income and expenditures in the accounting period for which the tax base is determined. The initial tax base was increased by tax non-deductible expenditure and decreased by income in accordance with the tax regulations in effect in the countries of Group members.

	<b>Company</b>	<b>Company</b>	<b>Group</b>	<b>Group</b>
	<b>2023</b>	<b>Restated 2022</b>	<b>2023</b>	<b>Restated 2022</b>
	in EUR'000	in EUR'000	in EUR'000	in EUR'000
Net deferred tax expense (Note 19)	(9,726)	851	(9,676)	1,695
Current tax expense	18,000	7,572	20,398	9,567
<b>Net income tax expense for the year</b>	<b>8,274</b>	<b>8,423</b>	<b>10,722</b>	<b>11,262</b>

The reconciliation between income tax and the profit before tax reported in the income statement is set out below:

	<b>Company</b>	<b>Company</b>	<b>Group</b>	<b>Group</b>
	<b>2023</b>	<b>Restated 2022</b>	<b>2023</b>	<b>Restated 2022</b>
	in EUR'000	in EUR'000	in EUR'000	in EUR'000
<b>Profit before tax</b>	<b>55,155</b>	<b>54,048</b>	<b>69,174</b>	<b>69,539</b>
Income tax at 18%	9,928	9,729	12,451	12,517
Non-deductible expenses	14,226	3,258	14,555	3,638
Income not subject to tax	(15,880)	(4,564)	(16,284)	(4,893)
<b>Income tax</b>	<b>8,274</b>	<b>8,423</b>	<b>10,722</b>	<b>11,262</b>
<b>Effective tax rate</b>	<b>15.00%</b>	<b>15.58%</b>	<b>15.50%</b>	<b>16.20%</b>

As at 31 December 2023, the Company has no tax losses that can be carried forward for covering the Company's future profits. The remaining Group companies have EUR 3.6 million tax losses that can be carried forward to cover future profits.

In accordance with local regulations, the Tax Administration may at any time inspect the Company's books and records within 3 years following the year in which the tax liability is reported and may impose additional tax liabilities and penalties. The Company's Management Board is not aware of any circumstances, which may give rise to a potential material liability in this respect.

12. Earnings per share

	<u>Group</u>	<u>Group</u>
	<b>2023</b>	<b>Restated 2022</b>
	in EUR'000	in EUR'000
Profit for the year attributable to the Parent company's shareholders	58,380	50,199
Weighted average of ordinary shares	420,947	420,947
<b>Earnings per share attributable to the Parent company's shareholders</b>		
Basic and diluted earnings per share in EUR	<b>138.69</b>	<b>138.26</b>

For the purpose of calculating earnings per share, earnings are calculated as the profit for the period attributable to the Company's shareholders. The number of ordinary shares is the weighted average number of ordinary shares in circulation during the year. The weighted average number of ordinary shares used for the calculation of basic earnings per share was 420,947 (2021: 420,947). In addition, since there is no effect of options, convertible bonds or similar effects, the weighted average number of ordinary shares used to calculate diluted earnings per share was the same as the one used to calculate basic earnings per share.

13. Intangible assets

Company	in EUR'000			
	Other intangible assets	Software	Intangible assets in progress	Total
<b>Cost</b>				
<b>At 31 December 2021</b>	<b>865</b>	<b>33,710</b>	<b>5,483</b>	<b>40,058</b>
Additions	-	20	5,810	5,830
Capitalized employee expenses	-	-	1,037	1,037
Transfer from/to tangible assets	-	178	-	178
Transfer into use	-	3,845	(3,845)	-
<b>At 31 December 2022</b>	<b>865</b>	<b>37,753</b>	<b>8,485</b>	<b>47,103</b>
Additions	-	251	3,542	3,793
Capitalized employee expenses	-	-	586	586
Transfer from/to tangible assets	-	(191)	-	(191)
Transfer into use	-	6,880	(6,880)	-
Disposals or retirements	-	(3)	-	(3)
<b>At 31 December 2023</b>	<b>865</b>	<b>44,690</b>	<b>5,733</b>	<b>51,288</b>
<b>Accumulated amortisation</b>				
<b>At 31 December 2021</b>	<b>865</b>	<b>21,446</b>	<b>-</b>	<b>22,311</b>
Amortisation charge for 2022	-	3,290	-	3,290
Impairment of value (note 10)	-	1,296	4,785	6,081
Exchange rate fluctuations	-	-	3	3
<b>At 31 December 2022</b>	<b>865</b>	<b>26,032</b>	<b>4,788</b>	<b>31,685</b>
Amortisation charge for 2023	-	3,850	-	3,850
Transfer from/to tangible assets	-	(11)	-	(11)
Disposals or retirements	-	(3)	-	(3)
<b>At 31 December 2023</b>	<b>865</b>	<b>29,868</b>	<b>4,788</b>	<b>35,521</b>
<b>Net book amount</b>				
<b>At 31 December 2023</b>	<b>-</b>	<b>14,822</b>	<b>945</b>	<b>15,767</b>
<b>At 31 December 2022</b>	<b>-</b>	<b>11,721</b>	<b>3,697</b>	<b>15,418</b>

The Company capitalized costs of net salaries in the amount of EUR 323 thousand (2022: EUR 539 thousand), costs of contributions from salaries in the amount of EUR 93 thousand (2022: EUR 151 thousand), costs of taxes and surcharges from salaries in the amount of EUR 71 thousand (2022: EUR 91 thousand), costs of contributions to salaries in the amount of EUR 73 thousand (2022: EUR 116 thousand) and other costs of employees in the amount of EUR 26 thousand (2022: EUR 140 thousand).



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Group	in EUR'000			
	Other intangible assets	Software	Intangible assets in progress	Total
<b>Cost</b>				
<b>At 31 December 2021</b>	<b>3,812</b>	<b>36,715</b>	<b>5,538</b>	<b>46,065</b>
Additions	122	187	6,761	7,070
Capitalized employee expenses	-	-	1,037	1,037
Transfer from/to tangible assets	-	191	(13)	178
Transfer into use	-	3,863	(3,863)	-
Disposals or retirements	-	(16)	-	(16)
Foreign exchange differences arising on translation of financial statements of foreign operations	-	19	-	19
<b>At 31 December 2022</b>	<b>3,934</b>	<b>40,959</b>	<b>9,460</b>	<b>54,353</b>
Additions	-	866	4,491	5,357
Capitalized employee expenses	-	-	586	586
Transfer from/to tangible assets	112	(191)	(112)	(191)
Transfer into use	-	6,909	(6,909)	-
Disposals or retirements	-	(54)	-	(54)
Foreign exchange differences arising on translation of financial statements of foreign operations	-	1	-	1
<b>At 31 December 2023</b>	<b>4,046</b>	<b>48,490</b>	<b>7,516</b>	<b>60,052</b>
<b>Accumulated amortisation</b>				
<b>At 31 December 2021</b>	<b>2,860</b>	<b>24,048</b>	<b>-</b>	<b>26,908</b>
Amortisation charge for 2022	116	3,468	-	3,584
Impairment of value (note 10)	-	1,296	4,785	6,081
Disposals or retirements	-	(14)	-	(14)
Foreign exchange differences arising on translation of financial statements of foreign operations	-	7	3	10
<b>At 31 December 2022</b>	<b>2,976</b>	<b>28,805</b>	<b>4,788</b>	<b>36,569</b>
Amortisation charge for 2023	117	4,039	-	4,156
Transfer from/to tangible assets	-	(11)	-	(11)
Disposals or retirements	-	(53)	-	(53)
<b>At 31 December 2023</b>	<b>3,093</b>	<b>32,780</b>	<b>4,788</b>	<b>40,661</b>
<b>Net book amount</b>				
<b>At 31 December 2023</b>	<b>953</b>	<b>15,710</b>	<b>2,728</b>	<b>19,391</b>
<b>At 31 December 2022</b>	<b>958</b>	<b>12,154</b>	<b>4,672</b>	<b>17,784</b>

The Group capitalized costs of net salaries in the amount of EUR 323 thousand (2022: EUR 539 thousand), costs of contributions from salaries in the amount of EUR 93 thousand (2022: EUR 151 thousand), costs of taxes and surcharges from salaries in the amount of EUR 71 thousand (2022: EUR 91 thousand), costs of contributions to salaries in the amount of EUR 73 thousand (2022: EUR 116 thousand) and other costs of employees in the amount of EUR 26 thousand (2022: EUR 140 thousand).

14. Property at revaluation model

in EUR'000

Cost	Company				Group			
	Land	Buildings	Assets under construction	Total	Land	Buildings	Assets under construction	Total
<b>At 31 December 2021</b>	<b>3,358</b>	<b>40,199</b>	<b>944</b>	<b>44,501</b>	<b>7,447</b>	<b>72,046</b>	<b>998</b>	<b>80,491</b>
Change in fair value (through OCI)	(27)	(129)	-	(156)	(61)	(20)	-	(81)
Change in fair value (P&L) (Note 10)	(7)	(192)	-	(199)	(7)	(167)	-	(174)
Additions	-	-	836	836	51	21	947	1,019
Transfer from assets in preparation for use	-	676	(676)	-	-	676	(676)	-
Transfer from/to intangible assets (Note 13)	-	-	(178)	(178)	-	-	(178)	(178)
Transfer to investment property (Note 15)	-	-	(154)	(154)	419	2,675	(154)	2,940
Disposals or retirements	(13)	(62)	-	(75)	(13)	(216)	-	(229)
Foreign exchange differences	-	-	-	-	5	20	-	25
<b>At 31 December 2022</b>	<b>3,311</b>	<b>40,492</b>	<b>772</b>	<b>44,575</b>	<b>7,841</b>	<b>75,035</b>	<b>937</b>	<b>83,813</b>
Change in fair value (through OCI)	-	(137)	-	(137)	32	(31)	-	1
Change in fair value (P&L) (Note 10)	-	(71)	-	(71)	-	(62)	-	(62)
Additions	-	-	336	336	-	328	250	578
Transfer from assets in preparation for use	-	978	(978)	-	-	979	(979)	-
Transfer from investment property (Note 15)	97	986	-	1,083	137	2,402	-	2,539
Disposals or retirements	(45)	(793)	-	(838)	(44)	(811)	-	(855)
Foreign exchange differences	-	-	-	-	-	1	-	1
<b>At 31 December 2023</b>	<b>3,363</b>	<b>41,455</b>	<b>130</b>	<b>44,948</b>	<b>7,966</b>	<b>77,841</b>	<b>208</b>	<b>86,015</b>
<b>Accumulated depreciation and impairment</b>								
<b>At 31 December 2021</b>	<b>-</b>	<b>17,670</b>	<b>-</b>	<b>17,670</b>	<b>-</b>	<b>24,300</b>	<b>-</b>	<b>24,300</b>
Depreciation charge for 2022	-	955	-	955	-	1,410	-	1,410
Depreciation on revaluation effect	-	64	-	64	-	370	-	370
Change in fair value (P&L)	-	-	-	-	-	99	-	99
Disposals or retirements	-	(43)	-	(43)	-	(56)	-	(56)
Foreign exchange differences	-	-	-	-	-	9	-	9
<b>At 31 December 2022</b>	<b>-</b>	<b>18,646</b>	<b>-</b>	<b>18,646</b>	<b>-</b>	<b>26,132</b>	<b>-</b>	<b>26,132</b>
Depreciation charge for 2023	-	959	-	959	-	1,380	-	1,380
Depreciation on revaluation effect	-	63	-	63	-	368	-	368
Disposals or retirements	-	(413)	-	(413)	-	(414)	-	(414)
Foreign exchange differences	-	-	-	-	-	1	-	1
<b>At 31 December 2023</b>	<b>-</b>	<b>19,255</b>	<b>-</b>	<b>19,255</b>	<b>-</b>	<b>27,467</b>	<b>-</b>	<b>27,467</b>
<b>Net book amount</b>								
<b>At 31 December 2023</b>	<b>3,363</b>	<b>22,200</b>	<b>130</b>	<b>25,693</b>	<b>7,966</b>	<b>50,374</b>	<b>208</b>	<b>58,548</b>
<b>At 31 December 2022</b>	<b>3,311</b>	<b>21,846</b>	<b>772</b>	<b>25,929</b>	<b>7,841</b>	<b>48,903</b>	<b>937</b>	<b>57,681</b>

The carrying amount of land and buildings that would have been recognised had the assets been carried under the cost method would have amounted to EUR 21,517 thousand (31 December 2022: EUR 21,209 thousand) for the Company and EUR 32,561 thousand (31 December 2022: EUR 32,088 thousand) for the Group.

14.1. Property and equipment at cost model

Company	in EUR'000					
Cost	Right- of-use assets - Buildings	Equipment and furniture	Other tangible assets	Assets under construction	Right- of- use assets - Other tangible assets	Total
<b>At 31 December 2021</b>	<b>37,757</b>	<b>29,013</b>	<b>2,420</b>	<b>52</b>	<b>2,568</b>	<b>71,810</b>
Additions	1,202	21	-	1,566	239	3,028
Transfer from assets in preparation for use	-	1,235	330	(1,565)	-	-
Transfer from/to tangible assets (Note 14)	-	13	(13)	-	-	-
Transfer to investment property (Note 15)	-	3	-	-	-	3
Disposals or retirements	(38)	(79)	(32)	-	-	(149)
<b>At 31 December 2022</b>	<b>38,921</b>	<b>30,206</b>	<b>2,705</b>	<b>53</b>	<b>2,807</b>	<b>74,692</b>
Additions	996	-	-	1,447	430	2,873
Transfer from assets in preparation for use	-	1,419	26	(1,445)	-	-
Transfer from/to intangible assets (Note 13)	-	191	-	-	-	191
Transfer from/to tangible assets (Note 14)	-	-	-	-	-	-
Disposals or retirements	(310)	(513)	2	-	(8)	(829)
<b>At 31 December 2023</b>	<b>39,607</b>	<b>31,303</b>	<b>2,733</b>	<b>55</b>	<b>3,229</b>	<b>76,927</b>
<b>Accumulated depreciation and impairment</b>						
<b>At 31 December 2021</b>	<b>4,755</b>	<b>25,520</b>	<b>1,338</b>	<b>-</b>	<b>1,150</b>	<b>32,763</b>
Depreciation charge for 2022	1,716	1,420	99	-	538	3,773
Transfer to investment property (Note 15)	-	1	-	-	-	1
Disposals or retirements	-	(63)	(26)	-	-	(89)
<b>At 31 December 2022</b>	<b>6,471</b>	<b>26,878</b>	<b>1,411</b>	<b>-</b>	<b>1,688</b>	<b>36,448</b>
Depreciation charge for 2023	1,630	1,685	104	-	606	4,025
Transfer from/to tangible assets (Note 14)	-	11	-	-	-	11
Transfer to investment property (Note 15)	-	(3)	-	-	-	(3)
Disposals or retirements	-	(508)	-	-	-	(508)
<b>At 31 December 2023</b>	<b>8,101</b>	<b>28,063</b>	<b>1,515</b>	<b>-</b>	<b>2,294</b>	<b>39,973</b>
<b>Net book amount</b>						
<b>At 31 December 2023</b>	<b>31,506</b>	<b>3,240</b>	<b>1,218</b>	<b>55</b>	<b>935</b>	<b>36,954</b>
<b>At 31 December 2022</b>	<b>32,450</b>	<b>3,328</b>	<b>1,294</b>	<b>53</b>	<b>1,119</b>	<b>38,244</b>

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Group	in EUR'000					
	Right- of-use assets - Buildings	Equipment and furniture	Other tangible assets	Assets under construction	Right- of- use assets - Other tangible assets	Total
<b>Cost</b>						
<b>At 31 December 2021</b>	<b>45,481</b>	<b>46,694</b>	<b>7,396</b>	<b>67</b>	<b>2,854</b>	<b>102,492</b>
Additions	2,167	2,854	496	2,704	68	8,289
Transfer from assets in preparation for use	-	1,389	330	(1,719)	-	-
Transfer from/to tangible assets (Note 14)	-	13	(13)	-	-	-
Transfer to investment property (Note 15)	-	3	-	-	-	3
Foreign exchange differences arising on translation of financial statements of foreign operations	25	11	13	-	1	50
Disposals or retirements	(474)	(219)	(119)	-	(71)	(883)
<b>At 31 December 2022</b>	<b>47,199</b>	<b>50,745</b>	<b>8,103</b>	<b>1,052</b>	<b>2,852</b>	<b>109,951</b>
Additions	8,410	896	2,008	6,317	357	17,988
Transfer from assets in preparation for use	-	7,099	49	(7,148)	-	-
Transfer from/to intangible assets (Note 13)	-	191	-	-	-	191
Transfer from/to tangible assets (Note 14)	-	53	(53)	-	-	-
Foreign exchange differences arising on translation of financial statements of foreign operations	4	1	1	-	65	71
Disposals or retirements	(1,857)	(1,031)	(211)	-	(16)	(3,115)
<b>At 31 December 2023</b>	<b>53,756</b>	<b>57,954</b>	<b>9,897</b>	<b>221</b>	<b>3,258</b>	<b>125,086</b>
<b>Accumulated depreciation and impairment</b>						
<b>At 31 December 2021</b>	<b>7,072</b>	<b>36,849</b>	<b>5,393</b>	<b>-</b>	<b>1,211</b>	<b>50,525</b>
Depreciation charge for 2022	2,881	3,209	409	-	456	6,955
Transfer to investment property (Note 15)	-	1	-	-	-	1
Foreign exchange differences arising on translation of financial statements of foreign operations	21	6	10	-	-	37
Disposals or retirements	(287)	(53)	(142)	-	(71)	(553)
<b>At 31 December 2022</b>	<b>9,687</b>	<b>40,012</b>	<b>5,670</b>	<b>-</b>	<b>1,596</b>	<b>56,965</b>
Depreciation charge for 2023	3,047	3,961	653	-	470	8,131
Transfer from/to intangible assets (Note 13)	-	11	-	-	-	11
Transfer to investment property (Note 14)	-	6	(9)	-	-	(3)
Foreign exchange differences arising on translation of financial statements of foreign operations	1	-	1	-	-	2
Disposals or retirements	(830)	(997)	(135)	-	-	(1,962)
<b>At 31 December 2023</b>	<b>11,905</b>	<b>42,993</b>	<b>6,180</b>	<b>-</b>	<b>2,066</b>	<b>63,144</b>
<b>Net book amount</b>						
<b>At 31 December 2023</b>	<b>41,851</b>	<b>14,961</b>	<b>3,717</b>	<b>221</b>	<b>1,192</b>	<b>61,942</b>
<b>At 31 December 2022</b>	<b>37,512</b>	<b>10,733</b>	<b>2,433</b>	<b>1,052</b>	<b>1,256</b>	<b>52,986</b>

15. Investment property

	<u>Company</u>	<u>Group</u>
	in	in
	EUR'000	EUR'000
<b>At 31 December 2021</b>	<b>69,561</b>	<b>142,272</b>
Foreign exchange differences arising on translation of financial statements of foreign operations	-	13
Transfer from/to property and equipment (Note 14)	151	(2,943)
Increase in fair value recognized in the income statement (Note 6.4)	1,178	2,389
Decrease in fair value recognized in the income statement (Note 6.4)	(326)	(2,156)
Assets under construction	-	52
Additions	889	972
Disposals	(2,059)	(2,158)
<b>At 31 December 2022</b>	<b>69,394</b>	<b>138,440</b>
Transfer from/to property and equipment (Note 14)	(1,083)	(2,539)
Increase in fair value recognized in the income statement (Note 6.4)	1,390	3,758
Decrease in fair value recognized in the income statement (Note 6.4)	(495)	(1,099)
Assets under construction	1,079	1,079
Additions	5	1,414
Disposals	(2,364)	(2,364)
<b>At 31 December 2023</b>	<b>67,926</b>	<b>138,689</b>

The Group measures investment property in accordance with IAS 40 - "Investment Property", by applying the fair value model. Accordingly, the Group recognises profit or loss arising from changes in the fair value of investment property as profit or loss for the period in which it occurred, based on the valuation provided by independent appraisers.

16. Investments in subsidiaries, associates and participation in joint ventures

	Company		Group	
	31 Dec. 2023	31 Dec. 2022	31 Dec. 2023	31 Dec. 2022
	in EUR'000	in EUR'000	in EUR'000	in EUR'000
Investments in subsidiaries	77,946	75,446	-	-
Impairment of investments in subsidiaries	(27,131)	(27,650)	-	-
	<b>50,815</b>	<b>47,796</b>	-	-
Investments in joint ventures	3,716	3,716	9,334	8,957
Investments in associates	-	-	789	702
Impairment of investments in associates	-	-	-	-
	<b>3,716</b>	<b>3,716</b>	<b>10,123</b>	<b>9,659</b>
	<b>54,531</b>	<b>51,512</b>	<b>10,123</b>	<b>9,659</b>

16.1. The Company's investments in subsidiaries and associates and participation in joint ventures

Activity	Country	31 Dec. 2023		31 Dec. 2022		
		Ownership percentage	Amount of investment	Ownership percentage	Amount of investment	
		%	in EUR'000	%	in EUR'000	
<b>Subsidiaries</b>						
Croatia Premium d.o.o., Zagreb	Services	Croatia	100.0	1,614	100.0	1,614
Core 1 d.o.o., Zagreb	Real estate	Croatia	100.0	3	100.0	3
Auto Maksimir Vozila d.o.o., Zagreb	Insurance representation	Croatia	100.0	33	100.0	33
Koreqt d.o.o.	Real estate	Croatia	100.0	3	100.0	3
Strmec projekt d.o.o.	Real estate	Croatia	100.0	1,508	100.0	1,508
CO Zdravlje d.o.o., Zagreb	Consulting and services	Croatia	100.0	4,402	100.0	4,402
Astoria d.o.o.	Real estate	Croatia	100.0	10,471	100.0	10,471
Milenijum osiguranje a.d., Belgrade	Insurance	Serbia	100.0	9,991	100.0	9,493
Croatia osiguranje d.d., Ljubuški	Insurance	Bosnia and Herzegovina	97.1	3,085	97.1	2,680
Croatia osiguranje - život a.d., Skopje	Insurance	Macedonia	95.0	2,956	95.0	2,956
Croatia osiguranje - neživot a.d., Skopje	Insurance	Macedonia	100.0	3,242	100.0	1,126
Croatia-Tehnički pregledi d.o.o., Zagreb	Motor vehicle services	Croatia	100.0	9,525	100.0	9,525
Croatia osiguranje mirovinsko društvo d.o.o., Zagreb	Pension fund management	Croatia	100.0	3,982	100.0	3,982
Razne usluge d.o.o. – currently being wound up, Zagreb	Services	Croatia	100.0	-	100.0	-
				<b>50,815</b>		<b>47,796</b>
<b>Joint ventures</b>						
PBZ Croatia osiguranje d.d., Zagreb	Pension fund management	Croatia	50	<b>3,716</b>	50	<b>3,716</b>
				<b>54,531</b>		<b>51,512</b>

16.2. The Group's investments in subsidiaries and associates and participation in joint ventures

Group

		31 Dec. 2023		31 Dec. 2022		
Activity	Country	Ownership percentage	Amount of investment	Ownership percentage	Amount of investment	
		%	in EUR'000	%	in EUR'000	
<b>Joint ventures</b>						
PBZ Croatia osiguranje d.d., Zagreb	Pension fund management	Croatia	50	9,049	50	8,682
Nacionalni biro za osiguranje Skopje	Insurance	Macedonia	-	285	-	275
			<b>9,334</b>		<b>8,957</b>	
<b>Associates</b>						
STP Agroservis d.o.o., Virovitica	Technical testing and analysis	Croatia	37	<b>789</b>	37	702
			<b>10,123</b>		<b>9,659</b>	

**Summary financial information for joint ventures**

The summary financial information for PBZ Croatia osiguranje d.d. is presented below. For the Group, the information was presented using the equity method.

<b>Summary statement of financial position</b>	<b>31 Dec. 2023</b>	<b>31 Dec. 2022</b>
	in EUR'000	in EUR'000
Financial assets	17,579	16,352
Cash and cash equivalents	558	946
Other assets	1,412	1,219
<b>Total assets</b>	<b>19,549</b>	<b>18,517</b>
Liabilities	1,450	1,152
Capital and reserves	18,099	17,365
<b>Total equity and liabilities</b>	<b>19,549</b>	<b>18,517</b>
<b>Summary statement of comprehensive income</b>		
Income from mandatory pension funds management	10,278	9,273
Expenses from mandatory pension funds management	(3,638)	(3,371)
Other income	86	111
Other expenses	(2,965)	(2,704)
Financial income	381	33
Financial expenses	(9)	(102)
<b>Profit before tax</b>	<b>4,133</b>	<b>3,240</b>
Income tax	(745)	(585)
<b>Profit for the year</b>	<b>3,388</b>	<b>2,655</b>
Share in profit of joint venture @ 50%	<b>1,694</b>	<b>1,328</b>

Other expenses include depreciation in the amount of EUR 113 thousand (2022: EUR 95 thousand).

Reconciliation of the presented summary financial information with the carrying amount of shares in the joint venture.

<b>Summary financial information</b>	<b>31 Dec. 2023</b>	<b>31 Dec. 2022</b>
	in EUR'000	in EUR'000
<b>Opening balance of net assets at 1 January</b>	<b>17,364</b>	<b>17,497</b>
Profit for the period	3,388	2,655
Dividends	(2,653)	(2,787)
Closing balance of net assets	18,099	17,365
Share in profit of joint venture @ 50%	9,049	8,682
<b>Carrying amount</b>	<b>9,049</b>	<b>8,682</b>



16.3. Movements in investments in subsidiaries, associates and participation in joint ventures

	Company		Group	
	31 Dec. 2023	31 Dec. 2022	31 Dec. 2023	31 Dec. 2022
	in EUR'000	in EUR'000	in EUR'000	in EUR'000
<b>At 1 January</b>	<b>51,512</b>	<b>50,992</b>	<b>9,659</b>	<b>9,611</b>
Increase in investments (purchase) (i)	2,500	591	-	-
Increase/decrease by using the equity method	-	-	464	48
Reversal of impairment of investments (iii)	519	(71)	-	-
<b>At 31 December</b>	<b>54,531</b>	<b>51,512</b>	<b>10,123</b>	<b>9,659</b>

/i/ The increase in investment in 2023 refers to the company Croatia osiguranje - neživot a.d., Skopje in the amount of EUR 2,500 thousand (2022: EUR 591 thousand).

/ii/ During 2023, a higher value was determined as a result of the fair value estimation and therefore the investments were increased, ie reversal of impairment of the shares in the following subsidiaries was made: Milenijum osiguranje a.d. in the amount of EUR 498 thousand and Croatia osiguranje d.d., Mostar in the amount of EUR 405 thousand. In addition, in 2023, based on the lower value determined by the fair value assessment, a reduction in the value of the investment in Croatia osiguranje - neživot a.d., Skopje was made for the amount of EUR 385 thousand.

In 2022, based on the higher value determined by the fair value assessment, an increase in the value of the investment was made, i.e. a return of the decrease in the share in the following subsidiaries: Milenijum osiguranje a.d. in the amount of EUR 619 thousand and Croatia osiguranje d.d., Mostar in the amount of EUR 22 thousand. In addition, in 2022, based on the lower value determined by the fair value assessment, a reduction in the value of the investment in Croatia osiguranje - neživot a.d., Skopje was made for the amount of EUR 712 thousand.

An impairment or impairment reversal is determined by calculating the recoverable amount of cash flows of an individual subsidiary. The subsidiaries were valued according to the discounted cash flow valuation (mostly dividend discount model and free cash flow to equity model) using the planned net income for the next 5 years (forecasted balance sheets and income statements), discount rates etc. The differences in the estimated fair value valuations for an individual subsidiary are due to the differences in future net income, assumptions of dividend distribution and/or other constituents of the discount rates (risk free rate, equity risk premium and beta) according to the Capital Asset Pricing model. The discount rates for the subsidiaries that were impaired or had a reversal of impairment (listed above) vary from 8.73% to 12.50% (2022: 10.53% -15.56%).

## 17. Insurance and reinsurance contracts

Overview of insurance and reinsurance contracts of the Company and the Group by business segment for the year is as follows:

Company	31 Dec. 2023	31 Dec. 2023	31 Dec. 2023	Restated 31 Dec. 2022	Restated 31 Dec. 2022	Restated 31 Dec. 2022
	in EUR'000	in EUR'000	in EUR'000	in EUR'000	in EUR'000	in EUR'000
	NON-LIFE	LIFE	TOTAL	NON-LIFE	LIFE	TOTAL
<b>Insurance contracts</b>						
<i>Insurance contract liabilities</i>	389,298	342,824	732,122	341,538	360,956	702,494
<i>Insurance contract assets</i>	(16,997)	-	(16,997)	(22,924)	-	(22,924)
<b>Total for insurance contracts</b>	<b>372,301</b>	<b>342,824</b>	<b>715,125</b>	<b>318,614</b>	<b>360,956</b>	<b>679,570</b>
<b>Reinsurance contracts</b>						
<i>Reinsurance contract assets</i>	(49,917)	-	(49,917)	(41,196)	(9)	(41,205)
<i>Reinsurance contract liabilities</i>	1,910	-	1,910	1,961	-	1,961
<b>Total for reinsurance contracts</b>	<b>(48,007)</b>	<b>-</b>	<b>(48,007)</b>	<b>(39,235)</b>	<b>(9)</b>	<b>(39,244)</b>

Group	31 Dec. 2023	31 Dec. 2023	31 Dec. 2023	Restated 31 Dec. 2022	Restated 31 Dec. 2022	Restated 31 Dec. 2022
	in EUR'000	in EUR'000	in EUR'000	in EUR'000	in EUR'000	in EUR'000
	NON-LIFE	LIFE	TOTAL	NON-LIFE	LIFE	TOTAL
<b>Insurance contracts</b>						
<i>Insurance contract liabilities</i>	459,521	402,465	861,986	403,351	420,314	823,665
<i>Insurance contract assets</i>	(16,997)	-	(16,997)	(22,924)	-	(22,924)
<b>Total for insurance contracts</b>	<b>442,524</b>	<b>402,465</b>	<b>844,989</b>	<b>380,427</b>	<b>420,314</b>	<b>800,741</b>
<b>Reinsurance contracts</b>						
<i>Reinsurance contract assets</i>	(54,438)	-	(54,438)	(42,908)	(9)	(42,917)
<i>Reinsurance contract liabilities</i>	4,021	4	4,025	2,134	24	2,158
<b>Total for reinsurance contracts</b>	<b>(50,417)</b>	<b>4</b>	<b>(50,413)</b>	<b>(40,774)</b>	<b>15</b>	<b>(40,759)</b>

### 17.1. Movements in insurance and reinsurance contract balances

The following reconciliations show how the net carrying amounts of insurance and reinsurance contracts in each segment changed during the year as a result of cash flows and amounts recognised in the statement of profit or loss and OCI.

For each segment, the Group presents a table that separately analyses movements in the liabilities for remaining coverage and movements in the liabilities for incurred claims and reconciles these movements to the line items in the statement of profit or loss and OCI.

An additional reconciliation is presented for contracts not measured under the PAA, which separately analyses changes in the estimates of the present value of future cash flows, the risk adjustment for non-financial risk and the CSM

### 17.1.1. Life insurance contracts

#### Analysis by remaining coverage and incurred claims

Company	31 Dec. 2023				Restated 31 Dec. 2022			
	Liabilities for remaining coverage		Liabilities for incurred claims	Total	Liabilities for remaining coverage		Liabilities for incurred claims	Total
	Excluding loss component	Loss component			Excluding loss component	Loss component		
	in EUR'000	in EUR'000	in EUR'000	in EUR'000	in EUR'000	in EUR'000	in EUR'000	
Insurance contract assets	-	-	-	-	-	-	-	
Insurance contract liabilities	344,264	1,862	14,830	360,956	415,323	-	14,145	429,468
<b>Net insurance contracts as at 1 January</b>	<b>344,264</b>	<b>1,862</b>	<b>14,830</b>	<b>360,956</b>	<b>415,323</b>	<b>-</b>	<b>14,145</b>	<b>429,468</b>
<b>Changes in the statement of profit or loss and OCI</b>								
<b>Insurance revenue</b>								
Contracts under the modified retrospective transition approach	-	-	-	-	-	-	-	-
Contracts under the fair value transition approach	(5,290)	-	-	(5,290)	(4,988)	-	-	(4,988)
Other contracts	(1,153)	-	-	(1,153)	(500)	-	-	(500)
<b>Total insurance revenue</b>	<b>(6,443)</b>	<b>-</b>	<b>-</b>	<b>(6,443)</b>	<b>(5,488)</b>	<b>-</b>	<b>-</b>	<b>(5,488)</b>
<b>Insurance service expense</b>								
Incurred claims and other insurance service expenses	2,060	-	1,198	3,258	2,927	-	1,236	4,163
Provisions and other sale related insurance expenses	305	-	-	305	170	-	-	170
Losses and reversals of losses on onerous contracts	-	(1,746)	-	(1,746)	-	1,862	-	1,862
Adjustments to liabilities for incurred claims	-	-	749	749	-	-	197	197
<b>Total insurance service expenses</b>	<b>2,365</b>	<b>(1,746)</b>	<b>1,947</b>	<b>2,566</b>	<b>3,097</b>	<b>1,862</b>	<b>1,433</b>	<b>6,392</b>
Investment components and premium refunds	(67,665)	-	67,665	-	(54,903)	-	54,903	-
<b>Insurance service result</b>	<b>(71,743)</b>	<b>(1,746)</b>	<b>69,612</b>	<b>(3,877)</b>	<b>(57,294)</b>	<b>1,862</b>	<b>56,336</b>	<b>904</b>
Net finance income/expenses from insurance contracts	27,676	(9)	331	27,998	(50,553)	-	(806)	(51,359)
Effect of movements in exchange rates	-	-	-	-	-	-	-	-
<b>Total changes in the statement of profit or loss and OCI</b>	<b>(44,067)</b>	<b>(1,755)</b>	<b>69,943</b>	<b>24,121</b>	<b>(107,847)</b>	<b>1,862</b>	<b>55,530</b>	<b>(50,455)</b>
<b>Cash flows</b>								
Premiums received	31,431	-	-	31,431	40,968	-	-	40,968
Claims and other insurance service expenses paid, including investment components	-	-	(70,630)	(70,630)	-	-	(54,845)	(54,845)
Administrative expenses paid	(2,060)	-	-	(2,060)	(2,927)	-	-	(2,927)

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Insurance acquisition cash flows	(994)	-	-	(994)	(1,253)	-	-	(1,253)
<b>Total cash flows</b>	<b>28,377</b>	-	(70,630)	(42,253)	<b>36,788</b>	-	(54,845)	(18,057)
<b>Transfer to other items in the statement of financial position</b>	-	-	-	-	-	-	-	-
<b>Net insurance contracts as at 31 December</b>	<b>328,574</b>	<b>107</b>	<b>14,143</b>	<b>342,824</b>	<b>344,264</b>	<b>1,862</b>	<b>14,830</b>	<b>360,956</b>
Assets from insurance contracts as at 31December	-	-	-	-	-	-	-	-
Liabilities from insurance contracts as at 31December	328,574	107	14,143	342,824	344,264	1,862	14,830	360,956
<b>Net insurance contracts as at 31 December</b>	<b>328,574</b>	<b>107</b>	<b>14,143</b>	<b>342,824</b>	<b>344,264</b>	<b>1,862</b>	<b>14,830</b>	<b>360,956</b>

Group	31 Dec. 2023				Restated 31 Dec. 2022			
	<i>Liabilities for remaining coverage</i>		Liabilities for incurred claims	Total	<i>Liabilities for remaining coverage</i>		Liabilities for incurred claims	Total
	Excluding loss component	Loss component			Excluding loss component	Loss component		
	in EUR'000	in EUR'000	in EUR'000	in EUR'000	in EUR'000	in EUR'000	in EUR'000	in EUR'000
Insurance contract assets	-	-	-	-	-	-	-	-
Insurance contract liabilities	401,810	2,270	16,234	420,314	486,036	-	15,743	501,779
<b>Net insurance contracts as at 1 January</b>	<b>401,810</b>	<b>2,270</b>	<b>16,234</b>	<b>420,314</b>	<b>486,036</b>	<b>-</b>	<b>15,743</b>	<b>501,779</b>
<b>Changes in the statement of profit or loss and OCI</b>								
<b>Insurance revenue</b>								
Contracts under the modified retrospective transition approach	-	-	-	-	-	-	-	-
Contracts under the fair value transition approach	(8,149)	-	-	(8,149)	(8,907)	-	-	(8,907)
Other contracts	(4,095)	-	-	(4,095)	(1,611)	-	-	(1,611)
<b>Total insurance revenue</b>	<b>(12,244)</b>	-	-	<b>(12,244)</b>	<b>(10,518)</b>	-	-	<b>(10,518)</b>
<b>Insurance service expense</b>								
Incurring claims and other insurance service expenses	3,288	-	2,027	5,315	3,926	-	2,205	6,131
Provisions and other sale related insurance expenses	1,676	-	-	1,676	718	-	-	718
Losses and reversals of losses on onerous contracts	152	(2,009)	-	(1,857)	(7)	2,333	-	2,326
Adjustments to liabilities for incurred claims	-	33	1,028	1,061	-	-	398	398
<b>Total insurance service expenses</b>	<b>5,116</b>	<b>(1,976)</b>	<b>3,055</b>	<b>6,195</b>	<b>4,637</b>	<b>2,333</b>	<b>2,603</b>	<b>9,573</b>
Investment components and premium refunds	(75,021)	-	75,021	-	(61,509)	4	61,505	-
<b>Insurance service result</b>	<b>(82,149)</b>	<b>(1,976)</b>	<b>78,076</b>	<b>(6,049)</b>	<b>(67,390)</b>	<b>2,337</b>	<b>64,108</b>	<b>(945)</b>
Net finance income/expenses from insurance contracts	28,326	71	337	28,734	(64,184)	(68)	(826)	(65,078)
Effect of movements in exchange rates	(5)	-	-	(5)	263	1	6	270

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<b>Total changes in the statement of profit or loss and OCI</b>	<b>(53,828)</b>	<b>(1,905)</b>	<b>78,413</b>	<b>22,680</b>	<b>(131,311)</b>	<b>2,270</b>	<b>63,288</b>	<b>(65,753)</b>
<b>Cash flows</b>								
Premiums received	45,646	-	-	<b>45,646</b>	54,512	-	-	<b>54,512</b>
Claims and other insurance service expenses paid, including investment components	-	-	(79,165)	<b>(79,165)</b>	-	-	(62,797)	<b>(62,797)</b>
Administrative expenses paid	(3,281)	-	-	<b>(3,281)</b>	(3,926)	-	-	<b>(3,926)</b>
Insurance acquisition cash flows	(3,729)	-	-	<b>(3,729)</b>	(3,501)	-	-	<b>(3,501)</b>
<b>Total cash flows</b>	<b>38,636</b>	<b>-</b>	<b>(79,165)</b>	<b>(40,529)</b>	<b>47,085</b>	<b>-</b>	<b>(62,797)</b>	<b>(15,712)</b>
<b>Transfer to other items in the statement of financial position</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net insurance contracts as at 31 December</b>	<b>386,618</b>	<b>365</b>	<b>15,482</b>	<b>402,465</b>	<b>401,810</b>	<b>2,270</b>	<b>16,234</b>	<b>420,314</b>
Assets from insurance contracts as at 31December	-	-	-	-	-	-	-	-
Liabilities from insurance contracts as at 31December	<b>386,618</b>	<b>365</b>	<b>15,482</b>	<b>402,465</b>	<b>401,810</b>	<b>2,270</b>	<b>16,234</b>	<b>420,314</b>
<b>Net insurance contracts as at 31 December</b>	<b>386,618</b>	<b>365</b>	<b>15,482</b>	<b>402,465</b>	<b>401,810</b>	<b>2,270</b>	<b>16,234</b>	<b>420,314</b>

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*Analysis by measurement component*

Company	Contractual service margin (CSM)						31 Dec. 2023
	Estimates of present value of future cash flows	Risk adjustment for nonfinancial risk	Contracts under modified retrospective transition approach	Contracts under fair value transition approach	Other contracts	Total CSM	Total
	in EUR'000	in EUR'000	in EUR'000	in EUR'000	in EUR'000	in EUR'000	in EUR'000
Insurance contract assets	-	-	-	-	-	-	-
Insurance contract liabilities	355,581	3,156	-	1,158	1,060	2,218	360,955
<b>Net insurance contracts as at 1 January</b>	<b>355,581</b>	<b>3,156</b>	<b>-</b>	<b>1,158</b>	<b>1,060</b>	<b>2,218</b>	<b>360,955</b>
<b>Changes in the statement of profit or loss and OCI</b>							
<i>Changes that relate to current services</i>							
CSM recognised for services provided	-	-	-	(517)	(698)	(1,215)	(1,215)
Change in risk adjustment for non-financial risk for risk expired	-	(357)	-	-	-	-	(357)
Experience adjustments	(1,308)	-	-	-	-	-	(1,308)
<i>Changes that relate to future services</i>							
Contracts initially recognised in the year	(951)	170	-	-	780	780	(1)
Changes in estimates that adjust the CSM	(2,499)	(110)	-	778	1,831	2,609	-
Changes in estimates that result in losses and reversals of losses on onerous contracts	(10,773)	(987)	-	2,045	7,970	10,015	(1,745)
<i>Changes that relate to past services</i>							
Adjustments to liabilities for incurred claims	827	(78)	-	-	-	-	749
<b>Insurance service result</b>	<b>(14,704)</b>	<b>(1,362)</b>	<b>-</b>	<b>2,306</b>	<b>9,883</b>	<b>12,189</b>	<b>(3,877)</b>
Net finance income/expenses from insurance contracts	27,258	426	-	266	49	315	27,999
Effect of movements in exchange rates	-	-	-	-	-	-	-
<b>Total changes in the statement of profit or loss and OCI</b>	<b>12,554</b>	<b>(936)</b>	<b>-</b>	<b>2,572</b>	<b>9,932</b>	<b>12,504</b>	<b>24,122</b>
<b>Cash flows</b>	<b>(42,253)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(42,253)</b>
<b>Transfer to other items in the statement of financial position</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net insurance contracts as at 31 December</b>	<b>325,882</b>	<b>2,220</b>	<b>-</b>	<b>3,730</b>	<b>10,992</b>	<b>14,722</b>	<b>342,824</b>
Assets from insurance contracts as at 31December	-	-	-	-	-	-	-
Liabilities from insurance contracts as at 31December	325,882	2,220	-	3,730	10,992	14,722	342,824
<b>Net insurance contracts as at 31 December</b>	<b>325,882</b>	<b>2,220</b>	<b>-</b>	<b>3,730</b>	<b>10,992</b>	<b>14,722</b>	<b>342,824</b>

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Company	Contractual service margin (CSM)						Restated 31 Dec. 2022
	Estimates of present value of future cash flows	Risk adjustment for nonfinancial risk	Contracts under modified retrospective transition approach	Contracts under fair value transition approach	Other contracts	Total CSM	Total
	in EUR'000	in EUR'000	in EUR'000	in EUR'000	in EUR'000	in EUR'000	in EUR'000
Insurance contract assets	-	-	-	-	-	-	-
Insurance contract liabilities	416,272	3,530	-	9,665	-	9,665	429,467
<b>Net insurance contracts as at 1 January</b>	<b>416,272</b>	<b>3,530</b>	<b>-</b>	<b>9,665</b>	<b>-</b>	<b>9,665</b>	<b>429,467</b>
<b>Changes in the statement of profit or loss and OCI</b>							
<i>Changes that relate to current services</i>							
CSM recognised for services provided	-	-	-	(525)	(168)	(693)	(693)
Change in risk adjustment for non-financial risk for risk expired	-	(435)	-	-	-	-	(435)
Experience adjustments	(26)	-	-	-	-	-	(26)
<i>Changes that relate to future services</i>							
Contracts initially recognised in the year	(1,905)	198	-	-	1,707	1,707	-
Changes in estimates that adjust the CSM	7,115	148	-	(6,767)	(496)	(7,263)	-
Changes in estimates that result in losses and reversals of losses on onerous contracts	1,443	419	-	-	-	-	1,862
<i>Changes that relate to past services</i>							
Adjustments to liabilities for incurred claims	278	(81)	-	-	-	-	197
<b>Insurance service result</b>	<b>6,905</b>	<b>249</b>	<b>-</b>	<b>(7,292)</b>	<b>1,043</b>	<b>(6,249)</b>	<b>905</b>
Net finance income/expenses from insurance contracts	(49,538)	(623)	-	(1,214)	17	(1,197)	(51,358)
Effect of movements in exchange rates	-	-	-	-	-	-	-
<b>Total changes in the statement of profit or loss and OCI</b>	<b>(42,633)</b>	<b>(374)</b>	<b>-</b>	<b>(8,506)</b>	<b>1,060</b>	<b>(7,446)</b>	<b>(50,453)</b>
<b>Cash flows</b>	<b>(18,058)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(18,058)</b>
<b>Transfer to other items in the statement of financial position</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net insurance contracts as at 31 December</b>	<b>355,581</b>	<b>3,156</b>	<b>-</b>	<b>1,159</b>	<b>1,060</b>	<b>2,219</b>	<b>360,956</b>
Assets from insurance contracts as at 31December	-	-	-	-	-	-	-
Liabilities from insurance contracts as at 31December	355,581	3,156	-	1,159	1,060	2,219	360,956
<b>Net insurance contracts as at 31 December</b>	<b>355,581</b>	<b>3,156</b>	<b>-</b>	<b>1,159</b>	<b>1,060</b>	<b>2,219</b>	<b>360,956</b>

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Group	Contractual service margin (CSM)						31 Dec. 2023
	Estimates of present value of future cash flows	Risk adjustment for nonfinancial risk	Contracts under modified retrospective transition approach	Contracts under fair value transition approach	Other contracts	Total CSM	Total
	in EUR'000	in EUR'000	in EUR'000	in EUR'000	in EUR'000	in EUR'000	in EUR'000
Insurance contract assets	-	-	-	-	-	-	-
Insurance contract liabilities	409,577	4,725	-	4,762	1,250	6,012	420,314
<b>Net insurance contracts as at 1 January</b>	<b>409,577</b>	<b>4,725</b>	<b>-</b>	<b>4,762</b>	<b>1,250</b>	<b>6,012</b>	<b>420,314</b>
<b>Changes in the statement of profit or loss and OCI</b>							
<i>Changes that relate to current services</i>							
CSM recognised for services provided	-	-	-	(1,133)	(896)	(2,029)	(2,029)
Change in risk adjustment for non-financial risk for risk expired	-	(655)	-	-	-	-	(655)
Experience adjustments	(2,570)	-	-	-	-	-	(2,570)
<i>Changes that relate to future services</i>							
Contracts initially recognised in the year	(432)	499	-	-	1,069	1,069	1,136
Changes in estimates that adjust the CSM	(2,196)	(354)	-	753	1,797	2,550	-
Changes in estimates that result in losses and reversals of losses on onerous contracts	(12,116)	(1,045)	-	2,045	8,123	10,168	(2,993)
<i>Changes that relate to past services</i>							
Adjustments to liabilities for incurred claims	1,149	(88)	-	-	-	-	1,061
<b>Insurance service result</b>	<b>(16,165)</b>	<b>(1,643)</b>	<b>-</b>	<b>1,665</b>	<b>10,093</b>	<b>11,758</b>	<b>(6,050)</b>
Net finance income/expenses from insurance contracts	27,439	471	-	631	193	824	28,734
Effect of movements in exchange rates	(3)	(1)	-	(1)	-	(1)	(5)
<b>Total changes in the statement of profit or loss and OCI</b>	<b>11,271</b>	<b>(1,173)</b>	<b>-</b>	<b>2,295</b>	<b>10,286</b>	<b>12,581</b>	<b>22,679</b>
<b>Cash flows</b>	<b>(40,528)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(40,528)</b>
<b>Transfer to other items in the statement of financial position</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net insurance contracts as at 31 December</b>	<b>380,320</b>	<b>3,552</b>	<b>-</b>	<b>7,057</b>	<b>11,536</b>	<b>18,593</b>	<b>402,465</b>
Assets from insurance contracts as at 31December	-	-	-	-	-	-	-
Liabilities from insurance contracts as at 31December	380,320	3,552	-	7,057	11,536	18,593	402,465
<b>Net insurance contracts as at 31 December</b>	<b>380,320</b>	<b>3,552</b>	<b>-</b>	<b>7,057</b>	<b>11,536</b>	<b>18,593</b>	<b>402,465</b>



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Group	Estimates of present value of future cash flows	Risk adjustment for nonfinancial risk	Contractual service margin (CSM)				Restated 31 Dec. 2022
			Contracts under modified retrospective transition approach	Contracts under fair value transition approach	Other contracts	Total CSM	Total
	in EUR'000	in EUR'000	in EUR'000	in EUR'000	in EUR'000	in EUR'000	in EUR'000
Insurance contract assets	-	-	-	-	-	-	-
Insurance contract liabilities	484,076	5,001	-	12,701	-	12,701	501,778
<b>Net insurance contracts as at 1 January</b>	<b>484,076</b>	<b>5,001</b>	<b>-</b>	<b>12,701</b>	<b>-</b>	<b>12,701</b>	<b>501,778</b>
<b>Changes in the statement of profit or loss and OCI</b>							
<i>Changes that relate to current services</i>							
CSM recognised for services provided	-	-	-	(1,097)	(239)	(1,336)	(1,336)
Change in risk adjustment for non-financial risk for risk expired	-	(750)	-	-	-	-	(750)
Experience adjustments	(1,584)	-	-	-	-	-	(1,584)
<i>Changes that relate to future services</i>							
Contracts initially recognised in the year	(1,323)	533	-	-	1,816	1,816	1,026
Changes in estimates that adjust the CSM	5,391	520	-	(5,394)	(517)	(5,911)	-
Changes in estimates that result in losses and reversals of losses on onerous contracts	751	323	-	-	227	227	1,301
<i>Changes that relate to past services</i>							
Adjustments to liabilities for incurred claims	483	(85)	-	-	-	-	398
<b>Insurance service result</b>	<b>3,718</b>	<b>541</b>	<b>-</b>	<b>(6,491)</b>	<b>1,287</b>	<b>(5,204)</b>	<b>(945)</b>
Net finance income/expenses from insurance contracts	(62,755)	(824)	-	(1,461)	(37)	(1,498)	(65,077)
Effect of movements in exchange rates	249	7	-	13	-	13	269
<b>Total changes in the statement of profit or loss and OCI</b>	<b>(58,788)</b>	<b>(276)</b>	<b>-</b>	<b>(7,939)</b>	<b>1,250</b>	<b>(6,689)</b>	<b>(65,753)</b>
<b>Cash flows</b>	<b>(15,711)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(15,711)</b>
<b>Transfer to other items in the statement of financial position</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net insurance contracts as at 31 December</b>	<b>409,577</b>	<b>4,725</b>	<b>-</b>	<b>4,762</b>	<b>1,250</b>	<b>6,012</b>	<b>420,314</b>
Assets from insurance contracts as at 31December	-	-	-	-	-	-	-
Liabilities from insurance contracts as at 31December	409,577	4,725	-	4,762	1,250	6,012	420,314
<b>Net insurance contracts as at 31 December</b>	<b>409,577</b>	<b>4,725</b>	<b>-</b>	<b>4,762</b>	<b>1,250</b>	<b>6,012</b>	<b>420,314</b>

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17.1.2. Non-life insurance contracts

Analysis by remaining coverage and incurred claims

Company	31 Dec. 2023						Restated 31 Dec. 2022					
	Liabilities for remaining coverage			Liabilities for incurred claims			Liabilities for remaining coverage			Liabilities for incurred claims		
				Contracts under PAA						Contracts under PAA		
	Excluding loss component	Loss component	Contracts not under PAA	Estimates		Total	Excluding loss component	Loss component	Contracts not under PAA	Estimates		Total
of present value of future cash flows				Risk adjustment for non-financial risk	of present value of future cash flows					Risk adjustment for non-financial risk		
in EUR'000	in EUR'000	in EUR'000	in EUR'000	in EUR'000	in EUR'000	in EUR'000	in EUR'000	in EUR'000	in EUR'000	in EUR'000	in EUR'000	
Insurance contract assets	(12,379)	936	(16,433)	4,656	296	<b>(22,924)</b>	(1,682)	1,114	(19,579)	411	18	<b>(19,718)</b>
Insurance contract liabilities	80,486	1,323	470	243,370	15,889	<b>341,538</b>	73,234	1,208	680	279,683	18,477	<b>373,282</b>
<b>Net insurance contracts as at 1 January</b>	<b>68,107</b>	<b>2,259</b>	<b>(15,963)</b>	<b>248,026</b>	<b>16,185</b>	<b>318,614</b>	<b>71,552</b>	<b>2,322</b>	<b>(18,899)</b>	<b>280,094</b>	<b>18,495</b>	<b>353,564</b>
<b>Changes in the statement of profit or loss and OCI</b>												
Insurance service income	(388,942)	-	-	-	-	<b>(388,942)</b>	(351,741)	-	-	-	-	<b>(351,741)</b>
<i>Insurance service expenses</i>												
Incurring claims and other insurance service expenses	58,223	-	665	251,119	4,733	<b>314,740</b>	54,549	-	694	192,801	3,525	<b>251,569</b>
Provisions and other sale related insurance expenses	78,117	-	-	-	-	<b>78,117</b>	75,830	-	-	-	-	<b>75,830</b>
Adjustments to liabilities for incurred claims	-	-	(5,254)	(10,015)	(3,820)	<b>(19,089)</b>	-	-	(5,809)	1,035	(3,437)	<b>(8,211)</b>
Losses and reversals of losses on onerous contracts	-	(402)	-	-	-	<b>(402)</b>	-	(72)	-	-	-	<b>(72)</b>
<b>Total insurance service expenses</b>	<b>136,340</b>	<b>(402)</b>	<b>(4,589)</b>	<b>241,104</b>	<b>913</b>	<b>373,366</b>	<b>130,379</b>	<b>(72)</b>	<b>(5,115)</b>	<b>193,836</b>	<b>88</b>	<b>319,116</b>
<b>Insurance service result</b>	<b>(252,602)</b>	<b>(402)</b>	<b>(4,589)</b>	<b>241,104</b>	<b>913</b>	<b>(15,576)</b>	<b>(221,362)</b>	<b>(72)</b>	<b>(5,115)</b>	<b>193,836</b>	<b>88</b>	<b>(32,625)</b>
Net finance income/expenses from insurance contracts	426	35	(997)	23,640	1,557	<b>24,661</b>	(770)	9	1,724	(34,707)	(2,398)	<b>(36,142)</b>
Effect of movements in exchange rates	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total changes in the statement of profit or loss and OCI</b>	<b>(252,176)</b>	<b>(367)</b>	<b>(5,586)</b>	<b>264,744</b>	<b>2,470</b>	<b>9,085</b>	<b>(222,132)</b>	<b>(63)</b>	<b>(3,391)</b>	<b>159,129</b>	<b>(2,310)</b>	<b>(68,767)</b>

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<b>Cash flows</b>												
Premiums received	414,625	-	-	-	-	414,625	349,165	-	-	-	-	349,165
Claims and other insurance service expenses paid	-	-	7,108	(238,200)	-	(231,092)	-	-	6,327	(191,197)	-	(184,870)
Insurance acquisition cash flows	(80,708)	-	-	-	-	(80,708)	(75,931)	-	-	-	-	(75,931)
Administrative expenses paid	(58,223)	-	-	-	-	(58,223)	(54,548)	-	-	-	-	(54,548)
<b>Total cash flows</b>	<b>275,694</b>	<b>-</b>	<b>7,108</b>	<b>(238,200)</b>	<b>-</b>	<b>44,602</b>	<b>218,686</b>	<b>-</b>	<b>6,327</b>	<b>(191,197)</b>	<b>-</b>	<b>33,816</b>
<b>Transfer to other items in the statement of financial position</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Contracts derecognised on disposal/loss of control of subsidiary</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net insurance contracts as at 31 December</b>	<b>91,625</b>	<b>1,892</b>	<b>(14,441)</b>	<b>274,570</b>	<b>18,655</b>	<b>372,301</b>	<b>68,106</b>	<b>2,259</b>	<b>(15,963)</b>	<b>248,026</b>	<b>16,185</b>	<b>318,613</b>
Assets from insurance contracts as at 31December	(5,329)	757	(14,789)	2,272	92	(16,997)	(12,379)	936	(16,433)	4,656	296	(22,924)
Liabilities from insurance contracts as at 31December	96,954	1,135	348	272,298	18,563	389,298	80,485	1,323	470	243,370	15,889	341,538
<b>Net insurance contracts as at 31 December</b>	<b>91,625</b>	<b>1,892</b>	<b>(14,441)</b>	<b>274,570</b>	<b>18,655</b>	<b>372,301</b>	<b>68,106</b>	<b>2,259</b>	<b>(15,963)</b>	<b>248,026</b>	<b>16,185</b>	<b>318,613</b>

Group	31 Dec. 2023						Restated 31 Dec. 2022					
	<i>Liabilities for remaining coverage</i>		<i>Liabilities for incurred claims</i>				<i>Liabilities for remaining coverage</i>		<i>Liabilities for incurred claims</i>			
			<i>Contracts under PAA</i>						<i>Contracts under PAA</i>			
			Estimates		Risk adjustment for non-financial risk	Total			Estimates		Risk adjustment for non-financial risk	Total
	Excluding loss component	Loss component	Contracts not under PAA	of present value of future cash flows			Excluding loss component	Loss component	Contracts not under PAA	of present value of future cash flows		
	in EUR'000	in EUR'000	in EUR'000	in EUR'000	in EUR'000	in EUR'000	in EUR'000	in EUR'000	in EUR'000	in EUR'000	in EUR'000	in EUR'000
Insurance contract assets	(12,379)	936	(16,433)	4,656	296	(22,924)	(1,682)	1,114	(19,579)	411	18	(19,718)
Insurance contract liabilities	111,396	2,014	856	271,766	17,319	403,351	104,764	1,242	1,268	308,730	20,050	436,054
<b>Net insurance contracts as at 1 January</b>	<b>99,017</b>	<b>2,950</b>	<b>(15,577)</b>	<b>276,422</b>	<b>17,615</b>	<b>380,427</b>	<b>103,082</b>	<b>2,356</b>	<b>(18,311)</b>	<b>309,141</b>	<b>20,068</b>	<b>416,336</b>
<b>Changes in the statement of profit or loss and OCI</b>												
Insurance revenue	(464,151)	-	-	-	-	(464,151)	(418,064)	-	-	-	-	(418,064)
<i>Insurance service expenses</i>												
Incurred claims and other insurance service expenses	69,778	-	1,445	290,230	5,587	367,040	65,361	-	1,716	222,957	4,158	294,192
Provisions and other sale related insurance expenses	92,686	-	-	-	-	92,686	88,798	-	-	-	-	88,798

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Adjustments to liabilities for incurred claims	-	-	(5,292)	(13,119)	(4,556)	<b>(22,967)</b>	-	-	(6,006)	(535)	(4,126)	<b>(10,667)</b>
Losses and reversals of losses on onerous contracts	-	(352)	-	-	-	<b>(352)</b>	-	594	-	-	-	<b>594</b>
<i>Total insurance service expenses</i>	<b>162,464</b>	<b>(352)</b>	<b>(3,847)</b>	<b>277,111</b>	<b>1,031</b>	<b>436,407</b>	<b>154,159</b>	<b>594</b>	<b>(4,290)</b>	<b>222,422</b>	<b>32</b>	<b>372,917</b>
<i>Insurance service result</i>	<b>(301,687)</b>	<b>(352)</b>	<b>(3,847)</b>	<b>277,111</b>	<b>1,031</b>	<b>(27,744)</b>	<b>(263,905)</b>	<b>594</b>	<b>(4,290)</b>	<b>222,422</b>	<b>32</b>	<b>(45,147)</b>
Net finance income/expenses from insurance contracts	679	32	(993)	26,073	1,679	<b>27,470</b>	(1,232)	(1)	1,718	(36,219)	(2,492)	<b>(38,226)</b>
Effect of movements in exchange rates	20	1	-	20	1	<b>42</b>	110	1	1	123	7	<b>242</b>
<b>Total changes in the statement of profit or loss and OCI</b>	<b>(300,988)</b>	<b>(319)</b>	<b>(4,840)</b>	<b>303,204</b>	<b>2,711</b>	<b>(232)</b>	<b>(265,027)</b>	<b>594</b>	<b>(2,571)</b>	<b>186,326</b>	<b>(2,453)</b>	<b>(83,131)</b>
<b>Cash flows</b>												
Premiums received	492,782	-	-	-	-	<b>492,782</b>	416,604	-	-	-	-	<b>416,604</b>
Claims and other insurance service expenses paid	-	-	6,267	(270,417)	28	<b>(264,122)</b>	-	-	5,305	(219,045)	-	<b>(213,740)</b>
Insurance acquisition cash flows	(96,553)	-	-	-	-	<b>(96,553)</b>	(90,280)	-	-	-	-	<b>(90,280)</b>
Administrative expenses paid	(69,778)	-	-	-	-	<b>(69,778)</b>	(65,362)	-	-	-	-	<b>(65,362)</b>
<b>Total cash flows</b>	<b>326,451</b>	<b>-</b>	<b>6,267</b>	<b>(270,417)</b>	<b>28</b>	<b>62,329</b>	<b>260,962</b>	<b>-</b>	<b>5,305</b>	<b>(219,045)</b>	<b>-</b>	<b>47,222</b>
<b>Transfer to other items in the statement of financial position</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Contracts derecognised on disposal/loss of control of subsidiary</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net insurance contracts as at 31 December</b>	<b>124,480</b>	<b>2,631</b>	<b>(14,150)</b>	<b>309,209</b>	<b>20,354</b>	<b>442,524</b>	<b>99,017</b>	<b>2,950</b>	<b>(15,577)</b>	<b>276,422</b>	<b>17,615</b>	<b>380,427</b>
Assets from insurance contracts as at 31 December	<b>(5,328)</b>	<b>756</b>	<b>(14,790)</b>	<b>2,273</b>	<b>92</b>	<b>(16,997)</b>	<b>(12,379)</b>	<b>936</b>	<b>(16,433)</b>	<b>4,656</b>	<b>296</b>	<b>(22,924)</b>
Liabilities from insurance contracts as at 31 December	<b>129,808</b>	<b>1,875</b>	<b>640</b>	<b>306,936</b>	<b>20,262</b>	<b>459,521</b>	<b>111,396</b>	<b>2,014</b>	<b>856</b>	<b>271,766</b>	<b>17,319</b>	<b>403,351</b>
<b>Net insurance contracts as at 31 December</b>	<b>124,480</b>	<b>2,631</b>	<b>(14,150)</b>	<b>309,209</b>	<b>20,354</b>	<b>442,524</b>	<b>99,017</b>	<b>2,950</b>	<b>(15,577)</b>	<b>276,422</b>	<b>17,615</b>	<b>380,427</b>

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*Analysis by measurement component – Contracts not measured under the PAA*

Company	31 Dec. 2023				Restated 31 Dec. 2022			
	Estimates of present value of future cash flows	Risk adjustment for non-financial risk	Contractual service margin (CSM)	Total	Estimates of present value of future cash flows	Risk adjustment for non-financial risk	Contractual service margin (CSM)	Total
	in EUR'000	in EUR'000	in EUR'000	in EUR'000	in EUR'000	in EUR'000	in EUR'000	in EUR'000
Insurance contract assets	(22,290)	7,611	-	<b>(14,679)</b>	(25,944)	8,915	-	<b>(17,029)</b>
Insurance contract liabilities	8,122	190	1,411	<b>9,723</b>	10,713	298	1,184	<b>12,195</b>
<b>Net insurance contracts as at 1 January</b>	<b>(14,168)</b>	<b>7,801</b>	<b>1,411</b>	<b>(4,956)</b>	<b>(15,231)</b>	<b>9,213</b>	<b>1,184</b>	<b>(4,834)</b>
<b>Changes in the statement of profit or loss and OCI</b>								
<i>Changes that relate to current services</i>								
CSM recognised for services provided	-	-	(1,106)	<b>(1,106)</b>	-	-	(509)	(509)
Change in risk adjustment for non-financial risk for risk expired	-	(114)	-	<b>(114)</b>	-	(189)	-	(189)
Experience adjustments	(113)	-	-	<b>(113)</b>	(105)	-	-	(105)
<i>Changes that relate to future services</i>								
Contracts initially recognised in the year	(703)	18	684	<b>(1)</b>	(361)	22	339	-
Changes in estimates that adjust the CSM	(2,014)	(32)	2,008	<b>(38)</b>	(366)	(31)	396	(1)
Changes in estimates that result in losses and reversals of losses on onerous contracts	(89)	(69)	-	<b>(158)</b>	(82)	(19)	-	(101)
<i>Changes that relate to past services</i>								
Adjustments to liabilities for incurred claims	(4,627)	(627)	-	<b>(5,254)</b>	(5,557)	(253)	-	(5,810)
<b>Total insurance service expenses</b>	<b>(7,546)</b>	<b>(824)</b>	<b>1,586</b>	<b>(6,784)</b>	<b>(6,471)</b>	<b>(470)</b>	<b>226</b>	<b>(6,715)</b>
Net finance income/expenses from insurance contracts	(1,137)	556	31	<b>(550)</b>	1,926	(942)	1	<b>985</b>
Effect of movements in exchange rates	-	-	-	-	-	-	-	-
<b>Total changes in the statement of profit or loss and OCI</b>	<b>(8,683)</b>	<b>(268)</b>	<b>1,617</b>	<b>(7,334)</b>	<b>(4,545)</b>	<b>(1,412)</b>	<b>227</b>	<b>(5,730)</b>
<b>Cash flows</b>								
Premiums received	2,013	-	-	2,013	2,010	-	-	2,010
Claims and other insurance service expenses paid	7,108	-	-	7,108	6,328	-	-	6,328
Insurance acquisition cash flows	(711)	-	-	(711)	(1,048)	-	-	(1,048)
Administrative expenses paid	(1,035)	-	-	(1,035)	(1,682)	-	-	(1,682)
<b>Total cash flows</b>	<b>7,375</b>	<b>-</b>	<b>-</b>	<b>7,375</b>	<b>5,608</b>	<b>-</b>	<b>-</b>	<b>5,608</b>
<b>Transfer to other items in the statement of financial position</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net insurance contracts as at 31 December</b>	<b>(15,476)</b>	<b>7,533</b>	<b>3,028</b>	<b>(4,915)</b>	<b>(14,168)</b>	<b>7,801</b>	<b>1,411</b>	<b>(4,956)</b>

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	<b>31 Dec. 2023</b>				<b>Restated 31 Dec. 2022</b>			
	<b>Estimates of present value of future cash flows</b>	<b>Risk adjustment for non-financial risk</b>	<b>Contractual service margin (CSM)</b>	<b>Total</b>	<b>Estimates of present value of future cash flows</b>	<b>Risk adjustment for non-financial risk</b>	<b>Contractual service margin (CSM)</b>	<b>Total</b>
	in EUR'000	in EUR'000	in EUR'000	in EUR'000	in EUR'000	in EUR'000	in EUR'000	in EUR'000
Assets from insurance contracts as at 31 December	(20,724)	7,412	-	(13,312)	(22,290)	7,611	-	(14,679)
Liabilities from insurance contracts as at 31 December	5,248	121	3,028	8,397	8,122	190	1,411	9,723
<b>Net insurance contracts as at 31 December</b>	<b>(15,476)</b>	<b>7,533</b>	<b>3,028</b>	<b>(4,915)</b>	<b>(14,168)</b>	<b>7,801</b>	<b>1,411</b>	<b>(4,956)</b>
<b>Group</b>	<b>31 Dec. 2023</b>				<b>Restated 31 Dec. 2022</b>			
Insurance contract assets	(22,290)	7,611	-	(14,679)	(25,944)	8,915	-	(17,029)
Insurance contract liabilities	13,269	501	4,605	18,375	16,866	747	5,499	23,112
<b>Net insurance contracts as at 1 January</b>	<b>(9,021)</b>	<b>8,112</b>	<b>4,605</b>	<b>3,696</b>	<b>(9,078)</b>	<b>9,662</b>	<b>5,499</b>	<b>6,083</b>
<b>Changes in the statement of profit or loss and OCI</b>								
<i>Changes that relate to current services</i>								
CSM recognised for services provided	-	-	(2,190)	(2,190)	-	-	(1,644)	(1,644)
Change in risk adjustment for non-financial risk for risk expired	-	(182)	-	(182)	-	(266)	-	(266)
Experience adjustments	31	-	-	31	105	-	-	105
<i>Changes that relate to future services</i>								
Contracts initially recognised in the year	(828)	35	793	-	(695)	96	601	2
Changes in estimates that adjust the CSM	(2,118)	(202)	2,282	(38)	(53)	(100)	153	-
Changes in estimates that result in losses and reversals of losses on onerous contracts	(89)	(69)	-	(158)	(81)	(19)	6	(94)
<i>Changes that relate to past services</i>								
Adjustments to liabilities for incurred claims	(4,632)	(659)	-	(5,291)	(5,711)	(295)	-	(6,006)
<b>Total insurance service expenses</b>	<b>(7,636)</b>	<b>(1,077)</b>	<b>885</b>	<b>(7,828)</b>	<b>(6,435)</b>	<b>(584)</b>	<b>(884)</b>	<b>(7,903)</b>
Net finance income/expenses from insurance contracts	(841)	579	35	(227)	1,524	(967)	(20)	537
Effect of movements in exchange rates	-	-	-	-	14	1	10	25
<b>Total changes in the statement of profit or loss and OCI</b>	<b>(8,477)</b>	<b>(498)</b>	<b>920</b>	<b>(8,055)</b>	<b>(4,897)</b>	<b>(1,550)</b>	<b>(894)</b>	<b>(7,341)</b>
<b>Cash flows</b>								
Premiums received	2,943	-	-	2,943	3,709	-	-	3,709
Claims and other insurance service expenses paid	6,241	-	-	6,241	5,305	-	-	5,305
Insurance acquisition cash flows	(1,490)	-	-	(1,490)	(1,855)	-	-	(1,855)
Administrative expenses paid	(1,642)	-	-	(1,642)	(2,205)	-	-	(2,205)
<b>Total cash flows</b>	<b>6,052</b>	<b>-</b>	<b>-</b>	<b>6,052</b>	<b>4,954</b>	<b>-</b>	<b>-</b>	<b>4,954</b>
<b>Transfer to other items in the statement of financial position</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net insurance contracts as at 31 December</b>	<b>(11,446)</b>	<b>7,614</b>	<b>5,525</b>	<b>1,693</b>	<b>(9,021)</b>	<b>8,112</b>	<b>4,605</b>	<b>3,696</b>

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Assets from insurance contracts as at 31 December	(20,724)	7,412	-	(13,312)	(22,290)	7,611	-	(14,679)
Liabilities from insurance contracts as at 31 December	9,278	202	5,525	15,005	13,269	501	4,605	18,375
<b>Net insurance contracts as at 31 December</b>	<b>(11,446)</b>	<b>7,614</b>	<b>5,525</b>	<b>1,693</b>	<b>(9,021)</b>	<b>8,112</b>	<b>4,605</b>	<b>3,696</b>

*Analysis by remaining coverage and incurred claims – reinsurance*  
**Company**

	31 Dec. 2023				Restated 31 Dec. 2022			
	Assets for incurred claims				Assets for incurred claims			
	Assets for remaining coverage	Estimates of present value of future cash flows	Risk adjustment for non-financial risk	Total	Assets for remaining coverage	Estimates of present value of future cash flows	Risk adjustment for non-financial risk	Total
	in EUR'000	in EUR'000	in EUR'000	in EUR'000	in EUR'000	in EUR'000	in EUR'000	in EUR'000
Reinsurance contract assets	3,681	35,590	1,925	41,196	1,232	31,707	1,662	34,601
Reinsurance contract liabilities	(2,051)	83	7	(1,961)	(4,508)	1,742	71	(2,695)
<b>Net reinsurance contracts as at 1 January</b>	<b>1,630</b>	<b>35,673</b>	<b>1,932</b>	<b>39,235</b>	<b>(3,276)</b>	<b>33,449</b>	<b>1,733</b>	<b>31,906</b>
<b>Changes in the statement of profit or loss and OCI</b>								
Allocation of reinsurance premiums paid	(48,047)	-	-	(48,047)	(43,775)	-	-	(43,775)
<i>Amounts recoverable from reinsurers</i>								
Recoveries of incurred claims and other insurance service expenses	7,178	32,767	426	40,371	6,975	25,143	350	32,468
Adjustments to assets for incurred claims	-	-	-	-	-	-	-	-
<b>Total amounts recoverable from reinsurers</b>	<b>7,178</b>	<b>32,767</b>	<b>426</b>	<b>40,371</b>	<b>6,975</b>	<b>25,143</b>	<b>350</b>	<b>32,468</b>
Effect of changes in non-performance risk of reinsurers	-	-	-	-	-	-	-	-
<b>Total reinsurance service expenses</b>	<b>(40,869)</b>	<b>32,767</b>	<b>426</b>	<b>(7,676)</b>	<b>(36,800)</b>	<b>25,143</b>	<b>350</b>	<b>(11,307)</b>
Net finance income/expenses from insurance contracts	61	1,669	95	1,825	35	(2,539)	(150)	(2,654)
Effect of movements in exchange rates	-	-	-	-	-	-	-	-
<b>Total changes in the statement of profit or loss and OCI</b>	<b>(40,808)</b>	<b>34,436</b>	<b>521</b>	<b>(5,851)</b>	<b>(36,765)</b>	<b>22,604</b>	<b>200</b>	<b>(13,961)</b>
<b>Cash flows</b>								
Premiums paid	47,383	-	-	47,383	51,719	-	-	51,719
Amounts received	(7,052)	(25,708)	-	(32,760)	(10,049)	(20,380)	-	(30,429)
<b>Total cash flows</b>	<b>40,331</b>	<b>(25,708)</b>	<b>-</b>	<b>14,623</b>	<b>41,670</b>	<b>(20,380)</b>	<b>-</b>	<b>21,290</b>

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	-	-	-	-	-	-	-	-	-
<b>Transfer to other items in the statement of financial position</b>									
<b>Net reinsurance contracts as at 31 December</b>	<b>1,153</b>	<b>44,401</b>	<b>2,453</b>	<b>48,007</b>	<b>1,629</b>	<b>35,673</b>	<b>1,933</b>	<b>39,235</b>	
Assets from reinsurance contracts as at 31 December	3,430	44,052	2,435	49,917	3,680	35,590	1,926	41,196	
Liabilities from reinsurance contracts as at 31 December	(2,277)	349	18	(1,910)	(2,051)	83	7	(1,961)	
<b>Net reinsurance contracts as at 1 January</b>	<b>1,153</b>	<b>44,401</b>	<b>2,453</b>	<b>48,007</b>	<b>1,629</b>	<b>35,673</b>	<b>1,933</b>	<b>39,235</b>	

Group	31 Dec. 2023				Restated 31 Dec. 2022				
	Assets for incurred claims				Assets for incurred claims				
	Assets for remaining coverage	Estimates of present value of future cash flows	Risk adjustment for non-financial risk	Total	Assets for remaining coverage	Estimates of present value of future cash flows	Risk adjustment for non-financial risk	Total	
	in EUR'000	in EUR'000	in EUR'000	in EUR'000	in EUR'000	in EUR'000	in EUR'000	in EUR'000	
Reinsurance contract assets	4,166	36,740	2,002	42,908	1,632	33,098	1,745	36,475	
Reinsurance contract liabilities	(2,246)	105	7	(2,134)	(5,139)	1,792	72	(3,275)	
<b>Net reinsurance contracts as at 1 January</b>	<b>1,920</b>	<b>36,845</b>	<b>2,009</b>	<b>40,774</b>	<b>(3,507)</b>	<b>34,890</b>	<b>1,817</b>	<b>33,200</b>	
<b>Changes in the statement of profit or loss and OCI</b>									
Allocation of reinsurance premiums paid	(61,679)	-	-	(61,679)	(47,834)	-	-	(47,834)	
<i>Amounts recoverable from reinsurers</i>									
Recoveries of incurred claims and other insurance service expenses	11,040	41,539	605	53,184	7,211	26,877	356	34,444	
Adjustments to assets for incurred claims	-	-	-	-	-	-	-	-	
<b>Total amounts recoverable from reinsurers</b>	<b>11,040</b>	<b>41,539</b>	<b>605</b>	<b>53,184</b>	<b>7,211</b>	<b>26,877</b>	<b>356</b>	<b>34,444</b>	
<i>Effect of changes in non-performance risk of reinsurers</i>									
	-	-	-	-	-	-	-	-	
<b>Total reinsurance service expenses</b>	<b>(50,639)</b>	<b>41,539</b>	<b>605</b>	<b>(8,495)</b>	<b>(40,623)</b>	<b>26,877</b>	<b>356</b>	<b>(13,390)</b>	
Net finance income/expenses from insurance contracts	68	1,946	109	2,123	26	(2,743)	(165)	(2,882)	
Effect of movements in exchange rates	(3)	2	-	(1)	(1)	13	1	13	
<b>Total changes in the statement of profit or loss and OCI</b>	<b>(50,574)</b>	<b>43,487</b>	<b>714</b>	<b>(6,373)</b>	<b>(40,598)</b>	<b>24,147</b>	<b>192</b>	<b>(16,259)</b>	
<b>Cash flows</b>									
Premiums paid	56,659	-	-	56,659	56,357	-	-	56,357	
Amounts received	(10,409)	(30,234)	-	(40,643)	(10,332)	(22,192)	-	(32,524)	



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Total cash flows	46,250	(30,234)	-	16,016	46,025	(22,192)	-	23,833
Transfer to other items in the statement of financial position	-	-	-	-	-	-	-	-
Net reinsurance contracts as at 31 December	(2,404)	50,098	2,723	50,417	1,920	36,845	2,009	40,774
Assets from reinsurance contracts as at 31 December	3,971	47,887	2,580	54,438	4,166	36,740	2,002	42,908
Liabilities from reinsurance contracts as at 31 December	(6,375)	2,211	143	(4,021)	(2,246)	105	7	(2,134)
Net reinsurance contracts as at 1 January	(2,404)	50,098	2,723	50,417	1,920	36,845	2,009	40,774

## 17.2. Effects of insurance and reinsurance contracts initially recognized in the year

The following tables summarise the effect on the measurement components arising from the initial recognition of insurance and reinsurance contracts not measured under the PAA in the year.

### Life insurance contracts

	Company	Company	Company	Group	Group	Group
	Profitable contracts issued	Onerous contract issued	Total	Profitable contracts issued	Onerous contract issued	Total
	in EUR'000	in EUR'000	in EUR'000	in EUR'000	in EUR'000	in EUR'000
<b>2023</b>						
<i>Claims and other insurance costs paid</i>	(13,098)	-	<b>(13,098)</b>	(17,870)	(6,732)	<b>(24,602)</b>
<i>Cash flows from the acquisition of insurance</i>	(929)	-	<b>(929)</b>	(3,434)	(508)	<b>(3,942)</b>
Estimates of present value of cash outflows	(14,027)	-	<b>(14,027)</b>	(21,304)	(7,240)	<b>(28,544)</b>
Estimates of present value of cash inflows	14,977	-	<b>14,977</b>	22,771	6,205	<b>28,976</b>
Risk adjustment for non-financial risk	(170)	-	<b>(170)</b>	(398)	(100)	<b>(498)</b>
Contractual service margin	(780)	-	<b>(780)</b>	(1,069)	-	<b>(1,069)</b>
<b>Losses recognised on initial recognition</b>	-	-	-	-	<b>(1,135)</b>	<b>(1,135)</b>
<b>Restated 2022</b>						
<i>Claims and other insurance costs paid</i>	(19,812)	-	<b>(19,812)</b>	(20,994)	(9,253)	<b>(30,247)</b>
<i>Cash flows from the acquisition of insurance</i>	(971)	-	<b>(971)</b>	(1,154)	(2,476)	<b>(3,630)</b>
Estimates of present value of cash outflows	(20,783)	-	<b>(20,783)</b>	(22,148)	(11,729)	<b>(33,877)</b>
Estimates of present value of cash inflows	22,688	-	<b>22,688</b>	24,193	11,007	<b>35,200</b>
Risk adjustment for non-financial risk	(198)	-	<b>(198)</b>	(229)	(303)	<b>(532)</b>
Contractual service margin	(1,707)	-	<b>(1,707)</b>	(1,816)	-	<b>(1,816)</b>
<b>Losses recognised on initial recognition</b>	-	-	-	-	<b>(1,025)</b>	<b>(1,025)</b>

### 17.3. Contractual service margin (CSM)

The following table sets out when the Group expects to recognise the remaining CSM in profit or loss after the reporting date for contracts not measured under the PAA.

	<b>Company</b>							
	<b>0-1 year</b>	<b>1-2 years</b>	<b>2-3 years</b>	<b>3-4 year</b>	<b>4-5 year</b>	<b>5-10 year</b>	<b>More than 10 years</b>	<b>Total</b>
	in EUR'000	in EUR'000	in EUR'000	in EUR'000	in EUR'000	in EUR'000	in EUR'000	in EUR'000
<b>31 Dec. 2023</b>								
Life insurance	3,233	2,105	1,530	1,562	1,192	1,997	3,103	<b>14,722</b>
Nin-life insurance	798	622	526	424	239	383	36	<b>3,028</b>
Reinsurance	23	17	14	11	4	-	-	<b>69</b>
	<b>4,054</b>	<b>2,744</b>	<b>2,070</b>	<b>1,997</b>	<b>1,435</b>	<b>2,380</b>	<b>3,139</b>	<b>17,819</b>
<b>Restated 31 Dec. 2022</b>								
Life insurance	354	536	272	194	194	313	356	<b>2,219</b>
Nin-life insurance	377	279	225	188	146	182	14	<b>1,411</b>
Reinsurance	38	27	22	19	15	5	-	<b>126</b>
	<b>769</b>	<b>842</b>	<b>519</b>	<b>401</b>	<b>355</b>	<b>500</b>	<b>370</b>	<b>3,756</b>

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								Group
	0-1 year	1-2 year	2-3 year	3-4 year	4-5 year	5-10 years	More than 10 years	Total
	in EUR'000	in EUR'000	in EUR'000	in EUR'000	in EUR'000	in EUR'000	in EUR'000	in EUR'000
<b>31 Dec. 2023</b>								
Life insurance	3,154	2,122	1,585	1,560	1,232	2,350	6,590	<b>18,593</b>
Nin-life insurance	1,460	1,166	967	755	463	677	37	<b>5,525</b>
Reinsurance	32	15	13	10	3	(1)	-	<b>72</b>
	<b>4,646</b>	<b>3,303</b>	<b>2,565</b>	<b>2,325</b>	<b>1,698</b>	<b>3,026</b>	<b>6,627</b>	<b>24,190</b>
<b>Restated 31 Dec. 2022</b>								
Life insurance	422	597	414	353	360	1,013	2,853	<b>6,012</b>
Nin-life insurance	1,156	922	750	617	471	677	12	<b>4,605</b>
Reinsurance	51	28	23	19	15	5	-	<b>141</b>
	<b>1,629</b>	<b>1,547</b>	<b>1,187</b>	<b>989</b>	<b>846</b>	<b>1,695</b>	<b>2,865</b>	<b>10,758</b>

#### 17.4. Non-life claims development

The table below illustrates development of cumulative claims for the Group's non-life segment over time on a gross reinsurance basis (before reinsurance).

Company	in EUR'000			
	Before 2022	2022	2023	Total
<b>Gross of reinsurance</b>				
<b>Estimates of undiscounted gross cumulative claims</b>				
Estimates of undiscounted gross cumulative claims at the end of the accident year	-	203,902	266,589	<b>470,491</b>
One year later	-	206,798	-	<b>206,798</b>
Two years later	-	-	-	-
Estimates of the gross cumulative claims at the end of the reporting period	-	206,798	266,589	<b>473,387</b>
<b>Cumulative gross claims paid</b>				
Gross liabilities – accident years from 2022 to 2023	-	33,966	96,951	<b>130,917</b>
Gross liabilities – accident years before 2022	209,414	-	-	<b>209,414</b>
Effect of discounting	(51,117)	(4,175)	(6,255)	<b>(61,547)</b>
<b>Gross liabilities for incurred claims included in the statement of financial position</b>	<b>158,297</b>	<b>29,791</b>	<b>90,696</b>	<b>278,784</b>
Group	in EUR'000			
	Before 2022	2022	2023	Total
<b>Gross of reinsurance</b>				
<b>Estimates of undiscounted gross cumulative claims</b>				
Estimates of undiscounted gross cumulative claims at the end of the accident year	-	241,904	313,363	<b>555,267</b>
One year later	-	244,728	-	<b>244,728</b>
Two years later	-	-	-	-
Estimates of the gross cumulative claims at the end of the reporting period	-	244,728	313,363	<b>558,091</b>
<b>Cumulative gross claims paid</b>				
Gross liabilities – accident years from 2022 to 2023	-	39,957	119,384	<b>159,341</b>
Gross liabilities – accident years before 2022	224,923	-	-	<b>224,923</b>
Effect of discounting	(55,360)	(5,434)	(8,057)	<b>(68,851)</b>
<b>Gross liabilities for incurred claims included in the statement of financial position</b>	<b>169,563</b>	<b>34,523</b>	<b>111,327</b>	<b>315,413</b>

18. Financial assets

	Company		Group	
	31 Dec. 2023	Restated 31 Dec. 2022	31 Dec. 2023	Restated 31 Dec. 2022
	in EUR'000	in EUR'000	in EUR'000	in EUR'000
Financial assets at amortised cost	351,439	-	394,241	-
Financial assets at fair value through other comprehensive income	672,698	-	756,730	-
Financial assets at fair value through profit and loss account	135,643	30,513	145,844	39,416
Held-to-maturity investments	-	291,628	-	303,834
Available-for-sale financial assets	-	647,933	-	726,177
Loans and receivables	-	67,271	-	88,560
	<b>1,159,780</b>	<b>1,037,345</b>	<b>1,296,815</b>	<b>1,157,987</b>

### 18.1. Overview of investments

The Company's investment structure as at 31 December 2023 was as follows:

				Company
	Financial assets at amortised cost	Financial assets at fair value through other comprehensive income	Financial assets at fair value through profit and loss account	Total
	in EUR'000	in EUR'000	in EUR'000	in EUR'000
<b>Shares</b>				
Shares, listed	-	138,600	387	<b>138,987</b>
Shares, not listed	-	212	-	<b>212</b>
	<b>-</b>	<b>138,812</b>	<b>387</b>	<b>139,199</b>
<b>Debt securities</b>				
Government bonds	282,207	439,163	1,340	<b>722,710</b>
Corporate bonds	2,862	79,864	9,624	<b>92,350</b>
Treasury bills	-	14,859	-	<b>14,859</b>
Commercial papers	-	-	-	-
	<b>285,069</b>	<b>533,886</b>	<b>10,964</b>	<b>829,919</b>
<b>Derivative financial instruments</b>				
Foreign currency swap contracts	-	-	24	<b>24</b>
Foreign currency forward contracts	-	-	462	<b>462</b>
	<b>-</b>	<b>-</b>	<b>486</b>	<b>486</b>
<b>Investment funds</b>				
Open-ended investment funds	-	-	108,769	108,769
Open-ended investment funds - assets for coverage of unit-linked products	-	-	15,037	<b>15,037</b>
	<b>-</b>	<b>-</b>	<b>123,806</b>	<b>123,806</b>
<b>Loans and receivables</b>				
Deposits with credit institutions	9,889	-	-	9,889
Loans	56,481	-	-	<b>56,481</b>
	<b>66,370</b>	<b>-</b>	<b>-</b>	<b>66,370</b>
	<b>351,439</b>	<b>672,698</b>	<b>135,643</b>	<b>1,159,780</b>

18.1. Overview of investments (continued)

The Company's investment structure as at 31 December 2022 was as follows:

	<b>Company</b>				
	<b>Held-to- maturity investments</b>	<b>Available- for-sale financial assets</b>	<b>Financial assets at fair value through profit or loss – held for trading</b>	<b>Loans and receivables</b>	<b>Total</b>
	in EUR'000	in EUR'000	in EUR'000	in EUR'000	in EUR'000
<b>Shares</b>					
Shares, listed	-	102,482	2,974	-	<b>105,456</b>
Shares, not listed	-	265	-	-	<b>265</b>
	<b>-</b>	<b>102,747</b>	<b>2,974</b>	<b>-</b>	<b>105,721</b>
<b>Debt securities</b>					
Government bonds	283,141	432,193	-	-	<b>715,334</b>
Corporate bonds	8,487	60,899	-	-	<b>69,386</b>
	<b>291,628</b>	<b>493,092</b>	<b>-</b>	<b>-</b>	<b>784,720</b>
<b>Derivative financial instruments</b>					
Foreign currency forward contracts	-	-	1,806	-	<b>1,806</b>
	<b>-</b>	<b>-</b>	<b>1,806</b>	<b>-</b>	<b>1,806</b>
<b>Investment funds</b>					
Open-ended investment funds	-	52,094	-	-	<b>52,094</b>
Open-ended investment funds - assets for coverage of unit-linked products	-	-	25,733	-	<b>25,733</b>
	<b>-</b>	<b>52,094</b>	<b>25,733</b>	<b>-</b>	<b>77,827</b>
<b>Loans and receivables</b>					
Deposits with credit institutions	-	-	-	9,047	<b>9,047</b>
Loans	-	-	-	58,224	<b>58,224</b>
	<b>-</b>	<b>-</b>	<b>-</b>	<b>67,271</b>	<b>67,271</b>
	<b>291,628</b>	<b>647,933</b>	<b>30,513</b>	<b>67,271</b>	<b>1,037,345</b>



18.1. Overview of investments (continued)

The Group's investment structure as at 31 December 2023 was as follows:

				<b>Group</b>
	<b>Financial assets at amortised cost</b>	<b>Financial assets at fair value through other comprehensive income</b>	<b>Financial assets at fair value through profit and loss account</b>	<b>Total</b>
	in EUR'000	in EUR'000	in EUR'000	in EUR'000
<b>Shares</b>				
Shares, listed	-	138,600	387	138,987
Shares, not listed	-	212	-	212
	<b>-</b>	<b>138,812</b>	<b>387</b>	<b>139,199</b>
<b>Debt securities</b>				
Government bonds	298,906	521,999	1,340	822,245
Corporate bonds	2,894	79,864	9,623	92,381
Treasury bills	-	16,055	-	16,055
Commercial papers	-	-	-	-
	<b>301,800</b>	<b>617,918</b>	<b>10,963</b>	<b>930,681</b>
<b>Derivative financial instruments</b>				
Foreign currency swap contracts	-	-	24	24
Foreign currency forward contracts	-	-	462	462
	<b>-</b>	<b>-</b>	<b>486</b>	<b>486</b>
<b>Investment funds</b>				
Open-ended investment funds	-	-	114,619	114,619
Open-ended investment funds - assets for coverage of unit-linked products	-	-	19,389	19,389
	<b>-</b>	<b>-</b>	<b>134,008</b>	<b>134,008</b>
<b>Loans and receivables</b>				
Deposits with credit institutions	72,553	-	-	72,553
Loans	19,888	-	-	19,888
	<b>92,441</b>	<b>-</b>	<b>-</b>	<b>92,441</b>
	<b>394,241</b>	<b>756,730</b>	<b>145,844</b>	<b>1,296,815</b>

18.1. Overview of investments (continued)

The Group's investment structure as at 31 December 2022 was as follows:

					Group
	Held-to- maturity investments	Available- for-sale financial assets	Financial assets at fair value through profit or loss – held for trading	Loans and receivables	Total
	in EUR'000	in EUR'000	in EUR'000	in EUR'000	in EUR'000
<b>Shares</b>					
Shares, listed	-	102,482	2,974	-	<b>105,456</b>
Shares, not listed	-	265	-	-	<b>265</b>
	<b>-</b>	<b>102,747</b>	<b>2,974</b>	<b>-</b>	<b>105,721</b>
<b>Debt securities</b>					
Government bonds	295,315	510,436	-	-	<b>805,751</b>
Corporate bonds	8,519	60,899	-	-	<b>69,418</b>
	<b>303,834</b>	<b>571,335</b>	<b>-</b>	<b>-</b>	<b>875,169</b>
<b>Derivative financial instruments</b>					
Foreign currency forward contracts	-	-	1,806	-	<b>1,806</b>
	<b>-</b>	<b>-</b>	<b>1,806</b>	<b>-</b>	<b>1,806</b>
<b>Investment funds</b>					
Open-ended investment funds	-	52,095	5,600	-	<b>57,695</b>
Open-ended investment funds - assets for coverage of unit-linked products	-	-	29,036	-	<b>29,036</b>
	<b>-</b>	<b>52,095</b>	<b>34,636</b>	<b>-</b>	<b>86,731</b>
<b>Loans and receivables</b>					
Deposits with credit institutions	-	-	-	64,028	<b>64,028</b>
Loans	-	-	-	24,532	<b>24,532</b>
	<b>-</b>	<b>-</b>	<b>-</b>	<b>88,560</b>	<b>88,560</b>
	<b>303,834</b>	<b>726,177</b>	<b>39,416</b>	<b>88,560</b>	<b>1,157,987</b>

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The Group has determined that most of equity securities (shares) will be classified as financial assets at fair value through other comprehensive income since they are not held for trading. Instead, they are held for medium and long-term strategic purposes, and the Company and the Group believe that recognizing short-term fluctuations in the fair value of these investments in profit or loss would not be consistent with the Group's strategy of holding these investments and realizing their potential in the medium and long term. The total fair value of the mentioned investments is presented in the table below:

	<b>Company</b>	<b>Group</b>
	<b>2023</b>	<b>2023</b>
	in EUR'000	in EUR'000
Net book (fair) value of equity securities as of December 31	138,812	138,812
Dividend income recognized in PnL based on equity securities in the statement of financial position of the Company and the Group as of December 31	6,913	6,940
Net book (fair) value of equity securities (at the time of sale) sold during the year	2,791	2,791
Dividend income recognized in PnL based on equity securities sold during the year	22	22

The above-mentioned equity securities were sold since the Company and the Group do not plan further investments in them. Based on the sale, the Company and the Group recorded the transfer of loss/gain to retained earnings in the amount of EUR 1,093 thousand.

18.2. Financial investments exposed to credit risk

18.2.1. Movement of the gross amounts and provision for credit losses of bonds at amortised cost:

Company	Provision for credit losses					Gross amount				
	Stage 1	Stage 2	Stage 3	POCI	Total	Stage 1	Stage 2	Stage 3	POCI	Total
12-month ECL	ECL for the duration	ECL for the duration	12-month ECL			ECL for the duration	ECL for the duration			
	in EUR'000					in EUR'000				
<b>Balance as at 31 December 2022</b>	-	-	(995)	-	(995)	291,628	-	995	-	292,623
<i>Impact of the first application of IFRS 9</i>	(525)	-	-	-	(525)	(5,842)	-	-	236	(5,606)
<i>Movements affecting credit losses:</i>	-	-	-	-	-	-	-	-	-	-
Transfer to impairment (from stage 1 and 2 to stage 3)	-	-	-	-	-	-	-	-	-	-
Increase or addition	-	-	-	-	-	-	-	-	-	-
Decrease	-	-	-	-	-	-	-	-	-	-
Change of assumptions in the ECL measurement model	238	-	-	-	238	-	-	-	-	-
Amortization of premium/discount	-	-	-	-	-	(647)	-	-	7	(640)
Other movements	-	-	-	-	-	(26)	-	-	(1)	(27)
<i>Movements that do not affect the provision for credit losses:</i>	-	-	-	-	-	-	-	-	-	-
Write-offs	-	-	-	-	-	-	-	-	-	-
Exchange rate differences and other movements	-	-	-	-	-	1	-	-	-	1
<b>Balance as at 31 December 2023</b>	<b>(287)</b>	-	<b>(995)</b>	-	<b>(1,282)</b>	<b>285,114</b>	-	<b>995</b>	<b>242</b>	<b>286,351</b>

Movement in impairment of held-to-maturity investments:

	Company	Group
	31 Dec 2022	31 Dec 2022
	in EUR'000	in EUR'000
<b>Balance as at 1 January</b>	995	995
Change in impairment	-	-
<b>Balance as at 31 December</b>	<b>995</b>	<b>995</b>

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Group	Provision for credit losses					Gross amount				
	Stage 1	Stage 2	Stage 3	POCI	Total	Stage 1	Stage 2	Stage 3	POCI	Total
	12-month ECL	ECL for the duration	ECL for the duration			12-month ECL	ECL for the duration	ECL for the duration		
in EUR'000					in EUR'000					
<b>Balance as at 31 December 2022</b>	-	-	<b>(995)</b>	-	<b>(995)</b>	<b>303,834</b>	-	<b>995</b>	-	<b>304,829</b>
<i>Impact of the first application of IFRS 9</i>	(599)	-	-	-	<b>(599)</b>	(5,842)	-	-	236	<b>(5,606)</b>
<i>Movements affecting credit losses:</i>	-	-	-	-	-	-	-	-	-	-
Transfer to impairment (from stage 1 and 2 to stage 3)	-	-	-	-	-	-	-	-	-	-
Increase or addition	(28)	-	-	-	<b>(28)</b>	4,684	-	-	-	<b>4,684</b>
Decrease	-	-	-	-	-	-	-	-	-	-
Change of assumptions in the ECL measurement model	244	-	-	-	<b>244</b>	-	-	-	-	-
Amortization of premium/discount	-	-	-	-	-	(715)	-	-	7	<b>(708)</b>
Other movements	-	-	-	-	-	(23)	-	-	(1)	<b>(24)</b>
<i>Movements that do not affect the provision for credit losses:</i>	-	-	-	-	-	-	-	-	-	-
Write-offs	-	-	-	-	-	-	-	-	-	-
Exchange rate differences and other movements	-	-	-	-	-	2	-	-	1	<b>3</b>
<b>Balance as at 31 December 2023</b>	<b>(383)</b>	-	<b>(995)</b>	-	<b>(1,378)</b>	<b>301,940</b>	-	<b>995</b>	<b>243</b>	<b>303,178</b>

18.2.2. Movement of the gross amounts and provision for credit losses of bonds at fair value through other comprehensive income:

Company	Provision for credit losses				Gross amount			
	Stage 1	Stage 2	Stage 3		Stage 1	Stage 2	Stage 3	
	12-month ECL	ECL for the duration	ECL for the duration	Total	12-month ECL	ECL for the duration	ECL for the duration	Total
	in EUR'000				in EUR'000			
<b>Balance as at 31 December 2022</b>	-	-	-	-	<b>493,092</b>	-	-	<b>493,092</b>
<i>Impact of the first application of IFRS 9</i>	(839)	-	-	<b>(839)</b>	(66,097)	-	-	<b>(66,097)</b>
<i>Movements affecting credit losses:</i>								
Transfer to impairment (from stage 1 and 2 to stage 3)	-	-	-	-	-	-	-	-
Increase or addition	(165)	-	-	<b>(165)</b>	227,662	-	-	<b>227,662</b>
Decrease	89	-	-	<b>89</b>	(141,455)	-	-	<b>(141,455)</b>
Change of assumptions in the ECL measurement model	265	-	-	<b>265</b>	(265)	-	-	<b>(265)</b>
Amortization of premium/discount	-	-	-	-	1,768	-	-	<b>1,768</b>
Other movements	-	-	-	-	1,325	-	-	<b>1,325</b>
<i>Movements that do not affect the provision for credit losses:</i>								
Write-offs	-	-	-	-	-	-	-	-
Change in fair value recognized in Other comprehensive income	-	-	-	-	18,505	-	-	<b>18,505</b>
Exchange rate differences and other movements	-	-	-	-	1	-	-	<b>1</b>
<b>Balance as at 31 December 2023</b>	<b>(650)</b>	-	-	<b>(650)</b>	<b>534,536</b>	-	-	<b>534,536</b>

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Group	Provision for credit losses				Gross amount			
	Stage 1	Stage 2	Stage 3		Stage 1	Stage 2	Stage 3	
	12-month ECL	ECL for the duration	ECL for the duration	Total	12-month ECL	ECL for the duration	ECL for the duration	Total
in EUR'000				in EUR'000				
<b>Balance as at 31 December 2022</b>	-	-	-	-	<b>571,335</b>	-	-	<b>571,335</b>
<i>Impact of the first application of IFRS 9</i>	(1,120)	-	-	<b>(1,120)</b>	(65,816)	-	-	<b>(65,816)</b>
<i>Movements affecting credit losses:</i>								
Transfer to impairment (from stage 1 and 2 to stage 3)	-	-	-	-	-	-	-	-
Increase or addition	(206)	-	-	<b>(206)</b>	241,056	-	-	<b>241,056</b>
Decrease	102	-	-	<b>102</b>	(149,099)	-	-	<b>(149,099)</b>
Change of assumptions in the ECL measurement model	266	-	-	<b>266</b>	(266)	-	-	<b>(266)</b>
Amortization of premium/discount	-	-	-	-	1,205	-	-	<b>1,205</b>
Other movements	-	-	-	-	1,406	-	-	<b>1,406</b>
<i>Movements that do not affect the provision for credit losses:</i>								
Write-offs	-	-	-	-	-	-	-	-
Change in fair value recognized in Other comprehensive income	-	-	-	-	19,009	-	-	<b>19,009</b>
Exchange rate differences and other movements	3	-	-	<b>3</b>	43	-	-	<b>43</b>
<b>Balance as at 31 December 2023</b>	<b>(955)</b>	-	-	<b>(955)</b>	<b>618,873</b>	-	-	<b>618,873</b>

18.2.3. Movement of the gross amounts and provision for credit losses for deposits:

Company	Provision for credit losses				Gross amount			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
	12-month ECL	ECL for the duration	ECL for the duration		12-month ECL	ECL for the duration	ECL for the duration	
	in EUR'000				in EUR'000			
<b>Balance as at 31 December 2022</b>	<b>(133)</b>	-	-	<b>(133)</b>	<b>9,180</b>	-	-	<b>9,180</b>
<i>Impact of the first application of IFRS 9</i>	(81)	-	-	<b>(81)</b>	-	-	-	-
<i>Movements affecting credit losses:</i>								
Transfer to impairment (from stage 1 and 2 to stage 3)	-	-	-	-	-	-	-	-
Increase or addition	(127)	-	-	<b>(127)</b>	10,016	-	-	<b>10,016</b>
Decrease	81	-	-	<b>81</b>	(9,047)	-	-	<b>(9,047)</b>
Change of assumptions in the ECL measurement model	-	-	-	-	-	-	-	-
Other movements	-	-	-	-	-	-	-	-
<i>Movements that do not affect the provision for credit losses:</i>								
Write-offs	-	-	-	-	-	-	-	-
Exchange rate differences and other movements	-	-	-	-	-	-	-	-
<b>Balance as at 31 December 2023</b>	<b>(260)</b>	-	-	<b>(260)</b>	<b>10,149</b>	-	-	<b>10,149</b>



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Group	Provision for credit losses				Gross amount			Total
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	
	12-month ECL	ECL for the duration	ECL for the duration		12-month ECL	ECL for the duration	ECL for the duration	
	in EUR'000				in EUR'000			
<b>Balance as at 31 December 2022</b>	<b>(133)</b>	-	-	<b>(133)</b>	<b>64,161</b>	-	-	<b>64,161</b>
<i>Impact of the first application of IFRS 9</i>	(687)	-	-	<b>(687)</b>	-	-	-	-
<i>Movements affecting credit losses:</i>								
Transfer to impairment (from stage 1 and 2 to stage 3)	-	-	-	-	-	-	-	-
Increase or addition	(400)	-	-	<b>(400)</b>	63,340	-	-	<b>63,340</b>
Decrease	174	-	-	<b>174</b>	(54,163)	-	-	<b>(54,163)</b>
Change of assumptions in the ECL measurement model	204	-	-	<b>204</b>	-	-	-	-
Other movements	-	-	-	-	35	-	-	<b>35</b>
<i>Movements that do not affect the provision for credit losses:</i>								
Write-offs	-	-	-	-	-	-	-	-
Exchange rate differences and other movements	-	-	-	-	22	-	-	<b>22</b>
<b>Balance as at 31 December 2023</b>	<b>(842)</b>	-	-	<b>(842)</b>	<b>73,395</b>	-	-	<b>73,395</b>

### 18.3. Loans

	Company	Company	Group	Group
	31 Dec. 2023	31 Dec. 2022	31 Dec. 2023	31 Dec. 2022
	in EUR'000	in EUR'000	in EUR'000	in EUR'000
Gross book value	66,628	72,710	29,948	39,064
Expected credit losses	(10,147)	(14,486)	(10,060)	(14,532)
<b>Net book value</b>	<b>56,481</b>	<b>58,224</b>	<b>19,888</b>	<b>24,532</b>

Movement in impairment of loans, i.e. expected credit losses for loans, is as follows:

	Company	Company	Group	Group
	31 Dec. 2023	31 Dec. 2022	31 Dec. 2023	31 Dec. 2022
	in EUR'000	in EUR'000	in EUR'000	in EUR'000
<b>At 1 January</b>	14,486	14,936	14,532	14,976
Impact of the first application of IFRS 9	164	-	26	-
Posting IAS 39 value adjustment for POCI assets	(1,557)	-	(1,557)	-
Change of assumptions in the ECL measurement model	(668)	210	(637)	222
Derecognition of financial assets during the year	(2,278)	(660)	(2,274)	(667)
Foreign exchange differences	-	-	(30)	1
<b>At 31 December</b>	<b>10,147</b>	<b>14,486</b>	<b>10,060</b>	<b>14,532</b>

The structure of loans by type of collateral:

	Company		Group	
	31 Dec. 2023	31 Dec. 2022	31 Dec. 2023	31 Dec. 2022
	in EUR'000	in EUR'000	in EUR'000	in EUR'000
Collateralised loans:				
- vinculated life insurance policies	1,758	1,692	2,645	2,569
- mortgages and real estate fiduciaries	48,492	60,620	27,133	35,858
- other collaterals	16,378	10,398	170	637
	<b>66,628</b>	<b>72,710</b>	<b>29,948</b>	<b>39,064</b>
Value adjustment	(10,147)	(14,486)	(10,060)	(14,532)
<b>Total</b>	<b>56,481</b>	<b>58,224</b>	<b>19,888</b>	<b>24,532</b>

The quality of loans mainly depends on the quality of the collateral. The best security instrument is considered the vinculated life insurance policy issued by the Group. Vinculated life insurance policies almost fully cover the loan exposure.

For loans neither past due nor impaired, which are secured by mortgages, mortgages are considered a secondary source of repayment only and do not impact the carrying amount of the loan. However, loans and receivables past due but not impaired would be fully impaired if there were no collaterals.

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Company:

31 December 2023	Excessively secured assets		Insufficiently secured assets		Total	
	Net book value of loans	Fair value of collaterals	Net book value of loans	Fair value of collaterals	Net book value of loans	Fair value of collaterals
	in EUR'000	in EUR'000	in EUR'000	in EUR'000	in EUR'000	in EUR'000
Loans given based on life insurance policies	1,753	1,753	-	-	1,753	1,753
Loans given to legal entities	15,512	37,686	-	-	15,512	37,686
Loans given to related parties	23,502	93,785	15,714	-	39,216	93,785
	<b>40,767</b>	<b>133,224</b>	<b>15,714</b>	-	<b>56,481</b>	<b>133,224</b>
<b>31 December 2022</b>						
Loans given based on life insurance policies	1,692	1,692	-	-	1,692	1,692
Loans given to legal entities	18,242	39,652	381	-	18,623	39,652
Loans given to related parties	27,894	93,785	10,014	-	37,909	93,785
	<b>47,829</b>	<b>135,129</b>	<b>10,395</b>	-	<b>58,224</b>	<b>135,129</b>

Group:

31 December 2023	Excessively secured assets		Insufficiently secured assets		Total	
	Net book value of loans	Fair value of collaterals	Net book value of loans	Fair value of collaterals	Net book value of loans	Fair value of collaterals
	in EUR'000	in EUR'000	in EUR'000	in EUR'000	in EUR'000	in EUR'000
Loans given based on life insurance policies	2,646	3,547	-	-	2,646	3,547
Loans given to legal entities	15,754	38,764	43	-	15,796	38,764
Loans given to related parties	1,446	25,539	-	-	1,446	25,539
	<b>19,846</b>	<b>67,850</b>	<b>43</b>	-	<b>19,888</b>	<b>67,850</b>
<b>31 December 2022</b>						
Loans given based on life insurance policies	2,583	3,749	-	-	2,583	3,749
Loans given to legal entities	18,652	41,306	396	-	19,048	41,306
Loans given to related parties	2,901	25,539	-	-	2,901	25,539
	<b>24,136</b>	<b>70,594</b>	<b>396</b>	-	<b>24,532</b>	<b>70,594</b>

#### 18.4. Derivative financial instruments

The following table presents the fair value of derivative financial instruments at the balance sheet date:

	31 Dec. 2023			31 Dec. 2022		
	Nominal amount off-balance sheet	Fair value balance sheet		Nominal amount off-balance sheet	Fair value balance sheet	
		Assets	Liabilities		Assets	Liabilities
	EUR'000	EUR'000	EUR'000	EUR'000	EUR'000	EUR'000
<b>Company</b>						
Foreign currency forward contracts	45,280	462	(36)	76,076	1,806	(82)
Futures	268	-	-	-	-	-
Interest swap contracts	-	-	(55)	-	-	-
Foreign currency swap contracts	1,017	24	-	-	-	-
<b>Total</b>	<b>46,565</b>	<b>486</b>	<b>(91)</b>	<b>76,076</b>	<b>1,806</b>	<b>(82)</b>
<b>Group</b>						
Foreign currency forward contracts	45,280	462	(36)	76,076	1,806	(82)
Futures	268	-	-	-	-	-
Interest swap contracts	-	-	(55)	-	-	-
Foreign currency swap contracts	1,017	24	-	-	-	-
<b>Total</b>	<b>46,565</b>	<b>486</b>	<b>(91)</b>	<b>76,076</b>	<b>1,806</b>	<b>(82)</b>

19. Deferred taxes

(i) Movements in deferred tax assets:

Company	in EUR'000									
	Impairment of investments in subsidiaries and associates	Financial assets at fair value through profit or loss	Impairment of available-for-sale financial assets	Impairment of financial assets through OCI	Impairment of loans and deposits	Impairment of investments at amortised cost	Fair valuation losses on investment property	Impact of IFRS 17 application	Other	TOTAL
<b>At 31 December 2021</b>	<b>85</b>	<b>758</b>	<b>1,763</b>	-	<b>2,147</b>	-	<b>3,739</b>	-	<b>962</b>	<b>9,454</b>
Impact of initial application of IFRS 17	-	-	-	-	-	-	-	3,317	-	<b>3,317</b>
Utilised deferred tax assets through profit or loss	(4)	(444)	(382)	-	(41)	-	(349)	(625)	(795)	<b>(2,640)</b>
Deferred tax assets recognised in profit or loss	-	41	77	-	29	-	53	-	2,011	<b>2,211</b>
<b>At 31 December 2022</b>	<b>81</b>	<b>355</b>	<b>1,458</b>	-	<b>2,135</b>	-	<b>3,443</b>	<b>2,692</b>	<b>2,178</b>	<b>12,342</b>
Impact of initial application of IFRS 9	-	-	(1,458)	1,605	(2,135)	2,316	-	-	-	<b>328</b>
Reclassification	-	-	-	-	-	-	-	-	2	<b>2</b>
Utilised deferred tax assets through profit or loss	(73)	(139)	-	(1,206)	-	(138)	(519)	(2,692)	(1,006)	<b>(5,773)</b>
Deferred tax assets recognised in profit or loss	69	442	-	49	-	41	78	-	1,002	<b>1,681</b>
<b>At 31 December 2023</b>	<b>77</b>	<b>658</b>	-	<b>448</b>	-	<b>2,219</b>	<b>3,002</b>	-	<b>2,176</b>	<b>8,580</b>

in EUR'000

<i>(ii) Movements in deferred tax liabilities:</i>	Property for own use	Financial assets available for sale	Financial assets through OCI	Impact of IFRS 17 application	Financial reserve from the insurance contracts	Total
<b>At 31 December 2021</b>	<b>1,413</b>	<b>16,600</b>	-	-	-	<b>18,013</b>
Impact of initial application of IFRS 17	-	-	-	11,919	478	12,397
Utilisation through profit and loss account	-	-	-	422	-	422
Utilisation through equity	(16)	-	-	-	-	(16)
Change through other comprehensive income	(28)	(14,140)	-	-	14,816	648
<b>At 31 December 2022</b>	<b>1,370</b>	<b>2,460</b>	-	<b>12,341</b>	<b>15,294</b>	<b>31,465</b>
Impact of initial application of IFRS 9	-	(2,460)	2,606	-	-	146
Reclassification	1	-	-	9	-	10
Utilisation through profit and loss account	(65)	-	(1,403)	(12,350)	-	(13,818)
Change through other comprehensive income	(25)	-	7,493	-	(8,415)	(947)
<b>At 31 December 2023</b>	<b>1,280</b>	-	<b>8,696</b>	-	<b>6,879</b>	<b>16,855</b>

*(iii) Netting deferred taxes:*

	<b>31 Dec. 2023</b>	<b>31 Dec. 2022</b>
	in EUR'000	in EUR'000
Balance of deferred tax assets	8,580	12,342
Balance of deferred tax liabilities	(16,855)	(31,465)
<b>Net deferred tax (liability)/assets at 31 December</b>	<b>(8,275)</b>	<b>(19,123)</b>

19. Deferred tax assets (continued)

(i) Movements in deferred tax assets:

Group	in EUR'000								
	Financial assets at fair value through profit or loss	Impairment of available-for-sale financial assets	Impairment of financial assets through OCI	Impairment of financial assets at amortised cost	Impairment of loans and deposits	Fair valuation losses on investment property	Impact of IFRS 17 application	Other	TOTAL
<b>At 31 December 2021</b>	<b>797</b>	<b>1,835</b>	-	<b>16</b>	<b>2,156</b>	<b>3,719</b>	-	<b>1,152</b>	<b>9,675</b>
Impact of initial application of IFRS 17	-	-	-	-	-	-	4,101	-	<b>4,101</b>
Utilised deferred tax assets through profit or loss	444	(382)	-	-	(41)	(384)	(1,001)	(819)	<b>(3,071)</b>
Deferred tax assets recognised in profit or loss	41	77	-	-	29	53	-	2,090	<b>2,290</b>
Deferred tax assets recognised in other comprehensive income	-	418	-	-	-	-	-	-	<b>418</b>
Foreign exchange differences arising on translation of financial statements of foreign operations	-	1	-	-	-	-	-	(3)	<b>(2)</b>
<b>At 31 December 2022</b>	<b>394</b>	<b>1,949</b>	-	<b>16</b>	<b>2,144</b>	<b>3,388</b>	<b>3,100</b>	<b>2,420</b>	<b>13,411</b>
Impact of initial application of IFRS 9	-	(1,949)	2,128	2,427	(2,145)	-	-	-	<b>460</b>
Utilised deferred tax assets through profit or loss	(139)	-	(1,206)	(148)	-	(559)	(2,988)	(1,048)	<b>(6,088)</b>
Utilised deferred tax assets in other comprehensive income	-	-	(259)	-	-	-	-	-	<b>(259)</b>
Deferred tax assets recognised in profit or loss	442	-	52	47	-	78	-	1,626	<b>2,245</b>
Foreign exchange differences arising on translation of financial statements of foreign operations	-	-	(5)	(7)	-	(12)	(10)	1	<b>(33)</b>
<b>At 31 December 2023</b>	<b>697</b>	-	<b>710</b>	<b>2,335</b>	<b>(1)</b>	<b>2,895</b>	<b>102</b>	<b>2,999</b>	<b>9,736</b>

19. Deferred tax assets (continued)

(ii) Movements in deferred tax liabilities:

in EUR'000

	Property for own use	Investment property	Financial assets available for sale	Financial assets through OCI	Impact of IFRS 17 application	Financial reserve from the insurance contracts	Other	Total
<b>At 31 December 2021</b>	<b>2,933</b>	<b>4,409</b>	<b>16,975</b>	-	-	-	<b>64</b>	<b>24,381</b>
Impact of initial application of IFRS 17	-	-	-	-	11,532	478	-	12,010
Recognition through equity	149	-	-	-	-	-	-	149
Recognition through profit and loss	-	189	-	-	844	-	-	1,033
Utilisation through profit or loss	(42)	(75)	-	-	-	-	-	(117)
Change through other comprehensive income	(34)	-	(15,239)	-	-	16,424	-	1,151
Foreign exchange differences	(3)	-	3	-	-	-	-	-
<b>At 31 December 2022</b>	<b>3,002</b>	<b>4,523</b>	<b>1,738</b>	-	<b>12,376</b>	<b>16,902</b>	<b>64</b>	<b>38,605</b>
Impact of initial application of IFRS 9	-	-	(1,738)	1,924	-	-	-	186
Reclassification	-	-	-	-	-	-	-	-
Recognition/(utilization) through profit or loss	(102)	443	-	(1,403)	(12,457)	-	-	(13,519)
Recognition through equity	-	-	-	-	-	-	-	-
Change through other comprehensive income	(40)	-	-	7,386	-	(8,572)	-	(1,226)
Foreign exchange differences	(5)	(7)	-	4	9	(18)	-	(17)
<b>At 31 December 2023</b>	<b>2,855</b>	<b>4,959</b>	-	<b>7,911</b>	<b>(72)</b>	<b>8,312</b>	<b>64</b>	<b>24,029</b>



*(iii) Netting deferred taxes:*

	<b>31 Dec. 2023</b>	<b>31 Dec. 2022</b>
	in EUR'000	in EUR'000
Total deferred tax assets	9,736	13,411
Netting deferred taxes (i)	(8,829)	(13,063)
<b>Net movement in deferred tax assets</b>	<b>907</b>	<b>348</b>
Total deferred tax liabilities	24,029	38,605
Netting deferred taxes (i)	(8,829)	(13,063)
<b>Net movement in deferred tax liabilities</b>	<b>15,200</b>	<b>25,542</b>

(iii) Netting deferred taxes is recognised where it is possible to net the future tax liability with tax receivables at the level of each Group company.

20. Trade receivables and other receivables

	Company		Group	
	31 Dec. 2023	31 Dec. 2022	31 Dec. 2023	31 Dec. 2022
	in EUR'000	in EUR'000	in EUR'000	in EUR'000
Other receivables, net	24,924	17,358	34,856	22,921
Prepaid expenses	2,505	7,455	3,761	8,682
Receivables for return on investments, net	1,732	106	1,659	42
Other assets	50	44	1,666	1,467
Undue interest receivables	-	-	144	84
Accrued income	-	-	16	1
	<b>29,211</b>	<b>24,963</b>	<b>42,102</b>	<b>33,197</b>

20.1. Other receivables, net

	Company		Group	
	31 Dec. 2023	31 Dec. 2022	31 Dec. 2023	31 Dec. 2022
	in EUR'000	in EUR'000	in EUR'000	in EUR'000
Receivables for claims from reinsurance and co-insurance	14,929	5,459	16,910	5,783
Receivables for funds on blocked accounts	3,368	3,368	3,368	3,368
Other receivables from insurance policyholders	2,494	3,198	2,671	3,198
Receivables from credit card companies	3,327	639	3,569	864
Receivables for advances given	1,282	589	1,875	903
Receivables for international claims	1,393	1,477	1,867	1,893
Receivables from employees	940	978	1,084	1,119
Trade receivables	510	281	4,333	3,419
Receivables for sold apartments	723	753	723	753
Receivables for default interest	720	792	720	792
Receivables obtained through cession	592	592	592	592
Receivables from the state and state institutions	363	288	770	773
Receivables under court decisions	43	44	42	76
Claims for financial assets in the settlement process	38	6,590	38	6,590
Other receivables	1,635	(124)	7,040	3,650
<i>Expected credit losses on other receivables</i>	<i>(7,433)</i>	<i>(7,566)</i>	<i>(10,746)</i>	<i>(10,852)</i>
<b>Other receivables, net</b>	<b>24,924</b>	<b>17,358</b>	<b>34,856</b>	<b>22,921</b>

20.2. Analysis of other receivables by maturity:

	Company				Total in EUR'000
	Undue in EUR'000	<90 days in EUR'000	90-180 days in EUR'000	> 180 days in EUR'000	
	<b>Impaired as at 31 December 2022</b>				
Gross book value	6,561	9,294	1,250	7,819	<b>24,924</b>
Impairment	-	-	-	(7,566)	<b>(7,566)</b>
Net book value	6,561	9,294	1,250	253	<b>17,358</b>
Reduction rate (%)	0%	0%	0%	97%	<b>30%</b>
<b>31 December 2023</b>					
Gross book value	15,266	7,099	1,395	8,597	<b>32,357</b>
Expected credit losses	-	-	-	(7,433)	<b>(7,433)</b>
Net book value	15,266	7,099	1,395	1,164	<b>24,924</b>
Reduction rate (%)	0%	0%	0%	86%	<b>23%</b>

	Group				Total in EUR'000
	Undue	<90 days	90-180 days	> 180 days	
	in EUR'000	in EUR'000	in EUR'000	in EUR'000	
<b>Impaired as at 31 December 2022</b>					
Gross book value	10,990	11,479	1,451	9,852	<b>33,772</b>
Impairment	(363)	(1,043)	(29)	(9,416)	<b>(10,851)</b>
Net book value	10,627	10,436	1,422	436	<b>22,921</b>
Reduction rate (%)	3%	9%	2%	96%	<b>32%</b>
<b>31 December 2023</b>					
Gross book value	22,142	10,658	1,742	11,059	<b>45,601</b>
Expected credit losses	(206)	(953)	(69)	(9,517)	<b>(10,745)</b>
Net book value	21,936	9,705	1,673	1,542	<b>34,856</b>
Reduction rate (%)	1%	9%	4%	86%	<b>24%</b>

The group monitors the collection of receivables and has established a process for issuing reminders, forced collection and eventual charges.

### 20.3. Movements in impairment of receivables maturity

	Company	Company	Group	Group
	31 Dec. 2023	Restated 31 Dec. 202	31 Dec. 2023	Restated 31 Dec. 202
	u 000 EUR	u 000 EUR	u 000 EUR	u 000 EUR
<b>At 1 January 2022</b>	<b>7,566</b>	<b>8,423</b>	<b>10,851</b>	<b>11,391</b>
Impact of the first application of IFRS 9	-	-	-	-
Increase or additions	541	2,228	669	2,745
Collection of previously impaired amounts	(466)	(2,613)	(543)	(2,753)
Write-off	(134)	(472)	(160)	(534)
Transfer to off-balance	(74)	-	(75)	-
Foreign exchange differences	-	-	3	2
<b>At 31 December 2023</b>	<b>7,433</b>	<b>7,566</b>	<b>10,745</b>	<b>10,851</b>

## 21. Cash and cash equivalents

	Company		Group	
	31 Dec. 2023	31 Dec. 2022	31 Dec. 2023	31 Dec. 2022
	in EUR'000	in EUR'000	in EUR'000	in EUR'000
Deposits with maturity up to three months	43,626	8,422	43,626	8,422
Cash on bank accounts	1,667	106,167	23,151	134,578
Cash on hand	-	-	115	97
<i>Expected credit losses</i>	(4)	-	(69)	-
<b>Total cash and cash equivalents</b>	<b>45,289</b>	<b>114,589</b>	<b>66,823</b>	<b>143,097</b>

## 22. Capital and reserves

### 22.1. Subscribed share capital

The Company's share capital with a nominal value of EUR 79,924 thousand (31 December 2022: EUR 79,843 thousand) is divided among 429,697 shares with a nominal value of EUR 186, which have been paid entirely in cash, entered into the register of the Commercial Court in Zagreb.

The shares are marked as follows:

Number of shares	Nominal amount (in EUR 000):
307,598 ordinary shares I, emission with ticker CROS-R-A/CROS	57,213
113,349 ordinary shares II, emission with ticker CROS-R-A/CROS	21,083
<b>TOTAL ORDINARY SHARES</b>	<b>78,296</b>
8,750 preference shares I, emission with ticker CROS-P-A/CROS2	1,628
<b>TOTAL PREFERENCE SHARES</b>	<b>1,628</b>
<b>TOTAL ORDINARY AND PREFERENCE SHARES</b>	<b>79,924</b>

Preference shares provide their holders with the following rights:

- voting rights equal to the holders of ordinary shares;
- dividend payment in the amount of 8% annually on the revalued value of shares, for the year in which an appropriate profit was realised;
- cumulative dividend payment is guaranteed provided that the Company's result enables the payment;
- cumulative dividend payment if the Company's result enables the payment of a higher dividend to all shareholders than the dividend from the previous point, as well as for the years when the liability cannot be settled due to insufficient profit.

Due to the guaranteed dividend payment, preference shares are classified as financial liabilities (Note 24).

On 31 May 2023, The General Assembly of CROATIA osiguranje d.d. was held at which the Decision was made on the use of the profits of CROATIA osiguranje d.d. achieved in 2022. A dividend was voted for 8,750 preferred shares in the amount of EUR 14.86 per share, i.e. in the amount of EUR 130,025. The dividend was paid on 28 June 2023.

### *Conversion of share capital into euro*

Based on the provisions of the Act on the introduction of the euro as the official currency in the Republic of Croatia and the provisions of the Companies Act, the Company proposed at the general assembly a decision on the adjustment of the share capital and the nominal amount of the Company's shares in such a way as to increase the amount of the nominal value of the share from EUR 185.81, obtained by conversion into euros using a fixed conversion rate with rounding to the nearest cent, to the amount of EUR 186.00. The aforementioned increase

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in the nominal amount of the share is carried out in order to round the nominal amount of the shares to a whole number, as prescribed by Article 163, paragraph 4 of the Companies Act.

With the purpose of aligning the share capital with the provisions of the Companies Act, the share capital is increased by the amount of EUR 80,812.35, whereby the total share capital of the Company after recalculation and adjustment would amount to EUR 79,923,642.00. This adjustment was made on 5 October 2023 after changes in the court register.

The ownership structure as at 31 December 2023 and 31 December 2022 was as follows:

<b>Shareholder</b>	<b>31 Dec. 2023</b>	<b>31 Dec. 2022</b>
ADRIS GRUPA d.d.	66.96	66.96
CERP/ Republic of Croatia	30.10	30.10
Other shareholders	2.94	2.94
	<b>100.00</b>	<b>100.00</b>

**22.2. Reserves**

	<b>Company</b>	<b>Company</b>	<b>Group</b>	<b>Group</b>
	<b>31 Dec. 2023</b>	<b>31 Dec. 2022</b>	<b>31 Dec. 2023</b>	<b>31 Dec. 2022</b>
	in EUR'000	in EUR'000	in EUR'000	in EUR'000
Legal reserves	3,992	3,992	3,992	3,992
Statutory reserves	19,458	19,539	19,458	19,539
Other reserves	29,829	29,829	29,829	29,829
	<b>53,279</b>	<b>53,360</b>	<b>53,279</b>	<b>53,360</b>

Pursuant to the Companies Act, 5% of profit for the year is allocated to the legal reserve until total legal reserve reaches 5% of the share capital.

Statutory reserves and other reserves were established based on the decision on profit distribution from previous years. The Company forms statutory reserves to strengthen the security and stability of the Company's operations. The Company may use statutory reserves only for reserves for own shares and coverage of losses from the current year, if the same could not be covered from retained earnings of previous years, legal reserves and capital reserves.

**22.3. Revaluation reserve**

The revaluation reserve is presented as follows:

	<b>Company</b>	<b>Company</b>	<b>Group</b>	<b>Group</b>
	<b>31 Dec. 2023</b>	<b>31 Dec. 2022</b>	<b>31 Dec. 2023</b>	<b>31 Dec. 2022</b>
	in EUR'000	in EUR'000	in EUR'000	in EUR'000
Property for own use	7,112	7,608	16,929	17,532
Deferred tax from change in revaluation reserve of property for own use	(1,280)	(1,370)	(2,855)	(3,002)
Insurance finance reserve	38,231	85,012	52,452	100,444
Deferred tax from insurance finance reserve	(6,879)	(15,294)	(8,323)	(16,891)
Financial assets at fair value through other comprehensive income	50,134	-	42,186	-
Deferred taxes from financial assets at fair value through other comprehensive income	(9,025)	-	(8,174)	-
Available-for-sale financial assets	-	13,664	-	4,808
Deferred tax from change in revaluation reserve of available-for-sale financial assets	-	(2,460)	-	(1,423)
Foreign exchange differences arising on translation of financial statements of foreign operations	(19)	(19)	(784)	(778)
<b>Total revaluation reserve</b>	<b>78,274</b>	<b>87,141</b>	<b>91,431</b>	<b>100,690</b>

/i/ Revaluation reserve of property for own use, net of deferred tax

	<b>Company</b>	<b>Group</b>
	in EUR'000	in EUR'000
<b>31 December 2021</b>	<b>6,439</b>	<b>14,135</b>
Increase in revaluation reserve	-	395
Decrease in revaluation reserve	(200)	-
<b>31 December 2022</b>	<b>6,239</b>	<b>14,530</b>
Increase in revaluation reserve	-	-
Decrease in revaluation reserve	(407)	(456)
<b>31 December 2023</b>	<b>5,832</b>	<b>14,074</b>

/ii/ Revaluation reserve of financial assets at fair value through other comprehensive income, net of deferred tax

	<b>Company</b>	<b>Group</b>
	in EUR'000	in EUR'000
<b>31 December 2021</b>	<b>75,620</b>	<b>79,233</b>
Changes in fair value of available-for-sale financial assets	(61,118)	(72,544)
Impairment of financial assets, net of tax	353	353
Realised gains of available-for-sale financial assets, net of tax (through profit)	(3,651)	(3,654)
<b>31 December 2022</b>	<b>11,204</b>	<b>3,388</b>
Impact of initial application of IFRS 9	(3,333)	(3,088)
Changes in fair value of debt securities through other comprehensive income	15,276	15,750
Realised gains of debt securities through other comprehensive income reclassified to profit and loss statement	(238)	(238)
Changes in fair value of equity securities through other comprehensive income	19,096	19,096
Realised gains of equity securities through other comprehensive income reclassified to retained earnings	(896)	(896)
<b>31 December 2023</b>	<b>41,109</b>	<b>34,012</b>

23. Financial liabilities at fair value through profit and loss

	Company		Group	
	31 Dec. 2023	31 Dec. 2022	31 Dec. 2023	31 Dec. 2022
	in EUR'000	in EUR'000	in EUR'000	in EUR'000
Derivative financial instruments-liabilities	91	82	91	82
Other financial liabilities	-	-	-	-
<b>Total financial liabilities at fair value through profit and loss</b>	<b>91</b>	<b>82</b>	<b>91</b>	<b>82</b>

24. Financial liabilities at amortised cost

	Company		Group	
	31 Dec. 2023	31 Dec. 2022	31 Dec. 2023	31 Dec. 2022
	in EUR'000	in EUR'000	in EUR'000	in EUR'000
Lease liabilities (IFRS 16)	35,207	36,202	46,215	41,823
Preference shares	1,628	1,626	1,628	1,626
Other financial liabilities	223	281	226	280
Financial liabilities to financial institutions	-	-	80	216
Liabilities for repo transactions	-	10,008	-	10,009
<b>Total financial liabilities at amortised cost</b>	<b>37,058</b>	<b>48,117</b>	<b>48,149</b>	<b>53,954</b>

Net debt:

	Company		Group	
	31 Dec. 2023	31 Dec. 2022	31 Dec. 2023	31 Dec. 2022
	in EUR'000	in EUR'000	in EUR'000	in EUR'000
Cash and cash equivalents	45,289	114,589	66,823	143,097
Lease liabilities and financial liabilities to financial institutions	(35,207)	(36,202)	(46,295)	(42,039)
<b>Net debt</b>	<b>10,082</b>	<b>78,387</b>	<b>20,528</b>	<b>101,058</b>

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Net debt reconciliation:

	<b>Company</b>	<b>Company</b>	<b>Company</b>	<b>Group</b>	<b>Group</b>	<b>Group</b>
	<b>Cash and cash equivalents</b>	<b>Lease and loan liabilities</b>	<b>Total</b>	<b>Cash and cash equivalents</b>	<b>Lease and loan liabilities</b>	<b>Total</b>
	<b>2023</b>	<b>2023</b>	<b>2023</b>	<b>2023</b>	<b>2023</b>	<b>2023</b>
	in EUR'000	in EUR'000	in EUR'000	in EUR'000	in EUR'000	in EUR'000
<b>At 1 January</b>	<b>114,589</b>	<b>(36,202)</b>	<b>78,387</b>	<b>143,097</b>	<b>(42,039)</b>	<b>101,058</b>
Cash flow	(69,300)	-	(69,300)	(76,274)	-	(76,274)
Lease and loan payments	-	3,362	3,362	-	5,244	5,244
Increases based on new contracts	-	(1,425)	(1,425)	-	(8,769)	(8,769)
Canceled contracts	-	324	324	-	982	982
Interest expense	-	(1,266)	(1,266)	-	(1,713)	(1,713)
Foreign exchange differences	-	-	-	-	-	-
Foreign exchange differences arising on translation of financial statements of foreign operations	-	-	-	-	-	-
<b>At 31 December</b>	<b>45,289</b>	<b>(35,207)</b>	<b>10,082</b>	<b>66,823</b>	<b>(46,295)</b>	<b>20,528</b>

	<b>Company</b>	<b>Company</b>	<b>Company</b>	<b>Group</b>	<b>Group</b>	<b>Group</b>
	<b>Cash and cash equivalents</b>	<b>Lease and loan liabilities</b>	<b>Total</b>	<b>Cash and cash equivalents</b>	<b>Lease and loan liabilities</b>	<b>Total</b>
	<b>2022</b>	<b>2022</b>	<b>2022</b>	<b>2022</b>	<b>2022</b>	<b>2022</b>
	in EUR'000	in EUR'000	in EUR'000	in EUR'000	in EUR'000	in EUR'000
<b>At 1 January</b>	<b>80,832</b>	<b>(36,461)</b>	<b>44,371</b>	<b>105,815</b>	<b>(42,939)</b>	<b>62,876</b>
Cash flow	33,757	-	33,757	37,282	-	37,282
Lease and loan payments	-	3,019	3,019	-	4,615	4,615
Increases based on new contracts	-	(1,439)	(1,439)	-	(2,502)	(2,502)
Canceled contracts	-	38	38	-	467	467
Interest expense	-	(1,297)	(1,297)	-	(1,592)	(1,592)
Foreign exchange differences	-	(62)	(62)	-	(54)	(54)
Foreign exchange differences arising on translation of financial statements of foreign operations	-	-	-	-	(34)	(34)
<b>At 31 December</b>	<b>114,589</b>	<b>(36,202)</b>	<b>78,387</b>	<b>143,097</b>	<b>(42,039)</b>	<b>101,058</b>



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**24.1. Lease liabilities**

The maturity of lease liabilities is presented below:

	<b>Company</b>		<b>Group</b>	
	<b>31 Dec. 2023</b>		<b>31 Dec. 2023</b>	
	in EUR'000		in EUR'000	
2024	2,482		4,048	
2025	2,046		3,642	
2026	1,816		5,327	
2027	1,691		2,793	
2028	1,645		2,295	
2029 and later	25,527		28,190	
	<b>35,207</b>		<b>46,295</b>	

	<b>Company</b>		<b>Group</b>	
	<b>31 Dec. 2022</b>		<b>31 Dec. 2022</b>	
	in EUR'000		in EUR'000	
2023	2,255		3,477	
2024	1,991		3,125	
2025	1,652		2,443	
2026	1,391		2,063	
2027	1,382		1,801	
2028 and later	27,531		29,130	
	<b>36,202</b>		<b>42,039</b>	

The amounts recognised in the statement of financial position and movements of right-of-use assets during the year are presented in Note 14.1 Property and equipment. The following is presented in Statement of comprehensive income:

	<b>Company</b>		<b>Company</b>		<b>Group</b>		<b>Group</b>	
	<b>2023</b>		<b>2022</b>		<b>2023</b>		<b>2022</b>	
	in EUR'000		in EUR'000		in EUR'000		in EUR'000	
Depreciation expense of right-of-use assets								
Buildings	1,630		1,716		3,050		2,881	
Vehicles	606		537		457		450	
Equipment	-		-		8		-	
	<b>2,236</b>		<b>2,253</b>		<b>3,515</b>		<b>3,331</b>	
Interest on lease liabilities	<b>1,266</b>		<b>1,297</b>		<b>1,652</b>		<b>1,586</b>	
Expenses relating to short-term leases	<b>149</b>		<b>107</b>		<b>1,120</b>		<b>1,453</b>	
Expenses relating to leases of low-value assets	<b>509</b>		<b>712</b>		<b>871</b>		<b>997</b>	

**25. Provisions**

	<b>Company</b>		<b>Company</b>		<b>Group</b>		<b>Group</b>	
	<b>31 Dec. 2023</b>		<b>31 Dec. 2022</b>		<b>31 Dec. 2023</b>		<b>31 Dec. 2022</b>	
	in EUR'000		in EUR'000		in EUR'000		in EUR'000	
Provisions for legal disputes	5,289		4,793		5,450		4,958	
Provisions for termination benefits	488		666		488		665	
Provisions for jubilee awards and retirement benefits /i/	990		1,078		2,147		2,067	
Other long-term provisions	-		-		-		-	
	<b>6,767</b>		<b>6,537</b>		<b>8,085</b>		<b>7,690</b>	

**CROATIA osiguranje d.d., Zagreb**  
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Movements in provisions for jubilee awards, pensions, legal disputes and other long-term provisions are shown in the table below:

Company	Provisions for legal disputes	Provisions for jubilee awards and retirement benefits	Provisions for termination benefits	Other long-term provisions	Total
	in EUR'000	in EUR'000	in EUR'000	in EUR'000	in EUR'000
<b>At 1 January 2022</b>	<b>5,227</b>	<b>1,064</b>	<b>1,414</b>	-	<b>7,705</b>
Additional provisions	430	14	1,036	-	1,480
Decrease in provisions (utilisation)	(864)	-	(1,784)	-	(2,648)
Decrease in provisions (reversal)	-	-	-	-	-
<b>At 31 December 2022</b>	<b>4,793</b>	<b>1,078</b>	<b>666</b>	-	<b>6,537</b>
Additional provisions	1,210	7	1,533	-	2,750
Decrease in provisions (utilisation)	(714)	(95)	(1,711)	-	(2,520)
Decrease in provisions (reversal)	-	-	-	-	-
<b>At 31 December 2023</b>	<b>5,289</b>	<b>990</b>	<b>488</b>	-	<b>6,767</b>

Group	Provisions for legal disputes	Provisions for jubilee awards and retirement benefits	Provisions for termination benefits	Other long-term provisions	Total
	in EUR'000	in EUR'000	in EUR'000	in EUR'000	in EUR'000
<b>At 1 January 2022</b>	<b>5,388</b>	<b>2,088</b>	<b>1,491</b>	<b>4</b>	<b>8,971</b>
Additional provisions	469	156	1,008	-	1,633
Decrease in provisions (utilisation)	(892)	(149)	(1,834)	(4)	(2,879)
Decrease in provisions (reversal)	(8)	(26)	-	-	(34)
Foreign exchange differences	1	(2)	-	-	(1)
<b>At 31 December 2022</b>	<b>4,958</b>	<b>2,067</b>	<b>665</b>	-	<b>7,690</b>
Additional provisions	1,256	273	1,533	-	3,062
Decrease in provisions (utilisation)	(761)	(188)	(1,711)	-	(2,660)
Decrease in provisions (reversal)	(2)	(5)	-	-	(7)
Foreign exchange differences	(1)	-	1	-	-
<b>At 31 December 2023</b>	<b>5,450</b>	<b>2,147</b>	<b>488</b>	-	<b>8,085</b>

/i/ The following assumptions were used for the calculation:

- The employment termination rate for the Company is 7.12% (2022: 6.42%), while for the Group the average is 9.31% (2022: 7.13%)
- The expected annual salary increase for the Company is 2.5% (2022: 2.5%), while for the Group is 1.39% (2022: 1.79%);
- The average tax rate of 18% for the Company and 15% for the Group was applied to the calculation of severance pay.
- The present value of the liability is calculated using the discount rate of 3.43% (2022: 3.13%) for the Company and 2.58%-4.69% for the Group (2022: 3.13%-6.04%).

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The table below shows the sensitivity analysis for significant assumptions:

	Company		Group	
	31 Dec. 2023	31 Dec. 2022	31 Dec. 2023	31 Dec. 2022
	in EUR'000	in EUR'000	in EUR'000	in EUR'000
	Change in liabilities	Change in liabilities	Change in liabilities	Change in liabilities
Discount rate -10%	22	24	49	46
Discount rate +10%	(21)	(23)	(47)	(44)
Employment termination rate -10%	61	63	108	102
Employment termination rate +10%	(55)	(58)	(98)	(94)

**26. Account payable and other liabilities**

	Company		Group	
	31 Dec. 2023	31 Dec. 2022	31 Dec. 2023	31 Dec. 2022
	in EUR'000	in EUR'000	in EUR'000	in EUR'000
Accrued expenses and deferred income	15,699	14,912	17,819	16,726
Liabilities for the guarantee fund	4,401	4,796	4,465	4,883
Liabilities for claims and contracted insurance amounts	3,568	1,079	4,171	2,436
Liabilities for net salaries	3,103	3,152	4,378	4,096
Liabilities for tax on motor liability and motor hull insurance	1,500	1,289	1,644	1,414
Trade payables	4,117	6,985	7,272	9,590
Liabilities for advances received for the insurance premium	1,973	1,155	2,243	1,372
Liabilities for intermediaries	991	757	1,206	738
Liabilities for contributions from salaries	776	778	1,033	958
Liabilities for contributions on salaries	621	602	846	770
Liabilities for tax and surtax from salaries	387	376	427	416
Liabilities for health insurance under motor liability premium	170	132	286	233
Liabilities for contribution to the Fire Department	101	85	261	220
Liabilities for advances received	28	67	895	560
Liabilities for claims from coinsurance and reinsurance	-	-	105	95
Liabilities due to employees	29	27	245	199
Other liabilities	3,006	2,962	4,719	4,355
<b>Total account payable and other liabilities</b>	<b>40,470</b>	<b>39,154</b>	<b>52,015</b>	<b>49,061</b>

**26.1. Accrued expenses and deferred income**

	Company		Group	
	31 Dec. 2023	31 Dec. 2022	31 Dec. 2023	31 Dec. 2022
	in EUR'000	in EUR'000	in EUR'000	in EUR'000
Bonus provisions for employees	5,088	4,961	5,669	5,163
Other deferred income	4,006	3,453	4,545	4,005
Accrued, but not invoiced expenses for service received	1,533	1,197	2,237	2,026
Accrued expenses for unused vacation days	2,222	2,133	2,406	2,322
Accrued, but not invoiced acquisition expenses	1,220	1,847	1,358	1,942
Other accrued expenses	1,630	1,321	1,604	1,268
<b>Total accrued expenses and deferred income</b>	<b>15,699</b>	<b>14,912</b>	<b>17,819</b>	<b>16,726</b>

27. Off balance sheet items

	<b>Company</b>	<b>Company</b>	<b>Group</b>	<b>Group</b>
	<b>31 Dec.</b>	<b>31 Dec.</b>	<b>31 Dec.</b>	<b>31 Dec.</b>
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
	in EUR'000	in EUR'000	in EUR'000	in EUR'000
Derivative financial instruments (nominal amount)	46,565	76,076	46,565	76,076
Premium receivables from companies in bankruptcy	17,004	19,912	19,540	22,447
Shares and stakes of companies in bankruptcy	1,912	2,475	3,095	3,795
Placements and interest from companies in bankruptcy	10,790	8,658	11,704	9,506
Default interest on placements	2,713	3,673	2,712	3,672
Other off-balance-sheet items	235	235	235	235
	<b>79,219</b>	<b>111,029</b>	<b>83,852</b>	<b>115,732</b>

**28. Related party transactions**

The Company considers that it has an immediate related party relationship with its ultimate controlling party, the company ADRIS grupa d.d. and the Republic of Croatia (CERP) and companies with majority state ownership or in which the state has significant influence, companies under control, under common control or under influence of key management personnel and their close family members in accordance with the definitions contained in International Accounting Standard 24 "Related Party Disclosures" (IAS 24). The Group considers the members of the Management Board and Supervisory Board, and directors of departments as key management.

*Key related party transactions*

The Company pays income tax in the Republic of Croatia, as described in Note 11. The Company also pays personal income tax as described in Notes 5 and 10. With regard to taxes, the Company has no outstanding liabilities towards the Republic of Croatia. The Company invests in securities of the Republic of Croatia and other state-owned companies as listed in the table below with interest rates ranging from 0.25% to 6.375% and with maturities of 2024-2041.

The Company has given loans to the related company Croatia-tehnički pregled d.o.o. in the total value of EUR 24.1m at an interest rate of 4.97%, to the company Core 1 d.o.o. in the total amount of EUR 13m at an interest rate of 4% and 5.14% respectively, to the company Croatia osiguranje d.d., non-life insurance company, Skopje in the amount of EUR 800 thousand at an interest rate of 2.625%, to the company CO Zdravlje d.o.o. in the amount of EUR 2,5m at an interest rate of 6.10%, to the company STRMEC PROJEKT d.o.o. in the amount of EUR 510 thousand at an interest rate of 6.07% , to the company CROATIA Premium d.o.o. in the total amount of EUR 1.7m at an interest rate of 3.2%, to the CROATIA POLIKLINIKA in the total amount of EUR 11.8m at interest rate of 6.07% and to the company CO LOGISTIKA d.o.o. in total amount of EUR 450 thousands at the interest rate of 6.07%, for the purpose of additional investments.

Other relationships with subsidiaries, joint ventures and associates within the Group and other companies that have a significant impact on the Company's financial statements as well as companies in which the state has majority ownership or significant influence are presented in the following tables for 2023 and 2022:

**Transactions and balances with the parent company and other related entities of the Company for 2023:**

	<b>Subsidiaries</b>	<b>Associates</b>	<b>ADRIS GRUPA d.d. (Parent company)</b>	<b>Other ADRIS GRUPA companies</b>
	in EUR'000	in EUR'000	in EUR'000	in EUR'000
Financial assets at amortized cost	37,918	-	-	1,450
Trade and other receivables	197	-	30	11
Insurance liabilities	2,024	2	2	193
Trade payables and other liabilities	340	-	156	49
Insurance revenue	1,362	41	76	2,887
Insurance service expenses	7,341	-	2,184	2,619
Net result of (passive) reinsurance contracts	66	-	-	-
Interest revenue calculated using the effective interest rate method	1,700	-	-	97
Rental income	718	-	-	-
Other investment income/expense	14	1,327	-	-
Other income	411	-	4	-
Other operating expenses	26	-	15	153

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**Notes to the financial statements for 2023**

**Transactions and balances with the parent company and other related entities of the Group for 2022:**

	<b>Associates</b>	<b>ADRIS GRUPA d.d. (Parent company)</b>	<b>Other ADRIS GRUPA companies</b>
	in EUR'000	in EUR'000	in EUR'000
Financial assets at amortized cost	-	-	1,450
Trade and other receivables	-	31	13
Insurance liabilities	2	2	144
Trade payables and other liabilities	-	157	49
Insurance revenue	41	76	2,887
Insurance service expenses	-	2,184	2,619
Interest revenue calculated using the effective interest rate method	-	-	97
Rental income	-	-	-
Other investment income/expense	1,327	-	-
Other income	-	6	4
Other operating expenses	-	15	156

**CROATIA osiguranje d.d., Zagreb**  
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**Transactions and balances with parties related to the shareholder with significant influence on the Company and the Group (Republic of Croatia and all companies with majority state ownership) for 2023:**

	<b>Company</b>	<b>Group</b>
	in EUR'000	in EUR'000
Financial assets at amortized cost	298,215	298,215
Financial assets at fair value through other comprehensive income	397,591	400,184
Trade and other receivables	431	431
Insurance liabilities	1,143	1,143
Trade payables and other liabilities	327	327
Insurance revenue	18,949	18,949
Insurance service expenses	7,600	7,600
Interest revenue calculated using the effective interest rate method	18,966	19,008
Net gains/losses from financial assets at fair value through profit and loss	681	681
Rental income	1,547	1,547
Other investment income/expense	277	277
Other income	1	1
Other operating expenses	211	211

**Transactions and balances with the parent company and other related entities of the Company for 2022 (restated):**

	<b>Subsidiaries</b>	<b>Associates</b>	<b>ADRIS GRUPA d.d. (Parent company)</b>	<b>Other ADRIS GRUPA companies</b>
	in EUR'000	in EUR'000	in EUR'000	in EUR'000
Financial assets at amortized cost	35,003	-	-	2,901
Trade and other receivables	123	-	176	10
Insurance liabilities	3,601	-	-	377
Trade payables and other liabilities	109	-	-	-
Insurance revenue	1,179	35	71	2,704
Insurance service expenses	8,791	-	2,250	967
Interest revenue calculated using the effective interest rate method	1,472	-	-	160
Rental income	667	-	-	-
Other investment income/expense	1,605	1,394	-	-
Other income	254	-	-	-
Other operating expenses	16	-	36	57

**CROATIA osiguranje d.d., Zagreb**  
**Notes to the financial statements for 2023**

**Transactions and balances with the parent company and other related entities of the Group for 2022 (restated):**

	Associates	ADRIS GRUPA d.d. (Parent company)	Other ADRIS GRUPA companies
	in EUR'000	in EUR'000	in EUR'000
Financial assets at amortized cost	-	-	2,901
Trade and other receivables	-	176	10
Insurance liabilities	-	-	377
Trade payables and other liabilities	-	-	-
Insurance revenue	35	71	2,704
Insurance service expenses	-	2,250	967
Interest revenue calculated using the effective interest rate method	-	-	160
Rental income	-	-	-
Other investment income/expense	1,394	-	-
Other income	-	-	-
Other operating expenses	-	36	57

**Transactions and balances with parties related to the shareholder with significant influence on the Company and the Group (Republic of Croatia and all companies with majority state ownership) for 2022 (restated):**

	Company	Group
	in EUR'000	in EUR'000
Financial assets at amortized cost	285,786	285,786
Financial assets at fair value through other comprehensive income	412,827	414,602
Trade and other receivables	61	61
Insurance liabilities	1,353	1,353
Trade payables and other liabilities	132	132
Insurance revenue	14,473	14,473
Insurance service expenses	6,626	6,626
Interest revenue calculated using the effective interest rate method	18,807	18,833
Rental income	1,537	1,537
Other investment income/expense	556	556
Other income	10	10
Other operating expenses	247	247

**Transactions and balances with parties related to key management of the Company, Group and Parent company for 2023 and 2022:**

	Company	Company	Group	Group
	2023	2022	2023	2022
	in EUR'000	in EUR'000	in EUR'000	in EUR'000
Insurance liabilities	-	1	-	1
Insurance revenue	21	22	21	22
Insurance expenses	3	-	3	-



/i/ Key management compensation

Company:

	31 Dec.2023				31 Dec.2022			
	in EUR'000				in EUR'000			
	Management	Department directors	Supervisory Board	Total	Management	Department directors	Supervisory Board	Total
Key management compensation	2,695	2,680	22	5,397	2,131	2,731	21	4,883
Termination benefits	-	127	-	127	-	49	-	49
	<b>2,695</b>	<b>2,807</b>	<b>22</b>	<b>5,524</b>	<b>2,131</b>	<b>2,780</b>	<b>21</b>	<b>4,932</b>

Group:

	31 Dec.2023				31 Dec.2021			
	in EUR'000				in EUR'000			
	Management	Department directors	Supervisory Board	Total	Management	Department directors	Supervisory Board	Total
Key management compensation	4,041	3,466	53	7,560	3,326	3,542	49	6,917
Termination benefits	101	127	-	228	1	61	-	62
	<b>4,142</b>	<b>3,593</b>	<b>53</b>	<b>7,788</b>	<b>3,327</b>	<b>3,603</b>	<b>49</b>	<b>6,979</b>

The key management personnel of the Group are members of the Management Board and Supervisory Board and directors of departments.

Key management compensation includes gross salary, life insurance premiums, benefits in kind, bonuses in cash and shares of the parent company, termination benefits and compensation of the Supervisory Board. The remuneration of key management in the note above includes provisions for bonuses for 2023 and 2022. The paid bonuses of key management for 2023 amount to EUR 1,649 thousand for the Company (2022: EUR 1,129 thousand) and include EUR 1,078 thousand of bonus paid in shares of the parent company, and for the Group EUR 1,935 thousand (2022: EUR 1,428 thousand) and include EUR 1,106 thousand of bonus paid in shares of the parent company.

## 29. Contingent liabilities

The Group has contingent liabilities in terms of issued collection instruments in the course of its business operations. It is unlikely that significant obligations could result from the above. The group has real estate with an estimated value of EUR 200 thousand (2022: EUR 212 thousand) on which there is a lien in favor of a third party. Also, as part of its regular operations, the Group has pledged financial assets worth EUR 1,3 m (2022: EUR 13.3m) as collateral.

On account of its principal activity, the Group is subject to legal disputes initiated by injured parties. Based on the opinions of legal advisors, the Management Board has assessed which legal disputes require provisions, since it is probable that the court will not rule in the Group's favour. Legal disputes for which no provision have been made and were designated as contingent liabilities, it has been estimated that the final outcome will be in favour of the Group and that no outflow of resources will occur.

Provisions for legal disputes arising from claims incurred were provided for within claims provisions. The Management Board believes that these provisions are sufficient.

**30. Commitments**

As at 31 December 2023, the Company's contractual obligations for future investments amount to EUR 29,240 thousand based on binding bids for investments in venture capital funds (31 December 2022: EUR 44,862 thousand).

**31. Audit of financial statements**

The auditors of the Group's financial statements have provided services in 2023 in the amount of EUR 571 thousand plus value added tax (2022: EUR 867 thousand plus value added tax). The Company was provided services in the amount of EUR 383 thousand plus value added tax (2022: EUR 663 thousand plus value added tax). Services in 2023 and 2022 relate to the costs of the statutory audit of annual financial statements and related audit services.

During 2023, PricewaterhouseCoopers d.o.o. ("PwC") provided educational services while in 2022 it provided educational and advisory services. During 2023 and 2022, Deloitte d.o.o. provided permitted tax advisory services.

**32. Events after the balance sheet date**

On 19 January 2024, the Management Board and the Supervisory Board proposed to the General Assembly the payment of a dividend in the total amount of EUR 65,000,265.19, or EUR 151.27 per share. The Company has been operating successfully in the past years, with a growing level of profit and high capital adequacy rates. The Company was continuously highly capitalized (SCR ratio of the Company as of 31 December 2023 was 308%, i.e. at the consolidated level 262% and includes capital reduction for foreseeable dividends), despite geopolitical disturbances, a period of high inflation and natural disasters. The entry of the Republic of Croatia into the Eurozone additionally contributed positively to the above indicator. Considering all the above, the Management Board believes that it is able to pay the dividend to its shareholders without disrupting the stability of operations and while maintaining a high level of capital adequacy. On 5 March 2024, the General Assembly passed a decision on the payment of the dividend.

The Company announced that the member of the Management Board, Vančo Balen, will leave the company by 30 June 2024 on personal request, for private reasons.

## **Statements prescribed by the Ordinance of the Croatian Financial Services Supervisory Agency**

Pursuant to the Ordinance on the structure and content of financial statements and additional reports of insurance and reinsurance companies (Official Gazette 20/23) which was issued by the Croatian Financial Services Supervisory Agency on the basis of the Insurance Act and the Accounting Act, below we present the separate and consolidated financial statements of the company CROATIA osiguranje d.d., Zagreb in the form required by the stated Ordinance.

The reconciliation between the financial statements, as prescribed by the Ordinance on the structure and content of the financial statements of insurance and reinsurance Companies, and the annual financial statements prepared in accordance with the IFRS reporting framework is presented in section entitled "Reconciliation of the financial statements and supplementary statements for the Croatian Financial Services Supervisory Agency".

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**Statements prescribed by the Ordinance of the Croatian Financial Services Supervisory Agency**

**STATEMENT OF FINANCIAL POSITION as at 31 December 2023**

in EUR

Item number	Sum elements	Identifier	Item	Last day of the preceding business year			At the reporting date of the current period		
				Life	Non-life	Total	Life	Non-life	Total
<b>001</b>	002+003	<b>I</b>	<b>INTANGIBLE ASSETS</b>	-	<b>15,417,577</b>	<b>15,417,577</b>	-	<b>15,767,439</b>	<b>15,767,439</b>
002		1	Goodwill	-	-	-	-	-	-
003		2	Other intangible assets	-	15,417,577	15,417,577	-	15,767,439	15,767,439
<b>004</b>	005+006+007	<b>II</b>	<b>TANGIBLE ASSETS</b>	<b>1,876</b>	<b>64,214,569</b>	<b>64,216,445</b>	<b>1,874</b>	<b>62,695,828</b>	<b>62,697,702</b>
005		1	Land and buildings occupied by an undertaking for its own activities	-	25,156,343	25,156,343	-	25,693,150	25,693,150
006		2	Equipment	1,865	3,336,148	3,338,013	1,865	3,252,574	3,254,439
007		3	Other tangible assets and inventories	11	35,722,078	35,722,089	9	33,750,104	33,750,113
<b>008</b>	009+010+014	<b>III</b>	<b>INVESTMENTS</b>	<b>425,331,013</b>	<b>741,341,747</b>	<b>1,166,672,760</b>	<b>414,536,145</b>	<b>911,326,804</b>	<b>1,325,862,949</b>
<b>009</b>		<b>A</b>	<b>Investments in land and buildings not occupied by an undertaking for its own activities</b>	-	<b>69,394,239</b>	<b>69,394,239</b>	-	<b>67,925,833</b>	<b>67,925,833</b>
<b>010</b>	011+012+013	<b>B</b>	<b>Investments in subsidiaries, associates and joint ventures</b>	-	<b>51,511,754</b>	<b>51,511,754</b>	-	<b>54,530,904</b>	<b>54,530,904</b>
011		1	Shares and holdings in subsidiaries	-	47,795,515	47,795,515	-	50,814,665	50,814,665
012		2	Shares and holdings in associates	-	-	-	-	-	-
013		3	Shares and holdings in joint ventures	-	3,716,239	3,716,239	-	3,716,239	3,716,239
<b>014</b>	015+020+025	<b>C</b>	<b>Financial assets</b>	<b>425,331,013</b>	<b>620,435,754</b>	<b>1,045,766,767</b>	<b>414,536,145</b>	<b>788,870,067</b>	<b>1,203,406,212</b>
<b>015</b>	016 + 017 + 018 + 019	<b>1</b>	<b>Financial assets at amortised cost</b>	<b>168,835,029</b>	<b>198,485,282</b>	<b>367,320,311</b>	<b>154,503,708</b>	<b>240,561,618</b>	<b>395,065,326</b>
016		1.1	Debt financial instruments	152,507,760	139,120,115	291,627,875	149,614,053	135,454,920	285,068,973
017		1.2	Deposits with credit institutions	12,968,343	4,500,651	17,468,994	2,305,593	51,209,284	53,514,877
018		1.3.	Loans	3,358,926	38,360,372	41,719,298	2,584,062	40,568,705	43,152,767
019		1.4.	Other	-	16,504,144	16,504,144	-	13,328,709	13,328,709
<b>020</b>	021 + 022 + 023 + 024	<b>2</b>	<b>Financial assets at fair value through other comprehensive income</b>	<b>230,474,667</b>	<b>417,459,533</b>	<b>647,934,200</b>	<b>200,697,053</b>	<b>472,000,910</b>	<b>672,697,963</b>
021		2.1	Equity financial instruments	11,158,812	91,588,426	102,747,238	13,239,174	125,573,254	138,812,428
022		2.2	Debt financial instruments	202,595,938	290,496,489	493,092,427	187,457,879	346,427,656	533,885,535
023		2.3.	Units in investment funds	16,719,917	35,374,618	52,094,535	-	-	-
024		2.4.	Other	-	-	-	-	-	-
<b>025</b>	026 + 027+.... +030	<b>3</b>	<b>Financial assets at fair value through profit and loss account</b>	<b>26,021,317</b>	<b>4,490,939</b>	<b>30,512,256</b>	<b>59,335,384</b>	<b>76,307,539</b>	<b>135,642,923</b>
026		3.1	Equity financial instruments	-	2,973,816	2,973,816	-	387,390	387,390
027		3.2	Debt financial instruments	-	-	-	-	10,963,850	10,963,850
028		3.3.	Units in investment funds	25,732,534	-	25,732,534	59,238,385	64,567,129	123,805,514
029		3.4.	Derivative financial instruments	288,783	1,517,123	1,805,906	96,999	389,170	486,169
030		3.5	Other	-	-	-	-	-	-
<b>031</b>	032 + 036 +040	<b>IV</b>	<b>ASSETS FROM INSURANCE CONTRACTS</b>	-	<b>22,924,424</b>	<b>22,924,424</b>	-	<b>16,997,313</b>	<b>16,997,313</b>
032		1	General measurement model	-	14,678,731	14,678,731	-	13,311,689	13,311,689
033		1.1.	- Assets for remaining coverage	-	(1,754,363)	(1,754,363)	-	(1,477,798)	(1,477,798)
034		1.2.	- Assets for insurance acquisition cash flows	-	-	-	-	-	-
035		1.3.	- Assets from claims incurred	-	16,433,094	16,433,094	-	14,789,487	14,789,487
036		2	Variable fee approach	-	-	-	-	-	-
037		2.1.	- Assets for remaining coverage	-	-	-	-	-	-
038		2.2.	- Assets for insurance acquisition cash flows	-	-	-	-	-	-
039		2.3.	- Assets from claims incurred	-	-	-	-	-	-
040		3	Premium allocation approach	-	8,245,693	8,245,693	-	3,685,624	3,685,624
041		3.1.	- Assets for remaining coverage	-	13,197,514	13,197,514	-	6,049,909	6,049,909
042		3.2.	- Assets for insurance acquisition cash flows	-	-	-	-	-	-
043		3.3.	- Assets from claims incurred	-	(4,951,821)	(4,951,821)	-	(2,364,285)	(2,364,285)
<b>044</b>		<b>V</b>	<b>ASSETS FROM REINSURANCE CONTRACTS</b>	<b>8,518</b>	<b>41,196,418</b>	<b>41,204,936</b>	-	<b>49,916,652</b>	<b>49,916,652</b>
<b>045</b>	046 +047	<b>VI</b>	<b>DEFERRED AND CURRENT TAX ASSETS</b>	<b>3,017,064</b>	<b>9,377,929</b>	<b>12,394,993</b>	<b>458,066</b>	<b>8,121,850</b>	<b>8,579,916</b>
046		1	Deferred tax assets	3,017,064	9,326,572	12,343,636	458,066	8,121,850	8,579,916
047		2	Current tax assets	-	51,357	51,357	-	-	-
<b>048</b>		<b>VII</b>	<b>OTHER ASSETS</b>	<b>14,472,776</b>	<b>119,852,470</b>	<b>134,325,246</b>	<b>136,525</b>	<b>31,467,371</b>	<b>31,603,896</b>
<b>049</b>	050 +051 +052	<b>1</b>	<b>CASH AT BANK AND IN HAND</b>	<b>13,754,375</b>	<b>92,411,991</b>	<b>106,166,366</b>	<b>75,348</b>	<b>1,587,146</b>	<b>1,662,494</b>
050		1.1	Funds in the business account	-	92,411,991	92,411,991	-	1,587,146	1,587,146
051		1.2	Funds in the account of assets covering liabilities from life insurance contracts	13,754,375	-	13,754,375	75,348	-	75,348
052		1.3	Cash in hand	-	-	-	-	-	-
<b>053</b>		<b>2</b>	<b>Fixed assets held for sale and discontinued operations</b>	-	-	-	-	-	-
<b>054</b>		<b>3</b>	<b>Other</b>	<b>718,401</b>	<b>27,440,479</b>	<b>28,158,880</b>	<b>61,177</b>	<b>29,880,225</b>	<b>29,941,402</b>
<b>055</b>	001+004+008 +031+044+045+048	<b>VIII</b>	<b>TOTAL ASSETS</b>	<b>442,831,247</b>	<b>1,014,325,134</b>	<b>1,457,156,381</b>	<b>415,132,610</b>	<b>1,096,293,257</b>	<b>1,511,425,867</b>
<b>056</b>		<b>IX</b>	<b>OFF-BALANCE SHEET ITEMS</b>	<b>12,991,875</b>	<b>98,037,303</b>	<b>111,029,178</b>	<b>11,945,389</b>	<b>67,272,777</b>	<b>79,218,166</b>

**CROATIA osiguranje d.d., Zagreb**  
**Statements prescribed by the Ordinance of the Croatian Financial Services Supervisory Agency**

**STATEMENT OF FINANCIAL POSITION as at 31 December 2023**

in EUR

Item number	Sum elements	Identifier	Item	Last day of the preceding business year			At the reporting date of the current period		
				Life	Non-life	Total	Life	Non-life	Total
057	058+061+062+066+067+071+074	X	<b>CAPITAL AND RESERVES</b>	<b>69,238,047</b>	<b>553,493,143</b>	<b>622,731,190</b>	<b>65,307,009</b>	<b>599,127,674</b>	<b>664,434,683</b>
058	059 +060	1	<b>Subscribed capital</b>	<b>5,878,123</b>	<b>72,338,852</b>	<b>78,216,975</b>	<b>5,881,322</b>	<b>72,414,820</b>	<b>78,296,142</b>
059		1.1	<i>Paid in capital - ordinary shares</i>	5,878,123	72,338,852	78,216,975	5,881,322	72,414,820	78,296,142
060		1.2	<i>Paid in capital - preference shares</i>	-	-	-	-	-	-
061		2	<b>Premium on shares issued (capital reserves)</b>	-	<b>90,448,275</b>	<b>90,448,275</b>	-	<b>90,448,275</b>	<b>90,448,275</b>
062	063 +064 +065	3	<b>Revaluation reserves</b>	<b>(8,834,521)</b>	<b>26,257,657</b>	<b>17,423,136</b>	<b>(3,824,142)</b>	<b>50,745,483</b>	<b>46,921,341</b>
063		3.1	<i>Land and buildings</i>	-	6,238,962	6,238,962	-	5,831,786	5,831,786
064		3.2	<i>Financial assets</i>	(8,834,521)	20,018,695	11,184,174	(3,824,142)	44,913,697	41,089,555
065		3.3	<i>Other revaluation reserves</i>	-	-	-	-	-	-
066		4	<b>Financial reserves from insurance contracts</b>	<b>40,500,822</b>	<b>29,216,899</b>	<b>69,717,721</b>	<b>18,486,074</b>	<b>12,866,232</b>	<b>31,352,306</b>
067	068+069+070	5	<b>Reserves</b>	<b>11,320,716</b>	<b>42,038,973</b>	<b>53,359,689</b>	<b>11,317,518</b>	<b>41,961,359</b>	<b>53,278,877</b>
068		5.1.	<i>Legal reserves</i>	293,906	3,698,235	3,992,141	293,906	3,698,235	3,992,141
069		5.2.	<i>Statutory reserve</i>	1,006,238	18,533,214	19,539,452	1,003,040	18,455,600	19,458,640
070		5.3.	<i>Other reserves</i>	10,020,572	19,807,524	29,828,096	10,020,572	19,807,524	29,828,096
071	072+073	6	<b>Retained profit or loss brought forward</b>	<b>9,943,423</b>	<b>257,996,104</b>	<b>267,939,527</b>	<b>20,394,811</b>	<b>296,863,131</b>	<b>317,257,942</b>
072		6.1.	<i>Retained profit</i>	9,943,423	257,996,104	267,939,527	20,394,811	296,863,131	317,257,942
073		6.2.	<i>Loss brought forward (-)</i>	-	-	-	-	-	-
074	075+076	7	<b>Profit or loss for the current accounting period</b>	<b>10,429,484</b>	<b>35,196,383</b>	<b>45,625,867</b>	<b>13,051,426</b>	<b>33,828,374</b>	<b>46,879,800</b>
075		7.1.	<i>Profit for the current accounting period</i>	10,429,484	35,196,383	45,625,867	13,051,426	33,828,374	46,879,800
076		7.2.	<i>Loss for the current accounting period (-)</i>	-	-	-	-	-	-
077		XI	<b>SUBORDINATE LIABILITIES</b>	-	-	-	-	-	-
078		XII	<b>MINORITY INTEREST</b>	-	-	-	-	-	-
079	080+084+088	XIII	<b>LIABILITIES FROM INSURANCE CONTRACTS</b>	<b>360,955,934</b>	<b>341,537,790</b>	<b>702,493,724</b>	<b>342,823,644</b>	<b>389,298,289</b>	<b>732,121,933</b>
080	081+082+083	1	General measurement model	330,870,677	9,723,031	340,593,708	324,771,568	8,396,725	333,168,293
081		1.1.	- Liabilities for remaining coverage	320,769,292	9,253,014	330,022,306	313,539,221	8,048,781	321,588,002
082		1.2.	- Assets for insurance acquisition cash flows	-	-	-	-	-	-
083		1.3.	- Liabilities for claims incurred	10,101,385	470,017	10,571,402	11,232,347	347,944	11,580,291
084	085+086+087	2	Variable fee approach	30,085,257	-	30,085,257	18,052,076	-	18,052,076
085		2.1.	- Liabilities for remaining coverage	25,356,882	-	25,356,882	15,141,549	-	15,141,549
086		2.2.	- Assets for insurance acquisition cash flows	-	-	-	-	-	-
087		2.3.	- Liabilities for claims incurred	4,728,375	-	4,728,375	2,910,527	-	2,910,527
088	089 +090 +091	3	Premium allocation approach	-	331,814,759	331,814,759	-	380,901,564	380,901,564
089		3.1.	- Liabilities for remaining coverage	-	72,555,381	72,555,381	-	90,040,730	90,040,730
090		3.2.	- Assets for insurance acquisition cash flows	-	-	-	-	-	-
091		3.3.	- Liabilities for claims incurred	-	259,259,378	259,259,378	-	290,860,834	290,860,834
092		XIV	<b>LIABILITIES FROM REINSURANCE CONTRACTS</b>	-	1,961,479	1,961,479	-	1,910,081	1,910,081
093		XV	<b>LIABILITY FOR INVESTMENT CONTRACTS</b>	-	-	-	-	-	-
094	095+096	XVI	<b>OTHER PROVISIONS</b>	<b>397,164</b>	<b>6,488,254</b>	<b>6,885,418</b>	<b>393,671</b>	<b>6,701,443</b>	<b>7,095,114</b>
095		1	Provisions for pensions and similar obligations	397,164	6,139,886	6,537,050	393,671	6,373,814	6,767,485
096		2	Other provisions	-	348,368	348,368	-	327,629	327,629
097	098+099	XVII	<b>DEFERRED AND CURRENT TAX LIABILITIES</b>	<b>6,951,139</b>	<b>25,891,347</b>	<b>32,842,486</b>	<b>3,159,934</b>	<b>24,632,839</b>	<b>27,792,773</b>
098		1	Deferred tax liability	6,951,139	24,513,186	31,464,325	3,159,934	13,694,907	16,854,841
099		2	Current tax liability	-	1,378,161	1,378,161	-	10,937,932	10,937,932
100	101+102+...+105	XVIII	<b>FINANCIAL LIABILITIES</b>	<b>3,695</b>	<b>48,403,393</b>	<b>48,407,088</b>	<b>18,872</b>	<b>37,130,100</b>	<b>37,148,972</b>
101		1	Loan liabilities	-	-	-	-	-	-
102		2	Liabilities for issued financial instruments	-	-	-	-	-	-
103		3	Liabilities for derivative financial instruments	3,277	78,954	82,231	18,872	72,193	91,065
104		4	Liability for unpaid dividend	-	208,571	208,571	-	208,602	208,602
105		5	Other financial liabilities	418	48,115,868	48,116,286	-	36,849,305	36,849,305
106	107+108+109	XIX	<b>OTHER LIABILITIES</b>	<b>5,285,268</b>	<b>36,549,728</b>	<b>41,834,996</b>	<b>3,429,480</b>	<b>37,492,831</b>	<b>40,922,311</b>
107		1	Liabilities for disposal and discontinued operations	-	-	-	-	-	-
108		2	Accruals and deferred income	1,760,499	13,151,283	14,911,782	2,414,266	13,285,156	15,699,422
109		3	Other liabilities	3,524,769	23,398,445	26,923,214	1,015,214	24,207,675	25,222,889
110	057+077+078+079+092+093+094+097+100+106	XX	<b>TOTAL LIABILITIES</b>	<b>442,831,247</b>	<b>1,014,325,134</b>	<b>1,457,156,381</b>	<b>415,132,610</b>	<b>1,096,293,257</b>	<b>1,511,425,867</b>
111		XXI	<b>OFF-BALANCE SHEET ITEMS</b>	<b>12,991,875</b>	<b>98,037,303</b>	<b>111,029,178</b>	<b>11,945,389</b>	<b>67,272,777</b>	<b>79,218,166</b>

Note: Item 078 to be filled in by companies preparing consolidated financial statements

**CROATIA osiguranje d.d., Zagreb**  
**Statements prescribed by the Ordinance of the Croatian Financial Services Supervisory Agency**

**STATEMENT OF COMPREHENSIVE INCOME for the period 1 January 2023 – 31 December 2023**

in EUR

Item number	Sum elements	Identifier	Item	Last day of the preceding business year			At the reporting date of the current period		
				Life	Non-life	Total	Life	Non-life	Total
001	002 + 003 + 004	I	<b>Income from insurance contracts</b>	<b>5,488,069</b>	<b>351,740,584</b>	<b>357,228,653</b>	<b>6,442,425</b>	<b>388,941,716</b>	<b>395,384,141</b>
002		1	General measurement model	5,106,730	3,363,416	8,470,146	6,011,724	3,428,781	9,440,505
003		2	Variable fee approach	381,339	-	381,339	430,701	-	430,701
004		3	Premium allocation approach	-	348,377,168	348,377,168	-	385,512,935	385,512,935
005	006+007+....+012	II	<b>Expenditure from insurance contracts</b>	<b>(6,392,543)</b>	<b>(319,115,902)</b>	<b>(325,508,445)</b>	<b>(2,565,385)</b>	<b>(373,366,005)</b>	<b>(375,931,390)</b>
006		1	Claims incurred	(1,236,236)	(197,019,455)	(198,255,691)	(1,198,185)	(256,516,442)	(257,714,627)
007		2	Commissions	(169,904)	(36,770,754)	(36,940,658)	(304,955)	(39,607,432)	(39,912,387)
008		3	Other expenses related to the sale of insurance	-	(39,059,491)	(39,059,491)	-	(38,509,840)	(38,509,840)
009		4	Other insurance service expenses	(2,926,909)	(54,548,918)	(57,475,827)	(2,059,534)	(58,223,236)	(60,282,770)
010		5	Depreciation of insurance acquisition costs	-	-	-	-	-	-
011		6	Losses and reversal of losses on onerous contracts	(1,862,038)	71,980	(1,790,058)	1,745,892	401,603	2,147,495
012		7	Change in liabilities for claims incurred	(197,456)	8,210,736	8,013,280	(748,603)	19,089,342	18,340,739
013	014 + 015	III	<b>Net result of (passive) reinsurance contracts</b>	<b>(795)</b>	<b>(11,306,736)</b>	<b>(11,307,531)</b>	<b>(674)</b>	<b>(7,676,594)</b>	<b>(7,677,268)</b>
014		1	Income from (passive) reinsurance contracts	-	32,468,310	32,468,310	-	40,881,723	40,881,723
015		2	Expenditure from (passive) reinsurance contracts	(795)	(43,775,046)	(43,775,841)	(674)	(48,558,317)	(48,558,991)
016	001 + 005 + 013	IV	<b>Result from insurance contracts</b>	<b>(905,269)</b>	<b>21,317,946</b>	<b>20,412,677</b>	<b>3,876,366</b>	<b>7,899,117</b>	<b>11,775,483</b>
017	018 + 023 + 024 + 025 + 026 + 027 + 031 + 032 + 033 + 034	V	<b>Net investment result</b>	<b>11,800,172</b>	<b>30,239,169</b>	<b>42,039,341</b>	<b>13,280,875</b>	<b>38,933,160</b>	<b>52,214,035</b>
018	019 + 020 + 021 + 022	1	Net result from investment in land and buildings	-	4,943,104	4,943,104	-	4,691,458	4,691,458
019		1.1	Rental gains/losses (net)	-	3,602,651	3,602,651	-	3,759,221	3,759,221
020		1.2	Realised gains/losses (net) from property not for own use	-	488,812	488,812	-	36,808	36,808
021		1.3	Unrealised gains/losses (net) from property not for own use	-	851,641	851,641	-	895,429	895,429
022		1.4	Depreciation of land and buildings not occupied by an undertaking for its own activities	-	-	-	-	-	-
023		2	Interest revenue calculated using the effective interest rate method	10,928,678	12,199,814	23,128,492	9,858,820	17,365,397	27,224,217
024		3	Other interest income	-	24,964	24,964	116,984	998,340	1,115,324
025		4	Dividend income	753,166	8,940,213	9,693,379	1,002,071	13,669,878	14,671,949
026		5	Unrealised gains/losses (net) from financial assets at fair value through profit or loss	244,898	736,660	981,558	1,270,672	2,606,391	3,877,063
027	028 + 029 + 030	6	Realised gains/losses	550,379	1,678,041	2,228,420	653,913	692,816	1,346,729
028		6.1	Realised gains/losses (net) from financial assets at fair value through profit or loss	(28,668)	(2,023,341)	(2,052,009)	504,429	553,321	1,057,750
029		6.2	Realised gains/losses (net) from financial assets at fair value through other comprehensive income	579,047	3,701,382	4,280,429	149,484	139,495	288,979
030		6.3	Other realised gains/losses (net)	-	-	-	-	-	-
031		7	Net impairment / reversal of impairment of investments	(137,038)	1,239,725	1,102,687	370,422	1,648,720	2,019,142
032		8	Net exchange rate differences	800,073	2,220,063	3,020,136	(159,257)	(804,843)	(964,100)
033		9	Other income from investments	(1,196,105)	301,298	(894,807)	267,525	33,203	300,728
034		10	Other expenditure from investments	(143,879)	(2,044,713)	(2,188,592)	(100,275)	(1,968,200)	(2,068,475)

**CROATIA osiguranje d.d., Zagreb**  
**Statements prescribed by the Ordinance of the Croatian Financial Services Supervisory Agency**

**STATEMENT OF COMPREHENSIVE INCOME for the period 1 January 2023 – 31 December 2023**

in EUR

Item number	Sum elements	Identifier	Item	Last day of the preceding business year			At the reporting date of the current period		
				Life	Non-life	Total	Life	Non-life	Total
035	036 + 037 + 038	VI	<b>Net financial expenditure from insurance and (passive) reinsurance contracts</b>	<b>1,967,512</b>	<b>518,063</b>	<b>2,485,575</b>	<b>(1,150,771)</b>	<b>(2,899,132)</b>	<b>(4,049,903)</b>
036		1	Net financial income/expenditure from insurance contracts	1,967,512	471,679	2,439,191	(1,150,772)	(3,572,631)	(4,723,403)
037		2	Net financial income/expenditure from (passive) reinsurance contracts	-	46,384	46,384	1	673,499	673,500
038		3	Change of liability for investment contracts	-	-	-	-	-	-
039		VII	<b>Other income</b>	101,331	7,203,905	7,305,236	16,346	6,085,190	6,101,536
040		VIII	<b>Other operating expenses</b>	(303,217)	(16,450,364)	(16,753,581)	(187,160)	(9,282,656)	(9,469,816)
041		IX	<b>Other financial expenses</b>	(62,160)	(1,378,425)	(1,440,585)	(35,670)	(1,382,005)	(1,417,675)
042		X	<b>Share of profit of companies consolidated using equity method, net of tax</b>	-	-	-	-	-	-
043	001+005+013+016+017+035+039+040+041+042	XI	<b>Profit or loss of the accounting period before tax (+/-)</b>	<b>12,598,369</b>	<b>41,450,294</b>	<b>54,048,663</b>	<b>15,799,986</b>	<b>39,353,674</b>	<b>55,153,660</b>
044	045 + 046	XII	<b>Tax on profit or loss</b>	(2,168,885)	(6,253,911)	(8,422,796)	(2,748,560)	(5,525,300)	(8,273,860)
045		1	Current tax expense	(1,586,496)	(5,985,711)	(7,572,207)	(253,135)	(17,747,082)	(18,000,217)
046		2	Deferred tax expense/ income	(582,389)	(268,200)	(850,589)	(2,495,425)	12,221,782	9,726,357
047	043+ 044	XIII	<b>Profit or loss of the accounting period after tax (+/-)</b>	<b>10,429,484</b>	<b>35,196,383</b>	<b>45,625,867</b>	<b>13,051,426</b>	<b>33,828,374</b>	<b>46,879,800</b>
048		1	Attributable to owners of the parent			-			-
049		2	Attributable to non-controlling interest			-			-
050	051 + 056	XIV	<b>Other comprehensive income</b>	<b>16,386,138</b>	<b>(13,394,463)</b>	<b>2,991,675</b>	<b>(16,631,780)</b>	<b>12,289,417</b>	<b>(4,342,363)</b>
051	052 + 053 + 054 + 055	1	Items that will not be reclassified to statement of profit or loss	-	(127,891)	(127,891)	889,652	18,094,689	18,984,341
052		1.1.	Net change in fair value of equity securities (OCI)	-	-	-	1,084,941	22,203,434	23,288,375
053		1.2.	Actuarial gains/losses on defined benefit pension plans	-	-	-	-	-	-
054		1.3.	Other	-	(155,965)	(155,965)	-	(136,740)	(136,740)
055		1.4.	Tax	-	28,074	28,074	(195,289)	(3,972,005)	(4,167,294)
056	057 + 058 + ...+ 063	2	Items that are, or may be, reclassified to statement of profit or loss	16,386,138	(13,266,572)	3,119,566	(17,521,432)	(5,805,272)	(23,326,704)
057		2.1.	Net change in fair value of debt securities (OCI)	(29,593,229)	(65,036,598)	(94,629,827)	5,479,653	12,860,238	18,339,891
058		2.2.	Exchange rate differences from translation of foreign operations	-	(8,994)	(8,994)	-	-	-
059		2.3.	Effects of hedging instruments	-	-	-	-	-	-
060		2.4.	Net financial income/expenditure from insurance contracts	49,391,256	35,669,647	85,060,903	(26,847,263)	(21,085,808)	(47,933,071)
061		2.5.	Net financial income/expenditure from (passive) reinsurance contracts	(10)	(2,700,320)	(2,700,330)	10	1,151,777	1,151,787
062		2.6.	Other	185,078	15,888,480	16,073,558	-	-	-
063		2.7.	Tax	(3,596,957)	2,921,213	(675,744)	3,846,168	1,268,521	5,114,689
064	047+ 050	XV	<b>Total comprehensive income</b>	<b>26,815,622</b>	<b>21,801,920</b>	<b>48,617,542</b>	<b>(3,580,354)</b>	<b>46,117,791</b>	<b>42,537,437</b>
065		1	Attributable to owners of the parent	-	-	-	-	-	-
066		2	Attributable to non-controlling interest	-	-	-	-	-	-
067		XVI	<b>Reclassification adjustments</b>	-	-	-	-	-	-

Note: Items 042, 065 and 066 to be filled in by companies preparing consolidated financial statements

## STATEMENT OF CASH FLOWS (INDIRECT METHOD) for the period 1 January 2023 – 31 December 2023

in EUR

Item number	Sum elements	Identifier	Item	Current business period	Same period of the previous year
<b>001</b>	002+018+035 + 036 + 037	<b>I</b>	<b>CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>(93,246,235)</b>	<b>42,616,628</b>
<b>002</b>	003+004	<b>1</b>	<b>Cash flow before changes in operating assets and liabilities</b>	<b>15,263,969</b>	<b>34,590,069</b>
003		1.1	Profit/loss of the accounting period	46,879,800	45,625,867
004	005+006+.....+017	1.2	Adjustments:	(31,615,831)	(11,035,798)
005		1.2.1	Depreciation of property and equipment	5,047,212	4,791,481
006		1.2.2	Amortization of intangible assets	3,849,838	3,282,370
007		1.2.3	Loss from impairment of intangible assets	-	6,079,980
008		1.2.4	Other financial cost	-	-
009		1.2.5	Impairment and gains/losses on fair valuation	(5,674,537)	(1,884,509)
010		1.2.6	Interest expenses	1,417,675	1,440,586
011		1.2.7	Interest income	(28,339,541)	(23,153,457)
012		1.2.8	Profit from the sale of branch	-	-
013		1.2.9	Share in profit of associates	-	-
014		1.2.10	Equity-settled share-based payment transactions	-	-
015		1.2.11	Cost of income tax	8,273,860	8,422,796
016		1.2.12	Profit/loss from the sale of tangible assets (including land and buildings)	(459,815)	(6,542)
017		1.2.13	Other adjustments	(15,730,523)	(10,008,503)
<b>018</b>	019+020+...+034	<b>2</b>	<b>Increase/decrease in operating assets and liabilities</b>	<b>(140,677,445)</b>	<b>(17,984,089)</b>
019		2.1	Increase/decrease in financial assets at fair value through other comprehensive income	17,688,109	(43,777,884)
020		2.2	Increase/decrease in financial assets at fair value through statement of profit or loss	(101,378,844)	21,300,200
021		2.3	Increase/decrease in financial assets at amortised cost	(28,517,561)	27,226,229
022		2.4	Increase/decrease in assets/liabilities from insurance contracts	(13,350,992)	(35,918,115)
023		2.5	Increase/decrease in assets/liabilities from reinsurance contracts	(7,611,328)	(7,337,365)
024		2.6	Increase/decrease in tax assets	52,058	1,227,690
025		2.7	Increase/decrease in receivables	-	-
026		2.8	Increase/decrease in investments in real estate	1,468,406	166,352
027		2.9	Increase/decrease in property for own use	-	-
028		2.10	Increase/decrease in other assets	1,469,828	7,550,582
029		2.11	Increase/decrease in liabilities from investment contracts	-	-
030		2.12	Increase/decrease in other provisions	209,695	(1,177,719)
031		2.13	Increase/decrease in tax liabilities	(599,497)	15,150,545
032		2.14	Increase/decrease in financial liabilities	(10,417,085)	(694,073)
033		2.15	Increase/decrease in other liabilities	(1,552,892)	(2,187,527)
034		2.16	Increase/decrease in accruals and deferred income	1,862,658	486,996
<b>035</b>		<b>3</b>	<b>Income tax paid</b>	<b>(7,831,350)</b>	<b>(9,933,221)</b>
<b>036</b>		<b>4</b>	<b>Interest received</b>	<b>25,659,143</b>	<b>26,319,854</b>
<b>037</b>		<b>5</b>	<b>Dividend received</b>	<b>14,339,448</b>	<b>9,624,015</b>
<b>038</b>	039+040+...+045	<b>II</b>	<b>CASH FLOW FROM INVESTING ACTIVITIES</b>	<b>(7,754,172)</b>	<b>(9,818,866)</b>
039		1	Cash receipts from the sale of tangible assets	908,789	61,691
040		2	Cash payments for the purchase of tangible assets	(1,783,126)	(2,424,364)
041		3	Cash receipts from the sale of intangible assets	-	-
042		4	Cash payments for the purchase of intangible assets	(4,379,835)	(6,865,391)
043		5	Cash receipts from the sale of branches, associates and joint ventures	-	-
044		6	Cash payments for the purchase of branches, associates and joint ventures	-	-
045		7	Cash receipts and payments based on other investing activities	(2,500,000)	(590,802)
<b>046</b>	047+048+...+057	<b>III</b>	<b>CASH FLOW FROM FINANCING ACTIVITIES</b>	<b>(3,491,366)</b>	<b>(3,149,230)</b>
047		1	Cash receipts resulting from the increase of initial capital	-	-
048		2	Cash receipts from issuing redeemable preference shares	-	-
049		3	Cash receipts from short-term and long-term loans received	-	-
050		4	Cash receipts from sales of own shares	-	-
051		5	Cash receipts from exercise of share options	-	-
052		6	Cash payments relating to redeemable preference shares	-	-
053		7	Cash payments for the repayment of short-term and long-term loans received	-	-
054		8	Cash payments for the redemption of own shares	-	-
055		9	Cash payments for interest	-	-
056		10	Cash payments for dividend	(130,068)	(130,068)
057		11	Cash payments for rental obligations	(3,361,298)	(3,019,162)
<b>058</b>	001+038+046	<b>IV</b>	<b>NET CASH FLOW</b>	<b>(104,491,773)</b>	<b>29,648,532</b>
<b>059</b>		<b>V</b>	<b>EFFECT OF EXCHANGE RATE FLUCTUATIONS ON CASH AND CASH EQUIVALENTS</b>	<b>(12,099)</b>	<b>(333,030)</b>
<b>060</b>	058+059	<b>VI</b>	<b>NET INCREASE/DECREASE OF CASH AND CASH EQUIVALENTS</b>	<b>(104,503,872)</b>	<b>29,315,502</b>
061		1	Cash and cash equivalents at the beginning of period	106,166,366	76,850,864
<b>062</b>	<b>060+061</b>	<b>2</b>	<b>Cash and cash equivalents at the end of period</b>	<b>1,662,494</b>	<b>106,166,366</b>

Note: Cash flow impairing items are to be indicated with a negative sign



**CROATIA osiguranje d.d., Zagreb**  
**Statements prescribed by the Ordinance of the Croatian Financial Services Supervisory Agency**

**STATEMENT OF CHANGES IN EQUITY for the period 1 January 2023 – 31 December 2023**

in EUR

Item number	Item	Attributable to owners of the parent								Attributable to non-controlling interests*	Total capital and reserves
		Paid in capital (ordinary and preference shares)	Premium on shares issued	Revaluation reserves	Financial reserves from insurance contracts	Capital reserves (legal, statutory, other)	Retained profit or loss brought forward	Profit/loss for the year	Total capital and reserves		
<b>I.</b>	<b>Balance as at 1 January of the previous year</b>	78,216,975	90,448,275	82,048,316	-	53,359,689	184,570,564	44,344,453	<b>532,988,272</b>	-	<b>532,988,272</b>
1.	Change in accounting policies	-	-	-	2,173,020	-	38,936,517	-	41,109,537	-	41,109,537
2.	Correction of errors from prior periods	-	-	-	-	-	-	-	-	-	-
<b>II.</b>	<b>Balance as at 1 January of the previous year (restated)</b>	<b>78,216,975</b>	<b>90,448,275</b>	<b>82,048,316</b>	<b>2,173,020</b>	<b>53,359,689</b>	<b>223,507,081</b>	<b>44,344,453</b>	<b>574,097,809</b>	-	<b>574,097,809</b>
<b>III.</b>	<b>Comprehensive income or loss for the previous year</b>	-	-	<b>(64,553,026)</b>	<b>67,544,701</b>	-	-	<b>45,625,867</b>	<b>48,617,542</b>	-	<b>48,617,542</b>
1.	Profit or loss for the period	-	-	-	-	-	-	45,625,867	45,625,867	-	45,625,867
2.	<b>Other comprehensive income or loss for the previous year</b>	-	-	<b>(64,553,026)</b>	<b>67,544,701</b>	-	-	-	<b>2,991,675</b>	-	<b>2,991,675</b>
2.1.	Unrealised gains or losses on tangible assets (land and buildings)	-	-	(127,891)	-	-	-	-	(127,891)	-	(127,891)
2.2.	Unrealised gains or losses on financial assets at fair value through other comprehensive income	-	-	(60,765,666)	-	-	-	-	(60,765,666)	-	(60,765,666)
2.3.	Realised gains or losses on financial assets at fair value through other comprehensive income	-	-	(3,650,475)	-	-	-	-	(3,650,475)	-	(3,650,475)
2.4.	Net financial income/expenditure from insurance contracts	-	-	-	69,758,971	-	-	-	69,758,971	-	69,758,971
2.5.	Net financial income/expenditure from (passive) reinsurance contracts	-	-	-	(2,214,270)	-	-	-	(2,214,270)	-	(2,214,270)
2.6.	Other changes in equity unrelated to owners	-	-	(8,994)	-	-	-	-	(8,994)	-	(8,994)
<b>IV.</b>	<b>Transactions with owners (previous period)</b>	-	-	<b>(72,154)</b>	-	-	<b>44,432,446</b>	<b>(44,344,453)</b>	<b>15,839</b>	-	<b>15,839</b>
1.	Increase/decrease in subscribed capital	-	-	-	-	-	-	-	-	-	-
2.	Other contributions by owners	-	-	-	-	-	-	-	-	-	-
3.	Payment of share in profit/dividend	-	-	-	-	-	-	-	-	-	-
4.	Other distribution to owners	-	-	(72,154)	-	-	44,432,446	(44,344,453)	15,839	-	15,839
<b>V.</b>	<b>Balance on the last day of the previous year reporting period</b>	<b>78,216,975</b>	<b>90,448,275</b>	<b>17,423,136</b>	<b>69,717,721</b>	<b>53,359,689</b>	<b>267,939,527</b>	<b>45,625,867</b>	<b>622,731,190</b>	-	<b>622,731,190</b>
<b>VI.</b>	<b>Balance as at 1 January of the current year</b>	<b>78,216,975</b>	<b>90,448,275</b>	<b>17,423,136</b>	<b>69,717,721</b>	<b>53,359,689</b>	<b>267,939,527</b>	<b>45,625,867</b>	<b>622,731,190</b>	-	<b>622,731,190</b>
1.	Change in accounting policies	-	-	(3,333,388)	-	-	2,489,732	-	(843,656)	-	(843,656)
2.	Correction of errors from prior periods	-	-	-	-	-	-	-	-	-	-
<b>VII.</b>	<b>Balance as at 1 January of the current year (restated)</b>	<b>78,216,975</b>	<b>90,448,275</b>	<b>14,089,748</b>	<b>69,717,721</b>	<b>53,359,689</b>	<b>270,429,259</b>	<b>45,625,867</b>	<b>621,887,534</b>	-	<b>621,887,534</b>
<b>VIII.</b>	<b>Comprehensive income or loss for the year</b>	-	-	<b>34,023,052</b>	<b>(38,365,415)</b>	-	-	<b>46,879,800</b>	<b>42,537,437</b>	-	<b>42,537,437</b>
1.	Profit or loss for the period	-	-	-	-	-	-	46,879,800	46,879,800	-	46,879,800
2.	<b>Other comprehensive income or loss for the year</b>	-	-	<b>34,023,052</b>	<b>(38,365,415)</b>	-	-	-	<b>(4,342,363)</b>	-	<b>(4,342,363)</b>
2.1.	Unrealised gains or losses on tangible assets (land and buildings)	-	-	(112,126)	-	-	-	-	(112,126)	-	(112,126)
2.2.	Unrealised gains or losses on financial assets at fair value through other comprehensive income	-	-	34,372,141	-	-	-	-	34,372,141	-	34,372,141
2.3.	Realised gains or losses on financial assets at fair value through other comprehensive income	-	-	(236,963)	-	-	-	-	(236,963)	-	(236,963)
2.4.	Net financial income/expenditure from insurance contracts	-	-	-	(39,309,880)	-	-	-	(39,309,880)	-	(39,309,880)
2.5.	Net financial income/expenditure from (passive) reinsurance contracts	-	-	-	944,465	-	-	-	944,465	-	944,465
2.6.	Other changes in equity unrelated to owners	-	-	-	-	-	-	-	-	-	-
<b>IX.</b>	<b>Transactions with owners (current period)</b>	<b>79,167</b>	-	<b>(1,191,459)</b>	-	<b>(80,812)</b>	<b>46,828,683</b>	<b>(45,625,867)</b>	<b>9,712</b>	-	<b>9,712</b>
1.	Increase/decrease in subscribed capital	79,167	-	-	-	(80,812)	-	-	(1,645)	-	(1,645)
2.	Other contributions by owners	-	-	-	-	-	-	-	-	-	-
3.	Payment of share in profit/dividend	-	-	-	-	-	-	-	-	-	-
4.	Other transactions with owners	-	-	(1,191,459)	-	-	46,828,683	(45,625,867)	11,357	-	11,357
<b>X.</b>	<b>Balance on the last day of the current year reporting period</b>	<b>78,296,142</b>	<b>90,448,275</b>	<b>46,921,341</b>	<b>31,352,306</b>	<b>53,278,877</b>	<b>317,257,942</b>	<b>46,879,800</b>	<b>664,434,683</b>	-	<b>664,434,683</b>

Note: \* To be filled in by companies preparing consolidated financial statements

**CROATIA osiguranje d.d., Zagreb**  
**Statements prescribed by the Ordinance of the Croatian Financial Services Supervisory Agency**

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION as at 31 December 2023**

in EUR

Item number	Sum elements	Identifier	Item	Last day of the preceding business year			At the reporting date of the current period		
				Life	Non-life	Total	Life	Non-life	Total
001	002+003	I	<b>INTANGIBLE ASSETS</b>	<b>65,477</b>	<b>17,718,670</b>	<b>17,784,147</b>	<b>102,246</b>	<b>19,288,355</b>	<b>19,390,601</b>
002		1	Goodwill	-	-	-	-	-	-
003		2	Other intangible assets	65,477	17,718,670	17,784,147	102,246	19,288,355	19,390,601
004	005+006+007	II	<b>TANGIBLE ASSETS</b>	<b>2,271,990</b>	<b>108,697,263</b>	<b>110,969,253</b>	<b>2,927,960</b>	<b>117,957,398</b>	<b>120,885,358</b>
005		1	Land and buildings occupied by an undertaking for its own activities	1,794,891	54,949,389	56,744,280	1,768,627	56,778,984	58,547,611
006		2	Equipment	59,674	11,318,757	11,378,431	182,736	15,633,777	15,816,513
007		3	Other tangible assets and inventories	417,425	42,429,117	42,846,542	976,597	45,544,637	46,521,234
008	009+010+014	III	<b>INVESTMENTS</b>	<b>501,499,315</b>	<b>813,008,660</b>	<b>1,314,507,975</b>	<b>492,376,160</b>	<b>996,877,357</b>	<b>1,489,253,517</b>
009		A	<b>Investments in land and buildings not occupied by an undertaking for its own activities</b>	<b>165,000</b>	<b>138,275,026</b>	<b>138,440,026</b>	<b>164,500</b>	<b>138,524,858</b>	<b>138,689,358</b>
010	011+012+013	B	<b>Investments in subsidiaries, associates and joint ventures</b>	<b>-</b>	<b>9,659,044</b>	<b>9,659,044</b>	<b>-</b>	<b>10,122,639</b>	<b>10,122,639</b>
011		1	Shares and holdings in subsidiaries	-	-	-	-	-	-
012		2	Shares and holdings in associates	-	701,884	701,884	-	788,729	788,729
013		3	Shares and holdings in joint ventures	-	8,957,160	8,957,160	-	9,333,910	9,333,910
014	015+020+025	C	<b>Financial assets</b>	<b>501,334,315</b>	<b>665,074,590</b>	<b>1,166,408,905</b>	<b>492,211,660</b>	<b>848,229,860</b>	<b>1,340,441,520</b>
015	016 + 017 + 018 + 019	1	<b>Financial assets at amortised cost</b>	<b>197,413,556</b>	<b>203,402,056</b>	<b>400,815,612</b>	<b>182,397,299</b>	<b>255,469,798</b>	<b>437,867,097</b>
016		1.1	Debt financial instruments	159,145,153	144,688,843	303,833,996	156,217,211	145,582,408	301,799,619
017		1.2	Deposits with credit institutions	33,922,348	38,527,390	72,449,738	22,641,157	93,538,693	116,179,850
018		1.3.	Loans	4,346,055	3,681,679	8,027,734	3,538,931	3,019,988	6,558,919
019		1.4.	Other	-	16,504,144	16,504,144	-	13,328,709	13,328,709
020	021 + 022 + 023 + 024	2	<b>Financial assets at fair value through other comprehensive income</b>	<b>273,175,398</b>	<b>453,002,354</b>	<b>726,177,752</b>	<b>244,485,383</b>	<b>512,244,458</b>	<b>756,729,841</b>
021		2.1	Equity financial instruments	11,158,812	91,588,476	102,747,288	13,239,174	125,573,304	138,812,478
022		2.2	Debt financial instruments	245,296,669	326,039,260	571,335,929	231,246,209	386,671,154	617,917,363
023		2.3.	Units in investment funds	16,719,917	35,374,618	52,094,535	-	-	-
024		2.4.	Other	-	-	-	-	-	-
025	026 + 027+.... +030	3	<b>Financial assets at fair value through profit and loss account</b>	<b>30,745,361</b>	<b>8,670,180</b>	<b>39,415,541</b>	<b>65,328,978</b>	<b>80,515,604</b>	<b>145,844,582</b>
026		3.1	Equity financial instruments	-	2,973,816	2,973,816	-	387,390	387,390
027		3.2	Debt financial instruments	-	-	-	-	10,963,850	10,963,850
028		3.3.	Units in investment funds	30,456,578	4,179,241	34,635,819	65,231,979	68,775,194	134,007,173
029		3.4.	Derivative financial instruments	288,783	1,517,123	1,805,906	96,999	389,170	486,169
030		3.5	Other	-	-	-	-	-	-
031	032 + 036 +040	IV	<b>ASSETS FROM INSURANCE CONTRACTS</b>	<b>-</b>	<b>22,924,424</b>	<b>22,924,424</b>	<b>-</b>	<b>16,997,313</b>	<b>16,997,313</b>
032	034+035+036	1	General measurement model	-	14,678,731	14,678,731	-	13,311,689	13,311,689
033		1.1.	- Assets for remaining coverage	-	(1,754,363)	(1,754,363)	-	(1,477,798)	(1,477,798)
034		1.2.	- Assets for insurance acquisition cash flows	-	-	-	-	-	-
035		1.3.	- Assets from claims incurred	-	16,433,094	16,433,094	-	14,789,487	14,789,487
036	037+038+039	2	Variable fee approach	-	-	-	-	-	-
037		2.1.	- Assets for remaining coverage	-	-	-	-	-	-
038		2.2.	- Assets for insurance acquisition cash flows	-	-	-	-	-	-
039		2.3.	- Assets from claims incurred	-	-	-	-	-	-
040	041 +042 +043	3	Premium allocation approach	-	8,245,693	8,245,693	-	3,685,624	3,685,624
041		3.1.	- Assets for remaining coverage	-	13,197,514	13,197,514	-	6,049,909	6,049,909
042		3.2.	- Assets for insurance acquisition cash flows	-	-	-	-	-	-
043		3.3.	- Assets from claims incurred	-	(4,951,821)	(4,951,821)	-	(2,364,285)	(2,364,285)
044		V	<b>ASSETS FROM REINSURANCE CONTRACTS</b>	<b>8,518</b>	<b>42,908,244</b>	<b>42,916,762</b>	<b>3</b>	<b>54,437,607</b>	<b>54,437,610</b>
045	046 +047	VI	<b>DEFERRED AND CURRENT TAX ASSETS</b>	<b>3,243,543</b>	<b>11,958,317</b>	<b>15,201,860</b>	<b>569,532</b>	<b>10,965,028</b>	<b>11,534,560</b>
046		1	Deferred tax assets	3,243,543	10,169,090	13,412,633	569,532	9,167,766	9,737,298
047		2	Current tax assets	-	1,789,227	1,789,227	-	1,797,262	1,797,262
048		VII	<b>OTHER ASSETS</b>	<b>18,776,952</b>	<b>160,839,924</b>	<b>179,616,876</b>	<b>5,594,054</b>	<b>70,212,759</b>	<b>75,806,813</b>
049	050 +051 +052	1	<b>CASH AT BANK AND IN HAND</b>	<b>14,346,614</b>	<b>120,328,116</b>	<b>134,674,730</b>	<b>858,176</b>	<b>22,338,648</b>	<b>23,196,824</b>
050		1.1	<i>Funds in the business account</i>	496,763	120,231,492	120,728,255	698,748	22,225,238	22,923,986
051		1.2	<i>Funds in the account of assets covering liabilities from life insurance contracts</i>	13,849,804	-	13,849,804	159,228	-	159,228
052		1.3	<i>Cash in hand</i>	47	96,624	96,671	200	113,410	113,610
053		2	<b>Fixed assets held for sale and discontinued operations</b>	<b>-</b>	<b>235,147</b>	<b>235,147</b>	<b>-</b>	<b>267,053</b>	<b>267,053</b>
054		3	<b>Other</b>	<b>4,430,338</b>	<b>40,276,661</b>	<b>44,706,999</b>	<b>4,735,878</b>	<b>47,607,058</b>	<b>52,342,936</b>
055	001+004+008 +031+044+045+048	VIII	<b>TOTAL ASSETS</b>	<b>525,865,795</b>	<b>1,178,055,502</b>	<b>1,703,921,297</b>	<b>501,569,955</b>	<b>1,286,735,817</b>	<b>1,788,305,772</b>
056		IX	<b>OFF-BALANCE SHEET ITEMS</b>	<b>13,363,078</b>	<b>102,369,505</b>	<b>115,732,583</b>	<b>12,307,214</b>	<b>71,543,758</b>	<b>83,850,972</b>

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION as at 31 December 2023

in EUR

Item number	Sum elements	Identifier	Item	Last day of the preceding business year			At the reporting date of the current period		
				Life	Non-life	Total	Life	Non-life	Total
057	058+061+062+066+067+071+074	X	<b>CAPITAL AND RESERVES</b>	<b>85,266,536</b>	<b>626,588,804</b>	<b>711,855,340</b>	<b>83,624,361</b>	<b>680,786,530</b>	<b>764,410,891</b>
058	059 +060	1	<b>Subscribed capital</b>	<b>5,878,123</b>	<b>72,338,852</b>	<b>78,216,975</b>	<b>5,881,322</b>	<b>72,414,820</b>	<b>78,296,142</b>
059		1.1	<i>Paid in capital - ordinary shares</i>	5,878,123	72,338,852	78,216,975	5,881,322	72,414,820	78,296,142
060		1.2	<i>Paid in capital - preference shares</i>	-	-	-	-	-	-
061		2	<b>Premium on shares issued (capital reserves)</b>	-	<b>90,448,275</b>	<b>90,448,275</b>	-	<b>90,448,275</b>	<b>90,448,275</b>
062	063 +064+065	3	<b>Revaluation reserves</b>	<b>(14,008,645)</b>	<b>31,145,676</b>	<b>17,137,031</b>	<b>(9,858,749)</b>	<b>57,160,437</b>	<b>47,301,688</b>
063		3.1	<i>Land and buildings</i>	-	14,508,631	14,508,631	-	14,051,528	14,051,528
064		3.2	<i>Financial assets</i>	(14,008,645)	16,615,067	2,606,422	(9,858,749)	43,086,931	33,228,182
065		3.3	<i>Other revaluation reserves</i>	-	21,978	21,978	-	21,978	21,978
066		4	<b>Financial reserves from insurance contracts</b>	<b>52,325,699</b>	<b>31,227,003</b>	<b>83,552,702</b>	<b>30,361,393</b>	<b>13,767,819</b>	<b>44,129,212</b>
067	068+069+070	5	<b>Reserves</b>	<b>11,320,716</b>	<b>42,038,973</b>	<b>53,359,689</b>	<b>11,317,518</b>	<b>41,961,359</b>	<b>53,278,877</b>
068		5.1.	<i>Legal reserves</i>	293,906	3,698,235	3,992,141	293,906	3,698,235	3,992,141
069		5.2.	<i>Statutory reserve</i>	1,006,238	18,533,214	19,539,452	1,003,040	18,455,600	19,458,640
070		5.3.	<i>Other reserves</i>	10,020,572	19,807,524	29,828,096	10,020,572	19,807,524	29,828,096
071	072+073	6	<b>Retained profit or loss brought forward</b>	<b>15,724,213</b>	<b>315,217,851</b>	<b>330,942,064</b>	<b>28,968,496</b>	<b>363,607,420</b>	<b>392,575,916</b>
072		6.1.	<i>Retained profit</i>	15,724,213	315,217,851	330,942,064	28,968,496	363,607,420	392,575,916
073		6.2.	<i>Loss brought forward (-)</i>	-	-	-	-	-	-
074	075+076	7	<b>Profit or loss for the current accounting period</b>	<b>14,026,430</b>	<b>44,172,174</b>	<b>58,198,604</b>	<b>16,954,381</b>	<b>41,426,400</b>	<b>58,380,781</b>
075		7.1.	<i>Profit for the current accounting period</i>	14,026,430	44,172,174	58,198,604	16,954,381	41,426,400	58,380,781
076		7.2.	<i>Loss for the current accounting period (-)</i>	-	-	-	-	-	-
077		XI	<b>SUBORDINATE LIABILITIES</b>	-	-	-	-	-	-
078		XII	<b>MINORITY INTEREST</b>	153,304	1,216,467	1,369,771	147,467	599,144	746,611
079	080+084+088	XIII	<b>LIABILITIES FROM INSURANCE CONTRACTS</b>	<b>420,313,593</b>	<b>403,351,552</b>	<b>823,665,145</b>	<b>402,464,932</b>	<b>459,521,335</b>	<b>861,986,267</b>
080	081+082+083	1	General measurement model	385,105,327	18,374,790	403,480,117	378,072,485	15,005,026	393,077,511
081		1.1.	- Liabilities for remaining coverage	373,606,626	17,518,157	391,124,783	365,503,431	14,365,027	379,868,458
082		1.2.	- Assets for insurance acquisition cash flows	-	-	-	-	-	-
083		1.3.	- Liabilities for claims incurred	11,498,701	856,633	12,355,334	12,569,054	639,999	13,209,053
084	085+086+087	2	Variable fee approach	35,208,266	-	35,208,266	24,392,447	-	24,392,447
085		2.1.	- Liabilities for remaining coverage	30,473,627	-	30,473,627	21,480,024	-	21,480,024
086		2.2.	- Assets for insurance acquisition cash flows	-	-	-	-	-	-
087		2.3.	- Liabilities for claims incurred	4,734,639	-	4,734,639	2,912,423	-	2,912,423
088	089 +090+091	3	Premium allocation approach	-	384,976,762	384,976,762	-	444,516,309	444,516,309
089		3.1.	- Liabilities for remaining coverage	-	95,891,980	95,891,980	-	117,318,118	117,318,118
090		3.2.	- Assets for insurance acquisition cash flows	-	-	-	-	-	-
091		3.3.	- Liabilities for claims incurred	-	289,084,782	289,084,782	-	327,198,191	327,198,191
092		XIV	<b>LIABILITIES FROM REINSURANCE CONTRACTS</b>	23,694	2,134,105	2,157,799	3,499	4,021,037	4,024,536
093		XV	<b>LIABILITY FOR INVESTMENT CONTRACTS</b>	-	-	-	-	-	-
094	095+096	XVI	<b>OTHER PROVISIONS</b>	<b>453,468</b>	<b>7,633,322</b>	<b>8,086,790</b>	<b>478,484</b>	<b>8,007,169</b>	<b>8,485,653</b>
095		1	Provisions for pensions and similar obligations	404,920	7,284,954	7,689,874	405,514	7,679,540	8,085,054
096		2	Other provisions	48,548	348,368	396,916	72,970	327,629	400,599
097	098+099	XVII	<b>DEFERRED AND CURRENT TAX LIABILITIES</b>	<b>7,921,817</b>	<b>34,116,061</b>	<b>42,037,878</b>	<b>4,066,910</b>	<b>33,825,783</b>	<b>37,892,693</b>
098		1	Deferred tax liability	7,683,331	30,921,945	38,605,276	3,801,081	20,229,017	24,030,098
099		2	Current tax liability	238,486	3,194,116	3,432,602	265,829	13,596,766	13,862,595
100	101+102+...+105	XVIII	<b>FINANCIAL LIABILITIES</b>	<b>438,968</b>	<b>53,808,419</b>	<b>54,247,387</b>	<b>994,024</b>	<b>47,246,171</b>	<b>48,240,195</b>
101		1	Loan liabilities	-	215,879	215,879	-	79,534	79,534
102		2	Liabilities for issued financial instruments	-	-	-	-	-	-
103		3	Liabilities for derivative financial instruments	3,277	78,954	82,231	18,872	72,193	91,065
104		4	Liability for unpaid dividend	-	211,333	211,333	-	212,528	212,528
105		5	Other financial liabilities	435,691	53,302,253	53,737,944	975,152	46,881,916	47,857,068
106	107+108+109	XIX	<b>OTHER LIABILITIES</b>	<b>11,294,415</b>	<b>49,206,772</b>	<b>60,501,187</b>	<b>9,790,278</b>	<b>52,728,649</b>	<b>62,518,927</b>
107		1	Liabilities for disposal and discontinued operations	-	929	929	-	1,047	1,047
108		2	Accruals and deferred income	1,790,793	14,934,876	16,725,669	2,570,106	15,248,722	17,818,828
109		3	Other liabilities	9,503,622	34,270,967	43,774,589	7,220,172	37,478,880	44,699,052
110	057+077+078+079+092+093+094+097+100+106	XX	<b>TOTAL LIABILITIES</b>	<b>525,865,795</b>	<b>1,178,055,502</b>	<b>1,703,921,297</b>	<b>501,569,955</b>	<b>1,286,735,818</b>	<b>1,788,305,773</b>
111		XXI	<b>OFF-BALANCE SHEET ITEMS</b>	<b>13,363,078</b>	<b>102,369,505</b>	<b>115,732,583</b>	<b>12,307,214</b>	<b>71,543,758</b>	<b>83,850,972</b>

Note: Item 078 to be filled in by companies preparing consolidated financial statements

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME for the period 1 January 2023 – 31 December 2023

in EUR

Item number	Sum elements	Identifier	Item	Last day of the preceding business year			At the reporting date of the current period		
				Life	Non-life	Total	Life	Non-life	Total
001	002 + 003 + 004	I	<b>Income from insurance contracts</b>	<b>10,518,354</b>	<b>418,064,389</b>	<b>428,582,743</b>	<b>12,244,536</b>	<b>464,150,966</b>	<b>476,395,502</b>
002		1	General measurement model	9,908,423	5,925,322	<b>15,833,745</b>	11,416,574	5,964,863	<b>17,381,437</b>
003		2	Variable fee approach	609,931	-	<b>609,931</b>	827,962	-	<b>827,962</b>
004		3	Premium allocation approach	-	412,139,067	<b>412,139,067</b>	-	458,186,103	<b>458,186,103</b>
005	006+007+...+012	II	<b>Expenditure from insurance contracts</b>	<b>(9,572,798)</b>	<b>(372,918,457)</b>	<b>(382,491,255)</b>	<b>(6,193,567)</b>	<b>(436,407,334)</b>	<b>(442,600,901)</b>
006		1	Claims incurred	(2,204,795)	(228,831,562)	<b>(231,036,357)</b>	(2,027,041)	(297,262,227)	<b>(299,289,268)</b>
007		2	Commissions	(717,657)	(41,351,607)	<b>(42,069,264)</b>	(1,679,446)	(44,902,576)	<b>(46,582,022)</b>
008		3	Other expenses related to the sale of insurance	-	(47,446,379)	<b>(47,446,379)</b>	3,645	(47,783,621)	<b>(47,779,976)</b>
009		4	Other insurance service expenses	(3,925,525)	(65,361,334)	<b>(69,286,859)</b>	(3,287,584)	(69,777,839)	<b>(73,065,423)</b>
010		5	Depreciation of insurance acquisition costs	-	-	-	-	-	-
011		6	Losses and reversal of losses on onerous contracts	(2,326,663)	(594,314)	<b>(2,920,977)</b>	1,857,495	352,212	<b>2,209,707</b>
012		7	Change in liabilities for claims incurred	(398,158)	10,666,739	<b>10,268,581</b>	(1,060,636)	22,966,717	<b>21,906,081</b>
013	014 + 015	III	<b>Net result of (passive) reinsurance contracts</b>	<b>(44,936)</b>	<b>(13,388,462)</b>	<b>(13,433,398)</b>	<b>(47,440)</b>	<b>(8,494,942)</b>	<b>(8,542,382)</b>
014		1	Income from (passive) reinsurance contracts	-	34,445,099	<b>34,445,099</b>	-	53,695,677	<b>53,695,677</b>
015		2	Expenditure from (passive) reinsurance contracts	(44,936)	(47,833,561)	<b>(47,878,497)</b>	(47,440)	(62,190,619)	<b>(62,238,059)</b>
016	001 + 005 + 013	IV	<b>Result from insurance contracts</b>	<b>900,620</b>	<b>31,757,470</b>	<b>32,658,090</b>	<b>6,003,529</b>	<b>19,248,690</b>	<b>25,252,219</b>
017	018 + 023 + 024 + 025 + 026 + 027 + 031 + 032 + 033 + 034	V	<b>Net investment result</b>	<b>13,738,025</b>	<b>35,310,017</b>	<b>49,048,042</b>	<b>16,544,826</b>	<b>43,217,602</b>	<b>59,762,428</b>
018	019 + 020 + 021 + 022	1	Net result from investment in land and buildings	4,504	13,922,182	<b>13,926,686</b>	10,237	16,769,974	<b>16,780,211</b>
019		1.1.	Rental gains/losses (net)	10,733	13,191,784	<b>13,202,517</b>	10,737	14,073,592	<b>14,084,329</b>
020		1.2.	Realised gains/losses (net) from property not for own use	-	491,666	<b>491,666</b>	-	36,808	<b>36,808</b>
021		1.3.	Unrealised gains/losses (net) from property not for own use	(6,229)	238,732	<b>232,503</b>	(500)	2,659,574	<b>2,659,074</b>
022		1.4.	Depreciation of land and buildings not occupied by an undertaking for its own activities	-	-	-	-	-	-
023		2	Interest revenue calculated using the effective interest rate method	13,348,500	12,337,802	<b>25,686,302</b>	12,558,448	18,235,025	<b>30,793,473</b>
024		3	Other interest income	-	24,964	<b>24,964</b>	116,984	998,340	<b>1,115,324</b>
025		4	Dividend income	753,166	5,965,847	<b>6,719,013</b>	1,002,071	6,782,402	<b>7,784,473</b>
026		5	Unrealised gains/losses (net) from financial assets at fair value through profit or loss	185,476	650,232	<b>835,708</b>	1,369,688	2,681,457	<b>4,051,145</b>
027	028 + 029 + 030	6	Realised gains/losses	556,216	1,697,309	<b>2,253,525</b>	665,141	698,195	<b>1,363,336</b>
028		6.1.	Realised gains/losses (net) from financial assets at fair value through profit or loss	(22,831)	(2,004,073)	<b>(2,026,904)</b>	515,763	555,046	<b>1,070,809</b>
029		6.2.	Realised gains/losses (net) from financial assets at fair value through other comprehensive income	579,047	3,701,382	<b>4,280,429</b>	149,378	143,149	<b>292,527</b>
030		6.3.	Other realised gains/losses (net)	-	-	-	-	-	-
031		7	Net impairment / reversal of impairment of investments	(142,556)	1,303,969	<b>1,161,413</b>	359,304	1,134,076	<b>1,493,380</b>
032		8	Net exchange rate differences	707,755	2,194,419	<b>2,902,174</b>	(162,005)	(850,185)	<b>(1,012,190)</b>
033		9	Other income from investments	(1,485,744)	321,671	<b>(1,164,073)</b>	751,168	43,898	<b>795,066</b>
034		10	Other expenditure from investments	(189,292)	(3,108,378)	<b>(3,297,670)</b>	(126,210)	(3,275,580)	<b>(3,401,790)</b>

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME for the period 1 January 2023 – 31 December 2023

in EUR

Item number	Sum elements	Identifier	Item	Last day of the preceding business year			At the reporting date of the current period		
				Life	Non-life	Total	Life	Non-life	Total
035	036 + 037 + 038	VI	Net financial expenditure from insurance and (passive) reinsurance contracts	2,502,964	19,918	2,522,882	(1,924,283)	(4,192,183)	(6,116,466)
036		1	Net financial income/expenditure from insurance contracts	2,502,964	(27,746)	2,475,218	(1,924,284)	(4,982,644)	(6,906,928)
037		2	Net financial income/expenditure from (passive) reinsurance contracts	-	47,664	47,664	1	790,461	790,462
038		3	Change of liability for investment contracts	-	-	-	-	-	-
039		VII	Other income	145,160	28,525,544	28,670,704	73,606	31,029,878	31,103,484
040		VIII	Other operating expenses	(477,612)	(42,541,187)	(43,018,799)	(505,310)	(40,289,062)	(40,794,372)
041		IX	Other financial expenses	(81,029)	(1,655,556)	(1,736,585)	(41,330)	(1,773,338)	(1,814,668)
042		X	Share of profit of companies consolidated using equity method, net of tax	-	1,395,302	1,395,302	-	1,781,169	1,781,169
043	001+005+013+016+017+035+039+040+041+042	XI	Profit or loss of the accounting period before tax (+/-)	16,728,128	52,811,508	69,539,636	20,151,038	49,022,756	69,173,794
044	045 + 046	XII	Tax on profit or loss	(2,679,953)	(8,583,039)	(11,262,992)	(3,175,197)	(7,546,091)	(10,721,288)
045		1	Current tax expense	(1,824,531)	(7,743,935)	(9,568,466)	(518,832)	(19,878,343)	(20,397,175)
046		2	Deferred tax expense/ income	(855,422)	(839,104)	(1,694,526)	(2,656,365)	12,332,252	9,675,887
047	043+ 044	XIII	Profit or loss of the accounting period after tax (+/-)	14,048,175	44,228,469	58,276,644	16,975,841	41,476,665	58,452,506
048		1	Attributable to owners of the parent	14,026,430	44,172,174	58,198,604	16,954,381	41,426,400	58,380,781
049		2	Attributable to non-controlling interest	21,745	56,295	78,040	21,460	50,265	71,725
050	051 + 056	XIV	Other comprehensive income	18,783,629	(13,076,212)	5,707,417	(17,630,739)	12,816,181	(4,814,558)
051	052 + 053 + 054 + 055	1	Items that will not be reclassified to statement of profit or loss	-	(53,096)	(53,096)	889,652	18,245,501	19,135,153
052		1.1	Net change in fair value of equity securities (OCI)	-	-	-	1,084,941	22,203,434	23,288,375
053		1.2	Actuarial gains/losses on defined benefit pension plans	-	-	-	-	-	-
054		1.3	Other	-	(87,348)	(87,348)	-	(952)	(952)
055		1.4	Tax	-	34,252	34,252	(195,289)	(3,956,981)	(4,152,270)
056	057 + 058 + ...+ 063	2	Items that are, or may be, reclassified to statement of profit or loss	18,783,629	(13,023,116)	5,760,513	(18,520,391)	(5,429,320)	(23,949,711)
057		2.1	Net change in fair value of debt securities (OCI)	(40,185,496)	(67,387,747)	(107,573,243)	4,340,422	14,626,003	18,966,425
058		2.2	Exchange rate differences from translation of foreign operations	65,855	88,627	154,482	(7,716)	942	(6,774)
059		2.3	Effects of hedging instruments	-	-	-	-	-	-
060		2.4	Net financial income/expenditure from insurance contracts	62,574,230	38,135,627	100,709,857	(26,809,413)	(22,403,165)	(49,212,578)
061		2.5	Net financial income/expenditure from (passive) reinsurance contracts	(10)	(2,841,688)	(2,841,698)	10	1,184,601	1,184,611
062		2.6	Other	185,078	15,888,480	16,073,558	-	-	-
063		2.7	Tax	(3,856,028)	3,093,585	(762,443)	3,956,306	1,162,299	5,118,605
064	047+ 050	XV	Total comprehensive income	32,831,804	31,152,257	63,984,061	(654,898)	54,292,846	53,637,948
065		1	Attributable to owners of the parent	32,770,034	31,069,968	63,840,002	(659,789)	54,256,282	53,596,493
066		2	Attributable to non-controlling interest	61,770	82,289	144,059	4,891	36,564	41,455
067		XVI	Reclassification adjustments	-	-	-	-	-	-

Note: Items 042, 065 and 066 to be filled in by companies preparing consolidated financial statements

## CONSOLIDATED STATEMENT OF CASH FLOWS (INDIRECT METHOD) for the period 1 January 2023 – 31 December 2023

					in EUR	
Item number	Sum elements	Identifier	Item	Current business period	Same period of the previous year	
001	002+018+035 + 036 + 037	I	<b>CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>(91,001,705)</b>	<b>53,843,588</b>	
002	003+004	1	<b>Cash flow before changes in operating assets and liabilities</b>	<b>35,669,830</b>	<b>53,770,543</b>	
003		1.1	Profit/loss of the accounting period	58,452,506	58,276,644	
004	005+006+....+017	1.2	Adjustments:	(22,782,676)	(4,506,101)	
005		1.2.1	<i>Depreciation of property and equipment</i>	9,879,072	8,732,772	
006		1.2.2	<i>Amortization of intangible assets</i>	4,156,109	3,576,464	
007		1.2.3	<i>Loss from impairment of intangible assets</i>	13,202	6,081,592	
008		1.2.4	<i>Other financial cost</i>	-	-	
009		1.2.5	<i>Impairment and gains/losses on fair valuation</i>	(5,295,762)	(1,683,100)	
010		1.2.6	<i>Interest expenses</i>	1,813,580	1,736,585	
011		1.2.7	<i>Interest income</i>	(31,908,797)	(25,711,267)	
012		1.2.8	<i>Profit from the sale of branch</i>	-	-	
013		1.2.9	<i>Share in profit of associates</i>	(1,781,169)	(1,395,302)	
014		1.2.10	<i>Equity-settled share-based payment transactions</i>	-	-	
015		1.2.11	<i>Cost of income tax</i>	10,721,288	11,262,992	
016		1.2.12	<i>Profit/loss from the sale of tangible assets (including land and buildings)</i>	(561,893)	(14,938)	
017		1.2.13	<i>Other adjustments</i>	(9,818,306)	(7,091,899)	
018	019+020+...+034	2	<b>Increase/decrease in operating assets and liabilities</b>	<b>(151,921,045)</b>	<b>(19,304,800)</b>	
019		2.1	Increase/decrease in financial assets at fair value through other comprehensive income	14,501,128	(45,510,917)	
020		2.2	Increase/decrease in financial assets at fair value through statement of profit or loss	(102,526,413)	18,614,666	
021		2.3	Increase/decrease in financial assets at amortised cost	(37,908,386)	23,473,228	
022		2.4	<i>Increase/decrease in assets/liabilities from insurance contracts</i>	(4,927,162)	(35,993,746)	
023		2.5	<i>Increase/decrease in assets/liabilities from reinsurance contracts</i>	(8,471,127)	(7,538,208)	
024		2.6	Increase/decrease in tax assets	285,308	123,635	
025		2.7	Increase/decrease in receivables	-	-	
026		2.8	Increase/decrease in investments in real estate	(249,332)	3,831,637	
027		2.9	Increase/decrease in property for own use	-	-	
028		2.10	Increase/decrease in other assets	(4,166,008)	10,060,190	
029		2.11	<i>Increase/decrease in liabilities from investment contracts</i>	-	-	
030		2.12	<i>Increase/decrease in other provisions</i>	398,862	(1,280,935)	
031		2.13	Increase/decrease in tax liabilities	(1,211,978)	16,754,638	
032		2.14	Increase/decrease in financial liabilities	(9,793,743)	(462,025)	
033		2.15	Increase/decrease in other liabilities	1,054,647	(2,138,561)	
034		2.16	Increase/decrease in accruals and deferred income	1,093,159	761,598	
035		3	<b>Income tax paid</b>	<b>(9,042,800)</b>	<b>(11,718,471)</b>	
036		4	<b>Interest received</b>	<b>26,730,657</b>	<b>24,470,999</b>	
037		5	<b>Dividend received</b>	<b>7,561,653</b>	<b>6,625,317</b>	
038	039+040+...+045	II	<b>CASH FLOW FROM INVESTING ACTIVITIES</b>	<b>(15,059,113)</b>	<b>(15,012,013)</b>	
039		1	Cash receipts from the sale of tangible assets	989,794	131,847	
040		2	Cash payments for the purchase of tangible assets	(9,799,488)	(7,023,507)	
041		3	Cash receipts from the sale of intangible assets	-	-	
042		4	Cash payments for the purchase of intangible assets	(5,941,557)	(8,118,038)	
043		5	Cash receipts from the sale of branches, associates and joint ventures	-	-	
044		6	Cash payments for the purchase of branches, associates and joint ventures	(307,862)	(2,315)	
045		7	Cash receipts and payments based on other investing activities	-	-	
046	047+048+...+057	III	<b>CASH FLOW FROM FINANCING ACTIVITIES</b>	<b>(5,406,549)</b>	<b>(4,778,084)</b>	
047		1	Cash receipts resulting from the increase of initial capital	-	-	
048		2	Cash receipts from issuing redeemable preference shares	-	-	
049		3	Cash receipts from short-term and long-term loans received	-	-	
050		4	Cash receipts from sales of own shares	-	-	
051		5	Cash receipts from exercise of share options	-	-	
052		6	Cash payments relating to redeemable preference shares	-	-	
053		7	Cash payments for the repayment of short-term and long-term loans received	(136,345)	(102,216)	
054		8	Cash payments for the redemption of own shares	-	-	
055		9	Cash payments for interest	(1,985)	(3,574)	
056		10	Cash payments for dividend	(162,462)	(162,936)	
057		11	Cash payments for rental obligations	(5,105,757)	(4,509,358)	
058	001+038+046	IV	<b>NET CASH FLOW</b>	<b>(111,467,367)</b>	<b>34,053,491</b>	
059		V	<b>EFFECT OF EXCHANGE RATE FLUCTUATIONS ON CASH AND CASH EQUIVALENTS</b>	<b>(10,539)</b>	<b>(322,739)</b>	
060	058+059	VI	<b>NET INCREASE/DECREASE OF CASH AND CASH EQUIVALENTS</b>	<b>(111,477,906)</b>	<b>33,730,752</b>	
061		1	Cash and cash equivalents at the beginning of period	134,674,730	100,943,978	
062	060+061	2	<b>Cash and cash equivalents at the end of period</b>	<b>23,196,824</b>	<b>134,674,730</b>	

Note: Cash flow impairing items are to be indicated with a negative sign

**CROATIA osiguranje d.d., Zagreb**  
**Statements prescribed by the Ordinance of the Croatian Financial Services Supervisory Agency**

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY for the period 1 January 2023 – 31 December 2023**

in EUR

Item number	Item	Attributable to owners of the parent								Attributable to non-controlling interests*	Total capital and reserves
		Paid in capital (ordinary and preference shares)	Premium on shares issued	Revaluation reserves	Financial reserves from insurance contracts	Capital reserves (legal, statutory, other)	Retained profit or loss brought forward	Profit/loss for the year	Total capital and reserves		
<b>I.</b>	<b>Balance as at 1 January of the previous year</b>	78,216,975	90,448,275	92,432,579	-	53,359,689	248,128,722	48,091,094	610,677,334	1,349,960	612,027,294
1.	Change in accounting policies	-	-	-	2,172,294	-	35,323,486	-	37,495,780	(89,013)	37,406,767
2.	Correction of errors from prior periods	-	-	-	-	-	-	-	-	-	-
<b>II.</b>	<b>Balance as at 1 January of the previous year (restated)</b>	<b>78,216,975</b>	<b>90,448,275</b>	<b>92,432,579</b>	<b>2,172,294</b>	<b>53,359,689</b>	<b>283,452,208</b>	<b>48,091,094</b>	<b>648,173,114</b>	<b>1,260,947</b>	<b>649,434,061</b>
<b>III.</b>	<b>Comprehensive income or loss for the previous year</b>	-	-	<b>(75,739,010)</b>	<b>81,380,408</b>	-	-	<b>58,198,603</b>	<b>63,840,001</b>	<b>144,060</b>	<b>63,984,061</b>
1.	Profit or loss for the period	-	-	-	-	-	-	58,198,603	58,198,603	78,040	58,276,643
2.	<b>Other comprehensive income or loss for the previous year</b>	-	-	<b>(75,739,010)</b>	<b>81,380,408</b>	-	-	-	<b>5,641,398</b>	<b>66,020</b>	<b>5,707,418</b>
2.1.	Unrealised gains or losses on tangible assets (land and buildings)	-	-	(54,168)	-	-	-	-	(54,168)	1,073	(53,095)
2.2.	Unrealised gains or losses on financial assets at fair value through other comprehensive income	-	-	(72,186,563)	-	-	-	-	(72,186,563)	(2,937)	(72,189,500)
2.3.	Realised gains or losses on financial assets at fair value through other comprehensive income	-	-	(3,651,978)	-	-	-	-	(3,651,978)	-	(3,651,978)
2.4.	Net financial income/expenditure from insurance contracts	-	-	-	83,704,178	-	-	-	83,704,178	72,259	83,776,437
2.5.	Net financial income/expenditure from (passive) reinsurance contracts	-	-	-	(2,323,770)	-	-	-	(2,323,770)	(5,158)	(2,328,928)
2.6.	Other changes in equity unrelated to owners	-	-	153,699	-	-	-	-	153,699	783	154,482
<b>IV.</b>	<b>Transactions with owners (previous period)</b>	-	-	<b>443,462</b>	-	-	<b>47,489,856</b>	<b>(48,091,093)</b>	<b>(157,775)</b>	<b>(35,236)</b>	<b>(193,011)</b>
1.	Increase/decrease in subscribed capital	-	-	-	-	-	-	-	-	-	-
2.	Other contributions by owners	-	-	-	-	-	-	-	-	(2,315)	(2,315)
3.	Payment of share in profit/dividend	-	-	-	-	-	-	-	-	(32,867)	(32,867)
4.	Other distribution to owners	-	-	443,462	-	-	47,489,856	(48,091,093)	(157,775)	(54)	(157,829)
<b>V.</b>	<b>Balance on the last day of the previous year reporting period</b>	<b>78,216,975</b>	<b>90,448,275</b>	<b>17,137,031</b>	<b>83,552,702</b>	<b>53,359,689</b>	<b>330,942,064</b>	<b>58,198,604</b>	<b>711,855,340</b>	<b>1,369,771</b>	<b>713,225,111</b>
<b>VI.</b>	<b>Balance as at 1 January of the current year</b>	<b>78,216,975</b>	<b>90,448,275</b>	<b>17,137,031</b>	<b>83,552,702</b>	<b>53,359,689</b>	<b>330,942,064</b>	<b>58,198,604</b>	<b>711,855,340</b>	<b>1,369,771</b>	<b>713,225,111</b>
1.	Change in accounting policies	-	-	(3,088,097)	-	-	1,711,565	-	(1,376,532)	(9,723)	(1,386,255)
2.	Correction of errors from prior periods	-	-	-	-	-	-	-	-	-	-
<b>VII.</b>	<b>Balance as at 1 January of the current year (restated)</b>	<b>78,216,975</b>	<b>90,448,275</b>	<b>14,048,934</b>	<b>83,552,702</b>	<b>53,359,689</b>	<b>332,653,629</b>	<b>58,198,604</b>	<b>710,478,808</b>	<b>1,360,048</b>	<b>711,838,856</b>
<b>VIII.</b>	<b>Comprehensive income or loss for the year</b>	-	-	<b>34,639,202</b>	<b>(39,423,490)</b>	-	-	<b>58,380,781</b>	<b>53,596,493</b>	<b>41,455</b>	<b>53,637,948</b>
1.	Profit or loss for the period	-	-	-	-	-	-	58,380,781	58,380,781	71,725	58,452,506
2.	<b>Other comprehensive income or loss for the year</b>	-	-	<b>34,639,202</b>	<b>(39,423,490)</b>	-	-	-	<b>(4,784,288)</b>	<b>(30,270)</b>	<b>(4,814,558)</b>
2.1.	Unrealised gains or losses on tangible assets (land and buildings)	-	-	36,495	-	-	-	-	36,495	2,190	38,685
2.2.	Unrealised gains or losses on financial assets at fair value through other comprehensive income	-	-	34,846,103	-	-	-	-	34,846,103	(122)	34,845,981
2.3.	Realised gains or losses on financial assets at fair value through other comprehensive income	-	-	(236,963)	-	-	-	-	(236,963)	-	(236,963)
2.4.	Net financial income/expenditure from insurance contracts	-	-	-	(40,386,179)	-	-	-	(40,386,179)	(33,462)	(40,419,641)
2.5.	Net financial income/expenditure from (passive) reinsurance contracts	-	-	-	962,689	-	-	-	962,689	1,466	964,155
2.6.	Other changes in equity unrelated to owners	-	-	(6,433)	-	-	-	-	(6,433)	(342)	(6,775)
<b>IX.</b>	<b>Transactions with owners (current period)</b>	<b>79,167</b>	-	<b>(1,386,448)</b>	-	<b>(80,812)</b>	<b>59,922,287</b>	<b>(58,198,604)</b>	<b>335,590</b>	<b>(654,892)</b>	<b>(319,302)</b>
1.	Increase/decrease in subscribed capital	79,167	-	-	-	(80,812)	-	-	(1,645)	-	(1,645)
2.	Other contributions by owners	-	-	-	-	-	314,778	-	314,778	(622,640)	(307,862)
3.	Payment of share in profit/dividend	-	-	-	-	-	-	-	-	(32,394)	(32,394)
4.	Other transactions with owners	-	-	(1,386,448)	-	-	59,607,509	(58,198,604)	22,457	142	22,599
<b>X.</b>	<b>Balance on the last day of the current year reporting period</b>	<b>78,296,142</b>	<b>90,448,275</b>	<b>47,301,688</b>	<b>44,129,212</b>	<b>53,278,877</b>	<b>392,575,916</b>	<b>58,380,781</b>	<b>764,410,891</b>	<b>746,611</b>	<b>765,157,502</b>

Note: \* To be filled in by companies preparing consolidated financial statements

**Reconciliation of the financial statements and statements for the Croatian Financial Services**  
**Supervisory Agency**

The reconciliation between the financial statements as prescribed by the Ordinance on the structure and content of financial statements of insurance and reinsurance companies, and the annual financial statements prepared in accordance with the IFRS reporting framework is presented below.



## 1. Reconciliation of the statement of comprehensive income prepared in accordance with the HANFA format and the format of the financial statements prepared in accordance with the IFRS reporting framework

Position description	EUR '000	1	2	3	Basic financial statements	
					EUR '000	Position description
<b>Income from insurance contracts</b>	<b>395,384</b>				<b>395,384</b>	Insurance revenue
General measurement model	9,441					
Variable fee approach	431					
Premium allocation approach	385,513					
<b>Expenditure from insurance contracts</b>	<b>(375,931)</b>				<b>(375,931)</b>	Insurance service expenses
Claims incurred	(257,715)					
Commissions	(39,912)					
Other expenses related to the sale of insurance	(38,510)					
Other insurance service expenses	(60,283)					
Depreciation of insurance acquisition costs	-					
Losses and reversal of losses on onerous contracts	2,147					
Change in liabilities for claims incurred	18,341					
<b>Net result of (passive) reinsurance contracts</b>	<b>(7,677)</b>				<b>(7,677)</b>	Net result of (passive) reinsurance contracts
Income from (passive) reinsurance contracts	40,882					
Expenditure from (passive) reinsurance contracts	(48,559)					
<b>Result from insurance contracts</b>	<b>11,776</b>				<b>11,776</b>	Result from insurance contracts
<b>Net investment result</b>	<b>52,213</b>				<b>52,213</b>	Net investment income
Net result from investment in land and buildings	4,691				4,691	Income from investment property
Rental gains/losses (net)	3,759					
Realised gains/losses (net) from property not for own use	37					
Unrealised gains/losses (net) from property not for own use	895					
Depreciation of land and buildings not occupied by an undertaking for its own activities	-					
Interest revenue calculated using the effective interest rate method	27,224				27,224	Interest revenue calculated using the effective interest rate method
Other interest income	1,115		(1,115)			
Dividend income	14,672			(14,672)		
Unrealised gains/losses (net) from financial assets at fair value through profit or loss	3,877		2,173		6,050	Net gains/losses (net) from financial assets at fair value through profit or loss
Realised gains/losses	1,347					
Realised gains/losses (net) from financial assets at fair value through profit or loss	1,058		(1,058)			
Realised gains/losses (net) from financial assets at fair value through other comprehensive income	289			(289)		
Other realised gains/losses (net)	-					
Net impairment / reversal of impairment of investments	2,019				2,019	Net impairment/release of impairment of financial assets
Net exchange rate differences	(964)				(964)	Net exchange rate differences
Other income from investments	301			12,893	13,194	Other income/expenditure from investments
Other expenditure from investments	(2,068)			2,068		
<b>Net financial expenditure from insurance and (passive) reinsurance contracts</b>	<b>(4,050)</b>				<b>(4,050)</b>	Net financial result from insurance and (passive) reinsurance contracts
Net financial income/expenditure from insurance contracts	(4,723)				(4,723)	Net financial result from insurance contracts
Net financial income/expenditure from (passive) reinsurance contracts	674				674	Net financial result from (passive) reinsurance contracts
Change of liability for investment contracts	-					
<b>Other income</b>	<b>6,102</b>	(449)			<b>5,653</b>	Other income
<b>Other operating expenses</b>	<b>(9,470)</b>	449			<b>(9,021)</b>	Other operating expenses
<b>Other financial expenses</b>	<b>(1,418)</b>				<b>(1,418)</b>	Other financial expenses
Share of profit of companies consolidated using equity method, net of tax	-					
<b>Profit or loss of the accounting period before tax (+/-)</b>	<b>55,153</b>				<b>55,153</b>	Profit before tax
<b>Tax on profit or loss</b>	<b>(8,274)</b>				<b>(8,274)</b>	Income tax
Current tax expense	(18,000)					
Deferred tax expense/ income	9,726					
<b>Profit or loss of the accounting period after tax (+/-)</b>	<b>46,879</b>				<b>46,879</b>	Profit for the year

Reconciliation of the statement of comprehensive income prepared in accordance with the HANFA format and the format of these financial statements (continued)

1. Income and expenses from the sale of land and buildings and income from reversal of impairment of investments are recorded on a net basis.
2. Other interest income, Realised gains/losses (net) from financial assets at fair value through profit or loss and Unrealised gains/losses (net) from financial assets at fair value through profit or loss are presented in position Net gains/losses (net) from financial assets at fair value through profit or loss.
3. Dividend income, Realised gains/losses (net) from financial assets at fair value through other comprehensive income, Other expenditure from investments and Other income from investments are presented in position Other income/expenditure from investments.

**CROATIA osiguranje d.d., Zagreb**  
**Reconciliation of the financial statements and statements for the Croatian Financial Services**  
**Supervisory Agency**

2. Reconciliation of the statement of financial position prepared in accordance with the HANFA format and the financial statements in accordance with the IFRS reporting framework

Position description	EUR '000	1	2	3	4	5	Basic financial statements	
							EUR '000	Position description
<b>INTANGIBLE ASSETS</b>	<b>15,767</b>						<b>15,767</b>	Intangible asset
Goodwill	-							
Other intangible assets	15,767							
<b>TANGIBLE ASSETS</b>	<b>62,697</b>	<b>(50)</b>					<b>62,647</b>	Property at revaluation model and Property and equipment at cost model
Land and buildings occupied by an undertaking for its own activities	25,693	(50)						
Equipment	3,254							
Other tangible assets and inventories	33,750							
<b>INVESTMENTS</b>	<b>1,325,864</b>		<b>(43,627)</b>				<b>1,282,237</b>	
<b>Investments in land and buildings not occupied by an undertaking for its own activities</b>	<b>67,926</b>						<b>67,926</b>	Investment property
<b>Investments in subsidiaries, associates and joint ventures</b>	<b>54,531</b>						<b>54,531</b>	Investments in subsidiaries, associates and participation in joint ventures
Shares and holdings in subsidiaries	50,815							
Shares and holdings in associates	-							
Shares and holdings in joint ventures	3,716							
<b>Financial assets</b>	<b>1,203,407</b>		<b>(43,627)</b>				<b>1,159,780</b>	Financial assets
<b>Financial assets at amortised cost</b>	<b>395,066</b>		<b>(43,627)</b>				<b>351,439</b>	Financial assets at amortised cost
Debt financial instruments	285,069							
Deposits with credit institutions	53,515							
Loans	43,153							
Other	13,329							
<b>Financial assets at fair value through other comprehensive income</b>	<b>672,698</b>						<b>672,698</b>	Financial assets at fair value through other comprehensive income
Equity financial instruments	138,812							
Debt financial instruments	533,886							
Units in investment funds	-							
Other	-							
<b>Financial assets at fair value through profit and loss account</b>	<b>135,643</b>						<b>135,643</b>	Financial assets at fair value through profit and loss account
Equity financial instruments	387							
Debt financial instruments	10,964							
Units in investment funds	123,806							
Derivative financial instruments	486							
Other	-							
<b>ASSETS FROM INSURANCE CONTRACTS</b>	<b>16,997</b>						<b>16,997</b>	Assets from insurance contracts
General measurement model	13,311							
- Assets for remaining coverage	(1,478)							
- Assets for insurance acquisition cash flows	-							
- Assets from claims incurred	14,789							
Variable fee approach	-							
- Assets for remaining coverage	-							
- Assets for insurance acquisition cash flows	-							
- Assets from claims incurred	-							
Premium allocation approach	3,686							
- Assets for remaining coverage	6,050							
- Assets for insurance acquisition cash flows	-							
- Assets from claims incurred	(2,364)							
<b>ASSETS FROM REINSURANCE CONTRACTS</b>	<b>49,917</b>						<b>49,917</b>	Assets from reinsurance contracts
<b>DEFERRED AND CURRENT TAX ASSETS</b>	<b>8,580</b>				<b>(8,580)</b>		-	
Deferred tax assets	8,580				(8,580)			Deferred tax assets
Current tax assets	-						-	Current income tax assets
<b>OTHER ASSETS</b>	<b>31,603</b>	<b>50</b>	<b>43,627</b>	<b>(780)</b>			<b>74,500</b>	
<b>CASH AT BANK AND IN HAND</b>	<b>1,662</b>		<b>43,627</b>				<b>45,289</b>	Cash and cash equivalents
<i>Funds in the business account</i>	1,587							
<i>Funds in the account of assets covering liabilities from life insurance contracts</i>	75							
<i>Cash in hand</i>	-							
<b>Fixed assets held for sale and discontinued operations</b>	<b>-</b>							
<b>Other</b>	<b>29,941</b>	<b>50</b>		<b>(780)</b>			<b>29,211</b>	Trade receivables and other receivables
<b>TOTAL ASSETS</b>	<b>1,511,425</b>	<b>-</b>	<b>-</b>	<b>(780)</b>	<b>(8,580)</b>		<b>1,502,065</b>	
<b>OFF-BALANCE SHEET ITEMS</b>	<b>79,218</b>						<b>79,218</b>	

Reconciliation of the statement of financial position prepared in accordance with the HANFA format and the format of the financial statements prepared in accordance with the IFRS reporting framework (continued)

1. Inventories are recorded together with trade and other receivables.
2. Deposits with original maturity up to three months are recorded in the Cash and cash equivalents position.
3. Internal receivables are offset with corresponding liabilities in the Basic financial statements.
4. Deferred tax assets and liabilities are recorded on a net basis in the Basic financial statements.

Position description	EUR '000	1	2	3	4	5	Basic financial statements	
							EUR '000	Position description
<b>CAPITAL AND RESERVES</b>	<b>664,434</b>						<b>664,434</b>	Capital and reserves
Subscribed capital	78,296						78,296	Subscribed share capital
<i>Paid in capital - ordinary shares</i>	78,296							
<i>Paid in capital - preference shares</i>	-							
Premium on shares issued (capital reserves)	90,448						90,448	Premium on issued shares
Revaluation reserves	46,923				31,352		78,275	Revaluation reserve
<i>Land and buildings</i>	5,832							
<i>Financial assets</i>	41,090							
<i>Other revaluation reserves</i>	-							
Financial reserves from insurance contracts	31,352				(31,352)		-	
Reserves	53,279						53,279	Reserves
<i>Legal reserves</i>	3,992							
<i>Statutory reserve</i>	19,459							
<i>Other reserves</i>	29,828							
Retained profit or loss brought forward	317,256					46,880	364,136	Retained earnings
<i>Retained profit</i>	317,258					46,880		
<i>Loss brought forward (-)</i>	-							
Profit or loss for the current accounting period	46,880					(46,880)	-	
<i>Profit for the current accounting period</i>	46,880					(46,880)		
<i>Loss for the current accounting period (-)</i>	-							
<b>SUBORDINATE LIABILITIES</b>	-						-	
<b>MINORITY INTEREST</b>	-						-	
<b>LIABILITIES FROM INSURANCE CONTRACTS</b>	<b>732,122</b>						<b>732,122</b>	Liabilities from insurance contracts
General measurement model	333,168							
- Liabilities for remaining coverage	321,588							
- Assets for insurance acquisition cash flows	-							
- Liabilities for claims incurred	11,580							
Variable fee approach	18,052							
- Liabilities for remaining coverage	15,142							
- Assets for insurance acquisition cash flows	-							
- Liabilities for claims incurred	2,911							
Premium allocation approach	380,902							
- Liabilities for remaining coverage	90,041							
- Assets for insurance acquisition cash flows	-							
- Liabilities for claims incurred	290,861							
<b>LIABILITIES FROM REINSURANCE CONTRACTS</b>	<b>1,910</b>						<b>1,910</b>	Liabilities from reinsurance contracts
<b>LIABILITY FOR INVESTMENT CONTRACTS</b>	-							
<b>OTHER PROVISIONS</b>	<b>7,095</b>	<b>(328)</b>					<b>6,767</b>	Provisions
Provisions for pensions and similar obligations	6,767							
Other provisions	328	(328)						
<b>DEFERRED AND CURRENT TAX LIABILITIES</b>	<b>27,793</b>			<b>(8,580)</b>			<b>19,213</b>	
Deferred tax liability	16,855			(8,580)			8,275	Deferred tax liability
Current tax liability	10,938						10,938	Current income tax liability
<b>FINANCIAL LIABILITIES</b>	<b>37,149</b>						<b>37,149</b>	
Loan liabilities	-							
Liabilities for issued financial instruments	-							
Liabilities for derivative financial instruments	91							
Liability for unpaid dividend	209							
Other financial liabilities	36,849							
<b>OTHER LIABILITIES</b>	<b>40,923</b>	<b>328</b>	<b>(781)</b>				<b>40,470</b>	Accounts payable and other liabilities
Liabilities for disposal and discontinued operations	-							
Accruals and deferred income	15,699							
Other liabilities	25,223	328						
<b>TOTAL LIABILITIES</b>	<b>1,511,425</b>	-	<b>(781)</b>	<b>(8,580)</b>	-	-	<b>1,502,065</b>	
<b>OFF-BALANCE SHEET ITEMS</b>	<b>79,218</b>						<b>79,218</b>	

1. In basic financial statements, Other provisions are recorded within position Accounts payable and other liabilities.
2. Internal liabilities are offset with corresponding receivables in the Basic financial statements.
3. Deferred tax assets and liabilities are offset in the Basic financial statements.
4. In basic financial statements, Financial reserves from insurance contracts is recorded on position Revaluation reserves.
5. Profit or loss for the current accounting period is presented together with retained earnings in the financial statements prepared in accordance with the IFRS reporting framework.

3. Reconciliation of the consolidated statement of comprehensive income prepared in accordance with the HANFA format and the format of the financial statements prepared in accordance with the IFRS reporting framework

Position description	EUR '000	1	2	3	Basic financial statements	
					EUR '000	Position description
<b>Income from insurance contracts</b>	<b>476,396</b>				<b>476,396</b>	Insurance revenue
General measurement model	17,381					
Variable fee approach	828					
Premium allocation approach	458,186					
<b>Expenditure from insurance contracts</b>	<b>(442,601)</b>				<b>(442,601)</b>	Insurance service expenses
Claims incurred	(299,289)					
Commissions	(46,582)					
Other expenses related to the sale of insurance	(47,780)					
Other insurance service expenses	(73,065)					
Depreciation of insurance acquisition costs	-					
Losses and reversal of losses on onerous contracts	2,210					
Change in liabilities for claims incurred	21,906					
<b>Net result of (passive) reinsurance contracts</b>	<b>(8,542)</b>				<b>(8,542)</b>	Net result of (passive) reinsurance contracts
Income from (passive) reinsurance contracts	53,696					
Expenditure from (passive) reinsurance contracts	(62,238)					
<b>Result from insurance contracts</b>	<b>25,253</b>				<b>25,253</b>	Result from insurance contracts
<b>Net investment result</b>	<b>59,761</b>				<b>59,761</b>	Net investment income
Net result from investment in land and buildings	16,780				16,780	Income from investment property
Rental gains/losses (net)	14,084					
Realised gains/losses (net) from property not for own use	37					
Unrealised gains/losses (net) from property not for own use	2,659					
Depreciation of land and buildings not occupied by an undertaking for its own activities	-					
Interest revenue calculated using the effective interest rate method	30,793				30,793	Interest revenue calculated using the effective interest rate method
Other interest income	1,115		(1,115)			
Dividend income	7,784			(7,784)		
Unrealised gains/losses (net) from financial assets at fair value through profit or loss	4,051		2,186		6,237	Realised gains/losses (net) from financial assets at fair value through profit or loss
Realised gains/losses	1,363					
Realised gains/losses (net) from financial assets at fair value through profit or loss	1,071		(1,071)			
Realised gains/losses (net) from financial assets at fair value through other comprehensive income	293			(293)		
Other realised gains/losses (net)	-					
Net impairment / reversal of impairment of investments	1,493				1,493	Net impairment/release of impairment of financial assets
Net exchange rate differences	(1,012)				(1,012)	Net exchange rate differences
Other income from investments	795			4,675	5,470	Other income/expenditure from investments
Other expenditure from investments	(3,402)			3,402		
<b>Net financial expenditure from insurance and (passive) reinsurance contracts</b>	<b>(6,117)</b>				<b>(6,117)</b>	Net financial result from insurance and (passive) reinsurance contracts
Net financial income/expenditure from insurance contracts	(6,907)				(6,907)	Net financial result from insurance contracts
Net financial income/expenditure from (passive) reinsurance contracts	790				790	Net financial result from (passive) reinsurance contracts
Change of liability for investment contracts	-					
<b>Other income</b>	<b>31,104</b>	(475)			<b>30,629</b>	Other income
<b>Other operating expenses</b>	<b>(40,794)</b>	475			<b>(40,319)</b>	Other operating expenses
<b>Other financial expenses</b>	<b>(1,815)</b>				<b>(1,815)</b>	Other financial expenses
<b>Share of profit of companies consolidated using equity method, net of tax</b>	<b>1,781</b>				<b>1,781</b>	
<b>Profit or loss of the accounting period before tax (+/-)</b>	<b>69,174</b>				<b>69,174</b>	Profit before tax
<b>Tax on profit or loss</b>	<b>(10,721)</b>				<b>(10,721)</b>	Income tax
Current tax expense	(20,397)					
Deferred tax expense/ income	9,676					
<b>Profit or loss of the accounting period after tax (+/-)</b>	<b>58,453</b>				<b>58,453</b>	Profit for the year

Reconciliation of the statement of comprehensive income prepared in accordance with the HANFA format and the format of these financial statements (continued)

1. Income and expenses from the sale of land and buildings and income from reversal of impairment of investments are recorded on a net basis.

2. Other interest income, Realised gains/losses (net) from financial assets at fair value through profit or loss and Unrealised gains/losses (net) from financial assets at fair value through profit or loss are presented in position Net gains/losses (net) from financial assets at fair value through profit or loss.
3. Dividend income, Realised gains/losses (net) from financial assets at fair value through other comprehensive income, Other expenditure from investments and Other income from investments are presented in position Other income/expenditure from investments.

4. Reconciliation of the consolidated statement of financial position prepared in accordance with the HANFA format and the financial statements in accordance with the IFRS reporting framework

Position description	EUR '000	1	2	3	4	5	Basic financial statements	
							EUR '000	Position description
<b>INTANGIBLE ASSETS</b>	<b>19,391</b>						<b>19,391</b>	Intangible asset
Goodwill	-							
Other intangible assets	19,391							
<b>TANGIBLE ASSETS</b>	<b>120,886</b>	<b>(396)</b>					<b>120,490</b>	Property at revaluation model and Property and equipment at cost model
Land and buildings occupied by an undertaking for its own activities	58,548	(396)						
Equipment	15,817							
Other tangible assets and inventories	46,521							
<b>INVESTMENTS</b>	<b>1,489,254</b>		<b>(43,627)</b>				<b>1,445,627</b>	
<b>Investments in land and buildings not occupied by an undertaking for its own activities</b>	<b>138,689</b>						<b>138,689</b>	Investment property
<b>Investments in subsidiaries, associates and joint ventures</b>	<b>10,123</b>						<b>10,123</b>	Investments in subsidiaries, associates and participation in joint ventures
Shares and holdings in subsidiaries	-							
Shares and holdings in associates	789							
Shares and holdings in joint ventures	9,334							
<b>Financial assets</b>	<b>1,340,442</b>		<b>(43,627)</b>				<b>1,296,815</b>	Financial assets
<b>Financial assets at amortised cost</b>	<b>437,868</b>		<b>(43,627)</b>				<b>394,241</b>	Financial assets at amortised cost
Debt financial instruments	301,800							
Deposits with credit institutions	116,180		(43,627)					
Loans	6,559							
Other	13,329							
<b>Financial assets at fair value through other comprehensive income</b>	<b>756,730</b>						<b>756,730</b>	Financial assets at fair value through other comprehensive income
Equity financial instruments	138,812							
Debt financial instruments	617,917							
Units in investment funds	-							
Other	-							
<b>Financial assets at fair value through profit and loss account</b>	<b>145,844</b>						<b>145,844</b>	Financial assets at fair value through profit and loss account
Equity financial instruments	387							
Debt financial instruments	10,964							
Units in investment funds	134,007							
Derivative financial instruments	486							
Other	-							
<b>ASSETS FROM INSURANCE CONTRACTS</b>	<b>16,997</b>						<b>16,997</b>	Assets from insurance contracts
General measurement model	<b>13,311</b>							
- Assets for remaining coverage	(1,478)							
- Assets for insurance acquisition cash flows	-							
- Assets from claims incurred	14,789							
Variable fee approach	-							
- Assets for remaining coverage	-							
- Assets for insurance acquisition cash flows	-							
- Assets from claims incurred	-							
Premium allocation approach	<b>3,686</b>							
- Assets for remaining coverage	6,050							
- Assets for insurance acquisition cash flows	-							
- Assets from claims incurred	(2,364)							
<b>ASSETS FROM REINSURANCE CONTRACTS</b>	<b>54,438</b>						<b>54,438</b>	Assets from reinsurance contracts
<b>DEFERRED AND CURRENT TAX ASSETS</b>	<b>11,534</b>					<b>(10,627)</b>	<b>907</b>	
Deferred tax assets	9,737					(8,830)	907	Deferred tax assets
Current tax assets	1,797					(1,797)	-	Current income tax assets
<b>OTHER ASSETS</b>	<b>75,807</b>	<b>396</b>	<b>43,626</b>	<b>-</b>	<b>(10,904)</b>		<b>108,925</b>	
<b>CASH AT BANK AND IN HAND</b>	<b>23,197</b>		<b>43,626</b>				<b>66,823</b>	Cash and cash equivalents
<i>Funds in the business account</i>	22,924		43,626					
<i>Funds in the account of assets covering liabilities from life insurance contracts</i>	159							
<i>Cash in hand</i>	114							
<b>Fixed assets held for sale and discontinued operations</b>	<b>267</b>			<b>(267)</b>				
<b>Other</b>	<b>52,343</b>	<b>396</b>		<b>267</b>	<b>(10,904)</b>		<b>42,102</b>	Trade receivables and other receivables
<b>TOTAL ASSETS</b>	<b>1,788,307</b>	<b>-</b>	<b>(1)</b>	<b>-</b>	<b>(10,904)</b>	<b>(10,627)</b>	<b>1,766,775</b>	
<b>OFF-BALANCE SHEET ITEMS</b>	<b>83,851</b>						<b>83,851</b>	

Reconciliation of the statement of financial position prepared in accordance with the HANFA format and the format of the financial statements prepared in accordance with the IFRS reporting framework (continued)



1. Inventories are recorded together with trade and other receivables.
2. Deposits with contractual maturity up to 3 months are recorded together with cash and cash equivalents.
3. Fixed assets held for sale and discontinued operations is recorded on the position Trade and other receivables.
4. Internal receivables are offset with corresponding liabilities in the Basic financial statements.
5. Deferred tax assets and liabilities are recorded on a net basis in the Basic financial statements.

Position description	EUR '000	1	2	3	4	5	Basic financial statements	
							EUR '000	Position description
<b>CAPITAL AND RESERVES</b>	<b>764,411</b>						<b>764,411</b>	Capital and reserves
Subscribed capital	78,296						78,296	Subscribed share capital
<i>Paid in capital - ordinary shares</i>	78,296							
<i>Paid in capital - preference shares</i>	-							
Premium on shares issued (capital reserves)	90,448						90,448	Premium on issued shares
Revaluation reserves	47,302				44,129		91,431	Revaluation reserve
<i>Land and buildings</i>	14,052							
<i>Financial assets</i>	33,228							
<i>Other revaluation reserves</i>	22							
Financial reserves from insurance contracts	44,129				(44,129)		-	
Reserves	53,279						53,279	Reserves
<i>Legal reserves</i>	3,992							
<i>Statutory reserve</i>	19,459							
<i>Other reserves</i>	29,828							
Retained profit or loss brought forward	392,576					58,381	450,957	Retained earnings
<i>Retained profit</i>	392,576					58,381		
<i>Loss brought forward (-)</i>	-							
Profit or loss for the current accounting period	58,381					(58,381)		
<i>Profit for the current accounting period</i>	58,381					(58,381)		
<i>Loss for the current accounting period (-)</i>	-							
<b>SUBORDINATE LIABILITIES</b>	<b>-</b>							
<b>MINORITY INTEREST</b>	<b>747</b>						<b>747</b>	
<b>LIABILITIES FROM INSURANCE CONTRACTS</b>	<b>861,986</b>						<b>861,986</b>	Liabilities from insurance contracts
General measurement model	393,077							
- Liabilities for remaining coverage	379,868							
- Assets for insurance acquisition cash flows	-							
- Liabilities for claims incurred	13,209							
Variable fee approach	24,392							
- Liabilities for remaining coverage	21,480							
- Assets for insurance acquisition cash flows	-							
- Liabilities for claims incurred	2,912							
Premium allocation approach	444,516							
- Liabilities for remaining coverage	117,318							
- Assets for insurance acquisition cash flows	-							
- Liabilities for claims incurred	327,198							
<b>LIABILITIES FROM REINSURANCE CONTRACTS</b>	<b>4,025</b>						<b>4,025</b>	Liabilities from reinsurance contracts
<b>LIABILITY FOR INVESTMENT CONTRACTS</b>	<b>-</b>							
<b>OTHER PROVISIONS</b>	<b>8,486</b>	<b>(401)</b>					<b>8,085</b>	Provisions
Provisions for pensions and similar obligations	8,085							
Other provisions	401	(401)						
<b>DEFERRED AND CURRENT TAX LIABILITIES</b>	<b>37,893</b>			<b>(10,627)</b>			<b>27,266</b>	
Deferred tax liability	24,030			(8,830)			15,200	Deferred tax liability
Current tax liability	13,863			(1,797)			12,066	Current income tax liability
<b>FINANCIAL LIABILITIES</b>	<b>48,240</b>						<b>48,240</b>	
Loan liabilities	80							
Liabilities for issued financial instruments	-							
Liabilities for derivative financial instruments	91							
Liability for unpaid dividend	213							
Other financial liabilities	47,857							
<b>OTHER LIABILITIES</b>	<b>62,518</b>	<b>401</b>	<b>(10,904)</b>				<b>52,015</b>	Accounts payable and other liabilities
Liabilities for disposal and discontinued operations	1							
Accruals and deferred income	17,819							
Other liabilities	44,699	401						
<b>TOTAL LIABILITIES</b>	<b>1,788,307</b>	<b>-</b>	<b>(10,904)</b>	<b>(10,627)</b>			<b>1,766,775</b>	
<b>OFF-BALANCE SHEET ITEMS</b>	<b>83,851</b>						<b>83,851</b>	

1. In the Basic financial statements, Other provisions are recorded within position Accounts payable and other liabilities.
2. Internal liabilities are offset with corresponding receivables in the Basic financial statements.
3. Deferred tax assets and liabilities are offset in the Basic financial statements.
4. In basic financial statements, Financial reserves from insurance contracts is recorded on position Revaluation reserves.
5. Profit or loss for the current accounting period is presented together with retained earnings in the financial statements prepared in accordance with the IFRS reporting framework.

## **Statement of cash flow**

The statement of cash flows has been prepared in accordance with the Ordinance on the structure and content of financial statements of insurance and reinsurance companies ("the Ordinance") but its presentation differs from the statement of cash flows in the financial statements.

The main differences in presentation are described below:

1. Differences in the statement of cash flows in the financial statements prepared in accordance with the IFRS reporting framework and the statement of cash flows under the Ordinance arise due to differences in the relevant positions of assets and liabilities due to the different presentation in the financial statements compared to the Ordinance. These differences are presented in the adjustments of the statement of financial position (balance sheet).
2. Cash and cash equivalents at the beginning and end of the period presented in the basic financial statements include deposits with contractual maturity up to 3 months as opposed to cash and cash equivalents at the beginning and end of the period presented in the statement of cash flows under the Ordinance.

## **Statement of changes in equity**

In the statements under the Ordinance, profit/loss for the current year is presented in the eponymous column and in the subsequent period, upon adoption of the Decision of the General Assembly and the Supervisory Board, profit/loss is transferred through Other non-owner changes in equity to Retained earnings, while in the basic financial statements it is presented under Retained earnings.