Annual Report
for 2024

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 2024

Operating results and financial position of the Company and the Group

Company

For the first time in its history the Republic of Croatia has entered the group of countries with the highest credit rating in the world and currently has a credit rating of (A-). CROATIA osiguranje d.d. (hereinafter: "the Company" or "Croatia") in 2024 became the first insurance company in Croatia to receive an A- financial strength rating from agency Fitch, in the year in which the Company marked the 140th anniversary of its founding.

The operations of CROATIA osiguranje d.d. in 2024 were strongly influenced by the growth of the insurance market in Croatia, accompanied by significant price adjustments. With the increase in GDP, as well as the increase in awareness of the need for insurance, the number of insurance policies on the market is also increasing, especially in the field of health insurance and property insurance.

The Company continued with significant investments in digital forms of communication (Laqo, the Moja Croatia application), as well as in the loyalty program Spektar. The Company also decided to separate investment properties into a separate entity to increase the efficiency of managing that part of the portfolio. All of this resulted in an increase in the Company's gross profit to EUR 71.5 million, which is 29.6 percent, or EUR 16.3 million more than previous year. The Company's net profit grew to EUR 65.6 million.

Total income from insurance contracts amounted to EUR 448.8 million and increased over EUR 53 million or 13.5 percent compared to the previous year. All types of both life and non-life insurance grew.

Investment activities of the Company in 2024 were strongly influenced by the dividend payment of EUR 115 million, and the strong growth of the capital market. The achieved result of EUR 58.7 million, although nominally better than last year's by 12.4 percent or EUR 6.5 million, is around last year's level when subsidiaries dividends are excluded.

Total expenditure from insurance contracts grew to EUR 408.6 million, which is an increase of EUR 32.7 million or 8.7 percent, across all costs categories (claims, sale related insurance expenses as well as other sale related insurance expenses).

Total assets of the Company as at 31 December 2024 amounted to EUR 1,492 million, which represents an decrease of EUR 10 million or 0.7 percent compared to the previous year.

Group

In 2024, the CROATIA osiguranje d.d. group (hereinafter: the Group) generated consolidated profit after tax and non-controlling interest in the amount of EUR 61 million, which is EUR 2.6 million or 4.5 percent higher compared to the previous year.

Total insurance income at the Group level amounted to EUR 540.8 million in 2024, which represents an increase by EUR 64.4 million or 13.5 percent. The total non-life insurance income amounted EUR 526.8 million, while the total life insurance income amounted to EUR 14 million.

In investment activities of non-life and life segment, the Group achieved a net investment result in the amount of EUR 58.4 million, which is a decrease of EUR 1.4 million or 2,3 percent compared to the previous year. The decrease is primarily due to the payment of regular and extraordinary dividends to shareholders in the amount of EUR 115 million.

Total expenditure from insurance contracts grew to EUR 489.1 million, which is an increase of EUR 46.5 million or 10.5 percent, across all costs categories (claims, sale related insurance expenses as well as insurance service related insurance expenses).

Total assets of the Group as at 31 December 2024 amounted to EUR 1,776 million, which represents an increase of EUR 10 million or 0,5 percent compared to 31 December 2023.

Significant business events in the reporting period

The growth of revenues and profit continued at the end of another year of record results, while the Company's strategic focus was on investments in the areas of health and digitalization

The digital business segment in the 2024 continues to grow. Realized premium from total digital business increased by 30 percent compared to the same period last year, while the number of clients using the Moja Croatia mobile application increased by 16 percent. Croatia's digital brand LAQO achieved premium growth of 29 percent compared to 2023. Koreqt, an advanced digital platform for comparing and selecting products and services which Croatia launched in February 2024, continues to achieve positive results. Compared to the previous quarter, the number of active products increased by 30 percent, and the number of clicks to partners increased by 11 percent quarterly. In 2024, a new functionality was introduced within the Moja Croatia mobile application that allows clients to independently and easily book appointments for a systematic examination and review all services covered by their policy, as well as insight into services already used. On its fourth birthday, Croatia's digital brand LAQO launched an advanced digital assistant based on artificial intelligence, which is the first in Croatia who can calculate the price of an insurance policy for users via the WhatsApp application in just a few seconds. Croatia was the first on the market to introduce artificial intelligence in the assessment of damage to motor vehicles, and a web-based claim application system for property insurance was introduced, with which the entire process from application to settlement can be carried out within 24 hours. The digitalization of the claims process will also be in focus in 2025.

Investments in private healthcare of the highest standards continue, with over EUR 20m have been invested over the last four years. Croatia Poliklinika further strengthened its market position with the acquisition of the Poliklinika Marin Med in Dubrovnik in May and the MEDrOS polyclinic in Osijek in October 2024. Top medical teams and medical services and the most modern technology are available to all residents throughout Croatia in Croatia Poliklinika in nine cities: Zagreb, Split, Rijeka, Osijek, Varaždin, Zadar, Pula, Koprivnica and Dubrovnik. Revenue increase of 54 percent compared to the same period of the previous year marked 2024 and includes revenues from the Poliklinika Marin Med in Dubrovnik and MEDrOS in Osijek. The team of top doctors and medical staff has increased by 40 percent compared to the same period last year, and the positive trend of patient satisfaction has continued, among which 95 percent are those who emphasize the kindness and commitment of the Croatia Poliklinika staff.

Croatia's Spektar benefits package continues with excellent results. Until the end of 2024, more than 93,000 households with over 121,000 members are included in Spektar packages. In this way, in Spektar is included the majority of clients who have exercised the right to use the package, and the prerequisites for the planned expansion of the program in 2025 have been created.

In November 2024, the Fitch agency has assigned Croatia Osiguranje a long-term financial strength rating of A- with a stable outlook. Croatia osiguranje thus became the first insurance company in Croatia to receive an external rating from one of the world's most famous rating agencies. The high Fitch rating came in the year in which Croatia osiguranje marked the 140th anniversary of its founding, as well as 10 years of operations as part of the Adris Group. Croatia osiguranje was awarded with two more important awards in 2024 - the Golden Kuna for the most successful insurance company and the Charter of the Republic of Croatia for its contributions to the development of the Croatian economy.

In November 2024, the documentary film "Croatia is Hrvatska" premiered, concluding the celebration of the 140th anniversary of the company's founding. The central event of the anniversary was the multimedia pavilion "Croatia 2074 - a look into the future", in which leading Croatian scientists, experts and creatives gave their outlook on the future of Croatia and Europe. The pavilion was visited by more than 12,000 visitors during the month, including a many school and university groups from all over Croatia.

Employee volunteering campaigns "Dan za više" continued. In the first half of the year employees raised funds for Krijesnica - an association for helping children and families facing malignant diseases, and in the second half of the year more than 60 doses of blood were collected through a voluntary blood donation campaign. At the beginning of December 2024, Croatia employees also collected aid for 150 families with more than 400 children who are foundation Mali zmaj proteges.

Cooperation with higher education institutions, the most intensive of which are those with the Faculty of Electrical Engineering and Computing and the Faculty of Economics in Zagreb, continued in 2024 through the development of specialist studies, guest lectures by Croatia osiguranje experts, support for student initiatives and initiatives aimed at raising financial literacy.

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 (ordinary and preference). On 5 March 2024, the General Assembly passed a decision on the payment of the dividend, and the dividend was paid on 18 March 2024. Additionally, on 8 April 2024, the Management Board and the Supervisory Board proposed to the General Assembly an additional dividend payment from retained earnings in the total amount of EUR 16,049,146.52 or EUR 37.35 per share (ordinary and preference) and the payment of dividends from the net profit realized in 2023 in the total amount of EUR 33,954,693.37 or EUR 79.02 per share (ordinary and preference). On 11 June 2024, the General Assembly passed a decision on the payment of the dividend, and the dividend was paid on 8 August 2024. Croatia osiguranje d.d. in the past years operated successfully, with a growing level of profit and high capital adequacy rates, both at the Company and the Group.

Member of the Management Board, Vančo Balen, left the Company on 30 April 2024, as the last day of his mandate, on personal request, for private reasons.

Supervisory Board of the CROATIA osiguranje d.d. at the session held on 11 October 2024, following prior decision of the Croatian Financial Services Supervisory Agency (HANFA), made a decision on the appointment of Vesna Sanjković, to perform the function of a member of the Management Board of the CROATIA osiguranje d.d., for a period from 11 October 2024 to 31 December 2026.

Geopolitical and macroeconomic situation, conflicts and challenges

The year 2024 was marked by political changes in some of the world's largest economies, as well as the consequences these changes had on the geopolitical situation in the world. Foremost, it refers to the US presidential elections, which resulted in a great dominance of the Republican Party led by Donald Trump as the new US president. The tightening of economic cooperation between other countries and the imposition of tariffs on almost all trade partners of the USA were announced.

It also remains to be seen how the new US president's term will affect the current conflicts in Ukraine and the Middle East, conflicts that have been causing global instability for years. The Company complies with all sanction regulations regarding these conflicts and has no direct business with Russia and Ukraine in the insurance and reinsurance business.

Inflation declined throughout 2024, which was one of the main reasons why central banks (primarily the FED and the ECB) decided to cut interest rates in the second half of the year. However, Trump's announcement of tariffs increased market volatility and halted the decline in inflation. In the last months of 2024, the US economy recorded stable inflation, but still above the target level of 2%. Therefore, the head of the US central bank, Jerome Powell, announced that the pace of interest rate cuts in 2025 would not be the same as in the second half of 2024 (the FED cut interest rates three times in the second half of 2024 - a total of 1 p.p. during that period). Therefore, at the first FED meeting in January, as expected, interest rate cuts did not continue, and the state of the US labor market and inflation will determine whether (and at what pace) the reduction will continue in 2025.

On the other hand, the European Central Bank's policy is to reduce interest rates more aggressively (from mid-2024 to January 2025, the ECB reduced key interest rates five times - a total of 1.25 p.p. to 1.6 p.p. depending on the type of rate). Although inflation in the Eurozone is also higher than the desired level (in the last months of 2024, a gradual increase in inflation to 2.5% was recorded), the ECB is not giving up on its plan to continue reducing interest rates for the time being. In the Republic of Croatia, inflation accelerated again in late 2024 compared to previous months, reaching levels above 4%. This put the Republic of Croatia at the top of the Eurozone according to the inflation criterion. Wage growth (more significantly expressed in the public sector), private consumption, as well as investments from EU funds, are expected to continue to support price and GDP growth in Croatia.

The US stock market recorded strong growth in 2024 (the S&P 500 stock index rose by 27%), driven, among other things, by optimism about the announced moves of the newly elected US president. The European stock market also recorded overall growth in 2024, but the second half of the year was negative due to political instability in the largest European economies – France and Germany, as well as the announced US tariffs on European products. The beginning of 2025 brought increased volatility to most global stock markets, caused by geopolitical tensions and economic moves between the new US administration and other world economies (China, EU, Canada, Mexico, etc.)

The Croatian bond market recorded an increase in value in 2024, primarily due to the increase in credit ratings by all three major credit agencies (to an above-average credit quality level of A-), which led Croatia to outrival some larger European countries in terms of credit rating and further strengthened the increasingly stable credit perception that Croatian bonds enjoy among foreign investors. This was also reflected in Croatian stocks, which grew strongly in 2024 (a 30% increase in the Crobex index). The growth continued at the beginning of 2025, with Slovenian stocks joining in - the ADRIAprime index (a combination of blue-chip Croatian and Slovenian stocks) recorded a 10.6% increase in value in January, followed by a period of increased volatility.

As for operations, according to the latest results of the ORSA process, the Company is resilient to various stressful circumstances, thanks to its high capitalization, i.e. solvency. The Company's SCR ratio as of 31.12.2024 amounts to a high 267% for the Company, and even in stressful circumstances the Company would likely continue to operate in accordance with regulatory requirements.

Significant events after the end of the reporting date

There were no events after the end of the reporting date that would require disclosure.

Expected development in the future

In 2024, the insurance market grew by double-digit percentages, driven by stronger price corrections. In 2025, more modest market growth is expected, with the primary focus on digital insurance contracting, expanding the product spectrum, and increasing the penetration of certain product types.

The increase in the minimum salary of 15%, as well as significant salary corrections in the public sector, are increasing inflationary pressures. In the last 3 months of 2024, inflation in the Republic of Croatia has accelerated again and is one of the highest in the EU, with the tendency for the trend to continue in part of 2025. This might result in inflation potentially breaking the previous predictions for 2025, which ranged around 3.5%.

Given the current negative sentiment among citizens caused by inflation, which is primarily reflected in the boycott of food purchases, insurers, but also other industries, will have to balance more carefully between increasing internal efficiency and continuing the current pricing policy.

Climate change continues to have a significant impact on the development of the insurance and reinsurance market. January was once again the warmest January on record globally, despite a strengthening La Nina event that was expected to bring a slight drop in temperatures. We are also witnessing historic fires in California, estimated to result in more than USD20 billion in damage, with the recovery process likely to take years. All of this will continue to increase reinsurance prices in the long term, with the possibility that some risks in some geographic locations will no longer be reinsurable at all.

Life insurance is affected by the drop-in interest rates due to the upgrade of the credit rating of the Republic of Croatia and the interest rates cuts by the ECB. According to this, 2025 is expected to bring stagnation in this insurance segment compared to 2024.

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. Given the increase in global uncertainty and risk, the Company will consider potential new business opportunities much more strictly.

Company branch

As at 31 December 2024 the Company has one registered branch (Branch Ljubljana). In its legal transactions, the branch operates as CROATIA osiguranje d.d. branch Ljubljana, in the Croatian language, and as CROATIA ZAVAROVANJE d.d. branch Ljubljana, in the Slovenian language.
In accordance with the Company's decision, for the purpose of more efficient operations, the Company is in the process of closing the Ljubljana branch. 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 as well as more details about the exposure are visible in Note 2.33. *Financial risk management* to the Consolidated and separate financial statements for 2024.

CO Group 2024 Sustainability Statement

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ESRS 2 – Basis for preparation

BP1 – General basis for preparation of the sustainability statement

The consolidated Sustainability Statement of CROATIA osiguranje d.d. ("the Company") and its subsidiaries (collectively "CO Group") for the reporting year ending 31 December 2024 (1 January 2024 – 31 December 2024) was prepared in accordance with the Croatian Accounting Act and the European Sustainability Reporting Standards (ESRS) as per the Corporate Sustainability Reporting Directive (CSRD). In addition to its own Statement, the CO Group also discloses its sustainability information in the consolidated Sustainability Statement of Adris grupa d.d. The information contained in CO Group's Sustainability Statement is prepared on the same consolidated basis as CO Group's consolidated financial statements.[1]

The contents of this Statement are based on the results of the Double Materiality Assessment (DMA) performed in 2024 in line with the requirements set out in the CSRD and the ESRS. This assessment identifies material environmental, social, and governance impacts, risks and opportunities while addressing the interests of various CO Group stakeholders. The Double Materiality Assessment is the basis for determining the priority of the most important sustainability matters for disclosure.

The Sustainability Statement provides relevant information about CO Group's operations. Upstream and downstream value chains were considered in the Double Materiality Assessment process using publicly available data and information within the CO Group. However, due to the complexity of gathering information from the value chain, the Company will make use of the exemption offered by the ESRS (ESRS 1, 133) for the first three years of sustainability reporting. This exemption allows the undertaking to limit upstream and downstream value chain information to information available in-house, such as data already available to the undertaking (e.g. internal data) and publicly available data and information. Furthermore, by making use of this exception, the Company is not required to include upstream and downstream value chain information when disclosing metrics, except for information derived from other EU legislation, as listed in ESRS 2 Appendix B. Given that this is CO Group's first reporting year, the Company did not directly include the actors in its upstream and downstream value chain in due diligence, and the disclosed policies, actions, targets and metrics therefore do not include information from these parts of its value chain. In the future, the Company plans to gradually establish a process for gathering information in its upstream and downstream value chain, which the Company will include in its reporting. Furthermore, the Statement includes all relevant information and does not omit any information on intellectual property, know-how or results of innovation.[2]

BP-2 – Disclosures in relation to specific circumstances

In the Double Materiality Assessment process, on account of challenges in gathering value chain information and data, impacts in the value chain were identified using publicly available sources of information.
Over the next two years, CO Group will establish systems for gathering information from its key actors in the value chain (suppliers, business partners, local community, clients and end users) to improve the due diligence process and gain a better understanding of the impacts, risks and opportunities stemming from the value chains.[3]
More information about the publicly available information used is given under requirement IRO-1 Description of the processes to identify and assess material impacts, risks and opportunities.

Also, on account of challenges in gathering information and data, the calculation of Scope 3, category 15 GHG emissions 'Investments' is based on data from government bonds (including treasury bills), stocks, corporate bonds, alternative investment funds (AIFs), exchange-traded funds (ETFs), undertakings for collective investment in transferable securities (UCITS), investments for unit-linked products (UL), loans, deposits, and cash in business accounts, as well as relevant country-specific emission factors. There is a plan to improve the information gathering process for the information needed to calculate Scope 3, category 15 emissions for affiliate companies in the coming years. Given the regulatory requirements applicable to some issuers, the estimate is that the Company will have access to more accurate data and will rely less on estimations in the calculation. The sources of information and estimations are described in more detail under topical standard E1-6 Gross Scope 1, 2, 3 GHG emissions.[4]

[1] BP-1 5. a), b) i.
[2] BP-1 5. c), d)
[3] BP-2 10. a), b), c), d)
[4] BP-2 11. a), b)

Disclosures stemming from other legislation or generally accepted sustainability reporting pronouncements

The Sustainability Statement includes information required by the Accounting Act, the Companies Act, the Corporate Governance Code, International Financial Reporting Standards (IFRS) as well as information determined by the Own Risk and Solvency Assessment. Where applicable, precise references are provided to specific paragraphs of the said standards or frameworks in an effort to ensure transparency and clarity in differentiating information required under the ESRS from disclosures required under other laws or frameworks.[5]

Referenced paragraph	Page
Segment reporting	183, 215-223

CO Group applies the transitional provision according to ESRS 1 10.4, whereby this report omits disclosure requirements that are being gradually introduced and have been identified as significant. This includes the following disclosure requirements: SBM-1 points 40. b) and 40. c), SBM-3 point 48. e), requirements E1-9 Expected financial effects of significant physical and transition risks and potential climate-related opportunities, S1-7 Characteristics of non-employees in the undertaking's own workforce, S1-8 Collective bargaining coverage and social dialogue, S1-12 Persons with disabilities, S1-14 Health and safety metrics (not disclosed for non-employee workers), and S1-15 Work-life balance.

GOV-1 – The role of the administrative, management and supervisory bodies and GOV-2 – Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies

The Company's management structure consists of the Management Board and the Supervisory Board. Together with the General Assembly, they comprise the three main bodies of the Company. The duties of the Company's bodies are regulated by the Croatian Companies Act, the Insurance Act, and the Company's Articles of Association.[6] The table below shows the key metrics relating to the composition and diversity of the Company's Management Board. These metrics provide an understanding of gender diversity in the Management Board and the share of independent members in the Supervisory Board.[7]

Members of the Management Board	Share
Women	25%
Men	75%
	Share
Independent Members of the Supervisory Board	42.9%

Data on the representation of employees and other workers in the Company's administrative, management and supervisory bodies[8]

One Member of the Supervisory Board is appointed and revoked by the workers in direct and secret elections in the manner provided for the election of the Workers' Council. The workers have this right for as long as the conditions defined in the Labour Act are fulfilled. Following the holding of the elections for the workers' representative to the Supervisory Board, worker Pero Kovačić was appointed as a Member of the Supervisory Board for a term of four years, effective 10 March 2022. The workers' representative in the Supervisory Board is a Member of this body who has equal rights and obligations as all its other members, with the exception of participation in decision-making on matters regulated by the provisions of the Insurance Act. The duty of the workers' representative in the Supervisory Board is to supervise the management of the Company's operations; protect the workers' interests; communicate the workers' views on matters lying within the Supervisory Board's competences to the Supervisory Board; and assist the Supervisory Board in its work through active participation.

[5] BP-2 15.
[6] GOV-1 22.
[7] GOV-1 21. d), e)
[8] GOV-1 21. b)

The Company's Management Board

Under the Company's Articles of Association, the Company's Management Board is composed of a minimum of three and a maximum of seven Members, one of whom serves as the President of the Management Board. As at 31 December 2024, the Management Board was composed of four Members. The Members of the Management Board are appointed by the Supervisory Board for a maximum term of five years and may be revoked and re-elected. The position of a Member of the Management Board may be filled by a person who fulfils at all times the requirements laid down in the Companies Act, the Insurance Act, and the Ordinance on requirements for performing the function of the insurance or reinsurance undertaking's management and supervisory board member, procurator and authorized representative of a branch of the insurance or reinsurance undertaking, adopted by HANFA. In order to be appointed as a Member of the Company's Management Board, a person needs to be pre-approved by HANFA.

The Company's Management Board has adopted the Rules of Procedure regulating all matters of importance for the activities of the Management Board that have not been regulated by the Company's Articles of Association. As per the Articles of Association and the Rules of Procedure, the Company's Management Board manages the Company's operations jointly, and the Company is represented by at least two Members of the Management Board.

The Company's Management Board is the body responsible for the implementation of strategies, and the management of everyday operations and sustainability issues and topics.

The composition of the Management Board of Croatia osiguranje d.d. as at 31 December 2024 [9]:

- Davor Tomašković , President of the Management Board
- Robert Vučković, Member of the Management Board
- Luka Babić, Member of the Management Board
- Vesna Sanjković, Member of the Management Board

The Management Board is responsible for supervising the impacts, risks and opportunities related to sustainability at the highest management level, which has been established through double materiality assessment mechanisms and the estimations of possible effects, defined inter alia through the ORSA process.[10]

Supervisory Board

The Supervisory Board is composed of seven Members, including its President and Deputy President. The position of Member of Supervisory Board can be filled by a person who fulfils at all times the requirements laid down by the Companies Act, the Insurance Act, and the Ordinance adopted by HANFA. Under the Company's Articles of Association, the term of the Members of the Supervisory Board lasts for four years.

The composition of the Supervisory Board of Croatia osiguranje d.d. as at 31 December 2024 [11]:

- Roberto Škopac, President of the Supervisory Board
- Željko Lovrinčević, Deputy President of the Supervisory Board
- Zoran Barac, Member of the Supervisory Board
- Vitomir Palinec, Member of the Supervisory Board
- Hrvoje Patajac, Member of the Supervisory Board
- Pero Kovačić, Member of the Supervisory Board
- Hrvoje Šimović, Member of the Supervisory Board

The Supervisory Board supervises the running of the Company's operations and decides on matters lying within its scope of competences in accordance with the provisions of the Companies Act, the Company's Articles of Association and the Supervisory Board's Rules of Procedure, and the Accounting Act insofar as it applies to ESG reporting.

The Supervisory Board's Committees

The Supervisory Board has formed two committees that serve as expert bodies supporting the Supervisory Board's work: the Audit Committee and the Nomination and Remuneration Committee. As per the Corporate Governance Code, each Committee has a minimum of three members.

[9] GOV-1 22. a)
[10] GOV-1 22. b), c)
[11] GOV-1 22. a)

Audit Committee
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 required to conduct in accordance with the statutory competences. Under the Act on the Amendments to the Audit Act, adopted in July 2024, the Audit Committee will also take over the required extended tasks with respect to the verification of sustainability statements.
The Audit Committee performs the tasks determined by the Audit Committee's Rules of Procedure in accordance with the provisions of the Audit Act, Regulation (EU) no. 537/2014, Corporate Governance Code of the Zagreb Stock Exchange d.d. and the Croatian Financial Services Supervisory Agency, and other applicable regulations. The description of the Audit Committee's activities is publicly available on the Company's website. The Audit Committee is composed of three Members appointed by the Supervisory Board from among its Members.

The composition of the Audit Committee as at 31 December 2024 [12]:
- Hrvoje Patajac, President of the Audit Committee
- Vitomir Palinec, Member of the Audit Committee
- Željko Lovrinčević, Member of the Audit Committee

Nomination and Remuneration Committee
The Supervisory Board has formed the Nomination and Remuneration Committee as a professional body supporting the Company's Supervisory Board. The Nomination and Remuneration Committee is composed of three members appointed by the Supervisory Board from among its members. The Nomination and Remuneration Committee performs the tasks set out 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 in accordance with the provisions of the Corporate Governance Code.

The composition of the Nomination and Remuneration Committee as at 31 December 2024 is given below:[13]
- Roberto Škopac, President of the Nomination and Remuneration Committee
- Vitomir Palinec, Member of the Nomination and Remuneration Committee
- Hrvoje Patajac, Member of the Nomination and Remuneration Committee

The expertise and skills of the Members of the Management Board and Supervisory Board and holders of key functions

The Company adopted the Fit and Proper Policy, which regulates the Company's conduct in the appointment of Management Board Members, Supervisory Board Members, and holders of key functions, as well as the guidelines for continuous verification that the nominated holders of those positions meet the requirements of expertise and fitness required (hereinafter: the Policy). The Policy supports the Company's management system and applies primarily to the Members of the Supervisory Board, Members of the Management Board, and holders of key functions, who are expected to ensure, in addition to compliance with legal regulations and professional rules, the continued functioning of the Company's operations in accordance with the business plan and the expectations of all stakeholders.

The assessment is based on a set of guidelines describing desirable positive characteristics, primarily for key employees. To ensure optimal continuous operation of the Company and to safeguard the interests of its policyholders and owners, the Company ensures that its management staff, as well as key functions, have the experience, expertise and skills required to perform their duties with care, professionalism and competence. The candidate's possession of the required personal and professional qualifications is determined for expertise assessment purposes, taking into account the tasks and responsibilities involved in the position.[14]

The Company aims to ensure that the persons effectively running the Company continuously possess the collective expertise, know-how and experience in line with the Company's risk profile in the following areas as a minimum:

- insurance and financial markets;
- business strategy and business models;

[12] GOV-1 22. a)
[13] GOV-1 22. a)
[14] GOV-1 21. c)

- governance system;
- financial and actuarial analyses;
- regulatory requirements and frameworks for action.

Persons managing the Company need to be of good repute and exemplary moral and ethical character, and have no history of criminal and financial misconduct or any other serious deficiencies noted during the appointment procedure in order to perform their work with due care of a conscientious businessman, taking care not to jeopardize the planned result and the reputation of the Company or to lead to a conflict of interest. As needed or available, other sources of information, such as media disclosures, information from previous employers, regulators, professional associations, etc., are used in the fitness review.[15]

The Company continually improves its governance policies to satisfy the changing regulatory and market expectations in line with the Corporate Governance Code adopted together by the Croatian Financial Services Supervisory Agency and the Zagreb Stock Exchange. Its governance principles are based on transparency, responsibility, and ethical conduct, as supported by the internal acts such as the Code of Ethics, and as aligned with the Corporate Governance Code.

Sustainability training for the Members of the Supervisory Board was put in place on the e-learning platform in 2024 within the regular training and education programme for the Members of the Supervisory Board in accordance with the provisions of the Corporate Governance Code with a view to improving their skills and know-how. The Company's senior management also has climate risk management experience within their respective competences, such as product development and claims management. The insurance industry is one of the first industries to have integrated climate risks in its risk management, which has resulted in an even greater emphasis on the importance of expertise in this area. The Company's competent bodies have and use sustainability expertise through several key mechanisms. In 2022, the Company established an ESG function and formed a multidisciplinary ESG team composed of experts in different areas. This team manages and monitors material sustainability topics relating to its area of competence, contributes to individual topics and initiatives together with the CO Group extended expert team, and works with the ESG team at the level of Adris grupa d.d. The Company continually invests in educations and trainings for its employees under programmes such as "Manager Competences" and "Leadership Academy", which cover current sustainability-relevant topics. Within the preparations for CSRD reporting in 2024, the Company delivered a series of introductory trainings on sustainability for internal CO Group stakeholders. In addition, the Company uses e-learning platforms for continuous professional development of its employees, thus ensuring that everyone is on board with the latest sustainable business practices.[16]

To ensure efficient implementation of sustainability-related initiatives and strategic goals, the Company's Management Board is informed twice a year about the ongoing activities and the progress in the implementation of goals. The Company's management also receives regular updates at periodic meetings and workshops, especially within the reporting process, including information on material impacts, risks, opportunities, and progress regarding sustainability-related goals and policies, as defined in due diligence procedures.[17]

In 2024, the Company's Management Board was involved in the Double Materiality Assessment process and the identification of material impacts, risks and opportunities, whose list is provided in the chapter SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model.[18] The link between each identified material impact, risk and opportunity and the Company's business model and strategy is described in more detail under the respective topical standards.

GOV-3 – Integration of sustainability-related performance in incentive schemes

On 8 April 2024, the Company's Supervisory Board adopted the revised Remuneration Policy for the Members of the Management Board as per the legal requirement to revise the said policy within a period of four years. Essentially, the revised Policies supplemented the fundamental remuneration principles with a time balance between short-term efficacy and long-term growth of the Company's value through a combination of single-year and multi-year goals, and the definition of short-term and long-term goals. The goals include financial and specific

[15] G1 5. b)
[16] GOV-1 23. a), b)
[17] GOV-2 26. a), b)
[18] GOV-2 26. c)

non-financial goals whose combination promotes the development of new products and businesses and the organisation (transfer of know-how and skills – succession system, development of new business segments).

Furthermore, it has been laid down that the remuneration system must be focused on the sustainable development of the Company. All remuneration elements must be appropriate from the aspect of each individual element as well as collectively. In particular, the said elements must not encourage the Members of the Management Board who are subject to the Remuneration Policy to take unreasonable risks that are not aligned with the Company's and the Group's long-term interests, business strategy, goals and values. Definitions and structures of fixed and variable remunerations have been supplemented. In particular, numerical criteria have been specified in annual and multiannual bonuses as variable remunerations with a view to transparency in accordance with practical procedures. Under the Policy, variable remunerations are linked to sustainability, do not promote excessive risks, and are paid to the extent to which fixed-to-variable remuneration ratio remains within a reasonable range.[19]

The Company's Management Board has defined non-financial goals, which include programmes for the strengthening and the stability of the organisation in addition to business development programmes with new growth sources and digitalisation. Given that the Company has not yet prepared a transition plan for climate change mitigation and has not yet defined the actions and targets for the reduction of GHG emissions, specific issues related to climate and emission reduction targets are not included in the remuneration system for the Members of the Management Board at this time.[20] In the same vein, CO Group has not yet adopted an action plan or identified sustainability targets in general, as a result of which other sustainability metrics are not included in the remuneration system either. Nevertheless, the non-financial goals defined in the Policy are closely linked to some of the actual positive impacts on the Company's own workforce. Under the Remuneration Policy, multiannual goals are set for the Members of the Management Board on a four-year term level, and within these multiannual goals, annual goals are elaborated and adjusted every year to align them with the multiannual and annual plans. Business performance and non-financial goals are taken into account when calculating the amount of the variable remuneration, with 25% impact on annual remuneration and 30% impact on multiannual remuneration. Building an ESG infrastructure and a system that will allow for the inclusion of specific sustainability metrics is integrated in the remuneration system at the moment, and their implementation is planned in 2025. The conditions of the incentive schemes defined by the Remuneration Policy for the Members of the Management Board are considered by the Nomination and Remuneration Committee, and approved and updated at the level of the Supervisory Board.[21]

As a stock-listed company, pursuant to Art. 272.r of the Companies Act, the Company is required to issue a Remuneration Report. Accordingly, once a year, the Management Board adopts the Remuneration Report for the previous year, which is then adopted by the Nomination and Remuneration Committee and the Supervisory Board, and afterwards approved by the General Assembly. The Remuneration Report contains an overview of the remunerations of the Members of the Company's Management Board and Supervisory Board. Its compliance with the regulations is additionally examined by an external auditor, which also audits the Company's annual financial statements. The auditor is required to verify if the Remuneration Report includes all information required by the Companies Act, and to draw up the Report on the Examination of the Remuneration Report, which is enclosed to the Remuneration Report. Following its approval by the General Assembly, the Remuneration Report and the respective auditor report is published on the Company's website and remains available, free of charge, during a period of ten years as per Art. 272.r (4) of the Companies Act. The Company's Management Board and Supervisory Board are responsible for the publication of the Remuneration Report on the Company's website and for the accuracy of the data contained therein.[22]

GOV–4 – Statement on due diligence

As per ESRS requirements, CO Group initiated a detailed due diligence process for managing sustainability issues in 2024, relying on OECD's guidelines for multinational companies. However, due to the high level of uncertainty of the information in the value chain, in accordance with the ESRS, CO Group used external information sources to conduct due diligence for the first reporting year. Areas for improvement were identified through this process, and these will be implemented over the next two years in line with transitional provision 10.2 to ensure a

[19] GOV-3 29. a)
[20] E1 GOV-3 13.
[21] GOV-3 29. b), c), d), e)
[22] GOV-3 AR 7.

comprehensive process and ESRS-aligned due diligence process. The table below shows how CO Group implements the core elements of due diligence for people and the environment and where they are presented in this Sustainability Statement.[23]

CORE ELEMENTS OF DUE DILIGENCE	PARAGRAPHS IN THE SUSTAINABILITY STATEMENT
a) Embedding due diligence in governance, strategy and business model	GOV-2, p. 12 GOV-3, p. 12, 13 SBM-3, p. 20 - 29
b) Engaging with affected stakeholders in all key steps of the due diligence process	SBM-2, p. 17 - 20 IRO-1, p. 30 - 35 Topical ESRS: Information on policies, stages and purposes of engagement in topical standards.
c) Identifying and assessing adverse impacts	IRO-1, p. 30 - 35 SBM-3, p. 20 - 29
d) Taking actions to address those adverse impacts	Topical ESRS: Information on actions
e) Tracking the effectiveness of these efforts and communicating	Topical ESRS: Information on actions and tracking their effectiveness

GOV-5 – Risk management and internal controls over sustainability reporting

To prevent excessive exposure to risks and potential illegalities and irregularities in its operations, the Company establishes and implements an effective internal control system in all areas of its business, which includes an appropriate organisational structure, internal acts, business processes, and an established reporting system on all levels of the Company in an effort to ensure operational efficiency, precision, accuracy, and timeliness of data, and compliance of operations with regulatory and internal regulations in order to minimize risk in all of the Company's business processes. The internal control system, which applies with conceptual equality to all risks, including the sustainability reporting risk, is defined by an internal act. The Company is organised according to a three-level internal control model. The first level concerns the management and the control of everyday execution of activities (process owners). The second level conducts independent supervision of the everyday operations, underwriting and control by the first level, and includes control and key functions. Third-level internal control concerns independent supervision of the first and second levels, and is composed of the key internal audit function.[24]

In the sustainability reporting process, sustainability risk is monitored within the Database of Operational Risks and Internal Controls, within which the materiality of risks is assessed, among other things, and the existing risk control measures are analysed. This includes informing all stakeholders about the requirements for the content and the report timeframes, as well as regular tracking of potential regulatory changes. In addition, planned improvements have been defined for further risk mitigation. Specifically, additional improvement of the sustainability reporting system is planned in 2025, including improvements in information gathering, analysis, and processing procedures.

In spite of its recognition of the sustainability reporting risk through the internal control system, the Company is aware of the need to substantially improve and formalize the process itself in the coming reporting years. At this time, this risk is mitigated through the activities described above, such as the review and approval of each segment of the Statement by the competent organisational units, and the preparatory actions for the establishment of a more detailed formal process and controls in connection with sustainability reporting, along with the automatization of a segment of the process in the future. The Sustainability Statement is subject to a sequential approval procedure. After the review and approval of each segment by the relevant organisational unit, the Director of the Risk Management Sector, in cooperation with the sustainability team, performs the final verification and validation prior to sending it to the Company's Management Board for approval. All professional sectors thus actively contribute to the quality and credibility of the Statement. Additionally, to process the data needed for sustainability reporting, CO Group used a digital tool from an external service provider ensuring logic checks and additional controls of the data in tables that are used to calculate metrics. The results of the risk assessment and the internal controls related to the sustainability reporting process are integrated in the Report

[23] GOV-4 30.
[24] IRO-1 53. e), GOV-5 34., 36. a), b)

on the Adequacy of Procedures and the Effectiveness of the Internal Control System, adopted on an annual basis by the Company's Management Board, and taken note of by the Supervisory Board.[25]

The Company has established an Internal Control Committee, which is responsible for considering and proposing to the Management Board decisions of importance for the integrity of the Company's governance and internal control system. At least once a year, the Company's Management Board reviews the adequacy of procedures and the effectiveness of the internal control system, and documents and reports its conclusions to the Supervisory Board. The Company has established the process of periodic reporting to its management and supervisory bodies in connection with sustainability reporting in accordance with the relevant provisions of the Accounting Act and the Act on the Amendments to the Audit Act relating to the tracking, verification, and approval of sustainability statements. The annual Sustainability Statement is integrated in the Annual Financial Statement and the Management's Report sent to the Management Board of the Company and the Audit Committee for verification and adoption, which then sends it to the Supervisory Board for adoption.[26]

SBM-1 – Strategy, business model and value chain

Insurance and reinsurance activities are the Company's core business segments. In addition to insurance and reinsurance activities, CO Group companies also perform the following activities: pension fund management, performance of vehicle testing, provision of medical services, and real estate management.
The Company is registered for the performance of activities of concluding and fulfilling life insurance contracts with respect to the following types of insurance: life insurance, annuity insurance, life insurance and annuity insurance where the policyholder bears the investment risk, supplemental insurance to life insurance, marriage, civil partnership, and birth insurance, tontine, capital redemption operations, and management of assets invested in mutual pension funds. The Company performs the activities of concluding and fulfilling non-life insurance contracts with respect to the following types of insurance: accident insurance, health insurance other than compulsory health insurance, insurance of land motor vehicles, railway rolling stock insurance, aircraft insurance, vessel insurance, goods in transit insurance, fire and natural disaster insurance, other property insurance, motor third party liability insurance, aircraft liability insurance, vessel liability insurance, other liability insurance, credit insurance, suretyship insurance, miscellaneous financial loss insurance, legal protection insurance, and assistance insurance. In addition to the above activities, the Company is registered for the performance of activities directly or indirectly related to insurance activities, activities of offering units in investment funds and activities of offering pension programmes of voluntary pension funds and of pension insurance companies in accordance with the provisions of the laws regulating the offering of units in investment funds and the offering of pension programmes, insurance distribution activities for other insurance companies, and credit intermediation services in accordance with regulations governing the activities of credit intermediaries.[27]

CO Group provides services to a wide range of clients, including natural persons, small and medium-sized companies (SMEs), and large corporations in different sectors. No material changes occurred in the Company's markets or client structure during the reporting period. CO Group operates in several significant countries, including Croatia, Bosnia and Herzegovina, Serbia, and North Macedonia. The table below shows the headcount of employees by countries that CO Group operates in as at 31 December 2024[28]

Headcount of employees by geographical area	**CO Group**
Croatia	2.865
Bosnia and Herzegovina	266
North Macedonia	493
Serbia	250
Slovenia	6

At this time, the Company has not defined specific sustainability-related goals in terms of significant groups of products and services, customer categories, geographical areas, and relationships with stakeholders. On business strategy level, CO Group is focused on the development and adaptation of insurance products, digital innovation in its operations, and provision of superior healthcare services.[29]

[25] GOV-5 36. c), d)
[26] GOV-5 36. e)
[27] SBM-1 40. a) i
[28] SBM-1 40. a) ii, iii
[29] SBM-1 40. e)

Sustainability-related strategy elements and key challenges[30]
CO Group's business strategy integrates the key elements related to the management of environmental, social and governance matters while fulfilling stakeholders' expectations at the same time. The criteria for mitigating the effects of climate change are gradually integrated in business processes, in particular in the development and adaptation of insurance products. In 2024, CO Group intensified its efforts to improve the management of its own carbon footprint, and started planning actions to reduce Scope 1 and 2 emissions while preparing for the reporting of Scope 3 emissions. The analysis of emissions in all three scopes will create the foundation for the preparation of a transition plan for climate change mitigation with a view to reducing the influence on climate change. Digital transformation plays an important role in this strategy, with initiatives focusing on the optimization of business processes, including sales, products, claims, and operations management, and client relations. Technical and operational implementation of digital solutions not only increases operational efficiency, but also helps reduce the carbon footprint. For instance, as at 31 December 2024, 33% of the Company's clients in the natural persons segment (258,118) had given their consent for e-commerce, allowing for the delivery of their invoices and administrative documentation relating to their insurance contracts by e-mail instead of paper mail wherever possible.

Key challenges
However, CO Group is also facing certain challenges in the implementation of these strategies. Ensuring the accuracy and completeness of data in all operations and markets poses a significant challenge, as does the relatively slow change of awareness in the market and the uptake of sustainable insurance products, especially in underdeveloped areas. To address these challenges, CO Group is implementing advanced data management systems supporting the tracking of sustainability metrics in real time. The Company also pursues collaborations promoting the improvement of environmental outcomes, supports awareness-raising initiatives, and develops specialised insurance packages to support companies as efficiently as possible during their transitions to sustainability.
Business model and value chain[31]
CO Group is the leading insurance provider in Croatia and the region, offering a wide range of non-life and life insurance products. Its business model is based on innovative and client-friendly solutions in response to growing risks, in particular the risks associated with climate change and the digital transformation. In addition to insurance, CO Group also operates in the healthcare sector (polyclinics), vehicle testing, real estate management and sales, and voluntary pension funds.

Key resources and relations[32]
CO Group ensures long-term stability and growth through responsible management of financial capital, investment in human resources, and use of advanced technology. Human resources are the foundation of the Company's operations, and CO Group invests in the development and well-being of its employees through training programmes and an enabling working environment. Technological inputs include advanced digital platforms such as the LAQO digital brand, which optimize the business processes and improve the customer experience. Stakeholder trust is reinforced by transparent governance and ethical practices. CO Group follows a systematic approach to ensure these inputs, prioritising local suppliers in procurement, aligning professional development programmes for employees with its business objectives, investing in digitalisation and technological innovation, and maintaining an open communication with stakeholders to align its strategy with their expectations.

Main features of the Company's value chain[33]
The Company's value chain includes upstream and downstream activities. The upstream value chain includes key suppliers such as technology providers, service providers in real estate transactions, and local contractors. Most procurement items are sourced locally, ensuring economic benefit for the regions the Company operates in. Suppliers are required to adhere to sustainability criteria, including human rights protection, environmental protection and anticorruption practices, as set out in respective policies and the Company's General Terms and Conditions for the Supply of Goods and Services. The downstream value chain includes the distribution of insurance products and services to clients via direct sales, brokers, and digital platforms. The Company's client base includes natural persons and corporate clients across Croatia and regional markets such as Serbia, Bosnia

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[30] SBM-1 40. g)
[31] AR 14. a)
[32] AR 14. a), b)
[33] SBM-1 42. a), c)

and Herzegovina, and North Macedonia. The Company maintains customer relations by systematically tracking customer satisfaction using the *Net Promotor Score* (NPS) method, and by integrating their feedback in the development of its products and services.

Main features of the value chain for other activities
The secondary value chain includes polyclinics, vehicle testing, real estate, and pension fund segments. The upstream value chain includes procurement, utilities, inbound logistics, human resources, financial institutions, and capital markets, while the downstream value chain includes waste management, outbound logistics, customers, sales and leasing, and partnerships.

Outputs and outcomes[34]
CO Group produces outputs through products and services adapted to the needs of its clients, investors, and other stakeholders. For the consumers, outputs include the development of insurance products that increase financial resilience and stability, innovative digital solutions for insurance, and accessibility and high quality of healthcare. These initiatives improve the customer experience, increase the availability of services, and provide more protection in unforeseen situations. For investors, CO Group ensures stable growth through sustainable business practices and strong market leadership. For other stakeholders, CO Group contributes to social and economic stability, employment, and sustainable development through local supply chains and compliance with regulatory requirements. This ensures a positive impact on the broader community and long-term sustainability of the Company's business.

Within its double materiality assessment, CO Group analysed the impacts, risks and opportunities in all significant business sectors upstream and downstream in its value chain. Their potential relationship with the business model was taken into account in this assessment. Business activities were analysed within significant sectors and key groups of business activities. More information on the identified material impacts, risks and opportunities is provided in chapter SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model.[35]

SBM-2 – Interests and views of stakeholders[36]

Enabling and maintaining continuous dialogue with key stakeholders is a fundamental prerequisite for corporate responsibility and sustainability. CO Group invests continual efforts in maintaining timely, transparent and consistent communication with stakeholders, and integrates its means of communication with stakeholders in its internal documents wherever possible. CO Group recognises the stakeholder groups with a capacity to materially impact the Company's operations with their activities, as well as the stakeholders who are materially impacted by the CO Group, as its key stakeholders. In addition to impact, stakeholder interests are also considered a relevant criterion in the identification of key stakeholders. The Company's Management Board is informed about stakeholders' views and interests related to sustainability through regular coordination with the managers of the relevant sectors, such as the results of the employee satisfaction survey, results of market research, NPS scoring, and other channels, depending on the stakeholder group. More information on how the views and interests of the key stakeholders impact the Company's strategy and business model is provided under the topical standards relating to the relevant sustainability topics, where these aspects are elaborated in more detail. Also, information on the inclusion of key stakeholders' views and interests in due diligence and double materiality assessment procedures is provided in the chapter IRO-1 Description of the processes to identify and assess material impacts, risks and opportunities.

The table below presents key stakeholder categories, how CO Group engages with them, the purpose of this engagement, and the channels used in the process:

Key stakeholders	Purpose of engagement	Channels
Employees and trade unions	The purpose of engagement is to ensure a healthy, safe, and supportive work environment, promote a high level of employee motivation, sense of belonging and purpose, and provide	Regular business meetings, employee conferences, meetings with trade union representatives, employee satisfaction surveys, 360 evaluation programme, intranet portal, workers' representative in

[34] SBM-1 42. b)
[35] AR 14. d)
[36] SBM-2 45. a), b), c), d)

	opportunities for professional development and fair remuneration.	the Supervisory Board, interviews with the management, Jenz internal social network, channels for reporting irregularities
Clients	The purpose of engagement is to adapt products and services to the clients' needs and expectations, and to ensure their trust and loyalty by means of accurate information and two-way communication.	Customer satisfaction surveys, communication through the call centre and social networks, digital apps for users
Shareholders	The Company's long-term governance strategy is focused on creating a higher share capital value. The objective of the communication with shareholders and investors is to give them access to information allowing for an analysis of CO Group's results and business forecasts through regular, timely, simple, widely available, accurate, complete, consistent and relevant reporting.	General Assembly, indirect communication through the person responsible for investor relations, publication of financial statements and other information on the Company's website, the Zagreb Stock Exchange website, and the website of HANFA's Officially appointed mechanism for the central storage of regulated information
Suppliers and partners	Formation and improvement of business relations adapted to the needs of the consumers and other stakeholders, and contribution to current business results.	Contact occurs through regular operations, and sustainability criteria are increasingly being integrated in the evaluation of relations.
Regulatory bodies and public authorities	CO Group's companies comply with legal requirements in their regular operations, and engage with the competent regulatory bodies and other public authorities.	Fulfilment of regulatory requirements, cooperation with regulatory bodies and other public authorities, participation and membership of Company representatives in working groups, associations, committees, and professional advisory bodies for the adoption of legislation
Community	CO Group cultivates a long-standing partnership with the communities it operates in, recognising that business success is largely defined by the reputation that the Company enjoys in its community. The purpose of engagement is to build and maintain good relations with the community and to promote positive changes.	Organisation of Company reputation surveys, continuous engagement with the representatives of authorities
Scientific and educational institutions	To cooperate on research and development projects and educational initiatives.	Participation in scientific and professional conferences, support to initiatives and projects aimed at young talent development (especially in the sector of digital innovation and economy), career days, participation in the development of professional programmes in relevant study courses for the insurance industry
Media	Ensure transparent and consistent communication with the public.	Press conferences, responses to media inquiries, media campaigns, publication of expert commentaries and various publications and events

Own workforce

CO Group's strategy includes actions to protect employee rights and ensure that their human rights are respected. The Company has clearly defined internal acts and appointed commissioners for handling harassment complaints to ensure a discrimination-free working environment. Efforts are focused on maintaining the status of CO Group as an employer of choice and on ensuring a safe working environment. The Company actively analyses risks and opportunities related to working conditions and employee rights and satisfaction in order to identify areas that require improvements.

The Company conducts annual employee satisfaction surveys covering multiple areas, including issues relating to the respect of employees' human and labour rights. The Human Resources Sector analyses and processes the results of these surveys, and escalates questions to the Company's Management Board if their results suggest that this is necessary, so that a decision can be made on the necessary actions. The questions in the survey are formed so as to include the opinions of as many employees as possible in order to shape the desired culture in the organisation based on their feedback. The questions are subject to change, as certain modifications are made every year to address the satisfaction with the latest situation and the effect of the previously introduced changes. For instance, satisfaction with work-life balance is addressed in particular after introducing changes in the work model and the working hours schedule. In addition to closed questions, the survey includes open-ended questions to give employees more freedom to elaborate on their suggestions and comments about topics that may not have been covered adequately. The survey is voluntary and anonymous, and all information gathered is processed at organisational unit level and only for the purposes of adjusting employee benefits and creating action plans to help achieve the desired culture and strategic objectives.

Interests, views, and rights of the members of the Company's own workforce are also addressed through other channels in addition to the annual employee satisfaction survey. The Company maintains continuous social dialogue with the Industry Union of Employees in Insurance, with which the Company's Management Board negotiates about employee rights under the Collective Bargaining Agreement. An employee representative has been appointed as a Member of the Company's Supervisory Board, where he is informed about significant changes in the Company's operations that have the potential to significantly impact its employees even before the final decision is made. The Company has developed a number of internal communication channels with a view to maintaining continuous, high-quality two-way communication with its employees, including the possibility of escalating topics through the competent manager. The intranet portal, internal screens, apps, and the internal social network are available to employees for information and communication. A channel for sending anonymous messages to the Company's Management Board has been implemented in the internal social network. Twice a year, Croatia osiguranje holds the Management Forum, where managers also have the opportunity to address important issues, including those brought to their attention by their teams. Information on employees' interests, views and rights gathered through the above channels reflects on the Company's strategy and business model by using the inputs received through these channels as the basis for proposals and actions implemented in the Company's strategy with respect to its workforce in order to achieve strategic workforce objectives.

Affected communities
Aware of the potential influence of its operations on local communities, CO Group engages actively with them to better understand their needs and expectations. CO Group's strategy includes regular communication and engagement with local stakeholders, which allows the Company to adjust its business activity to their interests. CO Group also takes into account the potential risks associated with the use of shared resources, and works to minimize the negative impacts through responsible governance and sustainable practices. These activities include engagement with local authorities and organisations on projects contributing to the development of the community and to environmental protection. In addition to continually examining the influence of CO Group's business model and strategy on creating or exacerbating material impacts on affected communities, the Company also strives to actively contribute to the development of local communities. Through financial literacy initiatives in the communities, CO Group raises awareness of the benefits of insurance covers; educates the citizens about the importance of taking personal responsibility for their life, health, and property; and contributes to economic stability and resilience of communities through innovative insurance services. Information on the interests and views of the affected communities, gathered through the means of engagement described above, is taken into account in policies covering material impacts on the community, and is used as the basis for initiatives and actions undertaken by CO Group companies, as described in more detail in the relevant topical standard.

Consumers and end-users
The business strategy includes the development of products and services integrating sustainability elements and digitalisation, thus satisfying the consumers' expectations of increasingly sustainable options. Regular market research and client satisfaction monitoring allow the Company to understand the levels of user satisfaction, and to adjust its business processes to the users' needs. CO Group strives to make a positive impact on improving the

safety level in the community through initiatives promoting more responsible client behaviours, such as the LaqoPrevent mobile app, which promotes responsible driving behaviour that results in fewer traffic accidents. Information on the consumers' interests and views gathered through the channels described above is reflected on the Company's strategy and business model by using the inputs received through these channels as input data for the development of new products aligned with the clients' needs, as described in more detail in the relevant topical standard.

SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model

A total of 113 impacts, risks and opportunities were identified and assessed at CO Group level as a result of the double materiality assessment, of which 45 impacts (20 material impacts) and 69 risks and opportunities (17 of which are material risks and opportunities). The tables below show the material impacts, risks and opportunities, the operating segment they occur in, the location in the value chain, and the time horizon.[37]

[37] SBM-3 48. a), c) i, ii, iii, iv

Topic	Sustainability matters and related impacts, risks and opportunities	Potential or actual Impact/risk/opportunity	Operating segment	Upstream	Own operations	Downstream	Short-term	Medium-term	Long-term
E1 Climate change	**Climate change mitigation**								
	GHG emissions from insurance	Actual negative impact	Insurance			●	●	●	
	GHG emissions in investments	Actual negative impact	Investments			●	●	●	
	Investment in green projects (transition projects)	Actual positive impact	Investments			●	●	●	
	Scope 1 and 2 GHG emissions	Actual negative impact	CO Group		●		●		
	Scope 3 GHG emissions	Actual negative impact	CO Group	●		●	●	●	
	Investment decisions and environmental liability	Potential positive impact	Investments			●		●	●
	Investment in green projects (transition projects)	Actual positive impact	Insurance						
	High-emission sector risks (transport)	Risk	Insurance		●			●	●
	Investment in climate-resilient assets	Opportunity	Investments			●		●	
	Climate change adaptation								
	Inadequate climate risk assessment in underwriting	Risk	Insurance		●			●	
	Cold wave/frost	Risk	Insurance		●		●	●	●
	Storms (including blizzards, dust, and sandstorms)	Risk	Insurance		●		●	●	●
	Heavy precipitation (rain, hail, snow/ice)	Risk	Insurance		●		●	●	●
	Flood (coastal, fluvial, pluvial, ground water)	Risk	Insurance		●		●	●	●
	Responsible behaviour incentives	Opportunity	Insurance		●		●	●	
	Higher insurance payments due to extreme weather	Risk	Insurance		●			●	●
	Refusal of reinsurers to cover certain risks	Risk	Insurance	●				●	●
	Social vulnerability due to insufficient reinsurance for high-impact events	Risk	Insurance	●				●	●
	Adaptation of products and policies to climate risks	Opportunity	Insurance		●			●	
	Impacts of climate change on agriculture, forestry and fisheries sectors	Risk	Insurance		●			●	●
	Innovative insurance products	Opportunity	Insurance			●		●	
	Energy								
	Use of resources for energy generation	Actual negative impact	CO Group		●			●	

Topic	Sustainability matters and related impacts, risks and opportunities	Potential or actual Impact/risk/opportunity	Operating segment	Upstream	Own operations	Downstream	Short-term	Medium-term	Long-term
S1 Own workforce	**Working conditions**								
	Freedom of association	Actual positive impact	CO Group		●		●		
	Collective bargaining agreement	Actual positive impact	CO Group		●		●		
	Work-life balance	Actual positive impact	CO Group		●		●		
	Improvement of workplace health and safety	Actual positive impact	CO Group		●		●		
	Equal treatment and opportunities for all								
	Promotion of gender equality and fair remuneration	Actual positive impact	CO Group		●		●		
	Employee training and professional development for improved performance	Actual positive impact	CO Group		●		●		
	Diversity and inclusion in the workplace	Actual positive impact	CO Group		●		●		
S3 Affected communities	**Company-specific**								
	Economic stability and community resilience	Actual positive impact	Insurance		●		●		
	Collaboration with educational institutions	Actual positive impact	Insurance		●		●		
	Empowerment of communities through financial and digital literacy to improve insurance accessibility	Actual positive impact	Insurance		●		●		
S4 Consumers and end-users	**Impacts related to client information**								
	User data privacy and security risks	Potential negative impact	CO Group			●	●	●	
	Personal safety of clients								
	Economic stability and client resilience	Actual positive impact	Insurance			●	●	●	
	Social inclusion of clients								
	Irresponsible marketing	Risk	Insurance		●			●	

Topic	Sustainability matters and related impacts, risks and opportunities	Potential or actual Impact/risk/opportunity	Operating segment	Upstream	Own operations	Downstream	Short-term	Medium-term	Long-term
G1 Business conduct	**Management of supplier relationships, including payment practices**								
	Supplier and partner relations management	Actual positive impact	Insurance			●	●		
	Corporate culture								
	Compliance and risk management	Risk	CO Group		●				●
	Company-specific								
	Cybersecurity	Risk	Insurance		●			●	

The tables below contain the descriptions of material impacts, risks and opportunities identified by the double materiality assessment[38]:

Topic	Sustainability matters and related impacts, risks and opportunities	Negative/positive impact	Description	Affected stakeholder
E1 Climate change	**Climate change mitigation**			
	GHG emissions from insurance	Negative impact	The Company can indirectly contribute to the generation of GHG emissions driving climate change by providing insurance to projects associated with fossil fuels or high GHG emission sectors.	Nature
	GHG emissions in investments	Negative impact	The Company can indirectly contribute to the generation of GHG emissions driving climate change by investing in projects associated with fossil fuels or high GHG emission sectors.	Nature
	Investment in green projects (transition projects)	Positive impact	By investing in projects aimed at climate change mitigation, by changing its business models, and by investing in renewable energy and CO_2 removal technology, the Company can help keep global warming well below 2°C , which creates a positive impact on climate change mitigation.	Nature
	Scope 1 and 2 GHG emissions	Negative impact	Impact on global warming through direct and indirect impact of GHG emissions from stationary and mobile assets owned by CO Group (Scope 1 and 2).	Nature

[38] SBM-3 48. a), b), c) i. ii., h)

	Scope 3 GHG emissions	Negative impact	Impact on global warming through the impact of GHG emissions from CO Group’s upstream and downstream value chain (Scope 3).	Nature
	Investment decisions and environmental liability	Positive impact	The Company maintains an exclusion list for direct investments, which includes sectors such as coal production, coal, steel, and companies not meeting certain sustainability criteria. By excluding investments in these sectors and companies, the Company reduces its environmental footprint and aligns its financial strategies with supporting companies that prioritize sustainable practices.	Nature
	Energy			
	Use of resources for energy generation	Negative impact	The maintenance of CO Group’s operations includes regular consumption of energy products and other resources that are crucial for the smooth functioning of all its business processes and operations.	Nature

Topic	**Sustainability matters and related impacts, risks and opportunities**	**Negative/positive impact**	**Description**	**Affected stakeholder**
S1 Own workforce	**Working conditions**			
	Freedom of association	Positive impact	When they are hired, all Company employees are informed about the conditions and entitlements to social benefits.	Own workforce
	Collective bargaining agreement	Positive impact	The Company provides additional benefits to its employees in addition to the rights guaranteed under the Collective Bargaining Agreement.	Own workforce
	Work-life balance	Positive impact	Providing work-life balance increases employees’ job satisfaction and improves their mental and physical health, productivity, personal relations, and creativity.	Own workforce
	Improvement of workplace health and safety	Positive impact	Implementation of health and safety measures has a positive impact on the employees and the organisation alike. A risk assessment is conducted on CO Group level for every job, thus ensuring the recognition and mitigation of potential dangers.	Own workforce
	Equal treatment and opportunities for all			
	Promotion of gender equality and fair remuneration	Positive impact	Implementing gender equality and ensuring equal pay for work of equal value significantly contributes to a more diverse and inclusive workforce. On CO Group level, pay grades are used to set up competitive pay scales for different positions in the organisation. This approach guarantees that all employees, irrespective of their gender,	Own workforce

			receive fair and competitive remuneration based on market standards and the value of their work.	
	Employee training and professional development for improved performance	Positive impact	Implementation of comprehensive training and skill development programmes improves employee performance, increases job satisfaction and retention, and promotes innovation by ensuring that the employees have the necessary skills and know-how to work efficiently, have a sense of value, and keep up with industry developments.	Own workforce
	Diversity and inclusion in the workplace	Positive impact	Promotion of diversity in the workplace has a positive impact on the employees and the organisation alike. Diversity also increases employee satisfaction and retention, because individuals feel appreciated and respected for their unique contributions.	Own workforce
S3 Affected communities	**Company-specific**			
	Economic stability and community resilience	Positive impact	As the leading insurance company in the Republic of Croatia, Croatia osiguranje plays an important role in the financial stability of communities through the coverages it offers within its insurance products. With their high-quality insurance solutions, CO Group companies contribute to overall economic stability and resilience of communities by ensuring the possibility of compensation for losses from unexpected events like natural disasters, accidents, or business interruptions.	Community
	Collaboration with educational institutions	Positive impact	Through the projects of collaboration with educational institutions, CO Group has the opportunity to share knowledge and expertise from its industry, and to thus contribute to the development and training of future experts.	Community
	Empowerment of communities through financial and digital literacy to improve insurance accessibility	Positive impact	CO Group companies implement and support financial literacy initiatives within communities, empowering individuals to make informed decisions and to better understand insurance and retirement savings products and their benefits.	Community
S4 Consumers and end-users	**Impacts related to client information**			
	User data privacy and security risks	Negative impact	As a part of a sector that manages large amounts of user data, including personal and financial information, CO Group can face privacy challenges in connection with access to sensitive information. Considering the nature of this information, there is risk of improper or inappropriate use, which can undermine clients' trust. If this problem	Community

			is not adequately resolved, it could result in regulatory sanctions and reputational risks. Additionally, data privacy risks are increasing given the increasing number of cyberattacks, which can result in data theft, loss of information, churning, reduced revenue, and brand value damage.	
	Personal safety of clients			
	Economic stability and client resilience	Positive impact	The Company’s business model is based on providing insurance services that endow its clients with financial protection from various risks. Insurance as such creates a positive impact by contributing to the financial security of consumers and the stability of economy.	Consumers

Topic	Sustainability matters and related impacts, risks and opportunities	Negative/positive impact	Description	Affected stakeholder
G1 Business conduct	**Management of supplier relationships, including payment practices**			
	Supplier and partner relations management	Positive impact	Suppliers and business partners in the insurance business (brokers, claims adjusters, auto repair workshops) can reduce environmental and social impact in their operations. As a large group, CO Group can influence its suppliers and business partners to promote sustainability issues/mitigate social impacts or to gather information about them for its reporting.	Suppliers and partners

Topic	Sustainability matters and related impacts, risks and opportunities	Risk/opportunity	Description
E1 Climate change	**Climate change adaptation**		
	Inadequate climate risk assessment in underwriting	Risk	Insurance companies can see their claims rise as a result of climate-related events such as floods, storms and wildfires, which requires adaptation actions for the management of increased risk exposure. In addition, an inadequate assessment of these climate-related risks in underwriting processes can lead to underestimation of policies, which can result in higher claims payments and financial losses for the insurance company.
	Cold wave/frost	Risk	Insurance companies can see their claims rise as a result of cold waves/frosts, which requires adaptation actions for the management of increased risk exposure.
	Storms (including blizzards, dust, and sandstorms)	Risk	Insurance companies can see their claims rise as a result of storms (including blizzards, dust, and sandstorms), which requires adaptation actions for the management of increased risk exposure.

	Heavy precipitation (rain, hail, snow/ice)	Risk	Insurance companies can see their claims rise as a result of heavy precipitation (rain, hail, snow/ice), which requires adaptation actions for the management of increased risk exposure.
	Flood (coastal, fluvial, pluvial, ground water)	Risk	Insurance companies can see their claims rise as a result of floods (coastal, fluvial, pluvial, ground water), which requires adaptation actions for the management of increased risk exposure.
	Responsible behaviour incentives	Opportunity	Climate change causes extreme events. With new insurance products with climate change risk pricing, the Company can promote responsible behaviours, limit claims payments, and increase socioeconomic resilience.
	Higher insurance payments due to extreme weather	Risk	Climate change causes increasingly frequent and increasingly intensive extreme weather, as a result of which insurance companies will continue to face losses due to natural disasters. The impact of these events is expected to rise as climate change increases the frequency and severity of disasters such as hurricanes, floods and droughts, modelled as well as unmodelled. An improper assessment or the lack of a proper assessment of environmental risks in insurance products can result in higher claims than anticipated in policies. As the frequency of extreme events increases, insurance companies will be forced to cover further losses, including property and vehicle insurance claims. Individuals living in high-risk areas could face difficulties obtaining insurance, and claims procedures could become more complex, which could result in higher payments for insurance companies in case of improper climate risk insurance.
	Refusal of reinsurers to cover certain risks	Risk	A reinsurance company may decide not to provide coverage for certain risks, such as those related to natural disasters like earthquakes. This decision is a material risk for the Company, because it can lead to significant financial exposure and instability.
	Social vulnerability due to insufficient reinsurance for high-impact events	Risk	Lack of adequate reinsurance support in case of a high-impact event such as a storm can have serious consequences for the society, leaving communities exposed to risk and not insured against potential damage. This situation would not only impact the Company’s profitability, but would also have wider negative consequences for the society’s resilience to natural disasters, which could lead to economic and social difficulties.
	Adaptation of products and policies to climate risks	Opportunity	Given the implication of physical climate change risks, the Company may have to adapt its product and policy development and management. Introduction of new or modification of existing risk management protocols with a view to better management of potential losses, such as reassessment of disaster modelling techniques, is a possible way to achieve this. This can also include adjustment of

			premiums for high-risk areas, change of policy limits, or adjustment of risk appetite for certain products and services (e.g. lower flood damage limit in flood-prone areas).
	Impacts of climate change on agriculture, forestry and fisheries sectors	Risk	Insurance of agriculture, forestry and fisheries sectors, which are sensitive to climate change impacts, such as droughts, floods, and extreme weather conditions, can pose significant challenges. Climate change exacerbates natural hazards, increasing the frequency and intensity of weather-related disasters. This increased exposure can lead to increased insurance claims and lower profitability for insurance companies. UNEP FI (*United Nations Environment Programme Finance Initiative*) underlines the importance of climate change resilience in insurance, calling on insurance companies to assess the climate risks associated with their covered projects.
	Innovative insurance products	Opportunity	CO Group has opportunity to develop innovative insurance products promoting resilience to climate change and adaptation actions, such as parametric insurance for extreme weather and green building insurance for sustainable real estate development.
	Climate change mitigation		
	High-emission sector risks (transport)	Risk	High-emission transport sectors pose a material risk for insurance companies, including regulatory pressures and reputational challenges. Given the increasing strictness of policies focused on carbon emission reduction and climate change mitigation, insurance companies face increased scrutiny for their involvement in insurance of high carbon footprint industries. UNEP FI underlines the importance of assessing the carbon intensity of an insurance company's portfolio, encouraging the integration of climate risks in business strategies and decisions.
	Investment in climate-resilient assets	Opportunity	CO Group fas opportunity to channel investments in climate-resilient infrastructure projects and real estate properties in order to make use of new opportunities in the transition to a low-carbon economy and to increase the resilience of its portfolio.

Topic	**Sustainability matters and related impacts, risks and opportunities**	**Risk/opportunity**	**Description**
S4 Consumers and end-users	**Social inclusion of clients**		
	Irresponsible marketing	Risk	Practices such as dumping and aggressive sales techniques can mislead consumers about the actual value and price of insurance products, and cause them to make wrong decisions. Such tactics undermine the integrity of the Company's marketing efforts, potentially undermining its reputation and trust among consumers. The consequences of this practice can manifest as an increased number of complaints, higher churning rates, and, in severe cases, legal disputes and significant fines.

Topic	Sustainability matters and related impacts, risks and opportunities	Risk/opportunity	Description
G1 Business conduct	**Corporate culture**		
	Compliance and risk management	Risk	Risk of legal and financial damage arising from non-compliance with legal, regulatory, or contractual requirements or obligations. Non-compliance with laws, regulations, and contractual arrangements can lead to fines, penalties, and legal judgments issued by regulatory bodies or affected parties. These damages can have significant financial implications and can also damage the Company's reputation.
	Company-specific		
	Cybersecurity	Risk	The Company recognises the cybersecurity threat risk, including hacking, malicious attacks and data breaches, which can seriously threaten data security, sensitive information, intellectual property, and business operations. Such threats can lead to financial losses, regulatory fines, litigation expenses, reputational damage, operational interruptions, and loss of clients' trust.

As part of the Double Materiality Assessment (DMA), an analysis of business resilience was conducted during this reporting period to identify, understand, and manage transitional and physical risks related to the Company's business activities in the context of climate change. The resilience analysis covered the Company's own operations, suppliers, and clients. As the assessment moves downstream towards the business portfolio and the market, the level of impact and the potential for climate risk mitigation decreases. This is particularly relevant because progress in addressing climate change in the short, medium, and long term requires proactive collaboration with other stakeholders. As part of its Own Risk and Solvency Assessment (ORSA), the Company regularly conducts stress testing, develops scenario analyses, and sensitivity analyses to assess the impact of extraordinary (external and internal) circumstances and events on its business, financial results, and solvency, as well as possible preventive actions. The ORSA Report served as the starting point for conducting the DMA, and climate change risks identified within ORSA were incorporated into the DMA. However, material impacts, risks, and opportunities identified through the DMA process—other than climate change risks—have not been integrated into the ORSA process. The Company plans to gradually align the risk assessment process for risks identified through both the DMA and ORSA processes.[39]

In addition to the list of sustainability matters in Appendix A of ESRS 1, four subtopics specific to CO Group have been identified, considering the nature of business activities, business relationships, geographical characteristics, or other matters. Under the Affected Communities topic, the specific subtopics are enhanced economic stability and community resilience, collaboration with educational institutions, empowerment of communities through financial and digital literacy to improve insurance accessibility. Under the Business Conduct topic, the specific subtopic is cybersecurity.[40] CO Group does not expect the identified material risks and opportunities to pose an increased risk to the alignment of asset and liability values presented in the financial statements.[41]

Topic	Sub-topic
E1 Climate change	**Climate change mitigation**
	Climate change adaptation
	Energy
S1 Own workforce	**Working conditions**
	Equal treatment and opportunities for all
S3 Affected communities	**Company-specific**
	Economic stability and community resilience
	Collaboration with educational institutions
	Empowerment of communities through financial and digital literacy to improve insurance accessibility
S4 Consumers and end-users	**Impacts related to client information**
	Personal safety of clients
	Social inclusion of clients
G1 Business conduct	**Management of supplier relationships, including payment practices**
	Company-specific
	Cybersecurity

IRO-1 –Description of the processes to identify and assess material impacts, risks and opportunities

In 2024, CO Group conducted a Double Materiality Assessment in accordance with the European Sustainability Reporting Standards (ESRS). The process identified and assessed impacts, risks, and opportunities (IRO) as the basis for determining material sustainability matters. The assessment was carried out in line with the double materiality principle, which encompasses two dimensions: impact materiality and financial materiality. The assessment was conducted in collaboration with internal and external stakeholders across the entire value chain—upstream, downstream, and within the Group's own operations. The results enable a consistent approach to identifying sustainability factors that are key to the Group and its stakeholders.

[39] SBM-3 48. f), IRO-1 53. g)
[40] SBM-3 48. g)
[41] SBM-3 48. b), d)

The applied methodology contributes to the Group's existing processes for recognizing material sustainability matters by aligning with stakeholder expectations and regulatory requirements while integrating sustainability principles into strategic decision-making and operational management. The methodology used for conducting the Double Materiality Assessment, including impacts, risks, and opportunities, is outlined below.[42]

Identification and engagement of stakeholders.
The Double Materiality Assessment process involved collaboration with key stakeholders. Internal stakeholders included representatives from various departments (subject matter experts) who actively participated through structured interviews. External stakeholders were engaged through passive involvement, including value chain mapping and benchmark analysis, during which relevant sustainability information was gathered from publicly available sources. As part of the analysis of available information, regulatory frameworks were considered, including applicable acts, EU regulations, the European Green Deal, and the National Climate Change Adaptation Strategy. Additionally, relevant documents were taken into account, including the UNEP FI Principles for Sustainable Insurance, S&P ESG Materiality Map for Insurance, S&P Real Estate ESG Materiality Factors, and the EIOPA Staff Paper on Nature-Related Risks and Impacts for Insurance. The process also utilized data from rating agencies such as MSCI, S&P Global, ISS ESG, and Sustainalytics, as well as relevant reporting standards, including ESRS, GRI, SASB, TCFD, CDP, PCAF, and the EU Taxonomy.[43] Engagement with stakeholders, as well as an understanding of their views and priorities, enabled additional validation and confirmation of identified material topics, ensuring that all key aspects of sustainability were covered and aligned with regulatory requirements.[44]

Compilation of a list of potentially relevant topics.
In the next step, a list of potentially relevant sustainability topics was developed based on insights gained through stakeholder engagement, previous materiality assessments, sector analyses, and ESRS requirements. A detailed analysis of resources, locations, and business activities was conducted to enable the assessment of actual and potential, positive and negative impacts, risks, and opportunities within the Group's own operations and across the entire value chain. A benchmark analysis was also carried out, covering relevant topics in similar companies, including leading insurance groups and specific sectoral aspects, ensuring alignment with best practices and standards.[45]

Identification of impacts, risks, and opportunities.
Identification of impacts:
Relevant impacts were identified and mapped to specific business segments and value chain levels where these impacts are most likely to occur. Prioritization was based on the nature of business activities, business relationships, and other key matters, incorporating the perspectives of affected stakeholders. The process was conducted in accordance with ESRS guidelines, with an emphasis on a sector-based approach to ensure comprehensive coverage of all relevant data. Due to challenges in collecting information and data from the value chain, impacts within the value chain were identified using publicly available sources.[46]

Identification of risks and opportunities:
Relevant risks and opportunities were documented, including their origin within the value chain and their potential financial implications. Since impact materiality and financial materiality assessments are interrelated, their interdependencies were taken into account. Namely, an impact may be financially material from the outset or may become financially material over time, evolving into financial risks and/or opportunities.[47]

Evaluation
Each sustainability matter was described qualitatively to enable an assessment of its manifestation as an impact, risk, or opportunity. The materiality of negative impacts was assessed based on scale, scope, and irremediability, with an additional assessment of the likelihood of occurrence for potential negative impacts. For positive

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[42] IRO-1 53., IRO-2 59.
[43] BP-2 10.
[44] IRO-1 53. b) iii, E1 AR 6.
[45] IRO-1 53. b) i, g)
[46] IRO-1 53. b) ii, g), BP-2 10.
[47] IRO-1 53. c) i

impacts, the assessment was based on scale and scope, also taking into account the likelihood of occurrence.[48] The following scales present the definitions of criteria and evaluations used:

Definition of scale		
Environmental criteria	Social criteria	Evaluation
Minimal impact	All other impacts that do not infringe on the right to life, health, or access to basic life necessities.	1
Local impact	Low impact on human rights, health, and minor obstacles/threats to access to basic life necessities (including education, livelihood, etc.).	2
Medium-scale impact	Tangible violations of human rights, and restrictions on access to basic life necessities (including education, livelihood, etc.).	3
Medium-to-large-scale impact	Critical violations of human rights, and significant restrictions on access to basic life necessities (including education, livelihood, etc.).	4
Large-scale impact with severe harm and total destruction	Causing death or adverse health effects that may lead to a significant reduction in quality of life and/or longevity.	5

Definition of scope		
Environmental criteria	Social criteria	Evaluation
Immediate surroundings	A small number of rights holders affected: 5% of the population affected or within the impact area.	1
Local community	Low to moderate number of rights holders affected: 5-10% of the population affected or within the impact area.	2
City	Moderate number of rights holders affected: 10% of the population affected or within the impact area.	3
Country	Medium high number of rights holders affected: 15-20% of the population affected or within the impact area.	4
Country/global	Large number of rights holders affected: more than 20% of the population affected or within the impact area.	5

Definition of irremediability for the environment and society	Evaluation
Very easily remediable with minimal effort.	1
Remediable with moderate effort.	2
Difficult to remediate, requiring significant effort.	3
Very difficult to remediate, necessitating extensive effort.	4
Irremediable	5

Definition of likelihood of environmental and social impacts:	Evaluation
Unlikely; >10%: The event is expected to occur only under limited circumstances; it has occurred in other industries.	1
Possible; >30%: The event is expected to occur under certain circumstances; it has occurred in the insurance industry.	2
Likely; >50%: The event is expected to occur under many circumstances; it occurs occasionally in the reporting company.	3
Almost certain; >90%: The event is expected to occur in most circumstances; it occurs multiple times per year in the reporting company.	4
Certain; 100%: The event has already occurred or will occur.	5

[48] IRO-1 53. b) iv.

Financial risks and opportunities were assessed by combining the likelihood of occurrence with the potential scale of financial consequences, including those related to sustainability, using the following scales[49]:

Definition of scale in the short-term period	Evaluation
Risk would result in very small losses that can be easily absorbed without a noticeable impact on operating results. / Opportunity would result in a very minor impact with no noticeable effect on operating results. This could be translated into an estimated minimal financial impact (0% to <0.5% of insurance revenue).	1
Risk would result in small losses that can be absorbed with minimal negative impact on operating results). The risk event may require some management attention, but only for a short period. / Opportunity would result in a small positive impact, with a slight but noticeable benefit for operating results. This could be assessed as a moderate financial impact (>0.5% and <1% of insurance revenue).	2
Risk would result in noticeable losses that can be absorbed but would have a moderate negative impact on operating results. The risk event would temporarily require management attention. / Opportunity would result in a noticeable impact with a moderately positive effect on operating results. This could be assessed as a significant financial impact (>1% and <1.5% of insurance revenue).	3
Risk would result in significant losses that can be absorbed but would have a major negative impact on operating results. The risk would likely require substantial management attention over an extended period. / Opportunity would result in a significant positive impact that would substantially improve operating results and could be transformational if successfully realized. This could be assessed as a high financial impact (>1.5% and <2% of insurance revenue).	4
Risk would result in considerable losses that cannot be absorbed. The risk would require full management attention over an extended period. / Opportunity would result in significant benefits. This could be assessed as a very high financial impact (>2% of insurance revenue).	5

Definition of scale in the medium- and long-term period	Evaluation
Risk would result in very small losses that can be easily absorbed without a noticeable impact on operating results. / Opportunity would result in a very minor impact with no noticeable effect on operating results. This could be translated into an estimated minimal financial impact (0% to <1% of insurance revenue).	1
Risk would result in small losses that can be absorbed with minimal negative impact on operating results). The risk event may require some management attention, but only for a short period. / Opportunity would result in a small positive impact, with a slight but noticeable benefit for operating results. This could be assessed as a moderate financial impact (>1% and <2% of insurance revenue).	2
Risk would result in noticeable losses that can be absorbed but would have a moderate negative impact on operating results. The risk event would temporarily require management attention. / Opportunity would result in a noticeable impact with a moderately positive effect on operating results. This could be assessed as a significant financial impact (>2% and <3% of insurance revenue).	3
Risk would result in significant losses that can be absorbed but would have a major negative impact on operating results. The risk would likely require substantial management attention over an extended period. / Opportunity would result in a significant positive impact that would substantially improve operating results and could be transformational if successfully realized. This could be assessed as a high financial impact (>3% and <4% of insurance revenue).	4
Risk would result in considerable losses that cannot be absorbed. The risk would require full management attention over an extended period. / Opportunity would result in significant benefits. This could be assessed as a very high financial impact (>4% of insurance revenue).	5

[49] IRO-1 53. c) ii

Definition of likelihood	Evaluation
Unlikely; The event could occur within the next 5–10 years; It is expected to occur only under limited circumstances; The event has occurred in other industries.	1
Possible; The event could occur within the next 2–5 years; It is expected to occur under certain circumstances; The event has occurred in the insurance industry.	2
Likely; The event could occur within the next 1–2 years; It is expected to occur in many circumstances; The event occasionally occurs in the reporting company.	3
Almost certain; The event is likely to occur within 1 year; It is expected to occur in most circumstances; The event occurs multiple times per year in the reporting company.	4
Actual; 100%; The event has already occurred or will occur. 5	5

Materiality thresholds are defined as follows:
- 3.0 for impact materiality (on a scale of 1–5) for actual impacts,
- 3.5 for materiality of potential impacts (on a scale of 1–5),
- 3.0 for financial materiality (on a scale of 1–5).

Below these materiality thresholds, impacts, risks, and opportunities were not considered material. Different materiality thresholds for impact assessment result from the evaluation methodology, ensuring that actual impacts carry greater weight than potential impacts. [50]

CO Group has not defined specific internal control procedures related to the process of identifying and assessing material impacts, risks, and opportunities. However, following the initial DMA process results, key internal stakeholders reviewed the identified material impacts, risks, and opportunities to ensure that all relevant aspects were covered. The results of the DMA process were then validated by the Company's Management Board. The results were further consolidated with other operational companies within Adris grupa d.d. The consolidated results were validated by the Adris grupa d.d.'s Management Board, aiming to ensure alignment of the Double Materiality Assessment findings with the objectives and strategies of Adris grupa d.d.[51]

The process of identifying, assessing, and managing impacts, risks, and opportunities within the CO Group was conducted at the Risk Management Sector level, in collaboration with a multidisciplinary ESG team. This approach ensures that sustainability-related impacts, risks, and opportunities are systematically embedded into the overall risk management processes and contribute to the assessment of the CO Group's overall risk profile. For example, climate-related risks, such as premium increases due to extreme weather conditions, are assessed not only for their sustainability implications but also for their potential financial impact.[52]

Similarly, the process of identifying, assessing, and managing opportunities is integrated into the CO Group's corporate governance framework. These assessments are based on strategic planning and long-term objectives, with sustainability-related opportunities such as the development of green insurance products, expansion of digital platforms such as LAQO, and investment in sustainable technologies. Identified opportunities are also linked to performance-based metrics, encouraging management and employees to align their activities with sustainability commitments. The Company's Management Board is responsible for ensuring the effective implementation and alignment of these opportunities with the CO Group's broader sustainability objectives.[53]

The materiality assessment process relies on reliable input parameters to ensure an accurate and objective evaluation. Data sources include internal metrics such as operational reports, environmental impact assessments, and employee feedback, alongside external benchmarks such as pre-existing stakeholder engagement results (e.g., users), sustainability levels, and regulatory standards, including ESRS and the EU Taxonomy. The scope of the assessment covers the value chain, including suppliers at the beginning of the production chain, the Company's own operations, the operations of its beneficial owner, Adris grupa d.d., and downstream stakeholders such as clients and local communities. To ensure thoroughness, the process also

[50] IRO-1 53. b) iv, g)
[51] IRO-1 53. d)
[52] IRO-1 53. e)
[53] IRO-1 53. f)

incorporates industry-specific standards and benchmarks, along with assumptions such as probability assessments and financial impact modelling, which are based on historical data and future projections.[54]

By applying the new DMA methodology for assessing impacts, risks, and opportunities and mapping material topics, CO Group has identified differences compared to the previously used Global Reporting Initiative (GRI) standard. The number of material impacts, risks, and opportunities has been expanded and linked to corresponding sustainability matters.

In the previous reporting period, eight material topics were identified: responsible customer experience, responsibility to the local community, digital innovation, sustainability risk management, employee well-being, lifelong learning for employees, sustainable products and services, and carbon footprint reduction. This assessment served as the foundation for the new assessment of material topics in accordance with the double materiality principle. Through the DMA methodology, the CO Group has now identified five material topics and 13 subtopics.

In 2024, the materiality assessment process was updated to reflect developments in the regulatory environment and stakeholder expectations. This included broader engagement of internal stakeholders and adjustments to materiality thresholds in line with ESRS guidelines, particularly regarding impacts related to human rights, ensuring increased sensitivity to these critical issues. Previous materiality assessments conducted under GRI provided a strong foundation for this new approach, while the transition to ESRS enabled greater alignment with the double materiality principle, incorporating both impact materiality and financial materiality.[55]

E1 IRO-1 – Description of the processes to identify and assess material impacts, risks and opportunities related with climate change

As part of the Double Materiality Assessment, CO Group evaluated impacts, risks, and opportunities related to climate change. The analysis covered total greenhouse gas (GHG) emissions, as well as physical and transition risks associated with climate change. The carbon footprint calculation was conducted in accordance with the GHG Protocol and ISO 14064-1:2018 standard, while for emissions from investments, the PCAF methodology was applied.
The Company analyses climate risks through the ORSA process, assessing their impact on business operations, financial results, and solvency. The focus is on high-emission scenarios, stress testing, and sectoral analysis of the value chain. Special attention is given to the materiality of physical and transition risks, including the assessment of time horizons and applied methodologies.
An investment portfolio analysis based on NACE classification showed a low share of investments in sectors exposed to transition risks. On the liabilities side, the Company considers transition risks such as regulatory changes and market trends, as well as physical risks such as storms and droughts. In the ORSA process, analyses of extreme weather scenarios were conducted, including quantitative testing of climate change impacts over different time horizons. The Company uses reinsurance contracts to manage uncertainties and ensure capital stability. More information on methodologies and assessments is available in Thematic Standard E1.

G1 IRO-1 – Description of the processes to identify and assess material impacts, risks and opportunities related with business conduct

In the process of identifying material impacts, risks, and opportunities related to business conduct, CO Group primarily focused on the insurance sector. The process included benchmark analysis of peer companies, discussions with internal experts, a review of supplier reports, as well as an assessment of customer relationships and the specific transaction structures within the sector in Croatia. As a result of the assessment, supplier relationship management, including payment practices, was identified as a material topic, while cybersecurity was recognized as a related risk.[56]

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[54] IRO-1 53. g)
[55] IRO-1 53. h)
[56] IRO-1 G1 6.

E2, E3, E4, E5 IRO-1 – Description of the processes to identify and assess material impacts, risks and opportunities

As part of the Double Materiality Assessment, CO Group conducted a review of its tangible and intangible assets, locations, and business activities to assess actual and potential impacts, risks, and opportunities within its own operations and value chain. This assessment focused on areas related to pollution, water and marine resources, biodiversity, the circular economy, and ecosystems, using desk research and interviews with internal stakeholders and experts. Since this is the first year of analysis, and Transitional Provision 10.2 allows for a three-year period to establish value chain data collection processes, CO Group did not conduct dedicated stakeholder engagement for this purpose. Instead, previously gathered information was used, along with existing processes and communication channels for engagement and collaboration with local communities and the broader public.[57]

IRO-2 – Disclosure requirements in ESRS covered by the undertaking's sustainability statement

CO Group has identified material information to be disclosed regarding its significant impacts, risks, and opportunities, applying the principles and criteria outlined in Section 3.2 of ESRS 1 – Material matters and materiality of information. The process was designed to ensure that all disclosed information meets the qualitative characteristics of relevance, faithful representation, comparability, verifiability, and understandability. This approach enables a clear understanding of the Group's sustainability impacts and its exposure to risks and opportunities that could significantly affect its business model, strategy, and financial results in the short, medium, and long term.[58]

In accordance with the identified material topics and subtopics, based on the results of the Double Materiality Assessment, the Company reports on disclosure requirements in compliance with the relevant material ESRS thematic standards. An exception applies to indicators related to subtopics and sub-subtopics that are not material for the Group (ESRS 1, Section 3.2 – Material matters and materiality of information, Appendix E) and to requirements that are being phased in due to limited data availability. Material requirements that are being phased in will be included in subsequent reporting periods. A list of fulfilled disclosure requirements, along with page numbers, is provided in the table below.[59]

Table X: List of disclosure requirements fulfilled in the sustainability statement		
Standard	Disclosure requirement	Page number
ESRS 2	BP-1 - General basis for preparation of sustainability statements	8
	BP-2 – Disclosures in relation to specific circumstances	8, 9
	GOV-1 – The role of the administrative, management and supervisory bodies	9 - 12
	GOV-2 – Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies	9 - 12
	GOV-3 - Integration of sustainability-related performance in incentive schemes	12, 13

[57] IRO-1, Appendix C, ESRS E2, 11; ESRS E3, 8; ESRS E4, 17-19, ESRS E5; 11
[58] IRO-2 59.
[59] IRO-2 56.

	GOV-4 - Statement on due diligence	13, 14
	GOV-5 – Risk management and internal controls over sustainability reporting	14, 15
	SBM-1 – Strategy, business model and value chain	15- 17
	SBM-2 – Interests and views of stakeholders	17 - 20
	SBM-3 - Material impacts, risks and opportunities and their interaction with strategy and business model	20 - 29
	IRO-1 – Description of the processes to identify and assess material impacts, risks and opportunities	30 - 36
	IRO-2 – Disclosure requirements in ESRS covered by the undertaking's sustainability statement	36 - 40
	MDR-P – Policies adopted to manage material sustainability matters	IN THEMATIC STANDARDS
	MDR-A – Actions and resources in relation to material sustainability matters	IN THEMATIC STANDARDS
	MDR-M – Metrics in relation to material sustainability matters	IN THEMATIC STANDARDS
	MDR-T - Tracking effectiveness of policies and actions through targets	IN THEMATIC STANDARDS
ESRS E1	ESRS 2 GOV-3 - Integration of sustainability-related performance in incentive schemes	12, 13
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	ESRS 2 SBM-3 - Material impacts, risks and opportunities and their interaction with strategy and business model	53 - 57
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	E1-4 – Targets related to climate change mitigation and adaptation	58

	E1-5 – Energy consumption and energy mix	59 - 61
	E1-6 – Gross scope 1, 2, 3 greenhouse gas emissions and total greenhouse gas emissions	62 - 80
ESRS S1	ESRS 2 SBM-2 – Interests and views of stakeholders	88, 89
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	S1-14 – Health and safety metrics	98, 99
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	S1-16 – Remuneration metrics (pay gap and total remuneration)	99, 100

	S1-17 – Incidents, complaints, and severe human rights impacts	100
ESRS S3	ESRS 2 SBM-2 – Interests and views of stakeholders	17 – 18, 101
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	S4-1- Policies related to consumers and end users	108 - 110
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	S4-3 – Processes to remediate negative impacts and channels for consumers and end-users to raise concerns	111
	S4-4 – Taking action on material impacts on consumers and end-users, and approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions	111 - 113

	S4-5 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	113
ESRS G1	ESRS 2 GOV-1 – The role of the administrative, management and supervisory bodies	114 - 116
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Appendix B

List of datapoints in cross-cutting and topical standards that derive from other EU legislation						
Disclosure requirement and related datapoint	SFRD reference (1)	Pillar 3 reference (2)	Benchmark regulation reference (3)	EU Climate Law reference 4)	Page in your Sustainability Statement	Not material
ESRS 2 GOV-1 The board's gender diversity, paragraph 21 (d)	Indicator number 13 Table # 1 of Annex I		Commission Delegated Regulation (EU) 2020/1816 (5), Annex II		9	
ESRS 2 GOV-1 Percentage of board members who are independent, paragraph 21 (e)			Commission Delegated Regulation (EU) 2020/1816, Annex II		9	
ESRS 2 GOV-4 Statement on due diligence paragraph 30	Indicator number 10 Table # 3 of Annex I				13, 14	

ESRS 2 SBM-1 Involvement in activities related to fossil fuel activities paragraph 40 (d) i	Indicator number 4 Table 1 of Annex I	Regulation (EU) No. 575/2013, Article 449.a Commission Implementing Regulation (EU) 2022/2453 Table 1: Qualitative information on environmental risk and Table 2: Qualitative information on social risk	Delegated Regulation (EU) 2020/1816, Annex II		n/a	
ESRS 2 SBM-1 Involvement in activities related to chemical production paragraph 40 (d) ii	Indicator number 9 Table 2 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II		n/a	
ESRS 2 SBM-1 Involvement in activities related to controversial weapons paragraph 40 (d) iii	Indicator number 14 Table 1 of Annex I		Delegated Regulation (EU) 2020/1818 (7), Delegated Regulation (EU) 2020/1816, Article 12(1) Annex II		n/a	
ESRS 2 SBM-1 Involvement in activities related to cultivation and production of tobacco paragraph 40 (d) iv			Delegated Regulation (EU) 2020/1818, Delegated Regulation (EU) 2020/1816, Article 12(1) Annex II		n/a	
ESRS E1-1 Transition plan to reach climate neutrality by 2050				Regulation (EU) 2021/1119, Article 2(1)	53	

paragraph 14						
ESRS E1-1 Undertakings excluded from Paris-aligned Benchmarks paragraph 16 (g)		Article 449a Regulation (EU) 575/2013: Commission Implementing Regulation (EU) 2022/2453, Template 1: Banking book – Climate change transition risk: credit quality of exposures by sector, emissions and residual maturity	Delegated Regulation (EU) 2020/1818, Article 12.1 (d) to (g), and Article 12.2		n/a	
ESRS E1-4 GHG emission reduction targets paragraph 34	Indicator number 4 Table 2 of Annex I	Article 449a 575/2013; Commission Implementing Regulation (EU) 2022/2453, Template 3: Banking book – Climate change transition risk: alignment metrics	Delegated Regulation (EU) 2020/1818, Article 6		58	
ESRS E1-5 Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors) paragraph 38	Indicator number 5 Table 1 and indicator number 5 Table 2 of Annex I				n/a	

ESRS E1-5 Energy consumption and mix paragraph 37	Indicator number 5 Table 1 of Annex I				61	
ESRS E1-5 Energy intensity associated with activities in high climate impact sectors paragraphs 40 to 43	Indicator number 6 Table 1 of Annex I				n/a	
ESRS E1-6 Gross Scope 1, 2, 3 and Total GHG emissions paragraph 44	Indicators numbers 1 and 2 Table 1 of Annex I	Article 449a; Regulation (EU) No. 575/2013; Implementing Regulation (EU) 2022/2453, Template 1: Banking book – Climate change transition risk: Credit quality of exposures by sector, emissions and residual maturity	Delegated Regulation (EU) 2020/1818, Article 5(1), Article 6 and Article 8(1)		62	

ESRS E1-6 Gross GHG emissions intensity paragraphs 53 to 55	Indicator number 3 Table 1 of Annex I	Regulation (EU) No. 575/2013, Article 449a Commission Implementing Regulation (EU) 2022/2453, Template 3: Banking book – Climate change transition risk: alignment metrics	Delegated Regulation (EU) 2020/1818, Article 8(1)		n/a	
ESRS E1-7 GHG removals and carbon credits paragraph 56				Regulation (EU) 2021/1119, Article 2(1)	n/a	
ESRS E1-9 Exposure of the benchmark portfolio to climate-related physical risks Amendments, paragraph 66			Delegated Regulation (EU) 2020/1818, Delegated Regulation (EU) 2020/1816, Annex II		9, 54, 56, 57	
ESRS E1-9 Disaggregation of monetary amounts by acute and chronic physical risk, paragraph 66(a) ESRS E1-9 Location of significant assets at material physical risk			Regulation (EU) 575/2013, Article 449a Commission Implementing Regulation (EU) 2022/2453, paragraphs 46 and 47 Template 5: Banking book - Climate change physical risk:		n/a	

paragraph 66 (c)			Exposures subject to physical risk.			
ESRS E1-9 Breakdown of the carrying value of its real estate assets by energy-efficiency classes paragraph 67 (c)		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 paragraph 34; Template 2: Banking book -Climate change transition risk: Loans collateralised by immovable property – Energy efficiency of the collateral			n/a	
ESRS E1-9 Degree of exposure of the portfolio to climate-related opportunities paragraph 69			Delegated Regulation (EU) 2020/1818, Annex II		n/a	

ESRS E2-4 Amount of each pollutant listed in Annex II of the EPRTR Regulation (European Pollutant Release and Transfer Register) emitted to air, water and soil, paragraph 28.	Indicator number 8 Table 1 of Annex 1 Indicator number 2 Table 2 of Annex 1 Indicator number 1 Table 2 of Annex 1 Indicator number 3 Table 2 of Annex 1				n/a	
ESRS E3-1 Water and marine resources paragraph 9	Indicator number 7 Table 2 of Annex I				n/a	
ESRS E3-1 Dedicated policy paragraph 13	Indicator number 8 Table 2 of Annex I				n/a	
ESRS E3-1 Sustainable oceans and seas paragraph 14	Indicator number 12 Table 2 of Annex I				n/a	
ESRS E3-4 Total water recycled and reused paragraph 28 (c)	Indicator number 6.2. Table 2 of Annex I				n/a	
ESRS E3-4 Total water consumption in m3 per net revenue on own operations paragraph 29	Indicator number 6.1. Table 2 of Annex I				n/a	
ESRS 2- IRO 1 – E4 paragraph 16 (a) i	Indicator number 7 Table 1 of Annex I				n/a	
ESRS 2 – IRO 1 – E4 paragraph 16 (b)	Indicator number 10 Table 2 of Annex I				n/a	
ESRS 2 – IRO 1 – E4 paragraph 16 (c)	Indicator number 14 Table 2 of Annex I				n/a	

ESRS E4-2 Sustainable land / agriculture practices or policies paragraph 24 (b)	Indicator number 11 Table 2 of Annex I				n/a	
ESRS E4-2 Sustainable oceans / seas practices or policies paragraph 24 (c)	Indicator number 12 Table 2 of Annex I				n/a	
ESRS E4-2 Policies to address deforestation paragraph 24 (d)	Indicator number 15 Table 2 of Annex I				n/a	
ESRS E5-5 Non-recycled waste paragraph 37 (d)	Indicator number 13 Table 2 of Annex I				n/a	
ESRS E5-5 Hazardous waste and radioactive waste paragraph 39	Indicator number 9 Table 1 of Annex I				n/a	
ESRS 2 – SBM3 Risk of incidents of forced labour paragraph 14 (f)	Indicator number 13 Table 3 of Annex I				90	
ESRS 2 – SBM3 – S1 Risk of incidents of child labour paragraph 14 (g)	Indicator number 12 Table 3 of Annex I				90	
ESRS S1-1 Human rights policy commitments paragraph 20	Indicator number 9 Table 3 and indicator number 11 Table 1 of Annex I				92	
ESRS S1-1 Due diligence policies on issues addressed by			Delegated Regulation (EU) 2020/1816, Annex II		105	

the fundamental International Labor Organisation Conventions 1 to 8, paragraph 21						
ESRS S1-1 Processes and measures for preventing trafficking in human beings paragraph 22	Indicator number 11 Table 3 of Annex I				92	
ESRS S1-1 Workplace accident prevention policy or management system paragraph 23	Indicator number 1 Table 3 of Annex I				92	
ESRS S1-3 Grievance/ complaints handling mechanisms paragraph 32 (c)	Indicator number 5 Table 3 of Annex I				94	
ESRS S1-14 Number of fatalities and number and rate of work-related accidents paragraph 88 (b) and (c)	Indicator number 2 Table 3 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II		98	
ESRS S1-14 Number of days lost to injuries, accidents, fatalities or illness paragraph 88 (e)	Indicator number 3 Table 3 of Annex I				98	
ESRS S1-16 Unadjusted gender pay gap paragraph 97 (a)	Indicator number 12 Table 1 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II		99	

ESRS S1-16 Excessive CEO pay ratio paragraph 97 (b)	Indicator number 8 Table 3 of Annex I				99	
ESRS S1-17 Incidents of discrimination paragraph 103 (a)	Indicator number 7 Table 3 of Annex I				100	
ESRS S1-17 Nonrespect of UNGPs on Business and Human Rights and OECD paragraph 104 (a)	Indicator number 10 Table 1 and indicator number No. 14 Table 3 of Annex I		Delegated Regulation (EU) 2020/1816, Delegated Regulation (EU) 2020/1818, Annex II, Article 12 (1)		100	
ESRS 2 – SBM3 – S2 Significant risk of child labour or forced labour in the value chain paragraph 11 (b)	Indicators numbers 12 and 13 Table 3 of Annex I				n/a	
ESRS S2-1 Human rights policy commitments paragraph 17	Indicator number 9 Table 3 and indicator number 11 Table 1 of Annex I				n/a	
ESRS S2-1 Policies related to value chain workers paragraph 18	Indicators numbers 11 and 4 Table 3 of Annex I				n/a	
ESRS S2-1 Nonrespect of UNGPs on Business and Human Rights principles and OECD guidelines, paragraph 19	Indicator number 10 Table 1 of Annex I		Delegated Regulation (EU) 2020/1816, Delegated Regulation (EU) 2020/1818, Annex II, Article 12 (1)		n/a	

ESRS S2-1 Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8, paragraph 19			Delegated Regulation (EU) 2020/1816, Annex II		n/a	
ESRS S2-4 Human rights issues and incidents connected to its upstream and downstream value chain paragraph 36	Indicator number 14 Table 3 of Annex I				n/a	
ESRS S3-1 Human rights policy commitments paragraph 16	Indicator number 9 Table 3 of Annex I and indicator number 11 Table 1 of Annex I				103	
ESRS S3-1 Non-respect of UNGPs on Business and Human Rights, ILO principles or and OECD guidelines paragraph 17	Indicator number 10 Table 1 of Annex I		Delegated Regulation (EU) 2020/1816, Delegated Regulation (EU) 2020/1818, Annex II, Article 12 (1)		103	
ESRS S3-4 Human rights issues and incidents paragraph 36	Indicator number 14 Table 3 of Annex I				103	

ESRS S4-1 Policies related to consumers and end-users paragraph 16	Indicator number 9 Table 3 and indicator number 11 Table 1 of Annex I				108	
ESRS S4-1 Non-respect of UNGPs on Business and Human Rights and OECD guidelines paragraph 17	Indicator number 10 Table 1 of Annex I		Delegated Regulation (EU) 2020/1816, Delegated Regulation (EU) 2020/1818, Annex II, Article 12 (1)		110	
ESRS S4-4 Human rights issues and incidents paragraph 35	Indicator number 14 Table 3 of Annex I				112	
ESRS G1-1 United Nations Convention against corruption paragraph 10 (b)	Indicator number 15 Table 3 of Annex I				116	
ESRS G1-1 Protection of whistle-blowers paragraph 10 (d)	Indicator number 6 Table 3 of Annex I				117	
ESRS G1-4 Fines for violation of anti-corruption and anti-bribery laws paragraph 24 (a)	Indicator number 17 Table 3 of Annex I		Delegated Regulation Regulation (EU) 2020/1816, Annex II		n/a	
ESRS G1-4 Standards of anti-corruption and anti- bribery paragraph 24 (b)	Indicator number 16 Table 3 of Annex I				n/a	

(1) Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector (OJ L 317, 9.12.2019, p. 1).
(2) Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012 (Capital Requirements Regulation or CRR) (OJ L 176, 27.6.2013, p. 1).
(3) Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds, and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014 (OJ L 171, 29.6.2016, p. 1).
(4) Regulation (EU) 2021/1119 of the European Parliament and of the Council of 30 June 2021 establishing the framework for achieving climate neutrality and amending Regulations (EC) No 401/2009 and (EU) 2018/1999 (“European Climate Law”) (OJ L 243, 9.7.2021, p. 1).
(5) Commission Delegated Regulation (EU) 2020/1816 of 17 July 2020 supplementing Regulation (EU) 2016/1011 of the European Parliament and of the Council as regards the explanation in the benchmark statement of how environmental, social, and governance factors are taken into account in each benchmark provided and published
(OJ L 406, 3.12.2020, p. 1).
(6) Commission Implementing Regulation (EU) 2022/2453 of 30 November 2022 amending the implementing technical standards laid down in Implementing Regulation (EU) 2021/637 as regards the disclosure of environmental, social, and governance risks (OJ L 324, 19.12.2022, p. 1).
(7) Commission Delegated Regulation (EU) 2020/1818 of 17 July 2020 supplementing Regulation (EU) 2016/1011 of the European Parliament and of the Council as regards minimum standards for EU Climate Transition Benchmarks and EU Paris-aligned Benchmarks (OJ L 406, 3.12.2020, p. 17).

ESRS E1 Climate change

E1-1 Transition plan for climate change mitigation

CO Group has not defined a transition plan for climate change mitigation and plans to adopt it in medium term.[60]

SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model [61]

In the double materiality assessment process, CO Group identified the impacts, risks, and opportunities related to climate change, including an overview of its tangible and intangible assets, locations, and business activities:

Topic	Sustainability issues and related impacts, risks and opportunities	Potential or actual Impact/risk/opportunity
E1 Climate change	**Climate change mitigation**	
	GHG emissions from insurance	Actual negative impact
	GHG emissions in investments	Actual negative impact
	Investment in green projects (transition projects)	Actual positive impact
	Scope 1 and 2 GHG emissions	Actual negative impact
	Scope 3 GHG emissions	Actual negative impact
	Investment decisions and environmental liability	Potential positive impact
	Investment in green projects (transition projects)	Actual positive impact
	High-emission sector risks (transport)	Risk
	Investment in climate-resilient assets	Opportunity
	Climate change adaptation	
	Inadequate climate risk assessment in underwriting	Risk
	Cold wave/frost	Risk
	Storms (including blizzards, dust, and sandstorms)	Risk
	Heavy precipitation (rain, hail, snow/ice)	Risk
	Flood (coastal, fluvial, pluvial, ground water)	Risk
	Responsible behaviour incentives	Opportunity
	Higher insurance payments due to extreme weather	Risk
	Refusal of reinsurers to cover certain risks	Risk
	Social vulnerability due to insufficient reinsurance for high-impact events	Risk
	Adaptation of products and policies to climate risks	Opportunity
	Impacts of climate change on agriculture, forestry and fisheries sectors	Risk
	Innovative insurance products	Opportunity
	Energy	
	Use of resources for energy generation	Actual negative impact

The Company recognises two main categories of climate change related risks, transition risks and physical risks, and addresses their materiality on the assets and liabilities side in the short-, medium- and long-term time horizons within the ORSA process. The Company addresses climate change risks and their effect on its business, financial results and solvency within the ORSA process, taking into account high-emission scenarios. The materiality of climate change risks is analysed through different exposures of the Company, specifying the methods and assumptions used, and stress tests (scenarios) of effects in the business planning period are conducted continually. In its analyses, the company has included physical risks for the business, analyzed transition risks related to climate change in both the upstream and downstream parts of the value chain, with an emphasis on sectoral analysis within the value chain, and identified transition opportunities and risks for its

[60] E1-1 14.
[61] E1-1 18.

own operations. All risks and opportunities have been assigned time periods in accordance with reference documents. The process involved data collection, emission assessment, identification of physical risks, risk quantification, and analysis of transition risks and opportunities.[62]

For purposes of addressing the materiality of climate change risks within the ORSA process in terms of effects on business results and solvency, “short-term” means a period of five years, “medium-term” means a period of between five and ten years, and “long-term” means a period of more than ten years. A comparative overview of the definitions of time horizons used in the ORSA, in line with the EIOPA’s document Application guidance on running climate change materiality assessment and using climate change scenarios in the ORSA and ESRS, is provided in the table below[63]:

Source definition	0-1 year	2-5 year	5-10 year	>10 year
ESRS	short-term	medium-term	long-term	
ORSA	short-term		medium-term	long-term

Risks of assets/investment[64]
The climate change risk on the asset side, managed through monitoring trends and regulatory requirements in the sustainability domain, as well as its impact on the movement of values and prices of financial instruments, is becoming an increasingly important element in assessing investment opportunities and analyzing existing positions in the overall investment portfolio. In line with this, as part of the ORSA process, the materiality and potential impact of individual components of transition and physical climate risks were analyzed on the asset, or investment, side.

In its investment processes, the Company has recognised the importance of pursuing a sustainable finance policy, and remains committed to the objective of integrating sustainable finance in its business strategy, considering its duty to act in the best interest not only of its clients, but also of the community in general. With a view to assessing the materiality of the investment portfolio in the context of the effects of climate change transition risks, an analysis was conducted on the basis of the distribution of the Company’s total investments according to the NACE classification of economic activities. This is a climate policy relevant sectors (CPRS) methodology allowing for the distribution of sectors based on the use of the NACE classification of business activities into nine classes, of which six are exposed to potential transition risks (fossil fuels, infrastructure (electricity generation), energy intensive investments, real estate, transport, and agriculture), while the remaining three sectors are only indirectly associated with transition risk or are less important (such as the financial sector or exposure to sovereigns). This distribution is based on greenhouse gas (GHG) emissions, role in energy supply chains, and the so-called carbon leakage risk classification[65]. As at 31 December 2024, the share of investments in six climate policy relevant sectors in the Company’s total investments by SII value was 12.6%. The conducted distribution is indicative of a very low prevalence of investments in CPRS sectors, and contributes to assessments of low materiality (immateriality) of climate change risks for the Company from this investment aspect. In other words, a significant financial effect of material financial risks on the Company is not present at the moment, but monitoring of these risks on a regular basis needs to continue.[66]

[62] E1 IRO-1 21., AR 9. a)
[63] E1 SBM-3 AR 7.
[64] E1 IRO-1 20. b), c)
[65] Battiston 2017, Application guidance on running climate change materiality assessment and using climate change scenarios in ORSA.
[66] E1-1 AR 7. c), E1-9 64. b)

Risks associated with liabilites[67]
The Company recognises physical risks arising from climate change, which may be event-driven (acute) or from longer-term shifts (chronic) in climate patterns. In 2024, transition and physical climate risks were assessed on the liability side as part of the ORSA process. Among acute physical climate risks on the liability side, the company considers droughts and storms to be materially significant in the short term, while it does not consider sea-level rise, floods, and wildfires to be materially significant in the short and medium term, though these risks may become materially significant in the long term. The company assesses this by considering its exposures through insurance contracts, as well as referencing the ND-GAIN Country Index and the analysis results from the European Environment Agency – Services Monitoring published in the document „Application guidance on running climate change materiality assessment and using climate change scenarios in the ORSA" (EIOPA-BoS-22/329).

In the assessment of transition risks on the liability side, the company identifies potential challenges arising from changes in market sentiment. For example, some policyholders may decide not to cooperate with an insurer they believe is insufficiently aligned with sustainability principles. Additionally, the company takes into account regulatory changes, as well as specific legal and technological measures that could be implemented to accelerate the transition to a low-carbon economy. These risks are aligned with the classification of the Task Force on Climate-Related Financial Disclosures (TCFD) of the Financial Stability Bord (FSB). Aware of the critical importance of sustainable business practices and sustainability in general, the company monitors developments and analyzes market sentiment in this area and is committed to adapting to market changes to maintain its leading position in the industry.[68] In the life segment, no significant impacts on mortality are expected; however, if such impacts do occur, the company estimates that it will be able to adjust so that these changes do not harm its operations. In the non-life segment, given that the time horizon for non-life insurance contracts is generally short-term (i.e., contracts are made for one year), the company believes it will be able to adjust to situations through insurance and reinsurance policy adjustments, thus avoiding significant negative effects of climate change on its operations. A similar conclusion regarding business adaptation to climate change applies to other business segments.

Investment Portfolio Assessment
The Company has developed a methodology for assessing ESG risks, which is used when making investment recommendations and decisions, depending on the asset class and data availability. The Company aims to consider relevant ESG indicators when making investment decisions to the extent possible. Where no publicly available data exists, ESG questionnaires are sent to issuers/companies. Based on the collected data, an ESG rating is formed using an internally developed methodology for assessing ESG risks.

Physical risks
Acute physical risks related to climate change in the non-life segment are manifested through a variety of indicators, including increased frequency and/or intensity of extreme weather events (floods, droughts, heatwaves and storms) that result in increased risk of adverse effects. Possible effects resulting from climate change and events possibly caused or driven by climate change are monitored with a higher level of attention, and efforts are made to integrate them in products.[69]

Material physical risks for CO Group include:
- Cold wave/frost
- Storms (including blizzards, dust, and sandstorms)
- Heavy precipitation (rain, hail, snow/ice)
- Flood (coastal, fluvial, pluvial, ground water)

[67] E1 IRO-1 20. b), c), AR 11. a)
[68] E1 IRO-1 AR 12.
[69] E1 IRO-1 20. b), AR 11. a)

CO Group has recognised the material risks related to physical climate change, including financial losses caused by inadequate assessment of climate risks and increased insurance payments due to extreme weather conditions. These risks are relevant in particular for property and vehicle insurance (comprehensive automobile insurance) and for sectors such as agriculture, forestry and fisheries, where drought, flood and extreme weather conditions pose significant challenges. CO Group is also exposed to the risk of dependence on reinsurers, especially if the reinsurers decide not to provide coverage for certain climate disasters. Insufficient reinsurance can further increase social vulnerability.

Transition risks
During the double materiality assessment process, CO Group found that insurance of high emission sectors such as transport is a transition risk. Association with high emission industries can have a negative effect on the Company's reputation, especially in the context of growing awareness of climate change. At the same time, market conditions are changing as a result of the transition to low carbon technologies, which could result in lower demand for the insurance of certain types of properties. Within the ORSA process, the Company recognises the following transitional risks: risks relating to regulatory and technological changes; and risks relating to market sentiment, meaning the market's expectations of a fast transition and focus on green products, which could reflect on investments and the prices of the shares and bonds of companies that the Company invests in.

In the financial segment, the Company is capable of ensuring continuous access to funding at an affordable cost of capital, and perform the necessary investments to adapt to the transition risks related to climate change, including regulatory changes, changes in market sentiment, and development of low-carbon technologies. Its stable financial basis allows the Company to support the strategic adaptations necessary for climate risk management in the short-, medium- and long-term time horizon. Through regular adjustments of its business, the Company continually adjusts products, scales of premiums, and insurance services to ensure the financial stability of the citizens and economy in the event of damage, and adapts to the changes in the manifestation of damage caused by natural causes and expected climate change effects. The Company further increases its ability to adapt to climate change by redistributing and diversifying its insurance portfolio.
However, the Company faces limited flexibility in adaptation to climate risks in its core business and client portfolio segment. For instance, there are long-term agreements and business relationships in the insurance portfolio that restrict the possibility of momentarily ending the insurance of high-emission sectors in spite of increasing regulatory and market pressures. The Company will continue its efforts to find a balance between ensuring financial sustainability and responding to challenges in the adaptation of product and service portfolios while paying special attention to monitoring market and regulatory requirements.[70]

Climate-related scenarios used within ORSA process
A climate risk materiality assessment for the Company was performed within the ORSA process for 2024. Climate risk impact assessments were also performed using qualitative and quantitative analyses on the assets, investments, and liabilities sides, and two scenarios were created that included medium-term and long-term effects of climate change. One scenario uses the assumptions of global temperature increase below 2°C, while the other uses the assumptions of global temperature increase above 2°C. At the same time, some scenarios were improved by conducting a more detailed analysis, such as the non-life insurance scenario on the crops portfolio. The assessment of the expected financial effects of material physical risks on the Company shows that there is no currently no impact that could significantly negatively affect solvency, but it is necessary to continuously monitor them. [71]

Aware of increasing climate change risks, the Company has recognised the escalation of the acute physical risk of storm as one of the greatest threats. This risk can have substantial effects on several types of insurance, including property insurance, the fire insurance line and other property insurances, comprehensive automobile insurance, the line of business dealing with other motor vehicle insurances, etc. In this scenario, the Company focused on two types that were not covered by the other scenarios, but could have the greatest effect locally in terms of damage.

In cooperation with a broker company, a scenario was modelled in which a severe convective storm (SCS) hits Zagreb, causing property and automobile damage (comprehensive automobile insurance). This scenario showed

[70] E1-1 AR 8. b), E1-9 64.
[71] E1-1 AR 7. c), SBM-3 19. b)

that the Company would remain solvent thanks to the current reinsurance protection of property insurance, even in a very extreme scenario, and would maintain a very high solvency ratio.

The results of the conservative scenarios suggest that the Company remains highly capitalised when using contractual reinsurance protection, but its solvency ratio is somewhat lower.[72] The Company has the ability to react to the risk assessment over time and, if necessary, can adequately adjust the acceptance guidelines, modify scales of premiums, introduce franchises, or take other measures.[73] Besides, the Company has protected itself with a CAT reinsurance agreement, thus lowering the insurance risks to a level that the Company is capable of withstanding even in situations of catastrophic events with very high damage.[74]

The company has not analyzed its assets, nor has a detailed analysis of business activities been conducted in terms of compliance with the transition to a climate-neutral economy. However, to identify activities and assets that are not aligned with the transition to a climate-neutral economy, a comprehensive assessment according to the EU Taxonomy criteria from the Commission Delegated Regulation (EU) 2021/2139 is required. No analyses have been performed at this time regarding the effect of the transition to a resilient economy with lower carbon emissions on the macroeconomic trends in the Company's and the entire CO Group's environment, energy consumption and mix, and technology deployment assumptions.[75]

The ORSA process is performed at least once a year, or more frequently if the Company estimates that a materially relevant change has occurred in the risk profile. Except on annual level, the Company continually implements the ORSA techniques and the ORSA approach in the consideration of more important business decisions throughout the year. The results of the ORSA process are documented in the so-called ORSA Report, approved by the Company's Management Board, and delivered by the Company's Management Board to the Company's Supervisory Board and to HANFA.[76]

The establishment of the process and adequate procedure, along with competences and responsibilities for implementing the own risk and solvency assessment, is defined by an internal act. Within the ORSA process, the materiality of climate change risks is analysed through different exposures of the Company, specifying the methods and assumptions used, and stress tests (scenarios) of effects in the business planning period are conducted continually. The Risk Management Sector, as an independent organisational unit through which the key risk management function has been established, is in charge of operating coordination of the ORSA process implementation, and is responsible for the operating preparation of the Own Risk and Solvency Assessment Report, while the Company's Management Board has the key strategic role in the process.

E1-2 – Policies related to climate change mitigation and adaptation

The Company has no separate climate change mitigation policy, but reducing GHG emissions and increasing energy efficiency are integrated in the Adris grupa Sustainable Business Policy as a key segment. This Policy concerns climate change mitigation and adaptation, energy efficiency and renewable energy deployment, because its sets forth the guidelines for the promotion of sustainable business practices, including initiatives for the optimization of energy consumption, the use of renewable energy sources, and the reduction of the carbon footprint through responsible resource management.

[72] E1-9 64. a)
[73] E1 SBM-3 19. c)
[74] E1-1 AR 8. a)
[75] E1-1 AR 12. d), AR 7. a)
[76] E1 SBM-3 19.

The company undertakes certain activities aimed at reducing greenhouse gas emissions, increasing energy efficiency, and incorporating energy from renewable sources.[77]

E1-3 – Actions and resources in relation to climate change policies

CO Group implemented no climate change mitigation measures in 2024. and has no specific measures classified according to the type of adaptation solutions such as nature-based adaptation, engineering, or technological solutions.[78] CO Group has not adopted an action plan defining operating and/or capital expenditures.[79]

However, the Company has already started certain activities focused on lowering Scope 1 and Scope 2 emissions, whose effectiveness will be analysed in the coming years. These activities include the preparatory actions for the installation of solar panels on real estate properties owned by Croatia nekretnine in 2025, and the use of renewable energy in the coming years.

Other activities that the Company will focus on are all follows:

- Development of products and services with integrated sustainability elements that provide clients with insurance protection against climate change risks, and support them in their transition to low carbon economy

- Trainings for employees about the importance of sustainable business and adaptation to climate change.[80]

These activities are the initial steps toward the formalisation of the transition plan, and they ensure that the Company continues to contribute to climate change mitigation in line with the best practices and regulatory requirements.

Since CO Group has no defined climate change mitigation measures, there is no analysis of achieved and expected GHG emission reductions.[81]

CO Group implemented no projects for greenhouse gas (GHG) removal and mitigation projects financed thorugh carbon credits in 2024, nor does it apply an internal carbon pricing schemes. Therefore, the requirements E1-7 (GHG removals and GHG mitigation projects financed through carbon credits) and E1-8 (Internal carbon pricing) are not significant.[82]

E1-4 – Targets related to climate change mitigation and adaptation

No measurable, time-bound targets for reducing GHG emissions or other targets for managing material impacts, risks and opportunities related to climate change were defined in 2024. The Company will set reduction targets for Scope 1 and 2 GHG emissions when the availability of data needed for better emission analysis increases, and reduction targets for Scope 3 emissions will be defined when the availability of data needed for a comprehensive analysis of emissions related to the investment portfolio increases. The Company has so far not defined a system for tracking the effectiveness of policies and measures with respect to sustainability-related material impacts, risks and opportunities.[83]

[77] E1-2 22., 25., AR 19. a), AR 22., MDR-A 68. a)
[78] E1 AR 19. c), d)
[79] MDR-A 69., 29. c)
[80] ESRS 1 72.
[81] E1-3 26., MDR-A 68. a), b)
[82] E1-7, E1-8
[83] E1-1 17., E1-4 30., MDR-T 81. a), b)

E1-5 Energy consumption and mix[84]

CO Group spent a total of 3.799,4 MWh of natural gas, 82.41 MWh of liquefied petroleum gas (LPG), 295.74 MWh of extra light fuel oil (ELFO), 48.14 MWh of wood pellets, 3.737,01 MWh of diesel, 1.351,77 MWh of petrol, and 35.96 MWh of autogas within Scope 1 in 2024. The table below shows a detailed breakdown of the use of energy products by companies within CO Group in 2024.

2024.							
Company	**Nat. Gas.* (MWh)**	**LPG* (MWh)**	**ELFO* (MWh)**	**Wood pellets (MWh)**	**Diesel (MWh)**	**Petrol(MWh)**	**Autogas (MWh)**
Croatia osiguranje d.d.	2.330,35	61,63	190,47	-	2.362,03	409,04	-
CROATIA-TEHNIČKI PREGLEDI d.o.o.	696,46	20,78	105,27	-	136,67	-	-
CROATIA Poliklinika	356,67	-	-	-	32,90	46,49	-
Croatia osiguranje mirovinsko društvo d.o.o.	16,71	-	-	-	14,63	6,64	-
Herz d.o.o.	96,86	-	-	-	-	-	-
STANICA ZA TEHNIČKI PREGLED VOZILA d.o.o., Pitomača	34,34	-	-	-	-	-	-
SLAVONIJATRANS TEHNIČKI PREGLEDI d.o.o.	30,63	-	-	-	-	-	-
Milenijum osiguranje a.d.o.	55,16	-	-	-	527,19	696,27	-
ASTORIA d.o.o.	182,22						
CROTEHNA d.o.o.	-	-	-	48,14	-	-	-
Croatia premium d.o.o.	-	-	-	-	60,33	-	-
Marin Med d.o.o.	-	-	-	-	-	5,61	-
Koreqt d.o.o.	-	-	-	-	11,69	-	-
Croatia osiguranje d.d., Mostar	-	-	-	-	473,00	79,00	35,96
Croauto d.o.o., Mostar	-	-	-	-	22,61	-	-
Croatia osiguranje d.d., društvo za osiguranje života, Skopje	-	-	-	-	43,60	34,03	-
Croatia osiguranje d.d., društvo za osiguranje neživota, Skopje	-	-	-	-	52,36	74,69	-
TOTAL	**3.799,4**	**82,41**	**295,74**	**48,14**	**3.737,01**	**1.351,77**	**35,96**

* *Natural gas, Nat. Gas; liquefied petroleum gas, LPG; extra light fuel oil, ELFO*

Within Scope 2, CO Group spent a total of 9.384,14 MWh of electricity and 2.948,66 MWh of heat in 2024. The table below shows a detailed breakdown of the use of electricity and heat* by companies in CO Group in 2024.[85]

[84] E1-5 35., 37. a), 39., AR 32. a), c), d), j), AR 34.
[85] E1-5 AR 32., E1-5 14.

Company	Electricity (MWh)	Heat (MWh)
Croatia osiguranje d.d.	4.262,07	675,14
Croatia premium d.o.o.	-	-
M TEH d.o.o.	-	-
CROATIA-TEHNIČKI PREGLEDI d.o.o.	1.823,41	-
HERZ d.d.	79,83	-
STANICA ZA TEHNIČKI PREGLED VOZILA d.o.o., Pitomača	-	-
Stanica za tehnički pregled vozila BLATO d.o.o.	25,28	-
CROTEHNA d.o.o.	-	-
SLAVONIJATRANS TEHNIČKI PREGLEDI d.o.o.	27,70	-
AUTOPRIJEVOZ d.d.	16,01	-
CROATIA nekretnine d.o.o.	-	-
STRMEC PROJEKT d.o.o.	-	-
ASTORIA d.o.o.	278,77	1.408,84
AUTO MAKSIMIR VOZILA d.o.o.	0,81	-
Koreqt d.o.o.	-	-
Koreqt distribucija d.o.o.	-	-
CO Zdravlje d.o.o.	-	-
CROATIA Poliklinika	1.361,43	88,07
Marin Med d.o.o.	258,00	-
Marin Med Plus d.o.o.	6,82	-
Medros d.o.o.	-	-
Croatia osiguranje mirovinsko društvo d.o.o.	27,44	-
Razne usluge d.o.o. (u likvidaciji)	-	-
Milenijum osiguranje a.d.o.	280,42	776,61
Croatia osiguranje d.d., društvo za osiguranje neživota, Skopje	67,67	-
Croatia osiguranje d.d., društvo za osiguranje života, Skopje	-	-
Croatia osiguranje d.d., Mostar	854,88	-
Croauto d.o.o., Mostar	6,04	-
CROATIA-REMONT d.d., Čapljina	2,18	-
Tia auto d.o.o.	-	-
Skadenca d.o.o.	5,38	-
TOTAL	**9.384,14**	**2.948,66**

* *Records of energy consumption in MWh are not available for certain locations due to two reasons. Firstly, in locations where the lessors reinvoice electricity and heat costs, the invoices do not contain information on the actual quantity of energy spent, but only the financial amount. Secondly, data has still not been collected for some locations because the affiliate companies have not yet submitted the requested information. CO Group will continue the activities aimed at ensuring that the reporting is as complete as possible in the future.*

Following table presents the information on energy consumption and mix within CO Group in 2024:

Energy consumption and mix	**2024.**
(1) Fuel consumption from coal and coal products (MWh)	0
(2) Fuel consumption from crude oil and petroleum products (MWh)	5.502,89
(3) Fuel consumption from natural gas (MWh)	3.799,40
(4) Fuel consumption from other fossil sources (MWh)	0
(5) Consumption of purchased or acquired electricity, heat, steam, and cooling from fossil sources (MWh)	6.325,39
(6) Total fossil energy consumption (MWh) [calculated as the sum of lines 1 to 5]	15.627,68
Share of fossil sources in total energy consumption (%)	83,42%
(7) Consumption from nuclear sources (MWh)	1.058,52
Share of consumption from nuclear sources in total energy consumption (%)	5,65%
(8) Fuel consumption for renewable sources, including biomass (also comprising industrial and municipal waste of biologic origin, biogas, renewable hydrogen, etc) (MWh)	48,14
(9) Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources (MWh)	2.000,24
(10) The consumption of self-generated non-fuel renewable energy (MWh)	0
(11) Total renewable energy consumption (MWh)[calculated as the sum of lines 8 to 10]	2.048,38
Share of renewable sources in total energy consumption (%)	10,93%
Total energy consumption (MWh) [calculated as the sum of lines 6 and 11]	18.734,57

**The share of energy from nuclear sources in the total energy consumption has been calculated for companies in the Republic of Croatia.*

E1-6 Gross Scopes 1, 2, 3 and Total GHG emissions

Comparison with previous years is not possible because CO Group did an analysis of Scope 1, 2 and 3 emissions for the first time. Also, the following table was adjusted for the fact that CO Group has not set emission reduction targets[86].

CO Group	**2024.**
Scope 1 GHG emissionis	
Gross Scope 1 GHG emissions (t CO_2e)	2.138,43
Percentage of Scope 1 GHG emissions from regulated emission trading schemes (%)	0
Scope 2 GHG emissions	
Gross location-based Scope 2 GHG emissions (t CO_2e)	2.661,57
Gross market-based Scope 2 GHG emissions (t CO_2e)	6.630,64
Significant Scope 3 GHG emissions	
Total Gross Scope 3 GHG emissions (t CO_2e)	1.943.054,09
1. Purchased goods and services	7.514,15
2. Capital goods	10.065,24
3. Fuel and energy-related activities (not included in Scope 1 or Scope 2)	422,84
4. Upstream transportation and distribution	1,67
5. Waste generated in operation	1,80
6. Business travel	84,91
7. Employee commuting	441,09
8. Upstream leased assets	19,32
11. Use of sold products	0,77
13. Downstream transportation and distribution	1.074,27
15. Investments	1.923.428,03
Total GHG emissions	
Total GHG emissons (location based) (t CO_2e)	1.947.854,09
Total GHG emissons (market based) (t CO_2e)	1.951.823,16

[86] E1-6 44., 45., 47., 52.

An analysis of Scope 1 and 2 emissions was conducted for the first time for all affiliate companies. The table below shows the breakdown of emissions by company:

2024.					
Company	**Scope 1 (t CO_2e)**	**Scope 2 (t CO_2e) – location based**	**Scope 2 (t CO_2e) – market based**	**Scope 1 + Scope 2$_{location\ based}$ (t CO_2e)**	**Scope 1 + Scope 2$_{market\ based}$ (t CO_2e)**
Croatia osiguranje d.d.	1.211,22	763,77	2.539,22	1.974,98	3.750,44
Croatia premium d.o.o.	16,35	-	-	16,35	16,35
M TEH d.o.o.	-	-	-	-	-
CROATIA-TEHNIČKI PREGLEDI d.o.o.	190,04	265,67	1.003,15	455,71	1.193,19
HERZ d.d.	16,68	11,63	43,92	28,31	60,60
STANICA ZA TEHNIČKI PREGLED VOZILA d.o.o., Pitomača	5,91	-	-	5,91	5,91
Stanica za tehnički pregled vozila BLATO d.o.o.	-	3,68	13,91	3,68	13,91
CROTEHNA d.o.o.	19,41	-	-	19,41	19,41
SLAVONIJATRANS TEHNIČKI PREGLEDI d.o.o.	5,27	4,03	15,24	9,30	20,51
AUTOPRIJEVOZ d.d.		2,33	8,81	2,33	8,81
CROATIA nekretnine d.o.o.	-	-	-	-	-
STRMEC PROJEKT d.o.o.	-	-	-	-	-
ASTORIA d.o.o.	31,37	338,53	559,10	369,90	590,47
AUTO MAKSIMIR VOZILA d.o.o.	-	0,11	0,46	0,11	0,46
Koreqt d.o.o.	3,17	-	-	3,17	3,17
Koreqt distribucija d.o.o.	-	-	-	-	-
CO Zdravlje d.o.o.	-	-	-	-	-
CROATIA Poliklinika	82,22	216,98	774,35	299,20	856,57
Marin Med d.o.o.	1,43	37,59	141,94	39,02	143,37
Marin Med Plus d.o.o.	-	0,99	3,75	0,99	3,75
Medros d.o.o.	-	-	-	-	-
Croatia osiguranje mirovinsko društvo d.o.o.	8,54	4,00	15,10	12,54	23,64
Razne usluge d.o.o. (u likvidaciji)	-	-	-	-	-
Milenijum osiguranje a.d.o.	330,23	332,35	414,54	662,58	744,77

Croatia osiguranje d.d., društvo za osiguranje neživota, Skopje	33,27	38,10	57,59	71,37	90,86
Croatia osiguranje d.d., društvo za osiguranje života, Skopje	20,51	-	-	20,51	20,51
Croatia osiguranje d.d., Mostar	156,68	631,76	1.023,30	788,44	1.179,98
Croauto d.o.o., Mostar	6,13	4,46	7,22	10,59	13,35
CROATIA-REMONT d.d., Čapljina	-	1,61	2,61	1,61	2,61
Tia auto d.o.o.	-	-	-	-	-
Skadenca d.o.o.	-	3,97	6,44	3,97	6,44
Total	**2.138,43**	**2.661,57**	**6.630,64**	**4.799,98**	**8.769,08**

The lack of emission data is due to the fact that some affiliate companies are based in leased properties, where energy consumption data is not available or is not kept separately. A detailed emissions analysis for these companies was therefore impossible. Going forward, the Company will work on improving the data collection process, setting up better monitoring mechanisms, and cooperating with lessors to ensure more complete coverage of emissions and more precise calculation of the total carbon footprint.

2024.	
Scope	**Emissions in t CO_2 e**
Scope 1 CO Group	2.138,43
Scope 2 CO Group location based	2.661,57
Scope 2 CO Group market based	6.630,64

Since CO Group operates in sectors that do not have a significant impact on the climate, it has not calculated the intensity of its greenhouse gas emissions. [87]

[87] E1-6 53.

a. Methodology, emission and conversion factors, GWP [88]

Scope 1, 2 and 3 carbon footprint of Croatia osiguranje d.d. and its affiliate companies was analysed according to the GHG Protocol Corporate Accounting and Reporting Standard and the requirements of the HRN EN ISO 14064-1:2018 standard "Specification with guidance at the organization level for quantification and reporting of greenhouse gas emissions and removals". Partnership for Carbon Accounting Financials (PCAF) methodology, Part A "Financed Emissions" (Version 2, December 2020) was used for the analysis of indirect emissions of investments (Scope 3, Category 15) based on financial instrument data, taking into account relevant emission factors and availability of asset data.

Emission factors from IPCC Guidelines for National Greenhouse Gas Inventories and the Croatian National Emission Factor Database[89] were used for the calculation of Scope 1 direct emissions resulting from stationary and mobile energy sources as displayed in the table below:

Fuel type	EF CO_2 (kg/MJ)	EF CH_4 (kg/TJ)	EF N_2O (kg/TJ)	Source
Stationary sources				
Natural gas	0,0561	5	0,1	2006 IPCC, Chapter 2. Stationary combustion[90]
Extra light fuel oil	0,0741	3	0,6	
Liquefied petroleum gas (LPG)	0,0631	5	0,1	
Wood pellets	0,112	2	0,1	
Mobile sources				
Diesel	0,0741	3,9	3,9	Croatian database
Petrol	0,0693	3,8	5,7	Croatian database
Autogas	0,0631	62	0,2	2006 IPCC, Chapter 3. Mobile combustion[91]

To calculate Scope 2 indirect emissions, resulting from the use of electricity, by means of the market-based method, the last available emission factors of European residual mixes were used[92], AIB, for 2023[93], along with the factors from the database of the Technical Working Group of International Financial Institutions for Greenhouse Gas Accounting, IFI[94].

Market based method			
Energy	**Country**	**EF CO_2 equivalent g/kWh**	**Source**
Electricity	Croatia	550,15	AIB
	Bosnia and Herzegovina	1197,00	IFI
	North Macedonia	851,00	IFI
	Serbia	966,96	AIB

The Croatian database and the database of the Technical Working Group of International Financial Institutions for Greenhouse Gas Accounting, IFI was used to calculate Scope 2 indirect emissions, resulting from the use of electricity, by means of the location-based method.

[88] E1-6 AR 39. a), E1 AR 9.
[89] https://mzozt.gov.hr/o-ministarstvu-1065/djelokrug/uprava-za-klimatsku-tranziciju-1879/ugljicni-otisak/8960
[90] https://www.ipcc-nggip.iges.or.jp/public/2006gl/pdf/2_Volume2/V2_2_Ch2_Stationary_Combustion.pdf
[91] https://www.ipcc-nggip.iges.or.jp/public/2006gl/pdf/2_Volume2/V2_3_Ch3_Mobile_Combustion.pdf
[92] Considering that no CO Grupa company in the Republic of Croatia purchased electricity from the system of guarantees of origin, emission factors from AIB's 2023 report were used. The residual mix of electricity shows sources of electricity supply not covered by guarantees of origin or other reliable tracking mechanisms. Source: https://www.aib-net.org/facts/european-residual-mix/2023
[93] https://www.aib-net.org/facts/european-residual-mix/2023
[94] https://unfccc.int/documents/461676

Location based method			
Energy	**Country**	**EF CO_2 equivalent g/kWh**	**Source**
Electricity	Croatia	145,70	Croatian database
	Bosnia and Herzegovina	739,00	IFI
	North Macedonia	563,00	IFI
	Serbia	678,00	IFI

Let it be noted that emission factors for methane and nitrogen oxide exist in the Croatian database and were also used to calculate GHG emissions, whereas only the emission factor for carbon dioxide equivalent was used for other countries.

Energy	**EF CO_2 combustion kg/MWh**	**EF CH_4 combustion kg/MWh**	**EF N_2O combustion kg/MWh**	**EF CO_2 equivalent combustion kg/MWh**
Electricity	144,33	0,016735	0,003265	145,70

Emission factors from the Croatian database and factors from DEFRA's database[95] for Serbia were used for the calculation of Scope 2 indirect emissions resulting from the use of heat.

Location based method					
Energy	**Country**	**EF CO_2 combustion kg/MWh**	**EF CH_4 combustion kg/MWh**	**EF N_2O combustion kg/MWh**	**EF CO_2 equivalent combustion kg/MWh**
Heat	Croatia	210,94	0,008531	0,001024	211,46
	Serbia	177,91	0,040939	0,001905	179,65

Emission factors from HEP's (Hrvatska elektroprivreda) website were used to calculate indirect Scope 2 emissions resulting from the use of heat by means of the market-based method. The same factor as for the location-based approach was used for Serbia.

Market based method			
Energy	**Country**	**EF CO_2 equivalent g/kWh**	**Source**
Heat	Croatia	288,00	HEP
	Serbia	179,65	DEFRA

In accordance with the GHG Protocol methodology and the ISO 14064-1:2018 standard, the relevant subcategories were considered in the analysis of Scope 3 emissions as the key emission sources within the operations of the Company and all affiliate subsidiaries. These subcategories cover different activities contributing to Scope 3 emissions. The tables below show the emission factors used for the identified relevant subcategories:

Category 1: purchased goods and services		
Sub-category	**EF (kgCO_2/EUR)**	**Source**
IT equipment and related services	0,1191	EXIOBASE
Advertising and promotional activities	0,1025	BEIS
Attorney and other services	0,0562	BEIS
Other business activities	0,4553	EXIOBASE
Intellectual services and audit	0,3313	EXIOBASE
Accounting services	0,1136	BEIS
Asset safekeeping services	0,0906	EPA

[95] https://www.gov.uk/government/publications/greenhouse-gas-reporting-conversion-factors-2024

Office consumables	0,1156	EPA
Paper and paper products	1,0901	OpenIO - Canada
IT consumables	0,4153	OpenIO - Canada
Smaller office furniture	0,4325	EXIOBASE
Document delivery and waiting services	0,6376	EXIOBASE
Telecommunication services	0,0974	EXIOBASE
Direct office expenses	0,7681	Market Economics Limited
Court and other fees	0,1071	EPA
Remuneration of liquidators	0,1136	BEIS
Telephone charges and postage	0,0974	EXIOBASE
Utilities	1,0291	EPA

Category 2: capital goods		
Sub-category	**EF ($kgCO_2$/EUR)**	**Source**
Investments in buildings	0,0979	EXIOBASE
Software	0,1474	OpenIO - Canada
Mobile phones (kgCO2/unit)	49,18	CAEP
Other electronic equipment	0,3337	BEIS
Furniture	0,3375	BEIS
Air conditioners (kgCO2/unit)	86,04	CAEP
Passenger cars	0,5028	EXIOBASE
Equipment for the operation of vehicle testing centres	0,4314	EXIOBASE
Surveillance cameras	0,0844	EPA
Other equipment	0,1750	EPA
Books, artwork, and other similar assets	0,3916	EPA

Category 3: Fuel- and energy-related activities not included in Scope 1 or Scope 2						
Fuel type	**Unit**	**EF CO_2 – upstream**	**EF CH_4 – upstream**	**EF N_2O – upstream**	**EF CO_2e – upstream**	**Source**
Natural gas	kg/GJ	13,6485	0,1122	0,00004	17,0266	Croatian database
Extra light fuel oil	kg/GJ	7,6020	0,1893	0,0001	13,3110	Croatian database
Liquified petroleum gas	kg/GJ	7,3414	0,0903	0,00006	10,0704	Croatian database
Diesel	kg/GJ	6,7314	0,1906	0,0001	12,4833	Croatian database
Petrol	kg/GJ	7,5775	0,1906	0,0001	13,3350	Croatian database
Electricity - Croatia	kg/MWh	20,3009	0,0045	0,0007	20,6318	Croatian database
Elecctricity – Bosnia and Herzegovina	kg/MWh				116,82	Carbon Footprint Ltd
Electricity – North Macedonia	kg/MWh				113,61	Carbon Footprint Ltd
Electricity - serbia	kg/MWh				119,35	Carbon Footprint Ltd
Heat	kg/MWh	53,2187	0,0029	0,0003	53,4124	Croatian database

Category 4: upstream transportation and distribution		
Sub-category	**EF ($kgCO_2$/EUR)**	**Source**
Investments in buildings	0,0979	EXIOBASE
Software	0,1474	OpenIO - Canada

Category 5: waste generated in operations		
Waste disposal processes	**EF ($kgCO_2e$/t)**	**Source**
Waste disposal at managed landfills	916,339	Hrvatska baza

Category 6: business travel					
Means of transportation	**EF CO_2 (kg/km)**	**EF CH_4 (kg/km)**	**EF N_2O (kg/km)**	**EF CO_2e (kg/km)**	**Source**
Flight (spend-based)	-	-	-	0,9748 $kgCO_2e$/EUR	EXIOBASE
Bus (spend based)	-	-	-	0,6376 $kgCO_2e$/EUR	EXIOBASE
Train	0,0351	0,00007	0,0002	0,0354	DEFRA
Bus	0,2898	0,000001	0,00001	0,2931	Croatian database
Car - petrol	0,2537	0,000032	0,000001	0,2551	Croatian database
Car - diesel	0,1898	0,00001	0,000008	0,1921	Croatian database
Ferry	0,1113	0,00003	0,0013	0,1126	DEFRA

Category 7: employee commuting					
Means of transportation	**EF CO_2 (kg/km)**	**EF CH_4 (kg/km)**	**EF N_2O (kg/km)**	**EF CO_2e (kg/km)**	**Source**
Car - diesel	0,1598	$2,88*10^{-8}$	$6,01*10^{-6}$	0,1614	Croatian database
Car - hybrid	0,1274	$1,79*10^{-5}$	$1,90*10^{-6}$	0,1284	Croatian database
Car - petrol	0,2099	$1,78*10^{-5}$	$1,40*10^{-6}$	0,2108	Croatian database
Motorbike - petrol	0,1252	$6,39*10^{-5}$	$1,96*10^{-6}$	0,1276	Croatian database
Tram	0,0283	$1,23*10^{-4}$	$1,60*10^{-4}$	0,0286	DEFRA
Bus	0,0781	$4,42*10^{-7}$	$3,33*10^{-6}$	0,0790	Croatian database
Train	0,0351	$7,84*10^{-5}$	$2,85*10^{-4}$	0,0354	DEFRA

Category 8: upstream leased assets				
Energy	**EF CO_2e – location based (kg/MWh)**	**Source**	**EF CO_2e – market based (kg/MWh)**	**Source**
Electricity	145,699141	Croatian database	550,15	AIB

Category 11: use of sold products		
Type of device	**Device consumption (kW)**	**Source**
Smartphone	0,005	Power Consumption of Typical Household Appliances
Desktop	0,1	
Tablet	0,02	
Smart TV	0,25	

Category 13: downstream leased assets			
Fuel type	**Unit**	**EF CO_2e**	**Source**
Natural gas	kg/GJ	56,1	2006 IPCC, Chapter 2. Stationary combustion
Extra light fuel oil	kg/GJ	74,1	
Electricity – location based	kg/MWh	145,69	Croatian database
Heat – location based	kg/MWh	211,46	
Electricity – market based	kg/MWh	550,15	AIB
Heat – market based	kg/MWh	288,00	HEP

The Global Warming Potentials (GWP)[96] that were used for the calculation of GHG emissions relating to a time horizon of 100 years were taken over from the latest Sixth Report[97] by the Intergovernmental Panel on Climate Change (IPCC) and are shown in the table below:

Greenhouse gases	Chemical formula	GWP values for 100-year time horizon	Source
Carbon dioxide	CO_2	1	IPCC, 2021.
Methane $_{fossil}$	CH_4	29,8 ± 11,0	IPCC, 2021.
Nitrous oxide	N_2O	273 ± 130	IPCC, 2021.

The following parameters needed for GHG emission calculation were also used:

Parameters	Diesel	Petrol	LPG*	ELFO*	Nat. Gas*	Autogas	Wood pellets
Density (kg/l)	0,85	0,75	0,55	0,85	-	-	-
LCV* (MJ/kg); za PP (MJ/m^3)	42,71	44,59	46,89	42,71	34,77	24,40	16,5
Calorific value (kWh/kg)	-	-	-	-	-	-	4,8

** LCV, lower calorific value; Nat.Gas, natural gas; LPG, liquified petroleum gas; Extra light fuel oil, ELFO*

[96] To facilitate the comparison of the effects of different greenhouse gases, an international agreement was reached to assign a so-called Global Warming Potential to each greenhouse gas. Global Warming Potential allows for the presentation of all GHGs other than CO_2 in corresponding CO_2 equivalent ($Co2eq_2$ or CO_2e).
[97] Forster, P., T. Storelvmo, K. Armour, W. Collins, J.-L. Dufresne, D. Frame, D.J. Lunt, T. Mauritsen, M.D. Palmer, M. Watanabe, M. Wild, and H. Zhang, 2021: The Earth's Energy Budget, Climate Feedbacks, and Climate Sensitivity. In Climate Change 2021: The Physical Science Basis. Contribution of Working Group I to the Sixth Assessment Report of the Intergovernmental Panel on Climate Change [Masson-Delmotte, V., P. Zhai, A. Pirani, S.L. Connors, C. Péan, S. Berger, N. Caud, Y. Chen, L. Goldfarb, M.I. Gomis, M. Huang, K. Leitzell, E. Lonnoy, J.B.R. Matthews, T.K. Maycock, T. Waterfield, O. Yelekçi, R. Yu, and B. Zhou (eds.)]. Cambridge University Press, Cambridge, United Kingdom and New York, NY, USA, pp. 923–1054, doi: 10.1017/9781009157896.009 (section 7.6.1.1.).

b. Organisation limits and reporting limits

The Company performed a comprehensive GHG emission analysis for 2023 covering Scope 1 and Scope 2 emissions. In 2024, the Company performed an analysis of Scope 1, 2 and 3 GHG emissions for the first time, and included its affiliate companies in the analysis for the first time, thus ensuring a full analysis of CO Group's total carbon footprint. [98]

The operational control approach has been used for corporate reporting purposes. The table below shows a list of affiliate companies included in the carbon footprint analysis, their legal structure, the Company's equity share, and the share of consolidated emissions according to the operational approach (operational control):

Company	Legal structure	The Company's equity share (%)	Share of consolidated emissions according to the operational approach
Croatia osiguranje d.d.	Parent Company		
Croatia premium d.o.o.	subsidiary	100,00	100,00
M TEH d.o.o.	subsidiary	100,00	100,00
CROATIA-TEHNIČKI PREGLEDI d.o.o.	subsidiary	100,00	100,00
HERZ d.d.	subsidiary	100,00	100,00
STANICA ZA TEHNIČKI PREGLED VOZILA d.o.o., Pitomača	subsidiary	100,00	100,00
Stanica za tehnički pregled vozila BLATO d.o.o.	subsidiary	100,00	100,00
CROTEHNA d.o.o.	subsidiary	100,00	100,00
SLAVONIJATRANS TEHNIČKI PREGLEDI d.o.o.	subsidiary	76,00	100,00
AUTOPRIJEVOZ d.d.	subsidiary	79,12	100,00
CROATIA nekretnine d.o.o.	subsidiary	100,00	100,00
STRMEC PROJEKT d.o.o.	subsidiary	100,00	100,00
ASTORIA d.o.o.	subsidiary	100,00	100,00
AUTO MAKSIMIR VOZILA d.o.o.	subsidiary	100,00	100,00
Koreqt d.o.o.	subsidiary	100,00	100,00
Koreqt distribucija d.o.o.	subsidiary	100,00	100,00
CO Zdravlje d.o.o.	subsidiary	100,00	100,00
CROATIA Poliklinika	subsidiary	100,00	100,00
Marin Med d.o.o.	subsidiary	100,00	100,00
Marin Med Plus d.o.o.	subsidiary	100,00	100,00
Medros d.o.o.	subsidiary	100,00	100,00
Croatia osiguranje mirovinsko društvo d.o.o.	subsidiary	100,00	100,00
Milenijum osiguranje a.d.o.	subsidiary	100,00	100,00

[98] E1-6 46.

Croatia osiguranje d.d., društvo za osiguranje neživota, Skopje	subsidiary	100,00	100,00
Croatia osiguranje d.d., društvo za osiguranje života, Skopje	subsidiary	100,00	100,00
Croatia osiguranje d.d., Mostar	subsidiary	97,12	100,00
Croauto d.o.o., Mostar	subsidiary	97,12	100,00
CROATIA-REMONT d.d., Čapljina	subsidiary	97,12	100,00
Tia auto d.o.o.	subsidiary	97,12	100,00
Skadenca d.o.o.	subsidiary	97,12	100,00

Some categories were not included in the report in the analysis of Scope 3 GHG emissions because they are not relevant for the operations of Croatia osiguranje d.d. and its affiliate companies. The excluded categories and explanation of the reasons for their exclusions are given below:

- Downstream transport and distribution – There is no production of physical products that would require distribution to end customers, which means that there are no material emissions associated with the transport and distribution of sold products.
- Processing of sold products – This emission category is not relevant for reporting due to the nature of services, which require no further industrial processing.
- End-of-life of sold products – Since the Company provides services, and does not produce or sell any material products, there are no emissions related to the end-of-life of its products.
- Franchise – Companies within CO Group do not use the franchise model in their operations and are not managing franchise units that would generate emissions within the organization limits for reporting. This category is therefore not relevant for the coverage of the carbon footprint analysis.

c. Emission sources[99]

According to the GHG Protocol, Scope 1 emissions (direct emissions) occur from fuel combustion in stationary and mobile energy sources owned or controlled by the company. Scope 2 emissions (indirect emissions), according to the GHG Protocol, occur as a result of the use of electricity and heat by the company. Scope 2 emissions are calculated using the location-based or market-based method. The location-based method calculates emissions by means of average energy generation emission factors for defined locations, while the market-based method takes into account contractual arrangements under which the company purchases energy from certain sources.

The analysis of Scope 1 emission sources covered the following energy products from stationary and mobile energy sources: natural gas, extra light fuel oil, liquefied petroleum gas (LPG), pellets, diesel, petrol, autogas. Scope 2 emissions occur from the use of electricity and heat in real estate properties where the Company and all its affiliate subsidiaries operated in 2024.

The analysis of Scope 3 emissions for CO Group identified the key emission sources within the value chain. Purchased goods and services and capital goods generate a substantial share of emissions through the purchase of materials and services needed for the Company’s business, including IT equipment, office supplies, and external services. Fuel and energy activities include emissions from the production and distribution process for the purchased electricity and fuel prior to their consumption. Business travel is a source of emissions, particularly due to the use of air or road travel for business purposes.

[99] E1 AR 9. a)

Commuting further contributes to emissions, depending on the use of personal cars and public transport. Waste generated from operations, primarily office operations, generates emissions through waste processing and disposal procedures. Also, CO Group's investments have an indirect impact on emissions depending on the investment portfolio.

d. Data on activities resulting in Scope 3 GHG emissions[100]

For the purpose of calculating emissions from investments, relevant country-specific emission factors and asset data were taken into account, with the calculation performed using the PCAF methodology. The analysis covered emissions associated with government bonds (including treasury bills), stocks, corporate bonds, alternative investment funds (AIFs), exchange-traded funds (ETFs), undertakings for collective investment in transferable securities (UCITS), investments for unit-linked products (UL), loans, deposits, and cash in business accounts. [101]

The table below shows a detailed breakdown of activities by companies within CO Group in 2024.

Category	Croatia osiguranje d.d.	Croatia osiguranje mirovinsko društvo d.o.o.	CROATIA poliklinika	Croatia PREMIUM d.o.o.	CROATIA-TEHNIČKI PREGLEDI d.o.o.	CROATIA nekretnine d.o.o.	AUTO MAKSIMIR VOZILA d.o.o.	Koreqt d.o.o.	Marin Med d.o.o.
Purchesd goods and services (EUR)	23.196.572,53	76.624,04	1.646.307,00	62.471,82	1.223.702,11	300.139,92	5.514,92	879.237,00	236.143,00
Capital goods (EUR)	10.729.818,36	27.903,59	1.100.438,46	3.046.231,67	2.732.816,64	46.259.309,11	-	389.000,00	18.219,00
Fuel and energy related activities (MWh)	10.290,73	65,42	1.449,50	60,33	2782,59	-	0,81	11,69	270,43
Upstream transportation and distribution (EUR)	-	-	-	2.614,52	-	-	-	-	-
Waste generated in operations (t)	145,11	0,54	10,90	-	6,00	-	-	-	0,12
Business travel	41.436,48 EUR	11.273,00 km	2.340,00 km	6.449,00 km	51.535,00 km	787,00 km	-	2.186,00 km	1.212,00 km
Employee commuting (km)	2.980.032,00	32.076,00	337.824,00	16.200,00	480.492,00	32.640,00	-	24.840,00	65.664,00
Upstream leased assets (kWh/l)	-	-	-	-	132.621,00	-	-	-	-

[100] E1-6 AR. 43. a)
[101] ESRS 2 BP-2 10., a), b), 11.

Use of sold products (number of users)	4.384.145,00	-	-	-	-	-	-	-	-
Downstream leased assets (kWh/l)	3.166.510,00 kWh / 4.958,88 l	-	-	7.859,00 kWh	2.237.257,90 kWh	-	-	-	-
Investments (EUR)	1.194.889.203,05	2.897.107,49	-	-	-	765.666,89	-	-	-

Category	Astoria d.o.o.	M TEH d.o.o.	Razne usluge d.o.o. (u likvidaciji)	Croatia osiguranje d.d., Mostar	Croauto d.o.o., Mostar	Skadenca d.o.o.	CROATIA-REMONT d.d., Čapljina	Milenijum osiguranje a.d.o.	Croatia osiguranje d.d., društvo za osiguranje neživot, Skopje	Croatia osiguranje d.d., društvo za osiguranje život, Skopje
Purchesd goods and services (EUR)	190.895,19	11.215,00	12.792,66	1.921.684,20	22.752,07	52.070,23	5.552,26	147.088,79	10.169.049,00	-
Capital goods (EUR)	15.201,77	5.530,47	-	6.319.633,57	-	-	-	31.648.042,86	3.810.445,00	56.880,00
Fuel and energy related activities (MWh)	6.018,65	-	-	1.601,57	6,04	5,38	2,18	2.335,65	194,72	77,63
Upstream transportation and distribution (EUR)	-	-	-	-	-	-	-	-	-	-
Waste generated in operations (t)	-	-	-	1,1	0,05	0,1	-	0,71	-	-
Business travel	-	27.000,00 km	-	-	-	-	-	9.052,57 km	93.043,17 km	79.625,20 km

Employee commuting (km)	-	-	-	-	-	540,00	-	552.420,00	2.160,00	209.520,00
Upstream leased assets (kWh/l)	-	-	-	-	-	-	-	-	-	-
Use of sold products (number of users)	-	-	-	25.039,00	-	-	-	114.568,00	38.765,00	-
Downstream leased assets (kWh)	-	-	-	391.089,83 kWh	148.209,30 kWh	-	105.889,49 kWh	-	-	275.000,00 kWh
Investments (EUR)	-	-	-	37.563.966,11	-	-	-	59.667.792,62	20.811.976,32	73.909.994,84

The data is consolidated at individual company level:

- CROATIA-TEHNIČKI PREGLEDI d.o.o. includes data for the following companies: Herz d.d., STANICA ZA TEHNIČKI PREGLED VOZILA d.o.o., Stanica za tehnički pregled vozila BLATO d.o.o., Crotehna d.o.o., AUTOPRIJEVOZ d.d., SLAVONIJATRANS TEHNIČKI PREGLEDI d.o.o.
- Koreqt d.o.o. includes data for the company Koreqt distribucija d.o.o.
- Marin Med d.o.o. includes data for Marin Med Plus d.o.o.
- Croatia osiguranje d.d. Mostar includes data for Tia auto d.o.o.
- STRMEC PROJEKT d.o.o. is currently not active in business. CO Zdravlje d.o.o. operates as the management company for Croatia Poliklinika. In late 2024, Medros d.o.o. was acquired and merged with Croatia Poliklinika, as a result of which the data for this company were not available for reporting

e. Quantitative list of GHG emissions[102]

The table below shows the breakdown of Scope 3 emissions by company:

Category	Croatia osiguranje d.d. (tCO_2e)	AUTO MAKSIMIR VOZILA d.o.o. (tCO_2e)	Croatia osiguranje mirovinsko društvo d.o.o. (tCO_2e)	Croatia osiguranje d.d., Mostar (tCO_2e)	Croatia osiguranje d.d., društvo za osiguranje neživot, Skopje (tCO_2e)	CROATIA poliklinika (tCO_2e)	Croatia osiguranje d.d., društvo za osiguranje život, Skopje (tCO_2e)	Croatia PREMIUM d.o.o. (tCO_2e)	CROATIA-TEHNIČKI PREGLEDI d.o.o. (tCO_2e)
Purchesd goods and services	4.767,64	0,60	8,06	291,81	1.017,61	328,86	-	10,10	452,52
Capital goods	1.678,32	0,50	5,62	647,36	1.028,48	173,13	13,61	1.499,44	287,15
Fuel and energy related activities	124,12	0,02	0,57	99,32	7,68	32,81	0,000004	0,000003	37,68
Upstream transportation and distribution	-	-	-	-	-	-	-	1,67	-
Waste generated in operations	-	-	-	1,01	-	-	-	-	-
Business travel	38,42	-	1,49	-	16,99	0,19	13,96	1,24	5,97
Employee commuting	218,55	-	1,34	-	0,05	28,84	14,69	2,78	80,7
Upstream leased assets	-	-	-	-	-	-	-	-	19,32
Use of sold products	0,74	-	-	-	0,01	-	-	-	-
Downstream leased assets	598,54	-	-	59,98	-	-	40,06	1,14	352,96
Investments	1.565.178,96	-	1.284,59	99.381,54	49.120,52	-	110.715,11	-	-
TOTAL	1.572.605,29	1,12	1.301,67	100.481,02	51.191,34	563,83	110.797,43	1.516,37	1.236,30

[102] E1-6 19., 20., 27., 21.

Category	Croauto d.o.o. (tCO_2e)	Koreqt d.o.o. (tCO_2e)	M TEH d.o.o. (tCO_2e)	Marin Med d.o.o. (tCO_2e)	Milenijum osiguranje a.d.o. (tCO_2e)	Razne usluge d.o.o. (u likvidaciji) (tCO_2e)	Skadenca d.o.o. (tCO_2e)	CROATIA nekretnine d.o.o. (tCO_2e)	Astoria d.o.o. (tCO_2e)
Purchesd goods and services	1,62	89,77	1,04	58,29	284,11	1,41	5,33	58,81	136,57
Capital goods	-	57,56	1,24	6,06	75,27	-	-	4.590,02	1,48
Fuel and energy related activities	-	0,0005	-	5,46	33,47	-	0,62	-	81,09
Upstream transportation and distribution	-	-	-	-	-	-	-	-	-
Waste generated in operations	0,05	-	-	-	0,65	-	0,09	-	-
Business travel	-	0,17	5,19	0,10	1,03	-	-	0,16	-
Employee commuting	-	2,05	-	11,40	79,07	-	0,09	1,53	-
Upstream leased assets	-	-	-	-	-	-	-	-	-
Use of sold products	-	-	-	-	0,02	-	-	-	-
Downstream leased assets	21,59	-	-	-	-	-	-	-	-
Investments	-	-	-	-	95.369,65	-	-	2.377,66	-
TOTAL	23,26	149,55	7,47	81,31	95.843,27	1,41	6,13	7.028,18	219,14

Total emissions by companies in 2024:

COMPANY	Scope 1 (t CO_2e)	Scope 2 (t CO_2e) location based	Scope 2 (t CO_2e) market based	Scope 3 (t CO_2e)
Croatia osiguranje d.d.	1.211,22	763,77	2.539,22	1.572.605,29
Croatia premium d.o.o.	16,35	-	-	1.516,37
M TEH d.o.o.	-	-	-	7,47
CROATIA-TEHNIČKI PREGLEDI d.o.o.	190,04	265,67	1.003,15	1.236,30
HERZ d.d.	16,68	11,63	43,92	-
STANICA ZA TEHNIČKI PREGLED VOZILA d.o.o., Pitomača	5,91	-	-	-
Stanica za tehnički pregled vozila BLATO d.o.o.	-	3,68	13,91	-
CROTEHNA d.o.o.	19,41	-	-	-
SLAVONIJATRANS TEHNIČKI PREGLEDI d.o.o.	5,27	4,03	15,24	-
AUTOPRIJEVOZ d.d.		2,33	8,81	-
CROATIA nekretnine d.o.o.	-	-	-	7.028,18
ASTORIA d.o.o.	31,37	338,53	559,10	219,14
AUTO MAKSIMIR VOZILA d.o.o.	-	0,11	0,46	1,12
Koreqt d.o.o.	3,17	-	-	149,55
CROATIA Poliklinika	82,22	216,98	774,35	563,83
Marin Med d.o.o.	1,43	37,59	141,94	81,31
Marin Med Plus d.o.o.	-	0,99	3,75	-
Croatia osiguranje mirovinsko društvo d.o.o.	8,54	4,00	15,10	1.301,67
Razne usluge d.o.o. (u likvidaciji)	-	-	-	1,41
Milenijum osiguranje a.d.o.	330,23	332,25	414,54	95.843,27
Croatia osiguranje d.d., društvo za osiguranje neživota, Skopje	33,27	38,10	57,59	51.191,34
Croatia osiguranje d.d., društvo za osiguranje života, Skopje	20,51	-	-	110.797,43
Croatia osiguranje d.d., Mostar	156,68	631,76	1.023,30	100.481,02
Croauto d.o.o., Mostar	6,13	4,46	7,22	23,26
CROATIA-REMONT d.d., Čapljina	-	1,61	2,61	-
Skadenca d.o.o.	-	3,97	6,44	6,13
TOTAL	**2.138,43**	**2.661,57**	**6.630,64**	**1.943.054,09**

The analysis of emissions by countries that CO Group is operating in is shown in the table below:

Country	Scope 1 (t CO_2e)	Scope 2 (t CO_2e) market based	Scope 2 (t CO_2e) location based	Scope 3 (t CO_2e)	Total Scope 1 + Scope $2_{location}$ + Scope 3	Total Scope 1 + Scope 2_{market} + Scope 3
Croatia	1.572,20	5.118,95	1.649,31	1.584.711,64	1.587.933,15	1.591.402,79
Bosnia and Herzegovina	182,22	1.039,57	641,80	100.510,41	101.334,43	101.732,20
Serbia	330,23	414,54	332,25	95.843,27	96.505,75	96.588,04
North Macedonia	53,78	57,59	38,10	161.988,77	162.080,65	162.100,14
TOTAL	**2.138,43**	**6.630,65**	**2.661,46**	**1.943.054,09**	**1.947.853,98**	**1.951.823,17**

f. Carbon footprint calculation uncertainty

Carbon footprint calculation uncertainty is an important aspect of managing greenhouse gas emissions. The uncertainty assessment does not aim to question the validity of the calculation, but to provide additional insight allowing for the identification of key areas for improving the accuracy of the calculation in the future. It also helps choose an appropriate emission calculation methodology.

IPCC *Good Practice Guidance and Uncertainty Management in National Greenhouse Gas Inventories* guidelines are used for uncertainty assessment, specifically the approach outlined in Chapter 6 *Quantifying Uncertainties in Practice*, with an emphasis on the *Tier 1* method, which allows for uncertainty assessment per source categories with simplified assumptions.

Total estimated uncertainty of emissions from individual sources is a result of the combination of uncertainty of individual elements included in the calculation of emissions, including:

- Emission factor uncertainty – variability and reliability of factors used to calculate emissions depending on data sources and methodology.
- Activity data uncertainty – deviations and limitations in the availability and accuracy of data on the consumption of energy products and other activities generating GHG emissions.

Understanding and managing these uncertainties is crucial for increasing the precision of the carbon footprint calculation and for making informed decisions on emission reduction.

The estimated uncertainty can stem from a variety of factors, including the characteristics of measuring instruments, calibration, and frequency of sampling in direct measurement. In this case, uncertainty is the result of a combination of emission factor uncertainty for some sources and uncertainty of data on activities generating GHG emissions.

However, due to the lack of available information about the uncertainty of emission factors from the Croatian National Emission Factor Database and the limited data on the uncertainty of activities resulting in emissions, the IPCC recommends the use of their referential uncertainty values for emission factors and activity data when calculating the uncertainty of the total carbon footprint. This approach ensures consistency and greater reliability when estimating emission uncertainty.

The table below presents uncertainty values used to calculate the uncertainty of Scope 1 and 2 carbon footprint calculation:

Activity data	**UncertintyTier 1**	**EF for CO_2**	**UncertintyTier 1**
Electricity	± 7 %	Electricity	± 7 %
Heat	± 7 %	Heat	± 7 %
Diesel / petrol	± 5 %	Diesel / petrol	± 2 %
Natural gas	± 7 %	Natural gas	± 7 %
Liquified petroleum gas (LPG)	± 7 %	Liquified petroleum gas (LPG)	± 7 %
Extra light fuel oil	± 7 %	Extra light fuel oil	± 7 %
Wood pellets	± 7 %	Wood pellets	± 7 %

Uncertainty of the GHG emission calculation was estimated according to the methodology from the IPCC guidelines at ± 4.1%. In other words, total Scope 1 and 2 GHG emissions for CO Group in 2024, according to the market-based approach, were estimated to 8.769,08 ± 359,53 t CO_2e.

This range reflects possible deviations caused by the uncertainties of emission factors and activity data, ensuring the transparency and reliability of the calculation.

On the other hand, the qualitative method was used to estimate the uncertainty of the calculation of Scope 3 GHG emissions due to the lack of relevant data that would allow for faithful representation of activities in individual categories. The table below presents the level of uncertainty for selected categories:

Category	**Uncertinity of data**
Purchesd goods and services	small to medium
Capital goods	small to medium
Fuel and energy related activities	small to medium
Upstream transportation and distribution	small to medium
Waste generated in operations	small to medium
Business travel	medium to large
Employee commuting	medium to large
Upstream leased assets	small to medium
Use of sold products	small to medium
Downstream leased assets	small to medium
Investments	medium to large

The use of the qualitative method allows for the recognition of high uncertainty areas and allows future efforts to be channelled into improving data quality, which will improve the reliability of Scope 3 emission calculations.

EU Taxonomy

With the adoption of the European Green Deal, the European Union set the objective of achieving climate neutrality (net zero) by 2050. As part of this goal, the European Commission developed a comprehensive sustainable finance framework to ensure the fulfilment of the established targets. One of the key pillars for promoting investment in sustainable projects is Regulation (EU) 2020/852 on the establishment of a framework to facilitate sustainable investment (EU Taxonomy Regulation). This Regulation establishes a framework for facilitating sustainable investments and defines the conditions that an economic activity must meet to be considered environmentally sustainable. It also imposes an obligation on companies to disclose the proportion of their activities that are Taxonomy-eligible and Taxonomy-aligned.

Taxonomy-eligible and Taxonomy-aligned activities
An activity is considered Taxonomy-eligible if it contributes substantially to at least one of the six environmental objectives defined in Article 9 of the Regulation:

- Climate change mitigation
- Climate change adaptation
- Sustainable use and protection of water and marine resources
- Transition to a circular economy
- Pollution prevention and control
- Protection and restoration of biodiversity and ecosystems

An activity is Taxonomy-aligned if, in addition to being Taxonomy-eligible, it meets additional environmental sustainability criteria:

1. Substantial contribution – The activity must satisfy specific substantial contribution criteria for at least one of the environmental objectives under the EU Taxonomy.
2. “Do No Significant Harm” (DNSH) criterion – The activity must not cause significant harm to any other environmental objective.
3. Compliance with minimum safeguards – The activity must be in accordance with:
    - OECD Guidelines for Multinational Enterprises
    - UN Guiding Principles on Business and Human Rights

- The eight fundamental conventions of the International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work
- The International Bill of Human Rights

Delegated acts that support the Taxonomy Regulation
To ensure implementation of the Regulation, the following delegated acts have been adopted:

- Delegated Act 2021/2139 (Climate Delegated Act): Adopted on 4 June 2021, this act establishes which economic activities substantially contribute to climate change mitigation and adaptation, without causing significant harm to other environmental objectives.
- Delegated Act 2021/2178 (Disclosures Delegated Act): Adopted on 6 July 2021, it specifies the reporting obligations of undertakings concerning environmentally sustainable economic activities, including key indicators and calculation methodologies.
- Complementary Climate Delegated Act (2022/1214): Adopted on 9 March 2022, this act specifies the Technical Screening Criteria (TSC) and the DNSH rules for natural gas and nuclear energy.
- Delegated Act 2023/2486: Adopted on 27 June 2023, it expands the list of economic activities that contribute to environmental objectives, including the sustainable use and protection of water and marine resources, transition to a circular economy, pollution prevention and control, and protection and restoration of biodiversity and ecosystems.

In accordance with Article 8 of the EU Taxonomy Regulation, the Company, as an insurance undertaking subject to the Corporate Sustainability Reporting Directive (CSRD), is required to disclose key performance indicators (KPIs) for insurance and investment activities aligned with the EU Taxonomy for the financial year 2024. Reporting is conducted in compliance with the EU Taxonomy Regulation and its delegated acts, including Delegated Regulation (EU) 2021/2178, which establishes the methodology for the calculation and disclosure of KPIs, as well as additional guidance issued by the European Commission and ESMA following their adoption. The analysis covers the entire portfolio of CO Group, with particular attention given to the classification of investments and insurance activities in the context of environmentally sustainable economic activities, in line with the technical screening criteria set out in Delegated Regulation (EU) 2021/2139.

Key performance indicators related to insurance activities

The calculation of key performance indicators (KPIs) related to insurance activities includes the following insurance companies within CO Group: CROATIA osiguranje d.d., Milenijum osiguranje a.d.o. Belgrade, CROATIA osiguranje d.d. Mostar, CROATIA osiguranje d.d. – društvo za osiguranje neživota, Skopje.

In the Taxonomy-based analysis of activities, the CO Group applied a policy for determining eligible activities by first identifying the products included in the calculation. These are all non-life insurance products that, in their risk coverage, directly include climate change-related risks, alongside other risks. In 2024, such products include: comprehensive motor vehicle insurance, comprehensive insurance of rail vehicles, aircraft, and vessels, goods-in-transit insurance, fire insurance and other property insurance (including crop, plantation, and livestock insurance, as well as insurance against financial losses in property).

Share of revenue from Taxonomy-eligible economic activities in non-life insurance

	Substantial contribution to climate change adaptation			DNSH (Do No Significant Harm)					
Economic activities (1)	Absolute premiums, year t (2)	Proportion of premiums, year t (3)	Proportion of premiums, year t – 1 (4)	Climate change mitigation (5)	Water and marine resources (6)	Circular economy (7)	Pollution (8)	Biodiversity and ecosystems (9)	Minimum safeguards (10)
	EUR	%	%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N
A.1 Non-life insurance and reinsurance underwriting Taxonomy-aligned activities (environmentally sustainable)	0	0	N/A	N	N/A	N/A	N/A	N/A	N
A.1.1 Of which reinsured			N/A	N	N/A	N/A	N/A	N/A	N
A.1.2 Of which stemming from reinsurance activity			N/A	N	N/A	N/A	N/A	N/A	N
A.1.2.1 Of which reinsured (retrocession)			N/A	N	N/A	N/A	N/A	N/A	N
A.2 Non-life insurance and reinsurance underwriting Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)	193,045,662	37%	N/A						
B. Non-life insurance and reinsurance underwriting Taxonomy-non-eligible activities	333,770,336	63%	N/A						
Total (A.1 + A.2 +B)	526,815,998	100%	N/A						

** Y/N = YES /NO*

The insurance and reinsurance activity includes only Taxonomy-eligible revenues from non-life insurance, which are not simultaneously aligned with the technical screening criteria. Although CO Group carries out certain due diligence activities, which is a fundamental requirement of the minimum safeguards, due to non-alignment with the technical screening criteria, this portion is also conservatively classified as non-aligned. Co Group plans to take measures in the future to align its insurance and reinsurance activities with the requirements of the EU Taxonomy. Regarding the substantial contribution criteria for climate change adaptation, CO Group does not fully meet the alignment criteria, but it does implement some of the measures described in the technical screening criteria for substantial contribution to climate change adaptation. The Company considers the activities and measures undertaken by its clients to reduce climate change risks in its products and risk underwriting. These activities influence the reduction of insurance premiums and are continuously communicated to clients during the process of concluding insurance contracts. The Company aims to meet client needs by introducing new innovative products, such as insurance against soil moisture deficiency (drought), to protect their assets from climate-related risks. The Company also continuously cooperates with public authorities and provides the necessary data to support the introduction of measures aimed at enhancing climate change adaptation. The objectives related to Water and marine resources, Circular economy, Pollution, and Biodiversity and ecosystems are not applicable to the insurance and reinsurance activity, and for this reason, N/A is reported under the Do No Significant Harm (DNSH) criteria for these objectives.

The calculation includes revenues (premiums) from non-life insurance for both individuals and legal entities, while the KPI calculation is based on the ratio of revenues according to the above-mentioned items and the total revenue from all non-life insurance.

Key performance indicators related to investments

Although Article 10 of Delegated Regulation 2021/2178 prescribes the disclosure of exposure information in relation to “total assets”, it has been concluded that, in the insurance sector, total investments more accurately reflect investment activities, given that Annex IX, which relates to insurance and reinsurance undertakings and specifies that key performance indicators (KPIs) should be expressed as a percentage of “total investments” and in absolute monetary units. The regulation also stipulates that investments should include all direct and indirect investments, including investments in collective investment undertakings, equity holdings, loans and mortgage loans, property, plant, and equipment, and intangible assets, where applicable. In accordance with Commission Delegated Regulation 2021/2178, the calculation of KPIs excludes exposure to central governments, central banks, and supranational issuers.

The investment portfolio includes government bonds, corporate bonds, equities, derivatives, funds, loans, real estate. The total assets of the investment portfolio considered for the calculation of the key performance indicator related to investments amount to EUR 616,125,302. The percentage of the monetary value of assets covered by the KPI is 76.93%, with investments in sovereign entities excluded.

For the calculation of the proportion of exposures to Taxonomy-eligible and Taxonomy-non-eligible activities economic activities, as well as to undertakings not subject to the disclosure obligation under Articles 19a or 29a of Directive 2013/34/EU, the denominator includes the following investment asset classes: corporate bonds, equities, derivatives, funds, loans, and real estate. Due to data unavailability, the numerator does not include collective investment undertakings, real estate, or derivatives. For the assessment of equities, bonds, and loans, publicly available financial statements and sustainability statements were used for companies with available data for 2024.

The investment portfolio data of CO Group’s insurance undertakings is presented in the table below. Croatia osiguranje d.d. takes into account ESG criteria in accordance with its internal investment strategy, as well as its Sustainable Investment Policy and Engagement Policy, which are published on the Company’s website. A lack of data from issuers remains evident. Regulators expect the financial sector to use the most recent available information on the Taxonomy eligibility of the (non-)financial entity in which investments are made when disclosing data. This is generally feasible for entities subject to the obligation to disclose Taxonomy-related information. However, since the majority of investment entities are required to publish non-financial reports containing information on taxonomy KPIs only after this obligation takes effect for the Group, it is extremely difficult in practice to collect relevant data for the previous reporting year (in this case, 2024). Additionally, there is uncertainty regarding the accuracy of data that could be obtained directly from the entities in which investments are made.

In the context of the assessments performed, it is important to highlight the proportion of exposures to green bonds, for which data remains unclear. As a result, Taxonomy eligibility is conservatively estimated at 0%. Since the data disclosed by corporate clients has not yet been audited, the Group encountered challenges in assessing the credibility of data sources during its analysis. For this reason, the calculation does not include data for the Green Asset Ratio (GAR) or collective investment undertakings, as well as corporate data where inconsistencies in data presentation were observed. Additionally, the categories of cash and deposits have been excluded from the investment portfolio.

Proportion of investments by insurance or reinsurance undertakings intended to finance Taxonomy-aligned economic activities, or related to them, in total investments

Weighted average value of all investments by insurance or reinsurance undertakings intended to finance Taxonomy-aligned economic activities, or related to them, in relation to the value of total assets covered by the key performance indicator, with the following weights for investments in enterprises: Based on revenue: **0.69%** Based on capital expenditures: **2.35%**	Weighted average value of all investments by insurance or reinsurance undertakings intended to finance Taxonomy-aligned economic activities, or related to them, with the following weights for investments in enterprises: Based on revenue: **EUR 3,287,559** Based on capital expenditures: **EUR 11,138,978**
Percentage of assets covered by the key performance indicator in relation to total investments in insurance or reinsurance undertakings (total assets under management). Investments in sovereign entities are excluded. Coverage ratio: **76.93%**	Monetary value of assets covered by the key performance indicator. Investments in sovereign entities are excluded. Coverage: **EUR 474,007,481**
Additional supplementary disclosures: breakdown of the denominator of the key performance indicator	
Percentage of derivatives in relation to total assets covered by the key performance indicator: **-0.17%**	Monetary value of derivatives: **EUR -796,267**
Proportion of exposures to financial and non-financial undertakings not subject to Articles 19a and 29a of Directive 2013/34/EU in total assets covered by the key performance indicator: For non-financial undertakings: **6.91%** For financial undertakings: **18.94%**	Value of exposures to financial and non-financial undertakings not subject to Articles 19a and 29a of Directive 2013/34/EU: For non-financial undertakings: **EUR 32,742,372** For financial undertakings: **EUR 89,786,304**
Proportion of exposures to financial and non-financial undertakings from third countries not subject to Articles 19a and 29a of Directive 2013/34/EU in total assets covered by the key performance indicator: For non-financial undertakings: **0.00%** For non-financial undertakings: **0.02%**	Value of exposure to financial and non-financial undertakings from third countries not subject to Articles 19a and 29a of Directive 2013/34/EU: For non-financial undertakings: **EUR 0** For financial undertakings: **EUR 105,625**
Proportion of exposures to financial and non-financial undertakings subject to Articles 19a and 29a of Directive 2013/34/EU in total assets covered by the key performance indicator: For non-financial undertakings: **19.37%** For financial undertakings: **44.90%**	Value of exposures to financial and non-financial undertakings subject to Articles 19a and 29a of Directive 2013/34/EU: For non-financial undertakings: **EUR 91,827,162** For financial undertakings: **EUR 212,830,861**
Proportion of exposures to other counterparties and assets in relation to total assets covered by the key performance indicators: **7.37%**	Value of exposure to other counterparties and assets: **EUR 34,914,492**

Proportion of investments by insurance or reinsurance undertakings, excluding investments held in relation to life insurance contracts where investment risk is borne by policyholders, that are intended to finance Taxonomy-aligned economic activities or are related to them: **n.a.**	Value of investments by insurance or reinsurance undertakings, excluding investments held in relation to life insurance contracts where investment risk is borne by policyholders, that are intended to finance Taxonomy-aligned economic activities or are related to them: **n.a.**
Value of all investments financing economic activities that are not Taxonomy-eligible in relation to the value of total assets covered by the key performance indicator: Based on revenue: **80.83%** Based on capital expenditures: **78.76%**	Value of all investments financing economic activities that are not Taxonomy-eligible: Based on revenue: **EUR 383,154,411** Based on capital expenditures: **EUR 373,335,657**
Value of all investments financing economic activities that are Taxonomy-eligible but not Taxonomy-aligned in relation to the value of total assets covered by the key performance indicator: Based on revenue: **10.36%** Based on capital expenditures: **10.95%**	Value of all investments financing economic activities that are Taxonomy-eligible but not Taxonomy-aligned: Based on revenue: **EUR 49,116,534** Based on capital expenditures: **EUR 51,926,345**
Additional supplementary disclosures: breakdown of the numerator of the key performance indicator	
Proportion of Taxonomy-aligned exposures to financial and non-financial undertakings subject to Articles 19a and 29a of Directive 2013/34/EU in relation to total assets covered by the key performance indicator: For non-financial undertakings: Based on revenue: **0.69%** Based on capital expenditures: **2.35%** For financial undertakings: Based on revenue: **0.00%** Based on capital expenditures: **0.00%**	Value of Taxonomy-aligned exposures to financial and non-financial undertakings subject to Articles 19a and 29a of Directive 2013/34/EU: For non-financial undertakings: Based on revenue: **EUR 3,283,539** Based on capital expenditures: **EUR 11,130,630** For financial undertakings: Based on revenue: **EUR 4,019** Based on capital expenditures: **EUR 8,348**
Proportion of investments by insurance or reinsurance undertakings, excluding investments held in relation to life insurance contracts where investment risk is borne by policyholders, that are intended to finance taxonomy-aligned economic activities or are related to them: Based on revenue: **n.a.** Based on capital expenditures: **n.a.**	Value of investments by insurance or reinsurance undertakings, excluding investments held in relation to life insurance contracts where investment risk is borne by policyholders, that are intended to finance Taxonomy-aligned economic activities or are related to them: Based on revenue: **n.a.** Based on capital expenditures: **n.a.**

Proportion of taxonomy-aligned exposures to other counterparties and assets in relation to total assets covered by the key performance indicators: Based on revenue: **0.00%** Based on capital expenditures: **0.00%**	Value of taxonomy-aligned exposures to other counterparties and assets in relation to total assets covered by the key performance indicators: Based on revenue: **0** Based on capital expenditures: **0**

Breakdown of the numerator of the key performance indicator by environmental objective	
Taxonomy-aligned activities – positive assessment of Do No Significant Harm (DNSH) and social safeguards:	
1. Climate change mitigation Revenue: EUR 3,236,463 Capital expenditure: EUR 11,058,152	Revenue: **0.68%** Capital expenditure: **2.33%**
2. Climate change adaptation Revenue: EUR 51.096 Capital expenditure: EUR 80.826	Revenue: **0.01%** Capital expenditure: **0.02%**
3. Sustainable use and protection of water and marine resources	Revenue: **0.00%** Capital expenditure: **0.00%**
4. Transition to a circular economy	Revenue: **0.00%** Capital expenditure: **0.00%**
5. Pollution prevention and control	Revenue: **0.00%** Capital expenditure: **0.00%**
6. Protection and restoration of biodiversity and ecosystems	Revenue: **0.00%** Capital expenditure: **0.00%**

ESRS S1 Own workforce

SBM-2 – Interests and views of stakeholders

To ensure that employees' interests, perspectives, and rights, including respect for their human rights, are considered in the Company's strategy and business model, multiple channels and mechanisms have been established to gather employee feedback. The Company conducts annual employee satisfaction surveys covering various topics, including compliance with employees' human and labour rights. The Human Resources Sector analyses and processes the survey results, and any issues requiring decision-making on necessary measures are escalated to the Company's Management Board. The survey questions are designed to capture the views of as many employees as possible, shaping the desired organizational culture based on the feedback received. Survey questions are subject to change each year to address employee satisfaction, measure the impact of previously implemented changes, and assess the current state of affairs. For example, after implementing changes in the work model and working hours schedule, the survey specifically addresses satisfaction with work-life balance. In addition to closed-ended questions, open-ended questions are included to allow employees more freedom to provide suggestions and comments on topics that may not be adequately covered. The survey is voluntary and anonymous, and all collected information is processed at the organizational unit level. The data is used exclusively to adjust employee benefits and develop action plans that support organizational culture and strategic goals.

The Company maintains continuous social dialogue with the Industry Union of Employees in Insurance, with which the Company's Management Board negotiates employee rights with under the Collective Bargaining Agreement. A representative of the employees is also appointed as a member of the Supervisory Board and is informed about significant business changes that may impact employees before final decisions are made. The Company has developed a number of internal communication channels with a view to maintaining continuous, high-quality two-way communication with its employees, including the possibility of escalation of topics through the competent manager. The intranet portal, internal screens, apps, and the internal social network are available to employees for information and communication. A channel for sending anonymous messages to the Company's Management Board has been implemented in the internal social network. Twice a year, Croatia osiguranje holds the Management Forum, where managers also have the opportunity to address important issues, including those brought to their attention by their teams.

The information on employees' interests, perspectives, and rights gathered through these channels influences the Company's strategy and business model by serving as a basis for proposals and measures that are considered when establishing and revising relevant policies and are integrated into the workforce-related aspects of the Company's strategy.[103]

The Company continuously assesses the impact of its strategy and business model on the creation, deterioration, or mitigation of significant effects on its own workforce, considering employee feedback as well as market conditions, best practices, and external benchmarks. At the end of 2024, the Company conducted a revaluation process of job roles using the MERCER methodology to adjust salaries in line with external benchmarks and individual performance. Through this approach, the Company, as an employer, mitigates potential negative impacts on employee well-being and living standards, ensuring that employees are paid an adequate wage while also positively influencing staff retention, reducing turnover, and maintaining a highly skilled workforce. This, in turn, enhances business performance and the Company's competitiveness as an employer in the labour market.[104]

Regarding the work model and working hours arrangement, the Company, having adapted to the situation caused by the COVID-19 pandemic and subsequently to employees' expressed needs, has introduced hybrid and flexible work arrangements. These primarily involve adjusted working schedules for individual employees and remote work arrangements outside the employer's office premises. Following the successful implementation of a pilot project for remote work, employees whose job nature allows it have been provided with a model enabling work outside the employer's business premises. Depending on business needs and mutual agreements, remote work can be arranged as permanent, temporary, or occasional, or as work at a designated remote workplace, with a formally agreed-upon work schedule. The process of submitting requests, approvals, and recording

[103] S1 SBM-2 12, MDR-P 65 e)
[104] S1-10 67.

remote work is supported by a digital solution within the employee application, ensuring automatic recording in official employee records. This approach establishes clear criteria for formalizing such work arrangements, allowing employees greater flexibility, which positively impacts work-life balance.[105]

SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model

In the double materiality assessment process, CO Group identified actual positive impacts on its own workforce that are linked to its strategy and business model:

Topic	Sustainability issues and related impacts, risks, and opportunities	Potential or actual Impact/risk/opportunity
S1 Own workforce	**Working conditions**	
	Freedom of association	Positive impact
	Collective bargaining agreement	Positive impact
	Work-life balance	Positive impact
	Improvement of workplace health and safety	Positive impact
	Equal treatment and opportunities for all	
	Promotion of gender equality and fair compensation	Positive impact
	Employee training and development for improved performance	Positive impact
	Diversity and inclusion in the workplace	Positive impact

All employees of the Company are informed about the terms and rights related to social protection upon employment. Employee rights are defined by the Collective Bargaining Agreement. The Collective Bargaining Agreement guarantees employees a high level of labour and social rights, exceeding both the industry standards in the Croatian market and the minimum rights guaranteed by the Labour Act. In addition to the rights ensured by the Collective Bargaining Agreement, the Company provides employees with additional benefits, such as discounts with business partners, preferential conditions for private insurance contracts, accident insurance policies, liability insurance, travel insurance, and supplementary health insurance with access to medical services in polyclinics, as well as incentives for voluntary pension fund contributions (third pillar pension scheme), among others. A positive impact on the workforce is also achieved through occupational health and safety, by establishing a workplace safety management system, conducting regular employee training, and assessing the risks associated with each job position. In other Group companies, labour and social rights are defined by the respective workplace regulations.

Given the majority share of women in the CO Group's workforce, special attention is paid to promoting gender equality and ensuring equal pay for equal work. The criteria for salary determination are detailed in section S1-16 Remuneration metrics (pay gap and total remuneration). To ensure equal opportunities for career advancement, internal candidates for managerial positions are evaluated based on relevant work experience, professional knowledge, leadership competencies, and past job performance. External candidates for managerial positions undergo a selection process that includes testing and an interview with business managers and recruitment specialists to professionally and systematically assess candidates' capabilities.[106]

The Company's positive impacts on its own workforce also translate into market opportunities, particularly given the increasing demand for skilled professionals in the labour market. By achieving positive effects on the workforce in the described areas, the Company maintains its status as a desirable employer, enabling it to attract and retain skilled employees who are essential for achieving strategic objectives. Likewise, if the Company were to have a negative impact on its workforce in any of the described risk areas, this would manifest negatively through reputational risk, employee dissatisfaction, and, consequently, increased turnover, loss of skilled personnel, and a deterioration of the Company's market position. The effectiveness of the measures implemented by the Company to generate positive impacts on its workforce is monitored through engagement

[105] S1 SBM-2 AR 4., S1-4 38. c)
[106] S1-4 38. c)

channels with employees, as well as by tracking quantitative indicators such as employee turnover and external salary benchmarks.[107]

CO Group's double materiality assessment process includes individuals from its own workforce who are employed by the company (employees). The double materiality assessment did not identify any significant, widespread, or systemic negative impacts within the contexts in which CO Group operates; however, these aspects will continue to be monitored and reassessed in future reporting years.
No significant risks have been identified in relation to the Company's own workforce. Through the double materiality assessment, the Company has identified significant positive impacts, which are described under the requirements of SBM-3: Material impacts, risks, and opportunities and their interaction with strategy and the business model. [108]

CO Groupcurrently has no defined transition plan for reducing negative environmental impacts, and at this stage, it is not possible to determine potential negative effects of the transition plan or, more broadly, of achieving greener and climate-neutral operations on its workforce. [109]

The Group operates in the territories of Croatia, Slovenia, Serbia, North Macedonia, and Bosnia and Herzegovina, where there is no high risk of child or forced labour. Regulatory frameworks and oversight in these markets ensure compliance with labour rights, while the Group's business processes and internal mechanisms further guarantee adherence to international standards prohibiting forced or child labour. [110]

The double materiality assessment did not identify any significant impacts, risks, or opportunities arising from dependency on individuals within the Company's workforce that would apply to specific groups rather than to the workforce as a whole. [111]

S1-1 – Policies related to own workforce

The Company has not adopted a specific policy addressing its own workforce in relation to sustainability factors; rather, this aspect is largely covered within a broader document—the Code of Ethics. In addition to the Code of Ethics, the Company has implemented a range of internal documents that regulate employees' rights, obligations, and responsibilities while mitigating potential negative impacts. These documents also address issues related to material sustainability topics and subtopics. Some of the most significant policies and documents related to the Company's workforce include the Collective Bargaining Agreement, the Code of Ethics, the Work Organization Rulebook, the Disciplinary Procedures Rulebook, the Rulebook on Occasional Remote Work, the Rulebook on Employee Professional Development, the Rulebook on the Appointment of a Confidential Person and the Protection of Whistleblowers, and the Rulebook on Employee Data Protection and Processing, among others. Through these documents, the Company ensures a robust workforce management system, mitigating potential risks and ensuring compliance with relevant regulatory requirements. The workforce-related policies described in this Report apply to the Company itself, while at CO Group level, differences exist in the implementation of policies across individual entities. At the Group level, companies implement policies in accordance with applicable local legislation.[112]

Description of key contents of policies related to own workforce[113]

<u>Collective Bargaining Agreement</u>
The Collective Bargaining Agreement is concluded between the Industry Union of Employees in Insurance (hereinafter: the Union) as the industry trade union organization representing and advocating for the employees, members of the union at CROATIA osiguranje d.d., on one side, and the Management Board of CROATIA osiguranje d.d. as the employer (hereinafter: the Company), on the other. It regulates the rights and obligations

[107] S1 SBM-3 13. a), S1-4 38. a), c), d), S1-4 40. a), MDR-T 81. b) i
[108] S1 SBM-3 14. a), b), c), d)
[109] S1 SBM-3 14. e)
[110] S1 SBM-3 14. f), g)
[111] S1 SBM-3 15., 16.
[112] S1-1 17., AR 11.
[113] S1-1 MDR-P 65. a), b)

of the Union, the employees of the Company, the union members, as well as the rights and obligations of the Company as an employer towards employees who are union members, in accordance with legal and other regulations and the freedom of contract. The Agreement applies within the territory of the Republic of Croatia. The Collective Bargaining Agreement governs, among other matters, the following issues:

- Employee rights and obligations
- Worker protection and benefits
- Termination and employment protection
- Exercise of rights and obligations arising from employment
- Trade union rights and the application of the collective bargaining agreement.

Rulebook on the Appointment of a Confidential Person and the Internal Whistleblowing Procedure

Based on the provisions of the Whistleblower Protection Act and the Company's Articles of Association, the Management Board has adopted the Rulebook on the Appointment of a Confidential Person and the Internal Whistleblowing Procedure. The Rulebook regulates the internal whistleblowing procedure, the appointment of a confidential person and their deputy, and defines the rights and obligations of all parties involved. The objective of the Rulebook is to ensure effective protection of whistleblowers and the availability of reliable reporting mechanisms.

The Rulebook establishes that a whistleblower has the right to:

- Identity and confidentiality protection
- Judicial protection and compensation for damages
- Free legal assistance
- Emotional support
- Other protections as prescribed by law.

Individuals who have reported irregularities anonymously are also entitled to protection, provided they had a justified reason to believe that the reported information was truthful and submitted in accordance with the law. For all rights and obligations not regulated by the Rulebook, the provisions of the Whistleblower Protection Act shall apply.

Company Code of Ethics

The Company’s Code of Ethics is a document that defines desirable behaviours to foster high-quality relationships within the Company and with external partners. It is based on the Company’s corporate values: customer focus, expertise, reliability and responsibility, agility, and innovation. The Code applies to all employees and external associates of the Company, regardless of position.

Some of the key points included in the Code of Ethics regarding own workforce are:

- Respect for diversity and fostering an inclusive work environment
- Obligation to report unethical behaviour and protection of whistleblowers

The Code of Ethics describes the relationship with employees, where all employees of the Company have an equal opportunity for success, regardless of natural and cultural differences. Cooperation is based on trust, open and honest communication, and respect, which form the foundation of mutual relationships. Additionally, the Company opposes all forms of unethical treatment of employees.

Rulebook on Employee Professional Development

The Company’s Management Board has adopted the Rulebook on Employee Professional Development, which regulates the conditions and methods of employee training, as well as their rights and obligations before, during, and after training. The purpose of the Rulebook is to develop employees’ knowledge, skills, and abilities to enhance expertise, independence, and work efficiency. Through the CORE competency evaluation, performance assessment, and career management, individual development plans are created to align with employees’ needs and potential, ensuring equal opportunities for all employees. Professional development includes onboarding, on-the-job training, and formal education. The key outcome of the CORE evaluation is an individual employee development plan, which enables progress tracking until the next evaluation. The Company decides on the organization, financing, or co-financing of training programs.

Rulebook on Occasional Remote Work

The Rulebook on Occasional Remote Work defines the conditions and guidelines for performing work outside the Company’s business premises. Occasional remote work is only applicable to job roles that can be performed using information and communication technology.

The Rulebook applies to employees who have an agreed arrangement for occasional remote work in addition to working at the Company's business premises. Employees can also digitally submit requests and track their work records via the employee portal. This approach provides employees with greater work flexibility, positively impacting their work-life balance.

The highest level within the organization responsible for the implementation of these policies is the Company's Management Board. Within the Company's internal structure and work organization, the Management Board has delegated authority and responsibilities to the heads of various business units whose processes include aspects covered by the above-described policies. Accordingly, within business operations, the units responsible for compliance, human resources management, and security are specifically designated as accountable for the implementation, execution, and oversight of these policies. In accordance with the provisions of the Labour Act, before adopting a policy, the Company conducts consultations with the union representative, thereby ensuring that workforce interests are taken into account when determining policies related to its own workforce. In implementing these policies, the Company has not committed to adhering to third-party standards or initiatives. All Company policies related to its workforce are available on the intranet, the Company's server, and the notice board, where contact details for reporting breaches of conduct rules defined in the policies are also listed. Employees are introduced to these policies during the onboarding process upon employment. These policies apply to the entire workforce, covering all Company employees without exception. They have been established to ensure the consistent application of rules, rights, and obligations to all employees, regardless of their position, contractual status, or organizational unit within the Company.[114]

Policies related to human rights protection

The principles of human rights protection are integrated into the Company's Code of Ethics. Although there are no formal mechanisms for monitoring compliance with international standards, the Company has established grievance mechanisms for employees, allowing them to report human rights violations. The Collective Bargaining Agreement prescribes the procedure for protecting workers' dignity, covering violations of workers' rights based on any discriminatory grounds (age, gender, religion, education, health status, etc.), as well as any form of workplace harassment or harassment related to work. The Company actively incorporates the perspectives of its own workforce in decision-making, engaging directly with employees, through worker representatives on the Supervisory Board, and in collaboration with trade union representatives. The Company operates in full compliance with all relevant laws; however, it is not formally aligned with any specific international standard regarding the protection of human and labour rights. The Company's workforce-related policies do not explicitly address human trafficking, forced, compulsory, or child labour, but these issues are broadly covered under the Code of Ethics.[115]

Occupational health and safety[116]

Occupational health and safety management at the Company is conducted in accordance with applicable legal regulations and in compliance with the laws of the Republic of Croatia. In the subsidiaries of the CO Group, occupational health and safety management is conducted in compliance with relevant local laws and regulations. The Company has adopted the Rulebook on Occupational Health and Safety, aligned with the nature of its activities, applied technology, work equipment, hazardous substances, and the number of employees, based on the Risk Assessment. The Rulebook establishes occupational health and safety measures, occupational safety rules, and the rights, obligations, and responsibilities of the Company as an employer, its authorized representatives, and employees in areas not regulated by the Occupational Health and Safety Act, the Labour Act, related regulations, and the Collective Bargaining Agreement.

Equal opportunities and prevention of discrimination[117]

The Company has incorporated equal opportunities and respect for diversity into its Code of Ethics, which promotes the acceptance and appreciation of natural and cultural differences among individuals. Through this Code, the Company has committed to hiring, training, and promoting employees regardless of race, ethnicity, religion, language, marital status, sexual orientation, physical disabilities, political or other beliefs, social or

[114] S1-1 MDR-P 65. c), d), e), f), S1-1 19.
[115] S1-1 20. a), b), c), 21., 22.
[116] S1-1 23.
[117] S1-1 24. a), b), c), d)

economic status. Employment decisions are based on education, work experience, and alignment of candidates' competencies with business needs. Differences among employees within the Company are accepted in an open and tolerant manner, without interference in employees' privacy or personal lives. All employees have equal opportunities for success, and an individual's position within the Company depends solely on work performance and achievements. The Company fosters a professional work environment in which no form of discrimination is tolerated, nor any harassment, whether verbal, physical, or visual conduct that aims to or results in creating an offensive, hostile, or intimidating work environment.
The Company recognizes diversity and equal opportunities as key topics in the area of corporate social responsibility. Developing an inclusive culture and promoting diverse leadership are among the Company's key strategic priorities, as reflected in the Code of Ethics, fostering acceptance and appreciation of cultural and natural differences among individuals. The Company's core business values promote equal opportunities for advancement, guided by established performance criteria, which are regularly communicated to new employees as part of their onboarding process. To encourage the development of diverse employee competencies, internal mobility opportunities are available beyond traditional hierarchical promotion, through open calls transparently published on the Company's intranet. These initiatives uphold and promote the principles of equal opportunities and inclusion, ensuring that the highest standards of quality in business are maintained, driven by employee performance and growth potential. [118]

Protection of workers through Supplier Codes of Ethics[119]

When entering into insurance contracts with corporate clients as a supplier, the Company reviews and, if acceptable, adopts its clients' ethical principles. The provisions of external policies or codes include principles related to the respect of labour and human rights, which most commonly reference compliance with applicable ILO standards. As part of compliance checks on supplier codes of conduct and other external policies, the Company also evaluates its own practices and opportunities for improvement. Althoughthe Company's policies are generally aligned with applicable ILO standards, this alignment has not been formalized in internal regulations, and no specific monitoring mechanisms are in place to track compliance with these standards.
The General Procurement Terms of the Company include principles concerning respect for labour and human rights. All suppliers must ensure the protection of workers' human rights and treat them with dignity and respect, in accordance with internationally recognized standards.
The principles also prohibit discrimination of workers on any grounds, threats, harassment, and inhumane treatment, the use of coercion or verbal abuse. Suppliers must not engage in human trafficking or use any form of slave, forced, or prison labour.

S1-2 – Processes for engaging with own workers and workers' representatives about impacts

The Company systematically manages all workforce-related matters, implementing them across various internal processes and cooperation mechanisms, as described in SBM-3.[120] It also actively incorporates workforce perspectives into decision-making and activities related to managing actual and potential impacts on employees. Cooperation takes place directly with the workforce and through employee representatives, such as the Union. The Company regularly monitors employee satisfaction through an annual survey, which helps gauge employee opinions and needs. By ensuring worker representation at Supervisory Board meetings at least quarterly, the Company guarantees that employee voices are heard at the corporate governance level. The Trade Union plays a key role in this process, submitting quarterly reports in line with legal obligations and holding ad hoc meetings when escalated issues arise. When applicable, before making decisions regarding employee rights and obligations, the Company consults with or seeks approval from the Trade Union. The Human Resources Management function is responsible for handling these matters, including continuous employee education through external training providers on applicable labour rights and obligations, employee development, compensation and reward systems. The Director of the Human Resources Sector holds thematic workshops with the Management Board to ensure they are informed of the measures and actions needed for the implementation of specific business models. The Company operates under a Collective Bargaining Agreement, which includes provisions on non-discrimination, protection of human rights, entitlement to leave and rest periods, paid overtime work. This agreement ensures that the perspectives of the workforce are taken into account when

[118] S1-4 38. c)
[119] S1-1 AR 13.
[120] S1-2 29., 25.

making important decisions. The effectiveness of workforce collaboration is assessed through analysis of employee feedback and review of agreements reached with the Trade Union. The described processes and their outcomes address identified impacts and help the CO Group enhance its practices and ensure that employee rights are adequately protected.[121]
The Company continuously evaluates the effectiveness of collaboration procedures with its workforce, with employee satisfaction surveys serving as a key tool in this process. These surveys enable the collection of relevant input to assess the efficiency of the system. Additionally, the implemented mechanism for safeguarding employee dignity allows for monitoring reports related to dignity violations, helping identify areas that require further attention and intervention.[122]
Feedback received from employees is recorded in the reports and documentation of the Human Resources Sector, where it is carefully analysed and integrated into the decision-making process. Employees are regularly informed about how their feedback influences decisions via intranet announcements and email communications. Collaboration occurs at the level of organizational units and projects, while systematic activities are also conducted across the entire organization, such as through the Management Forum and escalations to relevant managers and the Management Board. Financial resources are allocated through the budget of the Human Resources Sector, enabling the assessment of organizational culture and the implementation of projects arising from workforce collaboration. Although the Company has not yet set target values for reducing GHG emissions and green transition, it plans to continue dialogue with the workforce to address all effects of these future measures.[123]

S1-3 – Processes to remediate negative impacts and channels for own workforce to raise concerns

The Company, in accordance with Article 134 of the Labour Act and internal regulations governing this area, has appointed individuals authorized to receive and handle complaints related to the protection of employee dignity, ensuring that two individuals of different genders have been designated for this role. In addition to this channel, employees (whistleblowers) can also report concerns for internal irregularities to the Confidential Persons. Furthermore, any breach or potential breach of the Company's Code of Ethics can be reported via an email address published on the intranet and employee portal. Alongside these formal channels, employees can send an anonymous message to the Company's Management via the internal business social network, Jenz. The Company regularly assesses employees' awareness and trust in the structures and procedures designed for expressing concerns or needs. Feedback on employees' perception and experience with available channels is collected through annual surveys and focus groups, with results indicating a high level of familiarity and trust in their effectiveness. These mechanisms incorporate whistleblower protection principles to ensure privacy and prevent retaliation against employees and external stakeholders using these channels. This approach guarantees the timely and effective resolution of concerns while ensuring maximum protection of employees' rights and dignity. The Company monitors and tracks submitted and processed complaints through established procedures within the implemented grievance and complaint resolution mechanisms related to employees. These channels are treated as strictly confidential, meaning that any data and information subject to a report are handled with the utmost confidentiality and are accessible only to designated authorized personnel (the Employee Dignity Protection Officer, the Confidential Person for whistleblowing, and the Ethics Committee). The designated officers maintain records of initiated proceedings and directly report to the Company's Management on established facts and proposed actions. Since these procedures are strictly formalized and regulated by Croatian law and the Code of Ethics, which aligns with stock exchange corporate governance rules, their effectiveness is ensured through adherence to prescribed deadlines, maintaining records and other evidence of conducted procedures, and providing clear instructions to organizational units if irregularities in conduct are identified. Additionally, these reporting channels serve as a basis for process improvements, employee training on emerging critical topics, and similar initiatives. [124]

S1-4 – Taking action on material impacts on own workforce, approaches to managing material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions

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[121] S1-2 27 a), b), c), d), e), AR 19.
[122] S1-2 AR 26.
[123] S1-2 AR 24., S1-4 43.
[124] S1-3 33., 34., 32. a), b), c), d)

The Group has not yet defined a transition plan for shifting towards a greener, climate-neutral economy and, for this reason, has no basis for implementing specific measures concerning its own workforce to mitigate potential negative impacts arising from transition activities. However, regardless of transition activities, there are defined measures that would be implemented in such a scenario. In the event of collective redundancies (20 or more employees within a 90-day period), the Company applies statutory measures, including consultations with the Trade Union regarding employees identified as redundant due to business restructuring. Additionally, depending on the specific circumstances of individual employees and their potential protection rights (e.g., persons with disabilities, employees over the age of 60, single parents with a child under 15, parents of children with developmental disabilities working reduced hours), the Trade Union is consulted for approval before proceeding with termination of the employment contract. As part of the process, the Croatian Employment Service is notified of potential collective redundancies so that it can offer active employment measures through its mobile offices to affected employees.

To avoid the least favourable outcome for employees—termination of employment contracts—the Company offers new contracts for roles where there is a business need, encourages employees to apply for internal job postings, and regularly highlights opportunities for continued employment in insurance distribution, which is part of the Company's core business and where hiring is ongoing.
The Company ensures that its business practices do not cause or contribute to significant negative impacts on its own workforce. By adhering to relevant laws, collective agreements, and internal policies, including the Code of Ethics, the Company continuously promotes fair working conditions, equality, and employee safety. Additionally, procurement, sales, and data usage practices are conducted in compliance with data protection regulations and do not cause or contribute to negative impacts on employees.[125]

S1-5 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities[126]

CO Group has not defined target values related to its own workforce, as no significant negative impacts have been identified. Although target values have not been established, the Company monitors the effectiveness of measures related to positive impacts on its own workforce.
Since the Company has held the Employer Partner Certificate for four years, confirming excellence in human resource management, it has been determined that positive impacts on the workforce are covered by the areas included in the certification process and adequately reflect progress and the effectiveness of implemented measures. The certification process includes an independent expert team's assessment of the following areas of human resource management:

- Attraction and recruitment: successfully attracting talent
- Onboarding and development: ensuring employees are competent and working effectively
- Engagement and inspiration: achieving organizational goals
- Transformation and growth: effectively managing change
- Retention and well-being: successfully retaining employees
- Exit and return: maintaining a strong reputation and sustainable business practices
- HR strategic consulting: ensuring the HR function strategically contributes to business development

The evaluation process is based on predefined standards that compare the Company's HR management processes with global best practices. The Company's ambition is to maintain its certification as proof of success in the aspects evaluated through the certification process.

S1-6 – Characteristics of the undertaking's employees

The following tables present the total number of employees, broken down by gender, country, and contract type at CO Group level:

Gender	Number of employees (CO Group)
Men	1,453
Women	2,427

[125] S1-1 41.
[126] S1-5 44. a), b), c)

Total employees	3,880

Country	Number of employees (CO Group)
Croatia	2,865
Bosnia and Herzegovina	266
North Macedonia	250
Serbia	493
Slovenia	6

Employees by contract type

2024			
CO Group	MEN	WOMEN	TOTAL
Number of employees (headcount/FTE)	1,453	2,427	3,880
Number of permanent employees (headcount/FTE)	1,294	2,117	3,411
Number of temporary employees (headcount/FTE)	159	310	469
Number of employees with non-guaranteed working hours (headcount/FTE)	-	-	-
Number of full-time employees (headcount/FTE)	1,423	2,375	3,798
Number of part-time employees (headcount/FTE)	30	52	82

Employee turnover rate

	Number
Total number of employees who left the company during the reporting period (CO Group)	640
	Percentage
Employee turnover rate during the reporting period (CO Group)	16.45%

The total number of employees includes all employees, regardless of full-time or part-time status, counted as 1 FTE, while the table separately presents the number of employees by these segments. The report covers the entire period from 1 January 2024 to 31 December 2024 and includes employee departures as of 31 December 2024. Employee turnover is in line with expectations for the insurance industry, where there is a significant number of employees hired in sales (field sales, telesales, etc.) who do not remain with the Company for an extended period, as they do not see direct insurance sales as a long-term career path.

S1-9 – Diversity metrics

At the CO Group level, the gender distribution at the highest management level and the distribution of employees by age groups have been analysed. The term highest management in the Company includes individuals who effectively manage the Company's operations. This encompasses members of the Management Board and the Supervisory Board, who oversee and govern the business in accordance with applicable legal regulations, Sector

Directors in the parent Company, key function holders as per insurance regulations, and Directors of affiliated companies directly connected to the parent Company. The following tables present diversity indicators:[127]

Gender distribution at the highest management level

Gender distribution at the highest management level	Number of employees at the highest management level	Percentage (relative to the total at the highest management level)
Men	22	55%
Women	18	45%
Other*		

Employee distribution by age group

Age group	Total number of employees	Percentage of employees
Under 30 years of age	638	16.44%
Between 30 and 50 years of age	2,304	59.38%
Over 50 years of age	938	24.18%

S-11 – Social protection[128]

All employees within CO Group are covered by social protection as prescribed by the relevant laws of the Republic of Croatia and other countries where CO Group's entities operate. This coverage is equal for all employees and includes compulsory health insurance, compulsory pension insurance, contributions to the state unemployment fund, sick leave compensation covered by the employer, sick leave compensation in case of work-related injuries, severance pay in case of termination by the employer, with a double severance amount if termination occurs due to work-related injuries or occupational diseases, parental and paternity leave.

In addition, all employees of the Company are entitled to additional social protection benefits based on the provisions of the Collective Bargaining Agreement concluded between the Croatian Industry Union of Employees in Insurances and Croatia osiguranje d.d. These additional benefits, which exceed statutory obligations, include:

- Financial solidarity support in cases of long-term illness, severe disability, significant material damage to the employee's property caused by natural disasters, and severe financial hardship
- Accident insurance policy for employees, voluntary health insurance, travel health insurance for business trips abroad, voluntary pension insurance through contributions to the third pension pillar
- Severance pay for employees retiring
- Severance pay in case of termination of employment, at amounts higher than those prescribed by law
- Extended notice periods for employees with disabilities, beyond statutory requirements
- Additional annual leave days for employees with disabilities, parents of children under the age of fifteen (15), and parents of children with developmental disabilities or diagnosed disabilities
- Additional paid leave days beyond statutory entitlements, granted for natural disasters, hosting displaced or refugee individuals, searching for missing immediate family members due to war, participation in humanitarian and similar activities, the child's first day of primary school, exceptional urgent family matters caused by illness or accidents.

[127] S1-9 66. a), b), S1-9 AR 71.
[128] S1-11 72., 74.

S1-13 – Training and skills development

The Company has a fully implemented talent management and career development process, which is systematically conducted and continuously enhanced. The objective of this strategic human resource management process is to identify employees with the potential to take on more complex and responsible roles in the future and to manage the development needs of all employees within the Company. The Human Resources Sector defines and implements planned training programs focused on competency development. A dedicated training management team within the Sales Training Centre oversees the implementation of mandatory and professional knowledge programs for sales representatives and other employees directly involved in products and sales. All sales employees are required to complete an annual mandatory training program via the e-learning platform, with a minimum duration equivalent to 44 hours, to fulfil the professional competence requirements.[129]

In collaboration with external partners, the Company offers training programs such as "Managerial Competencies," "Leadership Academy," and training in specialized knowledge for relevant technological and digital fields. These training initiatives equip participants with the knowledge, skills, and experience necessary for effective people management. As a digital leader, the Company integrates digital technologies into a significant portion of its business operations, making the e-learning system an essential tool. This system is continuously updated with new learning content.

The Company has adopted the Rulebook on Professional Development of Employees, which establishes the conditions and procedures for organizing, supporting, or participating in training programs, including the rights and obligations of employees during the training and after it. The Rulebook on Professional Development of Employees defines professional development as encompassing employee onboarding, skill enhancement through collaboration and hands-on experience, and formal education and training. The Company prioritizes training programs that enable employees to acquire the knowledge necessary for performing more complex tasks within their roles.

Adequate financial resources for training and education are allocated annually from the Company's overall budget, ensuring the coverage of training and education costs, whether in group settings or individual programs.

A key outcome of the CORE competency evaluation process is the Employee Personal Development Plan, which enables the tracking of employee development needs until the next competency evaluation cycle. The Personal Development Plan is based on individual development needs, as well as opportunities for advancement, improvement, or specialization identified by the employee and their supervisor at the conclusion of the CORE competency evaluation process.

In 2024, the average number of training hours per employee within CO Group was 29.4 hours. Male employees received an average of 26.2 training hours, while female employees averaged 31.4 training hours. All (100%) of the Group's employees participated in regular performance and professional development reviews.[130]

S1-14 – Health and safety metrics[131]

Occupational health and safety management in the Company is conducted in accordance with legal regulations and in compliance with the laws of the Republic of Croatia. The Company prepares a risk assessment that identifies work-related risks for each job position. Based on the risk assessment, measures and activities are implemented to reduce or eliminate risks. The quality of health and safety is ensured through continuous monitoring by occupational health and safety specialists. Every new employee undergoes training on safe work practices and workplace safety measures. To ensure the effective implementation of occupational health and safety measures, all employees are required to complete training and apply the acquired knowledge in daily work processes. [132] Workplace injuries are reported to occupational health and safety specialists, who complete OR workplace injury report forms and submit them to the competent authority. All employees have access to

[129] S1-4 38. c)
[130] S1-13 83. a), b)
[131] S1-14 88. a), b), c), d), e)
[132] S1-4 38. c)

instructions through the Company's applications on how to proceed in the event of a workplace injury. Within the Company, employees generally work in medium-risk job positions, with no high-risk occupational diseases.

CO Group mainly comprises office-based roles, except for polyclinics and vehicle inspection stations. Job positions with special working conditions in the Company include property claim adjusters, PAT claim adjusters, and similar roles. There are no special working conditions in polyclinics and vehicle inspection stations. In 2024, there were no cases of occupational diseases in the Group. In other countries where CO Group operates, occupational health and safety systems have been implemented in accordance with local regulations. All countries have internal occupational health and safety controls, while in Milenijum osiguranje a.d.o., external audits are conducted in compliance with ISO 45001 certification.

In 2024, CO Group recorded a total of nine recognized workplace injuries, resulting in a total loss of 620 working days due to these injuries. This figure includes lost days from two workplace injuries sustained in the previous year. Of these injuries, only one was classified as a severe workplace injury, while the remaining cases were minor injuries.
In 2024, no fatal workplace injuries or work-related illnesses occurred within CO Group.

S1-16 – Remuneration metrics (pay gap and total remuneration) [133]

At the CO Group level, an analysis was conducted on gender pay differences by country and within the CO Group. The following table presents the calculated differences:

Gender pay gap within CO Group and by countries[134]

Country	Gender pay gap
CO Group	**17.2%**
Croatia	16.7%
Bosnia and Herzegovina	23.8%
Serbia	24.2%
North Macedonia	22.0%
Slovenia	-14.8%

The gender pay gap (GPG) is calculated using the following formula:

$$\frac{(\text{average gross hourly wage of male employees } - \text{average gross hourly wage of female employees})_{\text{including variable pay}}}{\text{average gross hourly wage of male employees}_{\text{including variable pay}}}$$

Since the Group's payroll data covers Croatia, Serbia, Bosnia and Herzegovina, North Macedonia, and Slovenia, the wage ratio is significantly influenced by the fact that average salaries in Serbia, Bosnia and Herzegovina, and North Macedonia are substantially lower than those in Croatia, both at the national level and within the CO Group's affiliated companies. Slovenia is an exception, but given that there were only six employees in the Slovenian branch at the end of the year, its positive impact on the overall ratio is negligible. In Slovenia, women are, on average, paid more than men. Additionally, the majority of employees in the insurance industry work in sales, where women represent more than 60% of the workforce. Since compensation in sales is based on a highly measurable performance-based commission system, this significantly influences the gender pay gap. The average starting salary in sales is slightly above the statutory minimum gross wage, and turnover in the sales sector is higher than the average across other industries, further contributing to the fact that most employees in this segment receive below-average pay, regardless of gender.

As this is the first year the CO Group is publishing this metric, no prior period data is disclosed. To ensure equal pay for equal work, salaries are determined based on job value, i.e., the responsibilities and duties of a given position. The job value is assessed using the Mercer IPE methodology, which evaluates positions systematically

[133] S1-16 97. a), b), c)
[134] S1-16 97. a)

based on five factors and 12 dimensions. The key evaluation factors include position purpose, core responsibilities, impact on the business unit and the Group, type of interaction and communication, effect on human, operational, and financial dimensions. Salaries are further structured based on the determined job value, taking into account the assessment of individual employee performance and external salary benchmarks, ensuring that employees receive adequate wages. [135]

As of December 31, 2024, the ratio of the total annual earnings of the highest-paid individual to the average annual earnings of other employees is 19.3:1. Formula for annual total remuneration ratio is:

$$\frac{annual\ total\ remuneration\ for\ the\ undertaking's highest\ paid\ individual}{median\ employee\ annual\ total\ remuneration\ (excluding\ the\ highest-paid\ individual)}$$

The annual earnings of the CEO include fixed and variable earnings, which consist of annual and multi-year bonuses, and these amounts also include the allocation of bonuses in Adris Group shares based on their value on the day of allocation.

Additionally, since the majority of employees in the insurance industry are in the sales sector, and salaries and compensations are based on actual commissions earned, i.e., the performance of agents, it can be concluded that the large number of these employees (60%) significantly affects the median salary by lowering it at the Group level. Furthermore, turnover in the sales part of the business is significantly higher than usual in the general industry, which also affects this part of the organization, where most employees have below-average salaries regardless of gender. At the same time, there is no limit on the commission earned by agents, and the highest salaries of the best insurance agents are comparable to the salaries of the Company's senior management, occasionally even members of the Management Board, but their number does not significantly affect the median salary. Consequently, it is not surprising that the ratio of the CEO's earnings to the median earnings of the Group's employees is high.

S1-17 – Incidents, complaints, and severe human rights impacts[136]

In 2024, the Company conducted three proceedings for the protection of employee dignity. In two cases, the complaints were deemed unfounded. In one case, harassment was established, but it was not based on any discriminatory grounds. All proceedings were internally completed within the statutory eight-day period from the date of the complaint, and there were no additional external court proceedings in which employees sought further protection. Throughout the year, no complaints were filed with national contact points for OECD multinational enterprises regarding issues related to the company’s workforce. No fines, sanctions, or compensation payments were made for cases resulting from past incidents or complaints related to discrimination and harassment. The Human Resources Sector maintains records of submitted complaints, ongoing proceedings, and measures ta ken following the protection of employee dignity procedures. Court proceedings related to discrimination and harassment are recorded by the Legal Affairs Sector.

During the 2024 reporting period, the Company did not register any serious cases of human rights violations related to its workforce. All reported cases were duly recorded and monitored by the Human Resources Management unit and responsible persons within the company. No severe breaches of the UN Guiding Principles on Business and Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work, or the OECD Guidelines for Multinational Enterprises were identified. No monetary fines, sanctions, compensation, or damages were imposed, as no severe cases or penalties related to human rights violations were recorded.

[135] S1-10 67.
[136] S1-17 103. a), b), c), d), 104. a), b)

ESRS S3 Affected communities

Topic	Sustainability issues and related impacts, risks and opportunities	Potential or actual Impact/risk/opportunity
ESRS S3 Affected communities	**Company-specific**	
	Economic stability and community resilience	Actual positive impact
	Empowerment of communities through financial and digital literacy to improve insurance accessibility	Actual positive impact
	Collaboration with educational institutions	Actual positive impact

SBM-2 – Interests and views of stakeholders – requirement in ESRS 2

The Company uses multiple direct and indirect engagement channels and mechanisms to gather information about the interests and views of the affected communities. The Company conducts targeted surveys about the opinions and needs of the clients in the market, but also of the community members who are not using insurance yet. Different methods and metrics are used for this purpose as may be necessary. The Company conducts the surveys on its own and/or in collaboration with professional survey agencies. The results and conclusions are used as input information in the development, monitoring, and management of the products that the Company markets. In this way, the Company addresses the community's insurance protection needs.

Given its longevity, integration in the society, and market leader position, the Company has established continuous excellent cooperation with the representatives of the local community. Communication channels are open to the public in form of e-mail addresses available on the Company's website, including an address for reporting irregularities; an address where interested persons can file grievances and complaints; and an address for data protection inquiries; which also serve as channels that are available to all citizens for raising their concerns. An address for media inquiries and an address for sponsorship and donation inquiries are also available on the Company's website. The company continuously monitors and supervises the raised and processed issues through established processes within the complaint resolution mechanisms.[137] In addition, cooperation with the community is pursued through employees' humanitarian and volunteering activities such as afforestation campaigns, blood donation campaigns, and donation raising for humanitarian associations. Participation of the Company's representatives in relevant professional conferences and many collaboration projects with educational institutions is another means of engagement. By participating in initiatives launched by industry associations such as the Croatian Insurance Bureau (HUO) and the Association of Pension Fund Management Companies and Pension Insurance Companies (UMFO), the Company also gains valuable understanding of the community's insurance and financial literacy needs, including the needs of groups potentially marginalized in the society, or groups that find it harder to access information on insurance products.

Cooperation with the academic community is pursued by supporting initiatives launched by faculties, joint projects, and the participation of experts from Croatia osiguranje at lectures for students, but also participation in career fairs. By engaging with students, who are an important group in the wider community, CO Group companies gain an understanding of their perspectives and expectations.

[137] S3-3 27., S4-1 MDR-P 65. f), S4-3 26. a)

Information on the interests and views of the affected communities, gathered through the means of engagement described above, is taken into account in policies covering material impacts on the community, and is used as the basis for initiatives and actions undertaken by CO Group companies.[138]

SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model

In the Double Materiality Assessment process, CO Group identified actual positive impacts on the affected communities related to their economic stability and resilience, digital and financial literacy, and collaboration with educational institutions. The identified positive impacts were analysed with regard to the communities in the countries that CO Group insurance companies operate in: Croatia, Bosnia and Herzegovina, Serbia, North Macedonia, and Slovenia. All affected communities that the Group could influence are included in the scope of the Double Materiality Assessment and this disclosure.[139]

As the leading insurance company in the Republic of Croatia, Croatia osiguranje plays an important role in the financial stability of communities through the covers it offers within its insurance products. With their high-quality insurance solutions, CO Group companies contribute to the overall economic stability and resilience of communities by ensuring the possibility of compensation for losses from unexpected events like natural disasters, accidents, or business interruptions. Financial literacy education for the citizens is an important aspect of the Company's positive impact on the communities as well. CO Group companies implement and support financial literacy initiatives within communities, empowering individuals to make informed decisions and to better understand insurance and retirement savings products and their benefits. In addition to its own educational initiatives and channels for the citizens, CO Group members also support valuable industry initiatives run by associations such as the HUO and the UMFO. By working together, CO Group and these organisations are able to pool their budgets and professional capacities, which allows them to implement more activities and gives them a wider advertising reach, thus speeding up and advancing their efforts focused on raising the level of financial literacy. By participating in various projects, the Company aims to raise citizens' awareness of the importance of insurance and of taking personal responsibility for their safety, health, and assets. With respect to retirement savings, Croatia osiguranje mirovinsko društvo (pension insurance company) performs activities with a view to improving financial literacy, with employees of certain companies as the primary target group, and the general public as the secondary target group. These activities educate participants about important aspects of personal finance, with a focus on retirement savings.

The academic and scientific community is recognised as an important stakeholder in CO Group's operations. Through the projects of collaboration with educational institutions, CO Group has the opportunity to share knowledge and expertise from its area of business, and thus contribute to the development and training of future experts. In addition to channelling funds to valuable projects run by educational institutions through sponsorships and donations, CO Group experts participate in lectures and professional conferences at institutions of higher education, sharing their know-how in digitalisation, Insurtech, traffic science, telematics, and other related areas. Special emphasis is laid on cooperation with faculties in STEM, economics, and traffic sciences.[140]

Human and financial resources in organisational units responsible for marketing and corporate communications, human resource management, and product development and underwriting have been assigned to manage the material positive impacts on the affected communities with regard to financial literacy, collaboration with educational institutions, and economic stability and resilience of communities.[141]

S3-1 – Policies related to affected communities
S3-2 – Processes for engaging with affected communities about impacts

The Company has not adopted dedicated policies addressing affected communities specifically, but it has adopted a number of policies partially covering the management of identified material positive impacts on affected communities. The management of activities related to financial literacy and collaboration with educational institutions is covered by the Sponsorship and Donation Policy, which defines improving financial

[138] S3-2 19., 20., 21., 22., 25.
[139] S3 SBM-3 9.
[140] S3 SBM-3 9. a), c)
[141] S3-4 38.

literacy and collaboration with educational institutions as the Company's important goals and values with respect to the community. Corporate social responsibility is covered by the Code of Ethics, which is publicly available on the Company's website. The Company's Code of Ethics is not formally aligned with internationally recognised standards referring specifically to communities and indigenous peoples. No cases of non-respect of the UN's Guiding Principles on Business and Human Rights, the International Labour Organization's Declaration on Fundamental Principles and Rights at Work, or the OECD Guidelines for Multinational Enterprises occurred in 2024, and no serious human rights issues involving affected communities were reported.[142]

Processes relating to product development, monitoring and management tasks are defined in the Insurance Distribution Strategy Policy and the Product Oversight and Governance Policy, which are intended for the employees who, within product management, maintain, use, and review the procedure for the approval of newly developed products or more significant modification of existing products, as well as the employees who manage and control insurance distribution and distribution channels. These policies are associated with an identified positive impact on the community in terms of economic stability and resilience of the community. The Policy, among other things, sets out the steps that the Company takes prior to marketing its products, which may include product testing from the client and distributor perspective, market research, research of clients' needs, analysis of insurance market trends, monitoring of client experiences, and, on a case-by-case basis, scenario analyses. When defining the distribution strategy for a given insurance product, the organisational unit responsible for insurance distribution considers different distribution channels, taking into account the characteristics and the complexity of the product, along with the models, methods and means of insurance distribution, in order to distribute the product in the target market, and to avoid the distribution of the product to clients that the product is not intended for (negative target market). This ensures the offer of adequate insurance solutions for the markets and communities that CO Group operates in. The Company continually keeps track of insurance market trends. Organisational units responsible for client experience management, controlling, and product development perform the following: analysis of premium results and claims in the insurance market; comparison of the Company's performance trends with the market trends; keeping track of product trends in the Croatian and foreign markets; keeping track of changes in statutory and regulatory rules, keeping track of the development of digital technologies in insurance and new channels, etc. The results and conclusions are used as the bases for product development, monitoring, and management.

On the highest level, the Company's Management Board is responsible for the implementation of the policies described above, and on the operational level, the responsibility is borne by the organisational units in charge of marketing and corporate communications, product development and underwriting, and human resources management. The Company has not committed to respect third-party standards and initiatives in the implementation of its policies regarding impacts on affected communities.[143]

S3-4 – Taking action on material impacts on affected communities, and approaches to mitigating material risks and pursuing material opportunities related to affected communities, and effectiveness of those actions

Croatia is one of the EU member states with the lowest insurance coverage for disaster risks, which indicates that continued educational campaigns are needed for the general public, along with efforts to help further improve the financial literacy level. The current analysis shows that only a quarter of total losses caused by extreme weather and climate events and natural disasters in Europe is insured. Croatia has the highest insurance protection gap for earthquake, and a high insurance protection gap for flood in the second place. Heavy rains and floods throughout the year and devastating fires in the summer are becoming an increasingly real risk in the Republic of Croatia. The highest possible protection from damage caused by such weather-related disasters will therefore be important both on EU level and on national level, and insurance companies will play an important role in this in conjunction with public authorities.[144] Surveys monitoring the development and progress achieved in financial literacy in Croatia show that activities conducted in the market year after year by different stakeholders, including insurance companies, are producing results. Specifically, the report by the Organisation for Economic Cooperation and Development (OECD) titled "International Survey of Adult Financial Literacy", which references the third internationally coordinated cycle of surveys dealing with overall financial literacy

[142] S3-1 12., 16., 17., 18., 36.
[143] MDR-P 65. a), b), c), d), e), f)
[144] HANFA, *Hanfa calls on insurance companies to treat policyholders expediently and professionally*, www.hanfa.hr, 20 July 2023

levels in 2022 and 2023, indicates that Croatian citizens achieved an above-average result in comparison with all countries participating in the survey. CO Group's insurance companies and the pension insurance company Croatia mirovinsko društvo therefore implemented activities aimed at improving the citizens' financial literacy in 2024 as well.

Last year, the Company supported the industry initiative "A Safer Tomorrow", a financial literacy improvement project in the field of insurance, implemented jointly by insurance companies and the HUO. The main objective of this project is to raise awareness among the citizens, in particular young people, about the necessity of investing in insurance. Croatia osiguranje's other activities in the past year included educational posts on social networks, participation in professional conferences and lectures for students, and giveaway quizzes in its mobile app for its clients.

Croatia mirovinsko društvo is a member of UMFO and participates annually in activites to enhance financial literacy with a focus on specific target groups, depending on the goals for each year. These target groups include young people, working-age individuals, women, etc. In 2024, Croatia mirovinsko društvo directed its activities towards two target public groups: the general public and the working population, through financial literacy projects such as "Poduzetnice" (Women Entrepreneurs), "Kampanja financijska pismenost za male i srednje poduzetnike" (Financial literacy campaign for SMEs), "Mudra odluka danas" (A wise decision today), "Lets talk about money", "Provedba kampanje jačanja financijske pismenosti dobrovoljne mirovinske štednje" (Implementation of financial literacy improvement campaign for voluntary pension savings) and "Next-Delo". Part of the education for the general public, along with publications on its own and external media channels, is conducted through indirect education for certain sales channels, such as bank employees who are in contact with citizens and are in a position to inform them about various financial planning and targeted retirement savings options.[145] Even though Croatian citizens did better in the latest financial literacy measurement than in previous measurements, Croatia mirovinsko društvo estimates that educational campaigns for the general public need to continue to help further raise the level of financial literacy, and therefore continued to communicate messages about the pension system to the general public through the media and indirectly through certain sales channels. Educational campaigns and workshops were held with the employees of certain companies to increase their level of financial knowledge, and they were directly informed about the management of personal finance, retirement savings, and insurance.

Croatia mirovinsko društvo also conducted activities on its own in 2024 for its employees and the general public about the pension system, with a focus on the benefits of long-term voluntary retirement savings, the amount of future pensions, and ways how one can influence it. Croatia mirovinsko društvo will continue to participate in joint projects organized by the UMFO, and all its future activities will be defined by the new Financial Literacy Strategy 2025-2027.

CO Group members participated in a number of collaboration projects with educational institutions in 2024. In addition to participating in and supporting smaller projects throughout the year, the Company implements two more extensive collaboration projects on formal study programmes. In cooperation with the Faculty of Electrical Engineering and Computing, the Company launched the postgraduate study programme "Products, digital innovation and technologies in insurance – INSURTECH", which has been running since 2020. The Company has also signed a cooperation agreement with the University in Zagreb, Faculty of Economics for the newly launched innovative educational module "Economic Analytics". "Economic Analytics" module comprises four semesters, and equips fourth- and fifth-year students of the integrated undergraduate and graduate study programme in Business Economics with a combination of know-how and skills that will increase their competitiveness in the labour market after they have completed their studies. The idea of the "Economic Analytics" module is to develop skills that will help the students adapt quickly to the challenges in their everyday environment. As the innovation leader in the insurance market, the Company also supports innovative breakthroughs in education, such as this first multidepartment module that combines courses in economics, finance, and methodology, which was launched by the Zagreb Faculty of Economics.

Through projects such as "Transportikum", implemented in cooperation with the Faculty of Traffic Sciences, Croatia osiguranje's experts guide students through project tasks in damage appraisal and processing, and inform them about the trends and innovations in this business segment. "Transportikum" has affirmed itself as one of

[145] MDR-A 68. b)

the best student projects, based on a programme that has students solve project tasks in cooperation with the leading companies from different industries. In 2024, more than 90 students from six University in Zagreb faculties developed and presented project solutions for 16 partner companies in the field of traffic safety. Croatia osiguranje's experts from the Claims Management Sector again prepared a project task for the students last year themed "Autonomous vehicle systems and the possibility of identifying the driving mode at the moment when an accident occurred". Two students who were involved in this project started their careers in Croatia osiguranje in 2024.

Experts from the Claims Management Sector organised a crash test at Croatia's damage appraisal centre on Drnićeva street in Zagreb, where they demonstrated a collision of a car and a motorcycle, including what happens at the moment of the collision, and what kinds of damage occur. Demonstrators included experts from the Faculty of Traffic Sciences and the Department of Traffic Accident Expertise. Some 30 students of the Faculty of Traffic Sciences, for whom such events are a part of their education, had a chance to watch the crash test.

Cooperation with STEM-oriented faculties was pursued through several projects that the Company supported financially as well as through the participation of its experts in the project programmes. These projects include, among others, STEM Games, Algotrade Hackaton x.FER and Financijski klub EFZG-a (Zagreb Faculty of Economics Financial Club), Infobip Shift, TVZ Mc² contest, Meet the Mathematicians PMF, and others. Croatia osiguranje's expert delivered a high-profile lecture at the Faculty of Economics as a part of the Financial Literacy Week, explaining to the students how Croatia osiguranje, as a company that has been in business for 140 years, pushes the boundaries of digital transformation and introduces innovation to the market while also educating users about the importance of insurance. Croatia osiguranje held a lecture on property insurance under the Personal Finance course for about 60 students of the Faculty of Economics on its own premises.

CO Group companies in North Macedonia continually implement a financial education programme in cooperation with faculties, aimed at raising awareness among students of the importance of insurance as a key segment of financial security. This programme targets the future generations, teaching them that insurance is not just an industry, but also an important part of their personal financial strategy. Through lectures, workshops, and interactive activities, students are encouraged to reflect on their future careers and opportunities offered by the insurance industry. In addition, the students are informed in more detail about the Company's operations and values, and Croatia osiguranje is presented to them as a potential workplace, giving them a glimpse of what working for such an organisation entails. In course of the year, students with outstanding academic records are given an opportunity to complete a traineeship at the Company. During this traineeship, students get an opportunity to learn firsthand how the Company's operations proceed, to participate in real projects, and to work with the Company's experts, which provides them with valuable experience. Such experience helps students better understand the insurance industry, and helps them make informed career planning decisions. Also, the programme cultivates a connection between the academic community and the business sector, which may result in new opportunities for students as well as for the Company as an employer.[146]

S3-5 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

CO Group has not yet defined any targets related to the community. However, activities aimed at promoting positive effects and better understanding their needs and expectations are continuously carried out. This process includes collecting and analyzing relevant data and consulting with key internal and external stakeholders to ensure an effective approach to managing the impact on affected communities, in accordance with regulatory requirements and industry standards.

CO Group has put in place systems for tracking the effectiveness of its actions, and has identified the related quantitative indicators (metrics). The effectiveness of the actions related to financial literacy is tracked on a yearly basis through the evaluation of initiatives and projects CO Group participates in, while the financial literacy situation on national level is tracked through the results of relevant surveys. Croatian companies are required to report the amount of their revenue earmarked for financial literacy on a yearly basis to the regulator, and this information is tracked as a relevant metric of this impact on a yearly basis. A total of 127,833,50 EUR was spent at CO Group level on financial literacy projects in 2024. This amount is a metric that will be used for tracking the

[146] S3-4 30., 32. a), c)

funds earmarked for education and awareness-raising on financial topics. Activities are tracked and evaluated by the organisational units responsible for marketing and corporate communications.

Collaboration projects with educational institutions are tracked in the same way on a yearly basis, with the number of implemented collaboration projects as the tracked metric. Organisational units responsible for human resource management, and marketing and corporate communications, are in charge of this tracking. CO Group implemented a total of 17 collaboration projects with faculties in 2024.[147]

Form of collaboration with educational institutions	Number of collaboration projects implemented in 2024 (CO Group)
Formal study programmes	2
Other collaboration projects (sponsorships, lectures, contests, career fairs)	15

The positive impact in terms of contribution to economic stability and resilience of the community is tracked using internal and external surveys and CO Group's performance. The amount of insurance revenue from non-life insurance, not including motor third party liability insurance, has been identified as the quantitative metric of this impact on CO Group level. In 2024, this revenue amounted to 383,234 thousand EUR.[148]

ESRS S4 Consumers and end-users

SBM-2 – Interests and views of stakeholders

CO Group adapts its products and services to its clients' needs and expectations, thus ensuring long-term trust and loyalty. This is achieved through consumer satisfaction surveys, and two-way communication through the call centre, social networks, and digital apps.
CO Group's business model is based on responsible and transparent management of the relations with shareholders, suppliers, regulatory authorities, and the wider community. Stability and compliance with the legal frameworks are ensured through regular reporting, financial disclosures, and cooperation with the regulatory institutions. CO Group actively contributes to the development of the community and the education sector by taking part in scientific projects, supporting young talents, and collaborating with the relevant academic institutions. In addition, transparent communication with the media allows for timely and accurate communication of information to the public, further reinforcing the trust in CO Group's operations.
This approach allows CO Group to adapt its general strategy and business model so as to not only mitigate the potential negative impacts, but also to actively contribute to positive changes in the society, economy, and financial sector.[149]

SBM-3 - Material impacts, risks and opportunities and their interaction with strategy and business model

Topic	**Sustainability issues and related impacts, risks and opportunities**	**Potential or actual Impact/risk/opportunity**
S4 Consumers and end-users	**Impacts related to client information**	
	User data privacy and security risks	Potential negative impact
	Personal safety of clients	
	Economic stability and client resilience	Actual positive impact
	Social inclusion of clients	
	Irresponsible marketing	Risk

147 S3-4 32. d)
148 MDR-T 81. b), b) i
149 S4 SBM-2 8.

Potential impacts on CO Group consumers and end-users arise from CO Group's very business model. This business model is based on providing insurance services that endow its clients with financial protection from various risks. Insurance as such creates a positive impact by contributing to the financial security of consumers and the stability of economy. On the other hand, CO Group collects a large amount of personal information in its daily operations, which can lead to a potential negative impact in the event of improper use of information. CO Group's business model entails a risk of irresponsible marketing, which may arise from the complexity of the insurance products, or lack of understanding of contractual obligations.[150]
The Company manages these impacts by maintaining transparent and clear communication with consumers, digitalising its services for better accessibility and simplicity of use, and educating users about insurance products and risk management. Also, the Company continually improves its services through customer satisfaction surveys and interaction through digital channels, the call centre, and social networks with a view to ensuring that its products fulfil its users' needs and are adapted to their expectations.
This approach allows the Company not only to manage client-related risks and impacts, but also to actively contribute, through additional initiatives, to increasing consumer trust and satisfaction, and to creating long-term value for all stakeholders.[151]
The Company provides insurance products and services to a wide range of consumers and end-users, including individuals, younger and older population, families, companies, and public institutions. Given the nature of insurance products, there are no adverse impacts on the consumers and their health. [152]
Since CO Group's companies process sensitive personal information (including clients' health and financial information), protection of data privacy and security is an important aspect of their business. Possible inadequate data protection or abuse of information could expose consumers to risks. Clients depend on clear and transparent information about insurance terms and conditions, fees and covers. Unambiguous and easy-to-understand contractual terms and conditions, manuals and digital tools are the key to avoiding potentially harmful misunderstandings in the use of insurance services. Vulnerable groups include senior citizens, persons with low financial literacy, children (insurance of minors) and financially disadvantaged individuals who can have limited access to insurance protection.[153]

Material negative impacts
i. Widespread or systemic impacts
A potential negative impact related to the Company concerns the protection of policyholders' personal information. Regulatory requirements and standards in the insurance sector strictly define how data is processed, and potential omissions can result in violations of privacy or in regulatory sanctions.
ii. Impacts related to individual incidents or a specific business relationship
Negative impacts may occur through individual cases of excessive processing of data, or systemic negative impacts may occur in the case of a malicious cyber breach, as described in more detail under topical standard ESRS G1.[154]

Positive impacts of the business
The Company contributes to the financial security of the citizens and enterprises through its offer of services and products, positively impacting the society in the following ways:[155]

- Digital innovation in insurance, including apps that allow for faster claims handling and better understanding of insurance products;
- Financial education of users that improves the understanding of insurance terms and conditions, and promotes responsible risk management;
- Support to the community through various social responsibility projects.

Material risks and opportunities for the business
In the Double Materiality Assessment process, CO Group identified a material risk arising from short-term impacts and dependencies on consumers and/or end-users: responsible marketing practices. Given that Croatia

[150] S4 SBM-3 9. a) i., b)
[151] S4 SBM-3 9. a) ii.
[152] S4 SBM-3 10. a) i, 11.
[153] S4 SBM-3 10. a)
[154] S4 SBM-3 10. b)
[155] S4 SBM-3 10. c)

osiguranje runs sales campaigns for its insurance products several times a year, an increased risk of distorting competition arises due to the Company's market share and market leader position. To manage this risk responsibly, the Company has adopted the Code of Conduct of Croatia osiguranje d.d. in the enforcement of competition rules. The Company is committed to complying with all regulations and other accepted business standards in its operations, as reflected in the Company's principles and practice. Understanding and complying with competition rules in no way restricts the Company in conducting itself in the market with agility and excellence. On the contrary, the Company's participation in the market is aligned with the highest competition protection standards, which gives the Company's products an added quality while excluding risks arising from behaviours that go against competition rules. The primary objective of competition protection is to create a higher consumer protection standard, and to create a level playing field for all entrepreneurs in the market. In every sales campaign and every instance of communication with the market and clients, the Compliance Sector ensures compliance with competition rules.
In the Double Materiality Assessment process, CO Group identified no material risks and opportunities arising from impacts and dependencies on consumers and/or end-users that would concern specific consumer and/or end-user groups (such as certain age groups) rather than all consumers and/or end-users collectively.[156]

S4-1– Policies related to consumers and end users
Policies related to consumers and/or end-users described under this topical standard apply to the Company, and include all its consumers and end-users. At CO Group level, companies implement policies in accordance with applicable local laws. The Company has adopted a number of rulebooks and policies regulating the rights, obligations, and protective mechanisms relating to consumers and end-users in order to minimize the potential negative impacts affecting them. The company has not adopted separate policies specifically addressing end users in terms of ensuring economic stability and resilience, but it has adopted a number of policies that partially cover the management of identified significant positive impacts on consumers and end users.
Managing the potential negative impact relating to data privacy is regulated by the Policy on the System for Managing Personal Information and Protecting the Privacy of Individuals, by which the Company lays down its strategy for managing the personal information of natural persons, and the rights of the individuals whose personal information is being processed. Personal data protection refers to the Company's obligation to ensure lawful, fair, transparent, limited, and accurate processing of personal information in a way that achieves the integrity, confidentiality, and accessibility of personal data. Croatia osiguranje Rulebook on Handling Grievances and Complaints Filed by Interested Persons is one of the key rulebooks dealing with mechanisms for raising concerns. The Rulebook defines the procedure for filing grievances and complaints and the process of issuing decisions regarding them, along with the oversight of the implementation of the Rulebook. The Rulebook applies to insured persons, policyholders, beneficiaries of insurance contracts, and other interested persons, including all independent insurance distribution channels (internal sales network, web, LAQO and the Company's other digital platforms) as well as credit intermediation channels. The Procedure for the Company's handling of inquiries, grievances and complaints filed by insured persons, policyholders, beneficiaries of insurance contracts, and other interested persons is a constituent part of the Rulebook. Several avenues are available for filing grievances and complaints: in person at a branch office, by post, by e-mail, by phoning the contact centre, on the website, and on social networks.[157] This also gives the Company an understanding of the perspectives of insured persons, policyholders, beneficiaries of insurance contracts, and other interested persons. Grievances and complaints are responded to in written form within 15 days at the latest of receiving the grievance or complaint. By way of exception, when the Company is unable to respond within this timeframe, the client is informed that the Company needs more time to investigate and/or that it needs additional documentation to provide a complete response to the grievance or complaint.[158] The Rulebook applies to all natural persons and legal entities having rights or obligations arising from insurance contracts, users of insurance distribution and/or reinsurance services, victims in the process of claims handling, and parties intending to enter into an insurance contract. Also, it applies to representatives of consumers groups and to consumer protection associations. The Rulebook does not apply to subjects not included in the categories laid down in the Rulebook or in cases when the competence for handling the grievance or complaint rests with another body.[159] Customer Support is the organisational unit responsible for handling grievances and complaints. The Director of the Customer Support organisational unit adopts the amendments to the Procedure depending on the amendments of relevant regulations and the

[156] S4 SBM-3 10. d), 12.
[157] S4-1 16.b), S4-3 23., 27., S4-4 32. c), MDR-P 65.
[158] S4-1 15., AR 10., S4-3 AR 24.
[159] S4-1 15., S4-3 25. a), c)

Company's business processes. Also, the handling of grievances and complaints falls under the supervision of the Croatian Financial Services Supervisory Agency (HANFA) and the Croatian National Bank (HNB), and the Company submits a grievances and complaints report every six months, which includes the reasons for the grievances and complaints in line with a predefined categorization, in addition to the number of grievances and complaints. In other countries where CO Group companies operate, these processes are managed in accordance with the local applicable regulations.[160]

The Company has adopted the Rulebook on Brand Management, Marketing Communication and Promotion, which regulates the brand management and commercial and direct communication processes. Commercial communication includes external communication with clients and key stakeholders by means of advertising and PR activities using traditional and digital channels while respecting the principles of lawfulness, truthfulness, transparency, and social and professional responsibility. Additionally, the Insurance Distribution Strategy Policy regulates the process and relationships between process participants in the distribution of insurance products, and it also regulates how distribution channels are chosen with care, having in mind the characteristics of the product and its target market. The Company has also adopted a Product Oversight and Governance Policy (POG). This Policy ensures that the following criteria are taken into account when designing products:

- The product takes into account the clients' goals, interests and characteristics, including sustainability goals;
- The product has no negative impact on the clients;
- The product prevents or mitigates damage to clients.

Proper management of conflicts of interest is supported. The Company's Compliance Sector performs the alignment and internal control of all aspects of the Company's operations and all products before they are placed in the market. In cooperation with the Product Development and Underwriting Sector, the Compliance Sector ensures the transparency and the truthfulness of product descriptions and contractual terms and conditions, and takes part in product marketing.[161]

The Company is client-oriented, and develops attractive products satisfying the clients' needs. Development or (re)design ideas are collected from all Company employees. Ideas can come from different sources and arise from different needs: the experience of distribution channels, technological and regulatory changes, changes in the clients' and the market's needs, conclusions of performed product analyses, analyses of claims handling processes and portfolio administration, segmentation of clients, conclusions of the Sector or the Company's Management Board, etc.

The Company's Management Board is responsible for the establishment of the insurance distribution strategy and the product approval process. Organisational units responsible for the distribution of insurance to retail clients, SME clients and corporate clients, and for the management of the distribution channels are in charge of the Strategy's implementation. Meanwhile, the Function for the Monitoring and Control of Insurance Distribution ensures proper implementation of the approved Strategy, controls the implementation of monitoring for the Strategy at least once a year, and delivers a report about the findings of this control to the Company's Management Board. The control in question includes making appropriate checks and taking appropriate actions to ensure that the employees and distributors meet the high ethical standards and integrity, which happens as soon as they are hired or as soon as business cooperation is established, and continues throughout their entire employment/engagement, as well as the remuneration strategy, taking into account fair treatment of clients. The organisational unit responsible for product development and underwriting is in charge of implementing the POG Policy.[162]

Insurance is a highly regulated industry that continually sets new regulatory requirements in product management, according to EIOPA guidelines. All Croatia osiguranje's products are under HANFA's supervision, and comply with all regulatory requirements as well as the industry standards including those related to consumer protection.[163]

The Company ensures that the interests of consumers and end-users are included in the adoption of its policies through the mechanisms for receiving and handling grievances and complaints and through keeping track of regulatory requirements and best practices in this field.[164]

[160] S4-4 34.
[161] MDR-P 65. a), b), c)
[162] MDR-P 65. c)
[163] MDR-P 65. d)
[164] MDR-P 65. e), S4-3 27., 26. a)

At this time, the Company has not formally aligned its rulebooks relating to consumers' and end-users' human rights protection with the UN's Guiding Principles on Business and Human Rights, the International Labour Organization's Declaration on Fundamental Principles and Rights at Work, and the OECD Guidelines for Multinational Enterprises. However, the Company complies with the national regulatory requirements that include the protection of consumers and end-users in its operations, and continually keeps track of the development of European and international legislative framework to ensure alignment with the best practices. The Company ensures transparency in its operations, protection of consumers' personal information, and fair contractual terms and conditions for its services in compliance with the national legislation.[165] The Company provides consumers with mechanisms for filing complaints, and complies with the relevant consumer protection and competition laws.[166]
No human rights incidents or cases of non-respect of the UN's Guiding Principles on Business and Human Rights, the International Labour Organization's Declaration on Fundamental Principles and Rights at Work, or the OECD Guidelines for Multinational Enterprises that would involve consumers and/or end-users further down in the value chain occurred in 2024.[167]

S4-2 – Processes for engaging with consumers and end-users about impacts

The Company tracks and measures clients' satisfaction with its products and services in connection with distribution, claims handling, policy changes, communication, and more. In doing so, as the project may require, the Company uses methods and metrics such as the NPS (Net Promoter Score) method, which is used to measure the clients' satisfaction with the insurance distribution and claims experience; telephone surveys dealing with the clients' satisfaction with a certain service or product; and an analysis of complaints filed by clients; thus ensuring their right to information and the protection of their rights under the applicable regulations, industry rules, and good business practices; along with the mystery shopping method, which aims to check the quality of service provided in the sales locations, with an emphasis on the employees' professionalism, sales skills, and friendliness.
The scope of the surveys and the questions addressed to the clients are modelled according to the subject and the reviewed product. The Company carries out these surveys on its own or in cooperation with professional survey agencies, and they are carried out by the organisational unit in charge of market research. On a quarterly basis, or more often when needed, the organisational unit responsible for market research presents the survey results to the organisational unit responsible for product development and underwriting, to the product manager, and to other employees of the Company who participated in the product approval process.[168]
The Company continually examines the clients' and the market's needs by using different methods, including quantitative and qualitative surveys such as telephone surveys, focus groups, and online questionnaires, along with workshops for distribution channel employees in order to gather information on experiences in the field. Internal workshops and discussions featuring experts in sales, underwriting, portfolio administration and damages ensure a comprehensive approach in analysing the clients' needs. Customer journey mapping is used to visualise the customer experience in order to improve products, marketing, and sales decisions, while UX analysis gives the Company a deeper understanding of the clients' interactions with all aspects of the Company. In addition, the Company conducts targeted surveys relating to the clients' views and needs, including clients who are not insurance users, by using methods such as NPS for the insurance market, brand strength measurement and Company image measurement, and the analysis of how the Company's communication impacts clients. The surveys are performed by the organisational unit responsible for market research on its own or in cooperation with survey agencies, and at its own initiative or at the request of the product manager. Survey results are used as input data for development, monitoring, and management. When identifying clients within the target market, the product manager takes into account characteristics such as age group, financial literacy and capacity, experience with products, technological involvement and capacity, geographic characteristics, risk tolerance, behaviour and decision-making patterns, target investment period, users' needs, clients' goals, including sustainability-related goals, and the complexity of the product. This ensures that the Company develops and markets only those products that fit the clients' needs, characteristics and goals, including sustainability. The

[165] S4-1 E1 16.a)
[166] S4-1 16.c), 17.a)
[167] S4-1 17.b), c)
[168] S4-2 22.

impact of client relations is assessed through sales performance, feedback from distributors, and analysis of the scope and content of the clients' inquiries and complaints. [169] [170]

S4-3 – Processes to remediate negative impacts and channels for consumers and end-users to raise concerns

The Company maintains an electronic register of the received grievances and complaints, where documentation is stored on a durable medium for three years after the Company's receipt of the grievance and complaint. In addition, the Company supervises and analyses the internal audit reports, and takes action to remediate the identified irregularities, taking into consideration the recommendations it has received regarding their remediation. In this process, the Company analyses the causes of individual grievances and complaints, and identifies the primary cause that all types of grievances and complaints have in common, where such a cause can be identified, whereafter it is the duty of the Company's Management Board to consider if the identified causes can impact other processes or insurance products, including those that the grievances and complaints do not directly refer to, and to take the appropriate actions to eliminate, limit, and prevent the causes of the grievances and complaints from occurring. In addition to these channels established by the Company, third-party mechanisms are also available to the clients. Interested persons also have the option to petition the regulator (HANFA) in connection with actions taken by insurance companies. HANFA handles each received petition, checking the statements made in the petition, and, where relevant, requesting relevant documentation and a statement from the company that the petition refers to, and delivering its response to the petitioner within 30 days of receiving the petition. The Croatian Insurance Bureau handles the out-of-court resolution of disputes between insured persons/policyholders/consumers and insurance companies/insurance service suppliers.

In addition, the Mediation Centre with the Croatian Insurance Bureau provides the service of mediation proceedings in disputes relating to insurance and claims settlement relations as per the insurance contract and the law, with regard to the rights of injured parties, insured persons, or insurance companies, and is validated as the body for alternative consumer dispute resolution. This method for out-of-court resolution of disputes is financially more affordable for the clients, having in mind that the cost of the mediation procedure is borne by the insurance company that initiated the mediation procedure or agreed to have the mediation procedure conducted, whereas the administrative costs of the mediation procedure are borne by the Croatian Insurance Bureau. [171]

S4-4 – Taking action on material impacts on consumers and end-users, and approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions

Measures related to significant impacts on consumers and end users

The Company continually works on improving and modernising the segments of its operations that involve the collection and processing of personal information in accordance with the actions required by member states' supervisory bodies and the guidelines issued by the European Data Protection Board. The Company regularly supervises the data processors with respect to implemented technical and organisational measures, and keeps a systematic record of processing activities, updating it continually in accordance with changes in its business processes. The Company has established an Information Security Management System (ISMS), more information on which is provided under topical standard ESRS G1.[172]

In order to best protect its clients and their interests, and to choose the distribution channels and individual distributors that are suitable for the distribution of products to the target market, the Company defines the characteristics of the distribution channels and the criteria for choosing appropriate distribution channels, the criteria for fitness assessment of insurance distributors, and the rules and the procedure for monitoring the control of distributors' activities. In addition, in order to best protect its clients and their interests, the Company defines management and prevention of conflicts of interest in all phases of its dealings with clients.[173]

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[169] S4-2 20., 21.
[170] ESRS 2 MDR-T 81. b) i.
[171] MDR-T 81. b) i, S4-3 25. b), d)
[172] S4-4 31. a), 34.
[173] S4-4- 31. c)

The Company contractually obliges the distributor to adequately present the insurance product to clients and to hand over to them all pre-contractual documentation, and also uses application mechanisms for identifying the clients' requirements and needs before the conclusion of the insurance contract, which are also used by insurance intermediaries that conduct insurance distribution operations in the name of and on behalf of the Company only in accordance with the Insurance Distribution Directive (IDD). The Company provides clear, complete, and up-to-date information to allow insurance distributors to understand the products; understand the identified target market for the products; properly understand the interests, goals, and characteristics of the clients in the target market, including sustainability-related goals; identify the clients whose needs, characteristics, and goals are not aligned with the product; and distribute the product as per the clients' best interests, conducting themselves fairly, equitably and professionally.

The Company gathers feedback from insurance distributors to ascertain if the products are still aligned with the needs, characteristics, and goals of the target market. The organisational unit responsible for sales channel development regularly (at least once a year) reviews the quality of distribution for each distributor, and in particular reviews if the product is being distributed in the identified target market.

If the Company estimates, during a product's lifetime, that the product is not meeting the Company's goals and the clients' needs, or if the Company becomes aware of the existence of circumstances that could cause the product to negatively impact a client, the Company takes appropriate corrective actions to mitigate the situation and to prevent further damage, such as changing the product's characteristics and insurance terms and conditions, changing the target market, changing the distribution strategy, withdrawing the products from the market, etc.[174] Depending on the type of insurance, the Company takes into account the following quality indicators, which serve as a warning to undertake corrective actions and activities:

- Strong negative trends in the Croatian and foreign insurance market;
- Change of the legislative and/or regulatory framework;
- Decisions issued by courts or public authorities that impact policyholders' rights;
- Change of the tax environment;
- Technological development;
- Systemic events (pandemics/epidemics, major disasters, major cyberattacks, etc);
- Strong adverse trends in the global financial market and economy.

At the CO Group level, no significant actual negative impacts related to consumers and/or end users have been identified, but a potential negative impact related to privacy and security risks of user data has been identified. At the CO Group level, no serious issues or cases related to human rights connected to consumers and/or end users have been reported. [175]

The Company assigns human and financial resources to the management of impacts relating to consumers and end-users. These resources include budgets and professional teams in organisational units responsible for product development and underwriting, compliance, marketing, and corporate communications, as well as sales channel development and analytical sales support. The Company also invests in external service providers for the purposes of monitoring and analysis of consumer data, which allows for better understanding of their needs and expectations.[176]

Measures related to managing significant risks associated with consumers and end users

Internal control processes, which include a review of all marketing communication and promotion materials related to the insurance product first by the Product Development and Underwriting Sector, and then by the Compliance Sector, are expected to reduce the risk of non-compliance with legal provisions and of misleading information, especially in the context of the Competition Act and the Consumer Protection Act. This action contributes to goals by ensuring the clarity, truthfulness, and completeness of all information, which increases the consumers' trust and reduces the legal risk. Ensuring clear and credible information allows for better

[174] S4-4 32. a), 31. d)
[175] S4-4 35.
[176] S4-4 37.

understanding of the products by the clients, reducing the mismatch of expectations, and increasing the clients' satisfaction. By avoiding greenwashing, the Company maintains its reputation and avoids legal consequences while ensuring ethical advertising and respect of environmental standards.[177] Even though promotional materials and marketing activities are not a part of insurance contracts, the organisational unit responsible for marketing and corporate communications makes sure that the information is clear, truthful, complete, and based on credible data, and that it does not contain unclear or misleading elements. Clients must be equipped to understand product covers, and in particular exclusions, to avoid a mismatch of expectations. Marketing materials are reviewed continually. Efforts to ensure clear and credible information also take place continually, including regular updates depending on the changes in the products and the legislation, along with efforts to ensure compliance with the Advertising Code.[178]

The Company has also adopted the Code of Conduct of Croatia osiguranje d.d. in the enforcement of competition regulations, which defines the undertaking's limitations in operations. Specifically, it prohibits any form of coordination among competitors, meaning that each economic operator is required to independently define the policy it plans to adopt in the market, and prohibits the conclusion of agreements restricting or hindering trade. In addition, unilateral actions are subject to restrictions if the undertaking holds a dominant market position, in which case the undertaking is not allowed to abuse this economic strength to reduce or restrict competition. A prohibition against concentrations between undertakings is also defined.[179] When designing and choosing the means of advertising its products, the Company takes care not to include in this advertising any stereotypes or opinions that are offensive or discriminatory on any basis, and to respect the Code of Advertising and Marketing Communications defined by the Croatian Association of Communications Agencies (HURA), as well as industry rules as minimal ethical and professional practice standards in advertising and other forms of communication with the public.[180] The risk of non-compliance with the Competition Act is integrated into the operational risk management process, as defined in the Company's internal regulations. This includes providing promotional information that is not compliant with the legal provisions. Data on risks, their identification and materiality assessment, existing and planned measures, escalation, and risk materialization are entered into the Operational Risk and Internal Control Database annually. Based on the results of the identified operational risks analysis and the key elements contained in the relevant Report on the Adequacy of Procedures and Effectiveness of the Internal Control System, the Internal Control Committee makes specific conclusions and recommendations.

The effectiveness of the proposed actions in achieving results and mitigating risks is monitored through regular processes and escalations within the Marketing and Corporate Communications Sector; Product Development Sector; and the Sales Channel Development and Analytical Sales Support Sector, as well as through annual internal control system reports, both at the individual sector level and in the report of the Internal Control Committee.[181] The Company's ambition in managing the risk related to the violation of the Competition Act is to maintain an effective management system through the Operational Risk Database, ensuring the control of the implementation of defined measures and recommendations issued concerning each specific risk.[182]

The area of implementation of the key actions includes all marketing communications and promotional materials related to insurance products. Affected stakeholder groups include clients, potential clients, employees in the marketing and corporate communications sector, and regulatory authorities. The geographies of the implementation of these measures concern all markets where the Company operates, with special focus on compliance with the local legal provisions.[183]

S4-5 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

No targets relating to consumers and/or end-users have been defined at CO Group level. However, activities aimed at better understanding the specific needs and expectations of our consumers and end-users are implemented continually at CO Group level. This process includes gathering and analysing data, and consulting

[177] MDR-A 68. a)
[178] MDR-A 68. c)
[179] S4-4 33. a)
[180] S4-4 33. b)
[181] ESRS 2 MDR-T 81. b) i.
[182] S4-4 AR 40.
[183] MDR-A 68. b)

with the relevant internal stakeholders to ensure that the defined targets are realistic, measurable, and aligned with the business model. Also, the defined targets will be aligned with the latest regulatory requirements and industry standards.[184]

ESRS G1 Business conduct

SBM-3 - Material impacts, risks and opportunities

Through the double materiality assessment process, CO Group has identified actual positive impact in the segment of business conduct, supplier and partner relations management. This positive impact is particularly evident in the upstream and downstream parts of the value chain where CO Group has the ability to actively influence its suppliers and business partners. By promoting sustainable practices, setting clear expectations, and collecting relevant information, CO Group contributes to the improvement of sustainability. This not only mitigates potential negative social impacts but also ensures better reporting in accordance with regulatory requirements. Additionally, within the DMA process, two risks have been identified: compliance and risk management, and cybersecurity, which stands out as a company-specific risk for CO Group. Their recognition enables proactive management of potential challenges and strengthens the resilience of CO Group.

Topic	**Sustainability issues and related impacts, risks, and opportunities**	**Potential or actual** **Impact/risk/opportunity**
ESRS G1 Business conduct	**Management of supplier relationships, including payment practices**	
	Supplier and partner relations management	Actual positive impact
	Corporate culture	
	Compliance and risk management	Risk
	Company-specific	
	Cybersecurity	Risk

GOV-1 – The role of the administrative, management and supervisory bodies

Since responsible and ethically grounded business conduct is of vital importance for the reputation and sustainable operations of the Company, the Management Board has adopted the Code of Ethics of Croatia osiguranje d.d., a document that defines desirable behaviours with the aim of fostering high-quality relationships within the Company and with external partners.

Key points include:

- Respect for diversity and fostering an inclusive work environment
- Transparent and ethical communication with clients and business partners
- Protection of confidential information and Company assets
- Zero tolerance for fraud, conflicts of interest, bribery, and corruption
- Obligation to report unethical behaviour and protection of whistleblowers

The Code establishes procedures for reporting and addressing irregularities and defines the role of the Ethics Committee in overseeing and enforcing ethical standards. It applies without exception to all employees of the Company, regardless of their level or business function, as well as to all other persons acting on behalf of the Company.

The Supervisory Board monitors the implementation of the Code and assesses its effectiveness based on reports from the Management Board, while the Management Board supervises its enforcement through reports from the Ethics Committee, the organizational unit responsible for human resources management, and authorized

[184] S4-5 38.

persons appointed in accordance with legal regulations. Reports are submitted in accordance with the Code and other internal documents of the Company, aligned with the Supervisory Board. The Code of Ethics is available on the Company's internal website (Intranet), public website, and employee portal (crosig.hr). [185]

In accordance with applicable legal regulations, the Management Board of the Company has adopted an internal document on the appointment of a confidential person and the internal procedure for reporting irregularities. This document designates authorized persons responsible for receiving and handling complaints related to the protection of employee dignity. The document, along with the decision on the appointment of the authorized person, is available to all employees of the Company on the employee portal crosig.hr.

The Management Board has also appointed an authorized person for the prevention of money laundering and terrorist financing, whose powers and responsibilities are prescribed by an internal document. The Company continuously monitors developments in the field of money laundering and terrorist financing prevention, works on improving its internal system, and takes appropriate measures to enhance its effectiveness in proportion to the size, type, scope, and complexity of the Company's operations. The Management Board has adopted an annual professional training and education program aimed at raising awareness of the importance of implementing measures for the prevention of money laundering and terrorist financing through the Company's e-learning platform.

Additionally, the Management Board has adopted an internal document on the internal control system, with the approval of the Supervisory Board. This document defines the principles, roles, and responsibilities of key participants in the internal control system, with an emphasis on control and key functions (key functions here include the risk management function, actuarial function, and compliance monitoring function) and internal audit as the third level of internal control, The internal control system includes internal monitoring mechanisms established within the Company to oversee, among other things, compliance with legal regulations and internal documents. A reporting system to the Management Board and the Supervisory Board has also been established, ensuring access to reliable and relevant information necessary for decision-making.[186]

The Company adopted the Fit and Proper Policy, which regulates the Company's conduct in the appointment of Management Board Members, Supervisory Board Members, and holders of key functions, as well as the guidelines for continuous verification that the nominated holders of those positions meet the requirements of expertise and fitness for their positions. The Policy supports the Company's management system and applies primarily to the Members of the Management Board, Members of the Supervisory Board and holders of key functions, who are expected to ensure, in addition to compliance with legal regulations and professional rules, the continued functioning of the Company's operations in accordance with the business plan and the expectations of all stakeholders.

The assessment is based on guidelines that define the desirable and positive attributes of key employees. To ensure optimal continuous operations and to safeguard the interests of its policyholders and owners, the Company ensures that its management staff, as well as key functions, have the experience, expertise and skills required to perform their duties with care, professionalism and competence. The candidate's possession of the required personal and professional qualifications is determined for expertise assessment purposes, taking into account the tasks and responsibilities involved in the relevant position.

The aim is to ensure that the persons running the Company continuously possess the collective expertise, know-how and experience in line with the Company's risk profile in the following areas as a minimum:

- Insurance and financial markets;
- Business strategy and business models;
- Governance system;
- Financial and actuarial analyses;
- Regulatory requirements and frameworks for action.

[185] G1-1 7., MDR-P 65. a), b), f)
[186] G1-1 GOV-1 5. a)

The Fit and Proper assessment of candidates for key functions is primarily based on documents that confirm the completion of education, professional training, certifications of specific skills, regulatory authorizations, etc. Individuals managing the Company and holders of key functions must have a suitable reputation, uphold high ethical standards, and must not have a criminal or financial history that could jeopardize the Company's operations or reputation, or lead to conflicts of interest. When assessing a candidate's suitability, the Company considers the following:

- Is the candidate a defendant in criminal proceedings?
- Has the candidate been convicted by a final judgment for a criminal offense?
- Has a relevant authority previously rejected the candidate's application?
- Is there an ongoing process for revoking or restricting a professional license to work in financial institutions?
- Is the candidate subject to ongoing proceedings for a serious misdemeanour or criminal violation related to actions within a financial institution?
- Has the candidate served as a member of a management or supervisory body of a legal entity that has entered bankruptcy or pre-bankruptcy proceedings?
- Has the candidate been subject to personal bankruptcy proceedings?
- Are there circumstances indicating that the candidate's financial instability may affect their good reputation?

Additional information may be obtained from publicly available sources, including media reports, recommendations from previous employers, regulators, and professional associations.[187]

The Company has adopted a Conflict of Interest Management Policy, which defines the fundamental principles for avoiding and managing conflicts of interest among employees and members of the Management Board. The Policy is aligned with the Corporate Governance Code and the Ordinance on requirements for performing the function of management and supervisory board member, authorized signatory, and authorized representative of a branch of an insurance or reinsurance undertaking.
All employees of the Company undergo annual conflict of interest management training via the e-learning platform.

The Management Board and Supervisory Board of the Company have ensured the conditions for responsible and ethically grounded business conduct, based on core corporate values, legal compliance, and integrity.[188]

G1-1 Business conduct policies and corporate culture

The Code of Ethics, as the overarching policy on business conduct and corporate culture, applies in all countries where CO Group's subsidiaries operate. Specific business conduct policies described in this thematic standard apply to the Company, while at CO Group level, individual entities implement separate policies in compliance with applicable local laws. The policies described in this disclosure requirement are not aligned with the United Nations Convention against Corruption, and the Company plans to align them in the medium term.

The Company's Code of Ethics, which is also applied across other CO Group entities, establishes the obligation to report any breach or potential breach of the Code, including cases of bribery and corruption. When reporting unethical conduct, the reporting person is required to respect the rights of the reported person; therefore, sharing their personal data with unauthorized parties is strictly prohibited. In case of ethical dilemmas, employees may consult their line manager or a designated contact person within the Company. Additionally, guidance and/or advice may be sought from the Human Resources Department or Legal Department. If none of the aforementioned channels are deemed appropriate for a particular situation, employees may directly contact the Ethics Committee, which periodically reviews cases without disclosing personal data and reports to the Management Board on ethical proceedings initiated against individuals who have violated the Code. The Ethics Committee monitors ethics training, conducts ethical proceedings, supports the implementation of the Code, and prepares reports for the Management Board. Alongside these formal channels, employees can send an anonymous message to the Company's Management Board via the internal business social network, Jenz.

[187] G1-1 GOV-1 5. b)
[188] MDR-P 65. c)

The Company monitors and tracks submitted and processed complaints through established procedures within the implemented employee grievance and complaint resolution mechanisms. These channels are strictly confidential, and the information from reports is accessible only to authorized persons, including the Dignity at Work Officer, Confidential Person (for the whistleblowing procedure), and the Ethics Committee. The designated officers maintain records of initiated proceedings and directly report to the Company's Management Board on established facts and proposed actions. Since ethical procedures are strictly defined by Croatian laws and the Code of Ethics, which is aligned with stock exchange corporate governance rules, their effectiveness is ensured by adhering to prescribed deadlines, keeping minutes and other evidentiary materials, and issuing clear instructions for further action in cases where irregularities are identified. In addition to enabling the reporting of irregularities, these channels serve as a means of process improvement and employee education on relevant topics. The decision on appointing the Confidential Person has been published on the Company's website and intranet page, where instructions for reporting irregularities are also available. Reports can be submitted to the confidential person via the official email address povjerljivaosoba@crosig.hr or by post to the Company's address, with indication "For the Confidential Person" and "Do not open", preferably including the name and surname of the Confidential Person. The Company does not tolerate any retaliation against individuals who report a breach of the Code of Ethics in good faith. Complaints regarding such actions must be submitted to the Ethics Committee, which is required to conduct an investigation. To protect the privacy of everyone involved, all documents prepared or used in ethical proceedings are considered confidential. [189]
The Company regularly assesses the level of awareness and employee trust in whistleblowing mechanisms. Through annual surveys and focus groups, employee feedback is collected regarding their experiences with available channels, and the results indicate a high level of awareness and trust in their effectiveness. These mechanisms incorporate whistleblower protection principles to ensure privacy and prevent retaliation against employees and external whistleblowers using these channels. This approach guarantees the timely and effective resolution of concerns while ensuring maximum protection of employees' rights and dignity. Additionally, a semi-annual analysis of complaints and grievances, which is submitted to the regulator, also serves as an assessment of the effectiveness of this channel for expressing concerns.[190]

On the e-learning platform, employees have access to training titled "Code of Ethics", along with a corresponding knowledge test, ensuring that each chapter of the Code is adequately covered. This training is designed to raise awareness of the importance of implementing and complying with the provisions of the Code of Ethics, which is an internal document defining core corporate values and expected conduct. Furthermore, the relevant organizational units within the Company continuously review and update the training materials available on the e-learning platform. The training programs conducted by the Company for all employees are not prescribed by a specific internal document. The training of insurance distributors, carried out in accordance with the Rulebook on Training for IDD Employees, is the responsibility of the Department for Sales Channel Development and Improvement. This training program includes a mandatory module on business conduct, among other professional topics.[191]

G1-2 – Management of relationships with suppliers

The Company has not established a specific policy for preventing late payments; however, through its processes, which are aligned with relevant legislation and regulated by internal documents, it ensures timely payments to all suppliers. In accordance with the Company's General Terms and Conditions for the Supply of Goods and Services, the Company settles invoices issued by suppliers within 60 days from the date of goods delivery or service execution. Payment terms are defined as an integral part of each contract, with specific payment deadlines individually agreed upon for different types of goods and services. The Company does not apply separate payment practices for small and medium-sized enterprises; instead, in line with its Code of Ethics, it ensures timely payments to all suppliers, fostering a responsible and transparent business relationship based on trust and sustainability. Additional control over timely payments is ensured through process automation in the DMS system, where a signalling mechanism (traffic light system) is activated based on due dates. The system also sends notifications to users as reminders for invoices that are due or overdue.[192]

[189] MDR-P 65. d), G1-1 10. a), c) i, e), S4-3 26. b), c)
[190] G1-1 10. c) i, ii, S4-3 26., MDR-P 65.e)
[191] G1-1 10. g)
[192] G1-2 14.

The Company has integrated sustainability principles into its Company's General Terms and Conditions for the Supply of Goods and Services, including obligations related to the respect for human and labour rights, environmental protection, and anti-corruption measures. Suppliers accept the General Terms and Conditions for the Supply of Goods and Services upon registration in the e-Supply system, which is a prerequisite for participating in tenders. These terms form an integral part of all contracts and purchase orders. Procurement contracts include clauses regulating the control of subcontractors. The Company monitors the engagement or replacement of subcontractors and requires suppliers to ensure adequate oversight and accountability for the operations of their subcontractors.

In line with the Code of Ethics, the Company ensures that suppliers are always familiar with its corporate procedures defining the business relationship. Additionally, the Company supports suppliers in meeting expectations while avoiding excessive dependence on the Company. The Company ensures the protection of confidential data, both supplier-related and its own, and strictly adheres to provisions for preventing conflicts of interest.

Planned activities for enhancing sustainability in the supply process in 2025:

a) Amendments to the General Terms and Conditions for the Supply of Goods and Services: Incorporating more detailed obligations and provisions related to the Supplier Code of Conduct.
b) ESG risk assessment review: Documenting a risk management plan for identified ESG risks.
c) Development of an ESG program: Defining annual targets aligned with the Company's corporate objectives.
d) Integration of ESG guidelines: Embedding sustainable practices into category and supplier management strategies.
e) Preparation of questionnaires for suppliers: Developing a questionnaire to collect information on ESG factors and supplier practices.

Once these activities are completed, specific suppliers will be selected to receive the new SQL questionnaire. Based on the collected responses, policies and other relevant documents will be revised as needed to further clarify expectations related to sustainability matters.[193]

G1-6 – Payment practices

All invoices from the Company's suppliers are paid upon maturity, subject to prior approval by the certifier in the system, and the same conditions apply to all suppliers, including small and medium-sized enterprises. This applies to payments to suppliers and does not cover insurance claims payments. The average time required to settle an invoice from the start of the contractual or statutory payment term is seven days. Since some suppliers submit invoices that are already due, for calculation purposes, the date of receipt of the invoice is considered as the starting date, rather than the invoice date.
During contract negotiations, standard payment terms are agreed upon, and all payments are executed in accordance with the contractual terms set at the individual contract level, applying equally to all suppliers, including small and medium-sized enterprises. Currently, there are no ongoing legal proceedings related to delayed payments.[194]

Company-specific - Cybersecurity

Modern information technologies bring numerous advantages to CO Group and its clients, contributing to the optimization of business processes and operational costs, enabling excellence and efficient quality management, and significantly supporting the achievement of corporate goals and business improvement for the benefit of clients. However, information systems based on digital technologies are exposed daily to various ICT risks and attacks by malicious actors who are becoming increasingly skilled in exploiting weaknesses in information and communication technologies.

To proactively address these threats and ICT risks, the Company has established an Information Security Management System (ISMS) in accordance with the best global security practices from the ISO/IEC 27000

[193] G1-2 15. a), b)
[194] G1-6 33. a), b), c)

standards group, based on information systems risk management. ISMS is a risk management-based governance framework that ensures business continuity and relies heavily on established security measures and a high level of protection for information and other business resources. The Company's Information Security Policy defines the rules and responsibilities for managing information security within the Company.
In 2021, Croatia osiguranje d.d. became the first insurance company in Croatia to obtain certification for its Information Security Management System (ISMS) under the international ISO/IEC 27001:2013 standard, demonstrating its commitment to security and the implementation of protection measures to maintain a high level of business security. Through continuous improvements, in 2024, the Company successfully transitioned from the ISO 27001:2013 standard to the new ISO/IEC 27001:2022 version, ensuring compliance with the latest information security management standards. Following a successful surveillance audit aligned with the new standard and a positive evaluation by the certification body, it has been confirmed that the information security management system is effectively implemented, regularly maintained, and continuously improved. Holding the ISO 27001 certification ensures regulatory compliance, the security and reliability of implemented solutions, and strengthens client and partner confidence in the protection of information assets.

Additionally, the Company has implemented a security monitoring and incident management system that provides 24x7 monitoring of security events to detect potential threats or attempted breaches of the information system and respond promptly to incidents that could negatively impact business operations. The Security Operations Centre (SOC) services are continuously improved in terms of personnel expertise, processes, and technical tools, contributing to increased resilience of the Company's information system. SOC enables timely responses to detected threats in the shortest possible time and facilitates the resolution of security incidents with the aim of minimizing their negative impact on business operations.

In 2024, a Business Impact Analysis (BIA) was conducted for critical and other relevant ICT services (information and communication technology, ICT), along with a risk assessment of these ICT services. Based on the assessment of identified ICT risks exceeding the acceptable threshold, a Risk Treatment Plan was developed. The implementation of the Risk Treatment Plan was prepared in collaboration with the IT Department and the Security Department. Conducting the Business Impact Analysis provides the Company with essential insights for defining a business continuity strategy in the event of critical incidents or disruptions. Additionally, incident management processes for information security have been enhanced, and vulnerability assessments and penetration testing of key ICT services have been performed. By the end of the year, the procurement of a new vulnerability assessment system was completed, enhancing the quality and frequency of vulnerability identification within the Company's information system. This improvement provides a more accurate view of newly discovered ICT risks both within the internal and external perimeters of the Company's IT network and services.

Alongside regular implementation of security measures, testing, and controls, the Company develops and updates educational materials, ensuring that all information system users receive regular information security training. While no organization can ever be entirely immune to all ICT risks and cyber threats, the Company is confident in its ability to protect internal systems and client data. By implementing these precautionary and security measures, the Company ensures the provision of top-tier insurance services while maintaining a high level of data security.

In January 2025, the Digital Operational Resilience Act (DORA) came into force. This key European Union regulation aims to ensure the resilience of financial institutions against operational risks, particularly those related to information and communication technologies. As an entity subject to DORA, the Company conducted a GAP analysis in 2024 and developed a compliance plan, implementing advanced systems and processes to enhance cybersecurity resilience. DORA compliance ensures greater security for clients' data and operations while strengthening trust in the Company's services. The Company's main areas of compliance with the DORA regulation include:

- ICT risk management: Establishing strict procedures for managing information and communication technologies,
- Resilience testing: Conducting regular tests to ensure resilience against technological threats,
- Data protection: Ensuring high security standards for data protection and risk management,
- Third-party monitoring: Ensuring that IT service providers comply with regulatory requirements to mitigate risks from external providers.

The Company implements a wide range of measures to maintain a high level of information security. As part of this approach, it has adopted the Master Security Policy, a fundamental document through which the Company's Management Board highlights the strategic importance of security within all business operations. The Master Security Policy defines responsibilities and security system components, providing essential guidelines for implementing security measures within the Company's business framework. The ISMS applies exclusively to the Company, while affiliated companies are not covered by this information security management system.[195]

The Company's Management Board assigns clear roles and responsibilities related to security and approves the implementation, introduction, and improvement of security management processes. The Security Organizational Unit is responsible for planning, monitoring, and overseeing the implementation of all security policies, measures, and regulations relevant to the Company's security. The IT Organizational Unit is responsible for planning, implementing, and executing ICT protection and security measures. All organizational units of the Company are responsible for implementing prescribed security measures within their respective business areas. Each user of the Company's information system is required to familiarize themselves with the rules defined by the Policy and actively apply the prescribed security measures within their scope of responsibilities. The Information Security Policy is aligned with ISO/IEC 27001:2013 and 27001:2022 standards. [196]
The interests of key stakeholders are considered through the adoption of best practices and the implementation of advanced ICT solutions, ensuring compliance with regulatory requirements and stakeholder expectations. Additionally, regular supervisory audits, continuous monitoring, review, maintenance, and enhancement of the ISMS confirm compliance and safeguard stakeholder interests, particularly in the area of cybersecurity. Information relevant to employees regarding information security is available to all employees on the Company's intranet. Through the e-learning platform, employees undergo training on safe handling of the Company's information system and awareness-raising on information security. This education is crucial in reducing security risks, preventing unauthorized access, and protecting confidential data, thereby ensuring business security and regulatory compliance. [197]

Subsidiaries in Croatia independently manage information security within their organizations while utilizing ICT services provided by the parent company. Conversely, subsidiaries outside Croatia rely on their own IT infrastructure and engage internal experts and/or external partners to manage information security.

In CO Group companies in North Macedonia, the security threat monitoring system is defined by an internal document titled the "Procedure for Monitoring Security Alerts and Threats." The Information Technology (IT) Sector is responsible for managing information security within the organization, with technical assistance from a subcontractor responsible for the IPS security solution. The primary security responsibility lies with the System Administrator of the IT sector, who ensures the implementation of security measures and oversees system protection.

The Information Security Management System (ISMS) at Milenijum osiguranje (MIOS) is defined by internal documents, including: Information Security Strategy, Information Security Policy, Business Impact Analysis (BIA), Business Continuity Plan (BCP), and the Information System Management Framework. MIOS has appointed an Information Security Officer (ISO) responsible for security management, coordinating with an externally engaged Chief Information Security Manager (CISM). Milenijum osiguranje holds the ISO 27001 certification.

The goal of implementing technical and organizational measures under the ISO 27001 standard is the successful maintenance of ISMS target values and the overall security and resilience of the system. The key security measures implemented by the Company include risk assessment and management, ICT system vulnerability management, penetration testing, and security training. These measures are part of the Company's ongoing efforts to maintain security and system resilience under the ISO 27001 framework.

Key measures encompass company employees, who play a key role in enforcing security policies, maintaining ICT system resilience, and ensuring business stability; clients, whose data is protected using high information security standards; business partners and suppliers; regulatory and supervisory authorities, for compliance with legal and security requirements; visitors and external collaborators, to prevent unauthorized access to premises

[195] MDR-P 65. a), b), MDR-T 80. c)
[196] MDR-P 65. c), d)
[197] MDR-P 65. e), f)

and systems, thus safeguarding confidential information and the Company's IT infrastructure. All implemented security measures and controls are continuously updated and executed in line with ISMS-defined measurement targets. The Company regularly reports on the execution of these security measures at specified intervals. The Company's official website provides detailed instructions and contact information for submitting complaints or inquiries related to data security and/or confidential information. Additionally, the website displays a dedicated telephone number and email address for submitting complaints and/or inquiries regarding data protection. In implementing security measures, controls, and ISMS-related activities, the Security Department and the IT Sector utilize allocated resources. [198]

The key objectives of the Information Security Management System (ISMS) are the following: raising employee awareness through training programs, timely monitoring and response to security incidents, and continuous management of vulnerabilities in ICT systems. A particular emphasis is placed on ICT system resilience testing and the continuous improvement of security processes.

The key cybersecurity metric monitored by CO Group is a "Significant Cyber Incident." A Significant Cyber Incident is a security event that severely impacts the confidentiality, integrity, or availability of the organization's information systems, data, or services. Such incidents may disrupt business operations, cause significant financial damage, or lead to major regulatory penalties, such as fines related to GDPR violations. The Company considers cybersecurity incident data to be a business secret and will not publicly disclose it unless required by competent authorities in accordance with legal obligations. [199]

[198] MDR-A 68 a), b), c), d), 69. a)
[199] ESRS 1 7.7.

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INDEPENDENT LIMITED ASSURANCE REPORT

To the Shareholders of CROATIA osiguranje d.d.

We have conducted a limited assurance engagement on the Sustainability Report included in section CO Group 2024 Sustainability Statement of the Management Report for 2024 of CROATIA osiguranje d.d. (the "Company") and its subsidiaries (the "Group") as at 31 December 2024 and for the period from 1 January 2024 to 31 December 2024 (the "Sustainability Statement").

Identification of Applicable Criteria

The Sustainability Statement was prepared by the Management Board of the Company in order to satisfy the requirements of article 32 and 36 of Accounting Act implementing 29(a) of the EU Directive 2013/34/EU, including:

- Compliance with the European Sustainability Reporting Standards introduced by Commission Delegated Regulation (EU) of 31 July 2023 supplementing Directive 2013/34/EU of the European Parliament and of the Council ("ESRS"), including that the process carried out by the Company to identify the information reported in the Sustainability Statement (the "Process") is in accordance with the description set out in note ESRS 2 IRO-1; and
- Compliance of the disclosures in subsection EU Taxonomy within the Appendix B section of the Sustainability Statement with Article 8 of EU Regulation 2020/852 (the "Taxonomy Regulation").

Inherent Limitations in Preparing the Sustainability Statement

The criteria, nature of the Sustainability Statement, and absence of long-standing established authoritative guidance, standard applications and reporting practices allow for different, but acceptable, measurement methodologies to be adopted which may result in variances between entities. The adopted measurement methodologies may also impact the comparability of sustainability matters reported by different organizations and from year to year within an organization as methodologies evolve.

In reporting forward looking information in accordance with ESRS, management of the Company is required to prepare the forward-looking information on the basis of disclosed assumptions about events that may occur in the future and possible future actions by the Group. Actual outcome is likely to be different since anticipated events frequently do not occur as expected.

In determining the disclosures in the Sustainability Statement, management of the Company interprets undefined legal and other terms. Undefined legal and other terms may be interpreted differently, including the legal conformity of their interpretation and, accordingly, are subject to uncertainties.

This version of the independent limited assurance 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.

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Deloitte.

INDEPENDENT LIMITED ASSURANCE REPORT (continued)

Responsibility of the Management Board of the Company

Management of the Company is responsible for designing and implementing a process to identify the information reported in the Sustainability Statement in accordance with the ESRS and for disclosing this process in note ESRS 2 IRO-1 of the Sustainability Statement. This responsibility includes:

- Understanding the context in which the Group's activities and business relationships take place and developing an understanding of its affected stakeholders;
- The identification of the actual and potential impacts (both negative and positive) related to sustainability matters, as well as risks and opportunities that affect, or could reasonably be expected to affect, the Group's financial position, financial performance, cash flows, access to finance or cost of capital over the short, medium, or long-term;
- The assessment of the materiality of the identified impacts, risks and opportunities related to sustainability matters by selecting and applying appropriate thresholds; and
- Making assumptions that are reasonable in the circumstances.

Management of the Company is further responsible for the preparation of the Sustainability Statement, in accordance with article 32 and 36 of Accounting Act implementing 29(a) of the EU Directive 2013/34/EU, including:

- Compliance with the ESRS;
- Preparing the disclosures in subsection EU Taxonomy within the Appendix B section of the Sustainability Statement, in compliance with Article 8 of EU Regulation 2020/852 (the "Taxonomy Regulation");
- Designing, implementing and maintaining such internal controls that management determines are necessary to enable the preparation of the Sustainability Statement that is free from material misstatement, whether due to fraud or error; and
- The selection and application of appropriate sustainability reporting methods and making assumptions and estimates about individual sustainability disclosures that are reasonable in the circumstances.

Those charged with governance are responsible for overseeing the Group's sustainability reporting process.

Practitioner's Responsibility

We conducted our limited assurance engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised), Assurance Engagements other than Audits or Reviews of Historical Financial Information.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Our objectives are to plan and perform the assurance engagement to obtain limited assurance about whether the Sustainability Statement is free from material misstatement, whether due to fraud or error, and to issue a limited assurance report that includes our conclusion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence decisions of users taken on the basis of the Sustainability Statement as a whole.

As part of a limited assurance engagement in accordance with ISAE 3000 (Revised) we exercise professional judgment and maintain professional skepticism throughout the engagement.

INDEPENDENT LIMITED ASSURANCE REPORT (continued)

Practitioner's Responsibility (continued)

Our responsibilities in respect of the Sustainability Statement, in relation to the Process, include:

- Obtaining an understanding of the Process but not for the purpose of providing a conclusion on the effectiveness of the Process, including the outcome of the Process; and
- Designing and performing procedures to evaluate whether the Process is consistent with the Group's description of its Process, as disclosed in note ESRS 2 IRO-1.

Our other responsibilities in respect of the Sustainability Statement include:

- Obtaining an understanding of the entity's control environment, processes and information systems relevant to the preparation of the Sustainability Statement but not evaluating the design of particular control activities, obtaining evidence about their implementation or testing their operating effectiveness;
- Identifying disclosures where material misstatements are likely to arise, whether due to fraud or error; and
- Designing and performing procedures responsive to disclosures in the Sustainability Statement where material misstatements are likely to arise. 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.

Our Independence and Quality Management

We complied with the applicable independence and other ethical requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (the "Code"). The Code is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

We applied International Standard on Quality Management (ISQM) 1, Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements, and accordingly maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Summary of Work Performed

A limited assurance engagement involves performing procedures to obtain evidence about the Sustainability Statement.

The nature, timing and extent of procedures selected depend on professional judgement, including the identification of disclosures where material misstatements are likely to arise, whether due to fraud or error, in the Sustainability Statement.

In conducting our limited assurance engagement, with respect to the Process, we:

- Obtained an understanding of the Process by:
    - performing inquiries to understand the sources of the information used by management (e.g., stakeholder engagement, business plans and strategy documents); and
    - reviewing the Group's internal documentation of its Process; and
- Evaluated whether the evidence obtained from our procedures about the Process implemented by the Group was consistent with the description of the Process set out in note ESRS 2 IRO-1.

INDEPENDENT LIMITED ASSURANCE REPORT (continued)

Summary of Work Performed (continued)

In conducting our limited assurance engagement, with respect to the Sustainability Statement, we:

- Obtained an understanding of the Group's reporting processes relevant to the preparation of its Sustainability Statement by:
  - performing inquiries to understand the Group's control environment, processes and information systems relevant to the preparation of the sustainability statements;
- Evaluated whether material information identified by the Process to identify the information reported in the Sustainability Statement is included in the Sustainability Statement;
- Evaluated whether the structure and the presentation of the Sustainability Statement is in accordance with the ESRS;
- Performed inquires of relevant personnel and analytical procedures on selected disclosures in the Sustainability Statement;
- Performed substantive assurance procedures on a sample basis on selected disclosures in the Sustainability Statement;
- Obtained evidence on the methods for developing material estimates and forward-looking information and on how these methods were applied; and
- Obtained an understanding of the process to identify taxonomy-eligible and taxonomy-aligned economic activities and the corresponding disclosures in the Sustainability Statement.

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

Limited Assurance Conclusion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Sustainability Statement is not prepared, in all material respects, in accordance with article 32 and 36 of Accounting Act implementing 29(a) of the EU Directive 2013/34/EU, including:

- Compliance with the European Sustainability Reporting Standards (ESRS), including that the process carried out by the Company to identify the information reported in the Sustainability Statement is in accordance with the description set out in note ESRS 2 IRO-1; and
- Compliance of the disclosures in subsection EU Taxonomy within the Appendix B section of the Sustainability Statement with Article 8 of EU Regulation 2020/852 (the "Taxonomy Regulation").

INDEPENDENT LIMITED ASSURANCE REPORT (continued)

Other Matter

Our assurance engagement does not extend to information in respect of earlier periods.

Goran Končar
Director and Certified auditor

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

Deloitte d.o.o.

4 April 2025
Radnička cesta 80,
10 000 Zagreb,
Croatia

Other

During 2024, Deloitte d.o.o. provided educational services, while during 2023 it provided permitted tax advisory services.

Zagreb, 4 April 2025

For and on behalf of the Company CROATIA osiguranje d.d.:

Luka Babić Member of the Management Board	Davor Tomašković President of the Management Board
Vesna Sanjković 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

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, 136/24) and the Capital Market Act (Official Gazette 65/18, 17/20, 83/21, 151/22, 85/24), 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, 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 2024, significant direct holders of shares in the Company are:
- ADRIS GRUPA d.d. with a share of 67.47% 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 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 2024 to 31 December 2024, 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

During 2024, the Supervisory Board held a total of 11 meetings, and all members of the Supervisory Board attended all meetings of the Supervisory Board during 2024.

Out of a total of seven (7) members of the Supervisory Board of the Company, three (3) members of the Supervisory Board are independent of the Company, its affiliated companies, shareholders and members of the Management Board: Željko Lovrinčević, PhD, Zoran Barac, PhD and Hrvoje Šimović, PhD.

Members of the Company's Supervisory Board, experts in the fields of accounting and auditing of financial statements, are as follows: Željko Lovrinčević, PhD, Mr. Vitomir Palinec, Mr. Hrvoje Patajac, Zoran Barac, PhD and Hrvoje Šimović, PhD.

The Supervisory Board performed a self-assessment of its effectiveness, profile and composition, as well as the effectiveness and composition of its committees. The assessment was carried out by the President of the Supervisory Board without engaging an external auditor.

The Supervisory Board operates with an optimal number of seven (7) members, ensuring that its members possess the appropriate knowledge, skills, and professional experience necessary to properly perform their duties. The Supervisory Board supports adequate representation of women on the Supervisory Board, which will be considered during the next process of assessing the qualifications of candidates for member of the Supervisory Board, with a primary focus on the expertise and relevant experience of the candidates, as well as compliance with other requirements prescribed by the Companies Act, the Insurance Act, and other regulations.

The evaluation of the Supervisory Board's committees confirmed that the composition and profile of its committees meet the needs of the Supervisory Board as well as the needs and activities of CROATIA osiguranje d.d.

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 2024 to 31 December 2024, the Audit Committee consisted of:

- Hrvoje Patajac President
- Željko Lovrinčević, PhD Member
- Vitomir Palinec Member

Željko Lovrinčević, PhD is an independent member of the Company's Audit Committee, and an experts in the fields of accounting and auditing of financial statements are: Mr. Hrvoje Patajac, Željko Lovrinčević, PhD and Mr. Vitomir Palinec.

➢ *Report on the work of the Audit Committee for the period from 1 January 2024 to 31 December 2024.*

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 2024, the Audit Committee held a total of six (6) sessions and all members of the Audit Committee attended all sessions of the Audit Committee during 2024.

At its sessions during 2024, the Audit Committee discussed the following:

- consolidated and non-consolidated financial statements for 2023;
- Report on own risk and solvency assessment for 2023;
- Report on the adequacy of the procedures and effectiveness of the internal control system for 2023;
- annual internal audit plan;
- strategic internal audit plan;
- internal audit reports;
- actuarial function of non-life insurance reports for 2023;
- Solvency and financial condition report (SFCR) for 2023;
- Related party report for 2023;
- audit engagement for 2024;
- annual risk management report for 2023;
- Reports on the audit plan for 2024.

The Audit Committee regularly reported to the Supervisory Board on the recommendations made at its 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 2024 to 31 December 2024, Nomination and Remuneration Committee consisted of:

- Roberto Škopac President
- Vitomir Palinec Member
- Hrvoje Patajac Member

➢ *Report on the work of the Nomination and Remuneration Committee for the period from 1 January 2024 to 31 December 2024.*

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 2024, the Nomination and Remuneration Committee held a total of seven (7) sessions, and all members of the Nomination and Remuneration Committee attended all sessions of the Nomination and Remuneration Committee in 2024.

At its sessions during 2024, the Nomination and Receipts Committee performed the following tasks:

- Extraordinary assessment of the existence of conditions for performing the function of a member of the Management Board due to a change around responsibility for Mr. Davor Tomašković, President of the Management Board of CROATIA osiguranje d.d.,
- Consideration of the proposal of the Decision on the adoption of the Report on renumeration for 2023 and determination of the proposal of the Decision of the General Assembly on the approval of the Report on remuneration for 2023;
- Consideration of the Remuneration Policy for Management Board members and the proposal for the Decision of the General Assembly on the approval of the Remuneration Policy for Management Board members
- Consideration of the conditions of the agreement on regulating mutual relations with Mr. Vančo Balen
- Consideration of the proposal of the Decision on payment of bonuses for 2023 to the members of the Management Board of CROATIA osiguranje d.d.,
- Consideration of the initial assessment of the existence of conditions for the performance of the position of a member of the Management Board of a candidate for a member of the Management Board of CROATIA osiguranje d.d. for Mrs. Vesna Sanjković and the Decision on the selection of a candidate for a member of the Management Board of CROATIA osiguranje d.d. – Mrs. Vesna Sanjković,
- Consideration of the terms of the contract for Mrs. Vesna Sanjković to perform the function of a member of the Management Board,
- Regular annual assessment of the existence of conditions for performing the function of a member of the Management Board for Mr. Davor Tomašković, President of the Management Board of CROATIA osiguranje d.d.,
- Regular annual assessment of the existence of conditions for the performance of the position of a member of the Management Board for Mr. Robert Vučković, member of the Management Board of CROATIA osiguranje d.d.,
- Regular annual and extraordinary assessment of the existence of conditions for the performance of the position of a member of the Management Board for Mr. Luka Babić, member of the Management Board of CROATIA osiguranje d.d.

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 2024, the Management Board consisted of four (4) 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 2024 to 4 April 2025, the Management Board of the Company operated as follows:

- Davor Tomašković President
- Robert Vučković Member
- Luka Babić Member
- Vančo Balen* Member until 30 April 2024
- Vesna Sanjković* Member since 11 October 2024

**On 16 April 2024, Vančo Balen resigned from his position as a member of the Management Board, with 30 April 2024 as the last day of his mandate.*

**By the decision of the Supervisory Board on the appointment of a member of the Management Board on 11 October 2024, Vesna Sanjković was appointed as a member of the Management Board for a period from 11 October 2024 to 31 December 2026.*

Balanced representation between female and male

Out of a total of eleven (11) members of the Supervisory Board and Management Board, ten (10) members are male and the percentage of male members is 90.90%, while one (1) member is female and the percentage of female members is 9.10%. Furthermore, out of a total of seven (7) members of the Supervisory Board, seven (7) are male and the percentage of male members is 100% and in the current composition of the Supervisory Board there are no female represented in the Supervisory Board. In the composition of the Management Board, out of a total of four (4) members of the Management Board, three (3) members are male and the percentage of male members is 75.00% while one (1) member is a female and the percentage of female members is 25.00%.

As of 31 December 2024, the Company did not achieve balanced representation of female and male in the Company's bodies. However, it is important to emphasize that the Supervisory Board pays great attention to the aspect of diversity, and in this regard, the establishment of balanced representation in the Management Board and the Supervisory Board of the Company. It should be noted that a female member of the Management Board was appointed during 2024, achieving representation of women in the Management Board, while in the Supervisory Board there were no terminations of mandates of Supervisory Board members, nor the implementation of the procedure for the election/appointment of members to the Supervisory Board during 2024.

During the process of assessing the candidate's fulfilment of requirements for a member of the Supervisory Board in 2025, clear, neutral and unambiguous criteria will be applied, with a primary consideration of the expertise and relevant experience of the candidate, as well as the fulfilment of other requirements prescribed by the Companies Act, the Insurance Act and other regulations, while also considering the Company's obligation to establish balanced representation in the Supervisory Board by 30 June 2026.

Additionally, the Company informed the shareholder about the existence of the obligation to have a balanced representation of female and male in the Supervisory Board, who, in accordance with the provisions of the Company's Articles of Association, pursuant to Article 256, paragraph 4 of the Companies Act, has the right to directly appoint two members of the Supervisory Board.

The Company's Supervisory Board plans to set a target percentage for the participation of female and male in the Management Board during 2025, all in accordance with applicable regulations.

The Company pays special attention to the aspect of diversity within the Company, as confirmed by the fact that women make up 40.90% of the total number of senior management (B-1) in the Company.

Furthermore, during 2024 the Company actively implemented measures to promote gender equality at all levels of the Company. The focus was on equal conditions regarding gender and age in conducting recruitment competitions as well as in the internal reassignment of employees. Equal criteria were applied in hiring employees for managerial positions in the Company. There were also no recorded differences in salary for the same work or work of equal value. At all levels there is an equal representation of experts regardless of gender and age. Regarding professional criteria, the Company applies a strategy of hiring and developing management functions with appropriate expertise and education levels according to the nature of the function and its requirements. The Company also continuously conducts education and training for employees for the purpose of further improvement and development of competencies.

Zagreb, 4 April 2025

For and on behalf of the Company CROATIA osiguranje d.d.:

Luka Babić Member of the Management Board	Davor Tomašković President of the Management Board
Vesna Sanjković 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 2024

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. Also, the Management Board of the Company is responsible for preparing the Sustainability Report, in accordance with Articles 32 and 36 of the Accounting Act implementing Article 29(a) of EU Directive 2013/34/EU. 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, 24 and 25 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 4 April 2025 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, 4 April 2025

For and on behalf of the Company CROATIA osiguranje d.d.:

Luka Babić Member of the Management Board	Davor Tomašković President of the Management Board
Vesna Sanjković Member of the Management Board	Robert Vučković Member of the Management Board

CROATIA osiguranje d.d.

Vatroslava Jagića 33

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Republic of Croatia

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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of CROATIA osiguranje d.d.

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 December 2024, 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 statement of cash flows 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 December 2024, 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 were 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 these matters.

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.

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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. 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. In the consolidated financial statements, assets and liabilities from insurance contracts as of 31 December 2024, total EUR 844,460 thousand (31 December 2023: EUR 844,989 thousand). Liability for remaining coverage ("LRC") totals EUR 489,901 thousand, while liability for incurred claims ("LIC") totals EUR 369,689 thousand. Asset for remaining coverage ("ARC") totals EUR 3,140 thousand, while asset for incurred claims totals EUR 11,890 thousand. In the separate financial statements, assets and liabilities from insurance contracts as of 31 December 2024, total EUR 698,309 thousand (31 December 2023: EUR 715,125 thousand). LRC totals EUR 387,479 thousand, while LIC totals EUR 325,861 thousand. ARC totals EUR 3,140 thousand, while AIC totals EUR 11,890 thousand. 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: *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.

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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, the Corporate Governance Report, which is included in the Annual Report, we have also performed the other procedures prescribed by the Accounting Act. These procedures include examination of whether the Management Report include required disclosures as set out in the Articles 22 and 24 of the Accounting Act and whether the Corporate Governance Report includes the information specified in the Articles 22 and 25 of the Accounting Act and if Separate and Consolidated Public Sector Payments Report includes the information specified in the Articles 26 and 27 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 22 and 24 of the Accounting Act, excluding the requirements on sustainability reporting. In respect of the Sustainability Report, which is included as part of the other information and constitutes a separate part of the Management Report, we performed a limited assurance engagement, the results of which were presented in a separate limited assurance report with an unmodified conclusion.
3) Corporate Governance Report has been prepared, in all material aspects, in accordance with the Articles 22 and 25 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.

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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

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. 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.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes 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 could 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.

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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 December 2024 prepared to be made public pursuant to Article 462 (5) of the Capital Market Act, contained in the electronic file croatiaosiguranjedd-2024-12-31-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 December 2024.

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 December 2024, we do not express any opinion on the information contained in these documents or other information contained in the above mentioned file.

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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 shareholder[s] on General Shareholders' Meeting held on 11 June 2024 to perform audit of accompanying separate and consolidated financial statements. Our total uninterrupted engagement has lasted 4 years and covers period 1 January 2021 to 31 December 2024.

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 4 April 2025 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.

Based on the Regulation on the Form and Content of Financial and Additional Reports of Insurance and Reinsurance Companies (OG 20/23 – the "Regulation"), the Company's Management has prepared forms presented in the appendix to these financial statements on pages 300 to 326. These forms include the separate and consolidated statement of comprehensive income, the separate and consolidated statement of financial position, the separate and consolidated statement of changes in equity, the separate and consolidated statement of cash flows, and reconciliation notes. The Company's Management is responsible for these forms and the accompanying reconciliation notes. They do not form an integral part of the financial statements presented on pages 147 to 299 but are prescribed by the Regulation.

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.

4 April 2025
Radnička cesta 80,
10 000 Zagreb,
Republic of Croatia

Statement of comprehensive income

for 2024

	Note	Company 2024 In EUR'000	Company 2023 In EUR'000	Group 2024 In EUR'000	Group 2023 In EUR'000
Insurance revenue	4	448,837	395,384	540,812	476,396
Insurance service expenses	5	(408,644)	(375,931)	(489,117)	(442,601)
Net result of (passive) reinsurance contracts		(14,809)	(7,677)	(14,611)	(8,542)
Result from insurance contracts		**25,384**	**11,776**	**37,084**	**25,253**
Interest revenue calculated using the effective interest rate method	6	25,759	27,224	30,274	30,793
Net gains/losses (net) from financial assets at fair value through profit or loss	6	8,078	6,050	8,248	6,237
Net impairment/release of impairment of financial assets	6	2,352	2,019	625	1,493
Income from investment property	6	4,329	4,691	15,015	16,780
Net exchange rate differences	6	1,531	(964)	1,521	(1,012)
Other income/expenditure from investments	6	16,661	13,193	2,724	5,470
Net investment income	6	**58,710**	**52,213**	**58,407**	**59,761**
Net financial result from insurance contracts	7	(7,134)	(4,723)	(10,175)	(6,907)
Net financial result from (passive) reinsurance contracts	7	739	673	914	790
Net financial result from insurance and (passive) reinsurance contracts	7	**(6,395)**	**(4,050)**	**(9,261)**	**(6,117)**
Other income	8	7,323	5,653	38,987	30,629
Other financial expenses	9	(1,420)	(1,418)	(2,080)	(1,815)
Other operating expenses	10	(12,103)	(9,021)	(54,944)	(40,319)
Share of profit of companies consolidated using equity method, net of tax		-	-	1,430	1,781
Profit before tax		**71,499**	**55,153**	**69,623**	**69,173**
Income tax	11	(5,926)	(8,274)	(8,535)	(10,722)
Profit for the year		**65,573**	**46,879**	**61,088**	**58,451**

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

Statement of comprehensive income (continued)

for 2024

	Note	Company 2024 In EUR'000	Company 2023 In EUR'000	Group 2024 In EUR'000	Group 2023 In EUR'000
Other comprehensive income for the year					
Items that will not be subsequently recognised in profit or loss					
Net change in fair value of equity securities (OCI)	22.3/i/	41,658	19,096	41,658	19,096
Change in fair value of property for own use, net of deferred tax		2,655	(112)	6,975	38
		44,313	**18,984**	**48,633**	**19,134**
Items that can be subsequently recognised in profit or loss					
Net change in fair value of debt securities (OCI)	22.3/ii/	12,168	15,039	16,395	15,513
Foreign exchange differences	22.3/ii/	-	-	38	(6)
Net financial income/expenditure from insurance contracts		(13,691)	(39,310)	(17,261)	(40,420)
Net financial income/expenditure from (passive) reinsurance contracts		449	945	573	965
		(1,074)	**(23,326)**	**(255)**	**(23,948)**
Other comprehensive (loss)/income for the year		**43,239**	**(4,342)**	**48,378**	**(4,814)**
Total comprehensive (loss)/income for the year		**108,812**	**42,537**	**109,466**	**53,637**
Profit attributable to:					
- Company shareholders		65,573	46,879	61,025	58,380
- Non-controlling interest		-	-	63	71
		65,573	**46,879**	**61,088**	**58,451**
Total comprehensive (loss)/income attributable to:					
- Company shareholders		108,812	42,537	109,413	53,596
- Non-controlling interest		-	-	53	41
		108,812	**42,537**	**109,466**	**53,637**
Earnings per share attributable to the Company's shareholders					
Basic and diluted earnings per share (EUR)	12	**-**	**-**	**144.97**	**138.69**

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

Statement of financial position

as at 31 December 2024

	Note	Company 31 Dec 2024 In EUR'000	Company 31 Dec 2023 In EUR'000	Group 31 Dec 2024 In EUR'000	Group 31 Dec 2023 In EUR'000
Assets					
Intangible assets	13	14,907	15,767	24,531	19,391
Property at revaluation model	14	23,930	25,693	61,046	58,548
Property and equipment at cost model	14.1	37,571	36,954	64,356	61,942
Investment property	15	34,914	67,926	152,459	138,689
Investments in subsidiaries, associates and participation in joint ventures	16	111,010	54,531	9,869	10,123
Assets from reinsurance contracts	17	53,498	49,917	59,141	54,438
Assets from insurance contracts	17	15,030	16,997	15,030	16,997
Financial assets	18	1,105,762	1,159,780	1,259,569	1,296,815
Financial assets at amortised cost	18	317,574	*351,439*	362,527	394,241
Financial assets at fair value through other comprehensive income	18	695,006	*672,698*	793,105	756,730
Financial assets at fair value through profit and loss account	18	93,182	*135,643*	103,937	145,844
Deferred tax assets	19	-	-	1,422	907
Current income tax assets		4,388	-	4,417	-
Trade receivables and other receivables	20	27,335	29,211	38,875	42,102
Cash and cash equivalents	21	63,756	45,289	85,703	66,823
Total assets		**1,492,101**	**1,502,065**	**1,776,418**	**1,766,775**
Capital and reserves					
Subscribed share capital	22	78,296	78,296	78,296	78,296
Premium on issued shares		90,448	90,448	90,448	90,448
Reserves	22	53,283	53,279	53,283	53,279
Revaluation reserve	22	118,310	78,275	138,153	91,431
Retained earnings		318,035	364,136	398,776	450,957
Equity attributable to shareholders of the Company		**658,372**	**664,434**	**758,956**	**764,411**
Non-controlling interests		-	-	482	747
Total capital and reserves		**658,372**	**664,434**	**759,438**	**765,158**
Liabilities					
Liabilities from insurance contracts	17	713,339	732,122	859,490	861,986
Liabilities from reinsurance contracts	17	6,191	1,910	6,639	4,025
Financial liabilities ate fair value through profit and loss account	23	832	91	832	91
Financial liabilities at amortized cost	24	38,798	37,058	48,560	48,149
Provisions	25	5,418	6,767	7,424	8,085
Deferred tax liability	19	19,233	8,275	27,497	15,200
Accounts payable and other liabilities	26	49,760	40,470	64,996	52,015
Current income tax liability		158	10,938	1,542	12,066
Total liabilities		**833,729**	**837,631**	**1,016,980**	**1,001,617**
Total capital, reserves and liabilities		**1,492,101**	**1,502,065**	**1,776,418**	**1,766,775**

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

Statement of changes in equity

for 2024

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
Restated balance at 1 January 2023	**78,217**	**90,448**	**53,360**	**87,141**	**313,565**	**622,731**
Adjustment on initial recognition of IFRS 9	-	-	-	(3,333)	2,490	**(843)**
Restated balance at 1 January 2023	**78,217**	**90,448**	**53,360**	**83,808**	**316,055**	**621,888**
Total comprehensive income for the year						
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)**
Other comprehensive income	-	-	-	*(4,342)*	-	***(4,342)***
Profit for the year	-	-	-	-	*46,879*	***46,879***
Total comprehensive income for the year	**-**	**-**	**-**	**(4,342)**	**46,879**	**42,537**
Transactions with owners, recognised directly in equity						
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)	**-**
Balance at 31 December 2023	**78,296**	**90,448**	**53,279**	**78,275**	**364,136**	**664,434**

Statement of changes in equity (continued)

for 2024

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
Balance at 1 January 2024	**78,296**	**90,448**	**53,279**	**78,275**	**364,136**	**664,434**
Total comprehensive income for the year						
Change in fair value of property for own use (Note 14)	-	-	-	3,238	-	**3,238**
Deferred tax on change in fair value of property for own use (Note 19)	-	-	-	(583)	-	**(583)**
Change in fair value of financial assets at fair value through OCI, net of amounts realised	-	-	-	65,641	-	**65,641**
Deferred tax on change in fair value of financial assets at fair value through OCI, net of amounts realised (Note 19)	-	-	-	(11,815)	-	**(11,815)**
Financial expenditure from insurance contracts	-	-	-	(16,692)	-	**(16,692)**
Deferred taxes on financial income/expenditure from insurance contracts (Note 19)	-	-	-	3,001	-	**3,001**
Financial income from (passive) reinsurance contracts	-	-	-	548	-	**548**
Deferred taxes on financial income/expenditure from (passive) reinsurance contracts (Note 19)	-	-	-	(99)	-	**(99)**
Other comprehensive income	-	-	-	*43,239*	-	***43,239***
Profit for the year	-	-	-	-	*65,573*	***65,573***
Total comprehensive income for the year	**-**	**-**	**-**	**43,239**	**65,573**	**108,812**
Transactions with owners, recognised directly in equity						
Other transfers	-	-	4	-	(4)	**-**
Dividends paid	-	-	-	-	(114,874)	**(114,874)**
Transfer of revaluation reserve based on realization of equity securities at fair value through OCI	-	-	-	(1,694)	1,694	**-**
Deferred tax on the transfer of revaluation reserve based on the realization of equity securities at fair value through OCI (note 19)	-	-	-	305	(305)	**-**
Transfer due to depreciation and sale of revalued property for own use	-	-	-	(2,213)	2,213	**-**
Deferred tax on transfer due to depreciation and sale of revalued property for own use (Note 19)	-	-	-	398	(398)	**-**
Balance at 31 December 2024	**78,296**	**90,448**	**53,283**	**118,310**	**318,035**	**658,372**

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

Statement of changes in equity (continued)

for 2024

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
Balance at 1 January 2023	**78,217**	**90,448**	**53,360**	**100,690**	**389,141**	**711,856**	**1,370**	**713,226**
Adjustment on initial recognition of IFRS 9	-	-	-	(3,088)	1,712	**(1,376)**	(10)	**(1,386)**
Restated balance at 1 January 2023	**78,217**	**90,448**	**53,360**	**97,602**	**390,853**	**710,480**	**1,360**	**711,840**
Total comprehensive income for the year								
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)**
Other comprehensive income	-	-	-	*(4,784)*	-	***(4,784)***	**(30)**	***(4,814)***
Profit for the year	-	-	-	-	58,380	**58,380**	71	**58,451**
Total comprehensive income for the year	-	-	-	(4,784)	58,380	**53,596**	**41**	**53,637**
Transactions with owners, recognised directly in equity								
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)	-	-	-
Balance at 31 December 2023	**78,296**	**90,448**	**53,279**	**91,431**	**450,957**	**764,411**	**747**	**765,158**

Statement of changes in equity (continued)

for 2024

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
Balance at 1 January 2024	**78,296**	**90,448**	**53,279**	**91,431**	**450,957**	**764,411**	**747**	**765,158**
Total comprehensive income for the year								
Change in fair value of property for own use (Note 14)	-	-	-	8,465	-	**8,465**	3	**8,468**
Deferred tax on change in fair value of property for own use (Note 19)	-	-	-	(1,493)	-	**(1,493)**	-	**(1,493)**
Change in fair value of financial assets at fair value through OCI, net of amounts realised	-	-	-	70,404	-	**70,404**	-	**70,404**
Deferred tax on change in fair value of financial assets at fair value through OCI, net of amounts realised (Note 19)	-	-	-	(12,351)	-	**(12,351)**	-	**(12,351)**
Financial expenditure from insurance contracts	-	-	-	(20,692)	-	**(20,692)**	(16)	**(20,708)**
Deferred taxes on financial expenditure from insurance contracts (Note 19)	-	-	-	3,445	-	**3,445**	2	**3,447**
Financial income from (passive) reinsurance contracts	-	-	-	695	-	**695**	1	**696**
Deferred taxes on financial income from (passive) reinsurance contracts (Note 19)	-	-	-	(123)	-	**(123)**	-	**(123)**
Foreign exchange differences on translation of foreign operations	-	-	-	*38*	-	**38**	-	**38**
Other comprehensive income	-	-	-	*48,388*	-	***48,388***	**(10)**	***48,378***
Profit for the year	-	-	-	-	61,025	**61,025**	63	**61,088**
Total comprehensive income for the year	-	-	-	48,388	61,025	**109,413**	**53**	**109,466**
Transactions with owners, recognised directly in equity								
Other transfers	-	-	4	-	(4)	**-**	-	**-**
Dividends paid	-	-	-	-	(114,874)	**(114,874)**	(28)	**(114,902)**
Purchase of non-controlling interest	-	-	-	-	6	**6**	(290)	**(284)**
Transfer of revaluation reserve based on realization of equity securities at fair value through OCI	-	-	-	(1,694)	1,694	**-**	-	**-**
Deferred tax on the transfer of revaluation reserve based on the realization of equity securities at fair value through OCI (note 19)	-	-	-	305	(305)	**-**	-	**-**
Transfer due to depreciation and sale of revalued property for own use	-	-	-	(384)	384	**-**	-	**-**
Deferred tax on transfer due to depreciation and sale of revalued property for own use (Note 19)	-	-	-	107	(107)	**-**	-	**-**
Balance at 31 December 2024	**78,296**	**90,448**	**53,283**	**138,153**	**398,776**	**758,956**	**482**	**759,438**

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

Cash flow statement

for 2024

	Note	Company 2024	Company 2023	Group 2024	Group 2023
		in EUR'000	in EUR'000	in EUR'000	in EUR'000
Cash flows from operating activities					
Profit after tax		**65,573**	**46,879**	**61,088**	**58,451**
Adjustments for:					
Depreciation and amortisation	13,14, 14.1	8,956	8,897	16,040	14,035
Impairment of property and equipment and intangible assets	10	(772)	71	(952)	74
Impairment of shares in subsidiaries and associates	6.5	(1,784)	(519)	-	-
Interest expense	9	1,420	1,418	1,959	1,815
Interest income	6.1, 6.3	(25,858)	(28,339)	(30,373)	(31,908)
Dividend income and share in profit of associates and joint ventures	6.2	(23,595)	(14,672)	(11,266)	(9,565)
(Gains)/losses on sale of intangible asset and property and equipment		(1,219)	(460)	63	(562)
Income tax expense	11	5,926	8,274	8,535	10,722
Net foreign exchange differences on cash and cash equivalents		(1,535)	(12)	151	(11)
Other adjustments		(159)	(1,053)	1,279	(1,942)
Cash flows before changes in operating assets and liabilities		**26,953**	**20,484**	**46,524**	**41,109**
Changes in financial assets at fair value through other comprehensive income		43,473	17,509	35,740	14,349
Changes in financial assets and financial liabilities at fair value through profit or loss		44,067	(105,256)	41,825	(106,554)
Changes in financial assets at amortised cost		32,278	5,517	30,360	(3,882)
Changes in assets/liabilities from insurance contract		(33,508)	(13,351)	(21,221)	(4,927)
Changes in assets/liabilities from reinsurance contract		1,248	(7,611)	(1,394)	(8,471)
Changes in trade receivables and other receivables		5,806	(877)	6,756	(5,403)
Changes in investment property		33,547	1,468	(7,566)	(249)
Changes in financial liabilities		738	(10,417)	102	(9,794)
Changes in provisions		(1,349)	210	(622)	399
Changes in tax liabilities		(3)	(548)	(454)	(927)
Changes in accounts payable and other liabilities		9,294	2,650	10,152	3,292
Changes in operating assets and liabilities		**135,591**	**(110,706)**	**93,678**	**(122,167)**
Income tax paid		(19,630)	(7,831)	(21,833)	(9,043)
Interest income		24,456	25,659	27,438	26,731
Dividends income		22,584	14,339	9,836	7,562
Net cash flows used from/(in) operating activities		**189,954**	**(58,055)**	**155,643**	**(55,808)**

Cash flow statement (continued)

for 2024

Continued:

	Note	Company 2024	Company 2023	Group 2024	Group 2023
		in EUR'000	in EUR'000	in EUR'000	in EUR'000
Cash flows from investing activities					
Proceeds from sale of tangible assets		6,904	909	336	990
Purchase of tangible assets		(2,173)	(1,783)	(9,649)	(9,799)
Proceeds from sale of intangible assets		39	-	41	-
Purchase of intangible assets		(3,495)	(4,379)	(4,856)	(5,943)
Proceeds from investment in subsidiaries		(54,696)	(2,500)	(1,660)	-
Net cash flows from investing activities		**(53,421)**	**(7,753)**	**(15,788)**	**(14,752)**
Cash flows from financing activities					
Cash outflows from loan repayments		-	-	(534)	(138)
Cash outflows for repayment of principal element of lease liabilities		(3,062)	(3,362)	(5,125)	(5,106)
Cash outflows for payment of share in profit (dividend)		(115,004)	(130)	(115,032)	(162)
Acquisition of minority interest		-	-	(284)	(308)
Net cash flows from financing activities		**(118,066)**	**(3,492)**	**(120,975)**	**(5,714)**
Cash and cash equivalents at beginning of period	21	45,289	114,589	66,823	143,097
Cash and cash equivalents at end of period	21	63,756	45,289	85,703	66,823
Net increase/(decrease) in cash and cash equivalents		**18,467**	**(69,300)**	**18,880**	**(76,274)**

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 2,327 (2023: 2,436), and of the Group 3,785 (2023: 3,786).

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
- Vesna Sanjković — Member

1.3. Subsidiaries

The Group consolidated the following entities as at 31 December 2024:

Group	Principal activity	31 December 2024 Shares directly held by parent (%)	Shares held by the Group (%)	Shares held by non-controlling interests (%)
Subsidiaries registered in Croatia which are consolidated:				
Croatia premium d.o.o., Zagreb	Real estate business	100	100	-
- M teh d.o.o.	*Equipment rental*	*100*	*100*	-
Croatia Nekretnine d.o.o., Zagreb	Real estate business	100	100	-
Razne usluge d.o.o. (currently being wound up), Zagreb	-	100	100	-
Auto Maksimir Vozila d.o.o., Zagreb	Insurance agency	100	100	-
Koreqt d.o.o.	Trade brokerage	100	100	-
- Koreqt Distribucija d.o.o.	*Insurance distribution*	*100*	*100*	-
Strmec projekt d.o.o.	Real estate business	100	100	-
CO Zdravlje d.o.o., Zagreb	Consulting and services	100	100	-
- CROATIA Poliklinika Zagreb	*Healthcare*	-	*100*	-
- POLIKLINIKA MARIN MED	*Healthcare*	-	*100*	-
- Ustanova za zdravstvenu njegu MARIN MED PLUS	*Healthcare*	-	*100*	-
- MARIN MED ZADAR d.o.o. u likvidaciji	*Healthcare*	-	*100*	-
- MEDROS d.o.o.	*Healthcare*	-	*100*	-
Croatia-Tehnički pregledi d.o.o., Zagreb	*MOT**	100	100	-
- Herz d.d., Požega	*MOT*	-	*100*	-
- Slavonijatrans-Tehnički pregledi d.o.o., Sl. Brod	*MOT*	-	*76*	*24*
- STP Pitomača, Pitomača	*MOT*	-	*100*	-
- STP Blato	*MOT*	-	*100*	-
- Autoprijevoz d.d.	*MOT*	-	*79.12*	*20.88*
- Crotehna d.o.o., Ljubuški	*MOT*	-	*100*	-
Croatia osiguranje mirovinsko društvo d.o.o., Zagreb	*Fund management*	100	100	-
ASTORIA d.o.o.	*Real estate*	100	100	-
Subsidiaries registered abroad which are consolidated:				
Milenijum osiguranje a.d.o., Belgrade	*Insurance*	100	100	-
Croatia osiguranje d.d., Mostar	*Insurance*	97.12	97.12	2.88
*Croatia remont d.d., Čapljina***	*MOT*	-	*100*	-
Croauto d.o.o., Mostar	*MOT*	-	*100*	-
- Tia auto d.o.o.	*Technical examination and analysis of motor vehicles*	-	*100*	-
- Skadenca d.o.o.	*Insurance agency*	-	*100*	-
Croatia osiguranje d.d., društvo za osiguranje neživota, Skopje	*Insurance*	100	100	-
Croatia osiguranje d.d., društvo za osiguranje života, Skopje	*Insurance*	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 85/24, 145/24), the financial statements for 2024 have been prepared in accordance with International Financial Reporting Standards 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 unconsolidated financial statements have been prepared under the historical cost basis, as modified by the revaluation of land and buildings, investment property, 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. Areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated and unconsolidated 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:

In the current year, Group has applied a number of amendments to IFRS Accounting Standards issued by the International Accounting Standards Board (IASB) and adopted by the EU that are mandatorily effective for reporting period that begins on or after 1 January 2024.

Standard	Title
Amendments to IAS 1	Classification of Liabilities as Current or Non-Current and Non-current Liabilities with Covenants
Amendments to IAS 7 and IFRS 7	Supplier Finance Arrangements
Amendments to IFRS 16	Lease Liability in a Sale and Leaseback

Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.

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

At the date of authorisation of these financial statements, the Group has not applied the following revised IFRS Accounting Standards that have been issued by IASB and adopted by EU but are not yet effective:

Standard	Title	Effective date
Amendments to IAS 21	Lack of Exchangeability	1 January 2025

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

At present, IFRS as adopted by the EU do not significantly differ from IFRS adopted by the International Accounting Standards Board (IASB) except for the following new standards and amendments to the existing standards, which were not adopted by the EU as at date of authorisation of these financial statements:

Standard	Title	EU adoption status
Amendments to IFRS 9 and IFRS 7	Amendments to the Classification and Measurement of Financial Instruments (IASB effective date: 1 January 2026)	Not yet adopted by EU
Amendments to IFRS 9 and IFRS 7	Contracts Referencing Nature-dependent Electricity (IASB effective date: 1 January 2026)	Not yet adopted by EU
Amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7	Annual Improvements to IFRS Accounting Standards - Volume 11 (IASB effective date: 1 January 2026)	Not yet adopted by EU
IFRS 18	Presentation and Disclosures in Financial Statements (IASB effective date: 1 January 2027)	Not yet adopted by EU
IFRS 19	Subsidiaries without Public Accountability: Disclosures (IASB effective date: 1 January 2027)	Not yet adopted by EU
IFRS 14	Regulatory Deferral Accounts (IASB effective date: 1 January 2016)	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 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture and further amendments (effective date deferred by IASB indefinitely but earlier application permitted)	Endorsement process postponed indefinitely until the research project on the equity method has been concluded

The Group do not expect that the adoption of the Standards listed above will have a material impact on the financial statements of the Group in future periods.

2.4. Critical accounting judgements and key sources of estimation uncertainty

In preparing 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. The Group recognises non-controlling interest in the acquiree on an acquisition basis, 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 financial assets at fair value through other comprehensive income, 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 entities under common control is a business combination in which all of the entities participating in the business combination are controlled by the same party (or parties) both before and after the business combination, so that no transfer of control occurs. 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.

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 business and sales income from subsidiaries which main activities are not insurance business. 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 and fair value (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 (2023: 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 2024.

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:

	2024 Estimated useful life	**2023 Estimated useful life**
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 31.12.2024 the weighted average incremental borrowing rate applied to lease liabilities recognised under IFRS 16 ranged from 2.57% to 5.32% (31.12.2023: 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

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

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.

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.

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

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 reinsurance contracts, which are valued using the GMM method, 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 allocation of administrative employees and their salaries 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. The above annual assessment is based on last year's income for non-life insurance contracts, and on last year's collected insurance premium for life insurance contracts. 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: for the reserve for residual coverage, the calculation of the value adjustment 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. The value adjustment for non-financial risk for the provision for incurred claims is valued as the present value of 1% of the amount of claims in the provision on the calculation date.

- *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. The release of the discounting effect of the value adjustment for non-financial risk is recognized through the income statement, while the difference between the current and initial discount rates is recognized in other comprehensive income.

- 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 occure.

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:

	Company	**Company**	**Group**	**Group**
	31 Dec 2024	**31 Dec 2023**	**31 Dec 2024**	**31 Dec 2023**
Bonds – at amortized cost				
Gross exposure (EUR 000)	230,401	286,351	246,019	303,178
Reduction rate (%)	0.51%	0.45%	0.52%	0.45%
Sensitivity to a change in the reduction rate 1 pp	(2,304)	(2,864)	(2,460)	(3,032)
Loans				
Gross exposure (EUR 000)	88,194	66,628	49,886	29,948
Reduction rate (%)	10.92%	15%	19.24%	34%
Sensitivity to a change in the reduction rate 1 pp	(882)	(666)	(499)	(299)
Deposits				
Gross exposure (EUR 000)	10,146	10,149	78,318	73,395
Reduction rate (%)	3.67%	3%	1%	1%
Sensitivity to a change in the reduction rate 1 pp	(101)	(101)	(783)	(734)
Cash and cash equivalents				
Gross exposure (EUR 000)	63,758	45,293	85,731	66,892
Reduction rate (%)	0%	0.01%	0.03%	0.1%
Sensitivity to a change in the reduction rate 1 pp	(638)	(453)	(857)	(669)

/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 allocation of administrative employees and their salaries 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. The above annual assessment is based on last year's income for non-life insurance contracts, and on last year's collected insurance premium for life insurance contracts. 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.

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

Company

2024	1 year	3 years	5 years	10 years	20 years
Life insurance contracts					
EUR	2.55%	2.30%	2.41%	2.73%	2.91%
Non-life insurance contracts					
EUR	2.55%	2.30%	2.41%	2.73%	2.91%

Group

2024	1 year	3 years	5 years	10 years	20 years
Life insurance contracts					
EUR	2.55%	2.30%	2.41%	2.73%	2.91%
BAM	2.24%	2.09%	2.14%	2.27%	2.26%
MKD	2.76%	2.95%	3.36%	4.15%	4.71%
RSD	3.53%	3.30%	3.57%	4.21%	4.44%
Non-life insurance contracts					
EUR	2.55%	2.30%	2.41%	2.73%	2.91%
BAM	2.24%	2.09%	2.14%	2.27%	2.26%
MKD	2.76%	2.95%	3.36%	4.15%	4.71%
RSD	3.53%	3.30%	3.57%	4.21%	4.44%

Company

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

Group

2023	1 year	3 years	5 years	10 years	20 years
Life insurance contracts					
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%
Non-life insurance contracts					
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%

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 adjustment for non-financial risk in the reserve for residual coverage 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%. The value adjustment for non-financial risk for the provision for incurred claims is valued as the present value of 1% of the amount of claims in the provision on the calculation date.

/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:

Product	Basis for determining quantity of benefits provided
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 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.

/v/ 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 306 thousand for the Company and the Group (2023: EUR 318 thousand for the Company and 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, 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 with the opinion on the reliability and adequacy of the statutory technical reserves and 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:

	Company	**Company**	**Group**	**Group**
	31 Dec 2024	**31 Dec 2023**	**31 Dec 2024**	**31 Dec 2023**
	in EUR'000	in EUR'000	in EUR'000	in EUR'000
Medical expenses insurance	5,449	4,160	8,159	6,055
Income protection insurance	7,745	7,789	9,983	9,781
Workers' compensation insurance	88	87	88	87
Motor vehicle liability insurance	184,644	175,732	236,922	223,076
Other motor insurance	50,646	44,504	57,286	50,667
Marine, aviation and transport insurance	12,137	11,343	12,215	11,435
Fire and other damage to property insurance	46,117	32,517	49,016	34,893
General liability insurance	50,431	44,795	50,692	44,959
Credit and suretyship insurance	(4,058)	(4,944)	1,567	2,153
Legal expenses insurance	123	122	126	122
Assistance	242	571	1,033	1,305
Miscellaneous financial loss insurance	1,442	1,777	1,449	1,733
Non-proportional health reinsurance (non-life)	-	-	-	-
Non-proportional reinsurance casualty	3,749	3,456	3,749	3,456
Non-proportional marine, aviation and transport reinsurance	126	75	126	75
Non-proportional property reinsurance	3,072	2,310	3,072	2,310
Total non-life insurance	**361,953**	**324,294**	**435,483**	**392,107**
Health insurance	-	-	-	-
Insurance with profit participation	284,797	324,737	340,754	374,233
Index-linked and unit-linked insurance	4,283	18,052	12,519	24,392
Other life insurance	(31)	35	3,202	3,844
Health reinsurance	-	-	-	-
Life reinsurance	-	-	-	-
Total life insurance	**289,049**	**342,824**	**356,475**	**402,469**
Total	**651,002**	**667,118**	**791,958**	**794,576**

Certain amounts from the previous reporting period have been reclassified to be consistent with the current reporting period's presentation and the reclassification is not material.

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.

Company	**Balance as at 31 Dec 2024**		**Balance as at 31 Dec 2024**		**Balance as at 31 Dec 2023**		**Balance as at 31 Dec 2023**	
	Impact on profit or loss before taxes		**Impact on comprehensive income**		**Impact on profit or loss before taxes**		**Impact on comprehensive income**	
	in EUR'000	in EUR'000	in EUR'000	in EUR'000	in EUR'000	in EUR'000	in EUR'000	in EUR'000
Life insurance contracts								
Mortality rates +15%	(72)	(72)	(6)	(6)	(27)	(27)	(17)	(17)
Costs rates +10%	(137)	(137)	52	52	(134)	(134)	120	120
Interest rate + 1%	-	-	13,382	13,382	-	-	14,441	14,441
Interest rate - 1%	-	-	(15,041)	(15,041)	-	-	(16,206)	(16,206)

Group	Balance as at 31 Dec 2024		Balance as at 31 Dec 2024		Balance as at 31 Dec 2023		Balance as at 31 Dec 2023	
	Impact on profit or loss before taxes		Impact on comprehensive income		Impact on profit or loss before taxes		Impact on comprehensive income	
	in EUR'000	in EUR'000	in EUR'000	in EUR'000	in EUR'000	in EUR'000	in EUR'000	in EUR'000
Life insurance contracts								
Mortality rates +15%	(122)	(122)	(3)	(3)	(104)	(104)	(5)	(5)
Costs rates +10%	(240)	(240)	100	100	(230)	(230)	191	191
Interest rate + 1%	-	-	17,716	17,716	-	-	18,655	18,655
Interest rate - 1%	-	-	(19,935)	(19,935)	-	-	(20,966)	(20,966)

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, 2024, the official exchange rate of the euro was 0.957488 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%	2024		2024		2023		2023	
	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
Company								
Financial instruments	31	(31)	-	-	18	(18)	12	(12)
Group								
Financial instruments	193	(193)	113	(113)	112	(112)	353	(353)

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

Company in EUR'000	31 December 2024				31 December 2023			
	EUR	USD	Other currencies	Total	EUR	USD	Other currencies	Total
Assets								
Investments in subsidiaries, associates, and participation in joint ventures	111,010	-	-	**111,010**	54,531	-	-	**54,531**
Assets from reinsurance contracts	52,011	1,487	-	**53,498**	48,856	1,061	-	**49,917**
Assets from insurance contracts	15,030	-	-	**15,030**	16,997	-	-	**16,997**
Financial assets at amortised cost	317,574	-	-	**317,574**	351,439	-	-	**351,439**
Financial assets at fair value through other comprehensive income	694,934	-	72	**695,006**	671,530	-	1,168	**672,698**
Financial assets at fair value through profit or loss	64,335	28,847	-	**93,182**	96,870	38,386	387	**135,643**
Derivative financial assets at fair value through profit or loss	21	-	-	**21**	228	258	-	**486**
Non derivative financial assets at fair value through profit or loss	64,314	28,847	-	**93,161**	96,642	38,128	387	**135,157**
Trade receivables and other receivables	27,270	8	57	**27,335**	29,108	-	103	**29,211**
Cash and cash equivalents	63,691	27	38	**63,756**	45,217	33	39	**45,289**
Total assets	**1,345,855**	**30,369**	**167**	**1,376,391**	**1,314,548**	**39,480**	**1,697**	**1,355,725**
Liabilities								
Liabilities from insurance contracts	711,595	1,744	-	**713,339**	729,998	2,123	1	**732,122**
Liabilities from reinsurance contracts	6,256	(65)	-	**6,191**	1,910	-	-	**1,910**
Financial liabilities at amortised cost	38,798	-	-	**38,798**	37,058	-	-	**37,058**
Financial liabilities at fair value through profit or loss	832	-	-	**832**	91	-	-	**91**
Provisions	5,418	-	-	**5,418**	6,767	-	-	**6,767**
Accounts payable and other liabilities	49,461	207	92	**49,760**	40,446	18	6	**40,470**
Total liabilities	**812,360**	**1,886**	**92**	**814,338**	**816,270**	**2,141**	**7**	**818,418**
Foreign currency gap	**533,495**	**28,483**	**75**	**562,053**	**498,278**	**37,339**	**1,690**	**537,307**

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 2024**				**31 December 2023**			
	EUR	**USD**	**Other currencies**	**Total**	**EUR**	**USD**	**Other currencies**	**Total**
Assets								
Investments in subsidiaries, associates and participation in joint ventures	9,869	-	-	**9,869**	9,838	-	285	**10,123**
Assets from reinsurance contracts	52,102	1,487	5,552	**59,141**	48,856	1,061	4,521	**54,438**
Assets from insurance contracts	15,030	-	-	**15,030**	16,997	-	-	**16,997**
Financial assets at amortised cost	288,462	-	74,065	**362,527**	327,855	-	66,386	**394,241**
Financial assets at fair value through other comprehensive income	741,258	-	51,847	**793,105**	709,660	-	47,070	**756,730**
Financial assets at fair value through profit or loss	64,335	28,847	10,755	**103,937**	96,870	38,386	10,588	**145,844**
Derivative financial assets at fair value through profit or loss	21	-	-	**21**	229	258	-	**486**
Non derivative financial assets at fair value through profit or loss	64,314	28,847	10,755	**103,916**	96,641	38,128	10,588	**145,357**
Trade receivables and other receivables	33,509	8	5,358	**38,875**	36,437	-	5,665	**42,102**
Cash and cash equivalents	82,225	29	3,449	**85,703**	60,329	33	6,461	**66,823**
Total assets	**1,286,790**	**30,371**	**151,026**	**1,468,187**	**1,306,842**	**39,480**	**140,976**	**1,487,297**
Liabilities								
Liabilities from insurance contracts	764,277	1,744	93,469	**859,490**	727,975	2,122	131,889	**861,986**
Liabilities from reinsurance contracts	6,257	(65)	447	**6,639**	1,910	-	2,115	**4,025**
Financial liabilities at amortised cost	41,708	-	6,852	**48,560**	42,789	-	5,360	**48,149**
Financial liabilities at fair value through profit or loss	832	-	-	**832**	91	-	-	**91**
Provisions	6,921	-	503	**7,424**	7,888	-	197	**8,085**
Accounts payable and other liabilities	58,201	207	6,588	**64,996**	46,028	18	5,969	**52,015**
Total liabilities	**878,196**	**1,886**	**107,859**	**987,941**	**826,681**	**2,140**	**145,530**	**974,351**
Foreign currency gap	**408,594**	**28,485**	**43,167**	**480,246**	**480,161**	**37,340**	**(4,554)**	**512,946**

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	**2024**		**2024**		**2023**		**2023**	
	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
Company								
Financial instruments	-	-	(21,954)	21,954	(189)	189	(21,554)	21,554
Group								
Financial instruments	-	-	(27,580)	27,580	(189)	189	(25,848)	25,848

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 relatable to an individual financial instrument or its issuer or if there are other factors which effect 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.

Price risk analysis

	2024		2023	
	Impact on profit/loss before tax	**Impact on comprehensive income**	**Impact on profit/loss before tax**	**Impact on comprehensive income**
Company	in EUR'000	in EUR'000	in EUR'000	in EUR'000
Change in price by +/- 5%	4,513/(4,513)	9,585/(9,585)	5,458/(5,458)	6,941/(6,941)
Group				
Change in price by +/- 5%	4,797/(4,797)	9,585/(9,585)	5,747/(5,747)	6,941/(6,941)

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. 2024	**31 Dec. 2023**	**31 Dec. 2024**	**31 Dec. 2023**
	in EUR'000	in EUR'000	in EUR'000	in EUR'000
Investments in debt securities (note 18.1)	732,547	829,919	846,161	930,682
Investments in bank deposits (note 18.1)	10,424	9,889	78,136	72,553
Loans (note 18.1)	78,563	56,481	40,289	19,888
Assets from reinsurance contracts	53,498	49,917	59,141	54,438
Assets from insurance contracts	15,030	16,997	15,030	16,997
Trade receivables and other receivables	24,263	24,924	32,371	34,856
Cash and cash equivalents	63,756	45,289	85,703	66,823
	978,081	**1,033,416**	**1,156,831**	**1,196,237**

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

	Company	**Company**	**Group**	**Group**
	31 Dec. 2024	**31 Dec. 2023**	**31 Dec. 2024**	**31 Dec. 2023**
	in EUR'000	in EUR'000	in EUR'000	in EUR'000
Government bonds	490,546	658,293	494,015	662,298
Undue interest on bonds	6,707	10,080	6,721	10,090
Treasury bills	-	4,936	-	4,936
Other receivables	754	363	1,232	770
	498,007	**673,672**	**501,968**	**678,094**

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

	2024	Company
	S&P	31 Dec. 2024
		in EUR'000
Financial assets at amortised cost – debt securities		**229,237**
Ministry of Finance of the Republic of Croatia	A-	226,391
Corporations rated by another agency	-	-
No rating		2,846
Financial assets at fair value through other comprehensive income		**503,310**
Ministry of Finance of the Republic of Croatia	A-	270,862
Ministry of Finance of the Republic of France	AA-	4,083
Ministry of Finance of Hungary	BBB-	26,973
Ministry of Finance of Romania	BBB-	10,568
Ministry of Finance of Slovenia	AA-	1,448
Ministry of Finance of Bulgaria	BBB	16,344
Ministry of Finance of Poland	A-	19,462
Ministry of Finance of Germany	-	-
Ministry of Finance of Chile	A	1,700
Ministry of Finance of Italy	BBB	4,420
Ministry of Finance of Slovakia	A+	8,475
Ministry of Finance of Spain	A	5,683
European Union	AA+	14,861
Rated corporations	A+	1,075
	A	5,337
	A-	9,736
	BBB+	4,156
	BBB	10,805
	BBB-	17,801
Corporations rated by another agency	-	65,180
No rating	-	4,341
Financial assets at fair value through profit and loss account		
Ministry of Finance of Romania	-	-
Rated corporations	-	-
Loans and receivables		**88,987**
Other banks and financial institutions*	-	10,424
No rating**	-	78,563
Assets from reinsurance contracts		**53,498**
Rated reinsurers	AA+	2,467
	AA	413
	AA-	17,657
	A+	19,705
	A	5,532
	A-	4,551
Reinsurers rated by another agency	-	1,128
No rating	-	2,045
Assets from insurance contracts		**15,030**
No rating		15,030
Trade receivables and other receivables		**24,263**
No rating	-	24,263
Cash and cash equivalents		**63,756**
Other banks and financial institutions*	-	63,756
		978,081

	2023	Company
	S&P	31 Dec. 2023
		in EUR'000
Financial assets at amortised cost – debt securities		**285,069**
Ministry of Finance of the Republic of Croatia	BBB+	282,207
Corporations rated by another agency	-	-
No rating	-	2,862
Financial assets at fair value through other comprehensive income		**533,886**
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
Financial assets at fair value through profit and loss account		**10,964**
Ministry of Finance of Romania	BBB-	1,340
Rated corporations	BBB-	9,624
Loans and receivables		***66,370***
Other banks and financial institutions*	-	9,888
No rating**	-	56,482
Assets from reinsurance contracts		**49,917**
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
Assets from insurance contracts		**16,997**
No rating	-	16,997
Trade receivables and other receivables		**24,924**
No rating	-	24,924
Cash and cash equivalents		**45,289**
Other banks and financial institutions*	-	45,289
		1,033,416

	2024	Group
	S&P	31 Dec. 2024
		in EUR'000
Financial assets at amortised cost – debt securities		**244,752**
Ministry of Finance of the Republic of Croatia	A-	227,210
Ministry of Finance of Macedonia	BB-	8,515
Republic of Bosnia and Herzegovina	B+	6,180
Corporations rated by another agency	-	-
No rating	-	2,847
Financial assets at fair value through other comprehensive income		**601,409**
Ministry of Finance of the Republic of Croatia	A-	273,526
Ministry of Finance of France	AA-	5,194
Ministry of Finance of Hungary	BBB-	26,973
Ministry of Finance of Macedonia	BB-	52,805
Ministry of Finance of Serbia	BB+	40,488
Ministry of Finance of Slovenia	AA-	1,448
Ministry of Finance of Romania	BBB-	10,568
Ministry of Finance of Bulgaria	BBB	16,344
Ministry of Finance of Poland	A-	19,462
Ministry of Finance of Germany	-	-
Ministry of Finance of Chile	A	1,700
Ministry of Finance of Italy	BBB	4,420
Ministry of Finance of Slovakia	A+	8,475
Ministry of Finance of Spain	A	5,683
European Union	AA+	14,861
Rated corporations	A+	1,075
	A	5,337
	A-	9,736
	BBB+	4,156
	BBB	10,805
	BBB-	17,801
Corporations rated by another agency	-	65,180
No rating	-	5,372
Financial assets at fair value through profit and loss account		
Ministry of Finance of Romania	-	-
Rated corporations	-	-
Loans and receivables		**118,425**
Other banks and financial institutions*	-	35,728
No rating**	-	82,697
Assets from reinsurance contracts		**59,141**
Rated reinsurers	AA+	6,044
	AA	413
	AA-	17,657
	A+	19,705
	A	5,532
	A-	4,551
Reinsurers rated by another agency	-	3,998
No rating	-	1,241
Assets from insurance contracts		**15,030**
No rating		15,030
Trade receivables and other receivables		**32,371**
No rating	-	32,371
Cash and cash equivalents		**85,703**
Rated banks		-
Other banks and financial institutions*	-	85,703
		1,156,831

	2023	Group
	S&P	31 Dec. 2023
		in EUR'000
Financial assets at amortised cost – debt securities		***301,800***
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
Financial assets at fair value through other comprehensive income		***617,918***
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
Financial assets at fair value through profit and loss account		***10,964***
Ministry of Finance of Romania	BBB-	1,340
	BBB-	9,624
Loans and receivables		***92,441***
Other banks and financial institutions*	-	45,592
No rating**	-	46,849
Assets from reinsurance contracts		***54,438***
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
Assets from insurance contracts		***16,997***
No rating		16,997
Trade receivables and other receivables		***34,856***
No rating	-	34,856
Cash and cash equivalents		***66,823***
Rated banks		12,074
Other banks and financial institutions*	-	54,749
		1,196,237

* 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.

The maturity analysis on the reporting date is as follows:

Company in EUR'000	31 December 2024						31 December 2023					
Assets	**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**
Investments in subsidiaries, associates and participation in joint ventures	-	-	-	-	111,010	**111,010**	-	-	-	-	54,531	**54,531**
Assets from reinsurance contracts	24,529	19,880	4,145	2,651	2,293	**53,498**	24,496	13,509	4,814	4,247	2,851	**49,917**
Assets from insurance contracts	6,249	3,444	2,845	2,386	106	**15,030**	7,895	3,333	2,432	3,000	337	**16,997**
Financial assets at amortised cost	20,392	55,909	78,927	153,600	8,746	**317,574**	69,886	40,153	49,657	139,495	52,248	**351,439**
Financial assets at fair value through other comprehensive income	102,717	123,456	166,354	216,265	86,214	**695,006**	52,842	132,617	217,960	253,840	15,439	**672,698**
Financial assets at fair value through profit or loss	81,160	11,207	799	4	12	**93,182**	45,959	9,465	15,599	46,482	18,138	**135,643**
Trade receivables and other receivables	27,335	-	-	-	-	**27,335**	29,211	-	-	-	-	**29,211**
Cash and cash equivalents	63,756	-	-	-	-	**63,756**	45,289	-	-	-	-	**45,289**
Total	**326,138**	**213,896**	**253,070**	**374,906**	**208,381**	**1,376,391**	**275,578**	**199,077**	**290,462**	**447,064**	**143,544**	**1,355,725**
Liabilities												
Liabilities from insurance contracts	271,756	154,789	78,610	85,544	122,640	**713,339**	285,203	146,209	91,616	86,125	122,969	**732,122**
Liabilities from reinsurance contracts	7,139	(294)	(162)	(237)	(255)	**6,191**	2,070	(82)	(30)	3,000	(3,048)	**1,910**
Financial liabilities at amortized cost	2,665	4,439	3,423	8,226	20,045	**38,798**	2,705	3,862	3,336	7,859	19,296	**37,058**
Financial liabilities at fair value through profit or loss	832	-	-	-	-	**832**	36	-	-	55	-	**91**
Provisions	367	2,278	2,273	249	251	**5,418**	785	2,739	2,723	253	267	**6,767**
Accounts payable and other liabilities	44,495	3,410	616	306	933	**49,760**	36,407	1,686	682	519	1,175	**40,469**
Total	**327,254**	**164,622**	**84,760**	**94,088**	**143,614**	**814,338**	**327,206**	**154,414**	**98,327**	**97,811**	**140,659**	**818,417**
Maturity mismatch	**(1,116)**	**49,274**	**168,310**	**280,818**	**64,767**	**562,053**	**(51,628)**	**44,663**	**192,135**	**349,253**	**2,885**	**537,308**

The maturity analysis on the reporting date is as follows:

Group in EUR'000	31 December 2024						31 December 2023					
Assets	**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**
Investments in subsidiaries, associates and participation in joint ventures	-	-	-	-	9,869	**9,869**	-	-	-	-	10,123	**10,123**
Assets from reinsurance contracts	27,060	21,359	4,717	3,211	2,794	**59,141**	27,765	14,095	5,065	4,442	3,071	**54,438**
Assets from insurance contracts	6,249	3,444	2,845	2,386	106	**15,030**	7,894	3,333	2,432	3,000	338	**16,997**
Financial assets at amortised cost	58,348	69,523	74,998	152,948	6,710	**362,527**	100,138	61,771	42,422	140,304	49,606	**394,241**
Financial assets at fair value through other comprehensive income	115,322	148,905	166,997	249,201	112,680	**793,105**	62,395	159,934	222,379	275,375	36,647	**756,730**
Financial assets at fair value through profit or loss	85,945	12,906	1,544	1,354	2,188	**103,937**	50,943	10,792	17,269	47,224	19,616	**145,844**
Trade receivables and other receivables	38,847	6	22	-	-	**38,875**	42,076	26	-	-	-	**42,102**
Cash and cash equivalents	85,703	-	-	-	-	**85,703**	66,823	-	-	-	-	**66,823**
Total	**417,474**	**256,143**	**251,123**	**409,100**	**134,347**	**1,468,187**	**358,034**	**249,951**	**289,567**	**470,345**	**119,401**	**1,487,298**
Liabilities												
Liabilities from insurance contracts	333,495	169,033	88,844	100,961	167,157	**859,490**	335,658	159,800	100,827	99,597	166,104	**861,986**
Liabilities from reinsurance contracts	7,588	(295)	(162)	(237)	(255)	**6,639**	4,797	(374)	(128)	2,889	(3,159)	**4,025**
Financial liabilities at amortized cost	4,598	7,383	6,759	10,067	19,753	**48,560**	4,329	6,995	6,960	9,777	20,088	**48,149**
Financial liabilities at fair value through profit or loss	832	-	-	-	-	**832**	36	-	-	55	-	**91**
Provisions	701	2,576	2,597	858	692	**7,424**	1,068	2,909	2,952	512	644	**8,085**
Accounts payable and other liabilities	58,698	4,440	619	306	933	**64,996**	47,945	1,686	691	519	1,174	**52,015**
Total	**405,912**	**183,137**	**98,657**	**111,955**	**188,280**	**987,941**	**393,833**	**171,016**	**111,302**	**113,349**	**184,851**	**974,351**
Maturity mismatch	**11,562**	**73,006**	**152,466**	**297,145**	**(53,933)**	**480,246**	**(35,799)**	**78,935**	**178,265**	**356,996**	**(65,450)**	**512,947**

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 2024**							**31 December 2023**						
Assets	**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**
Assets from reinsurance contracts	24,529	14,164	5,716	2,517	1,628	4,944	**53,498**	24,496	8,373	5,136	2,824	1,990	7,098	**49,917**
Assets from insurance contracts	6,249	1,752	1,692	1,653	1,192	2,492	**15,030**	7,895	1,765	1,568	1,299	1,133	3,337	**16,997**
Total	**30,778**	**15,916**	**7,408**	**4,170**	**2,820**	**7,436**	**68,528**	**32,391**	**10,138**	**6,704**	**4,123**	**3,123**	**10,435**	**66,914**
Liabilities														
Liabilities from insurance contracts	271,756	82,782	72,006	44,419	34,191	208,185	713,339	285,203	86,155	60,054	51,753	39,863	209,094	**732,122**
Liabilities from reinsurance contracts	7,140	(201)	(93)	(88)	(74)	(493)	6,191	2,070	(49)	(33)	(18)	(12)	(48)	**1,910**
Total	**278,896**	**82,581**	**71,913**	**44,331**	**34,117**	**207,692**	**719,530**	**287,273**	**86,106**	**60,021**	**51,735**	**39,851**	**209,046**	**734,032**
Maturity mismatch	**(248,118)**	**(66,665)**	**(64,505)**	**(40,161)**	**(31,297)**	**(200,256)**	**(651,002)**	**(254,882)**	**(75,968)**	**(53,317)**	**(47,612)**	**(36,728)**	**(198,611)**	**(667,118)**

Group in EUR'000	**31 December 2024**							**31 December 2023**						
Assets	**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**
Assets from reinsurance contracts	27,060	15,005	6,354	2,849	1,868	6,005	**59,141**	27,765	8,742	5,353	2,972	2,093	7,513	**54,438**
Assets from insurance contracts	6,249	1,752	1,692	1,653	1,192	2,492	**15,030**	7,894	1,765	1,568	1,299	1,133	3,338	**16,997**
Total	**33,309**	**16,757**	**8,046**	**4,502**	**3,060**	**8,497**	**74,171**	**35,659**	**10,507**	**6,921**	**4,271**	**3,226**	**10,851**	**71,435**
Liabilities														
Liabilities from insurance contracts	333,495	89,935	79,098	49,093	39,751	268,118	**859,490**	335,658	93,371	66,429	56,447	44,380	265,701	**861,986**
Liabilities from reinsurance contracts	7,588	(202)	(93)	(88)	(74)	(492)	**6,639**	4,797	(210)	(164)	(75)	(53)	(270)	**4,025**
Total	**341,083**	**89,733**	**79,005**	**49,005**	**39,677**	**267,626**	**866,129**	**340,455**	**93,161**	**66,265**	**56,372**	**44,327**	**265,431**	**866,011**
Maturity mismatch	**(307,774)**	**(72,976)**	**(70,959)**	**(44,503)**	**(36,617)**	**(259,129)**	**(791,958)**	**(304,796)**	**(82,654)**	**(59,344)**	**(52,101)**	**(41,101)**	**(254,580)**	**(794,576)**

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 2024	3,676	6,842	5,431	11,789	27,319	**55,057**	5,590	9,405	8,475	13,300	27,406	**64,175**
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**

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 2024	19,225	6,795	-	-	-	**26,020**	19,225	6,795	-	-	-	**26,020**
31 December 2023	14,404	12,714	2,122	-	-	**29,240**	14,404	12,714	2,122	-	-	**29,240**

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. 2024			**31 Dec. 2023**		
	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
Company						
Debt securities	229,237	217,624	(11,613)	285,069	268,392	(16,677)
Loans	78,563	76,756	(1,807)	56,481	54,403	(2,078)
Deposits	9,774	9,774	-	9,889	9,889	-
	317,574	**304,154**	**(13,420)**	**351,439**	**332,684**	**(18,755)**
Group						
Debt securities	244,752	232,908	(11,844)	301,800	284,690	(17,110)
Loans	40,289	40,289	-	19,888	19,872	(16)
Deposits	77,486	77,486	-	72,553	72,553	-
	362,527	**350,683**	**(11,844)**	**394,241**	**377,115**	**(17,126)**

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

	31 Dec. 2024				31 Dec. 2023			
	Level 1	**Level 2**	**Level 3**	**Total**	**Level 1**	**Level 2**	**Level 3**	**Total**
Company	in EUR'000	in EUR'000	in EUR'000	in EUR'000	in EUR'000	in EUR'000	in EUR'000	in EUR'000
Debt securities	42,679	174,747	198	**217,624**	101,938	166,235	219	**268,392**
Loans	-	76,756	-	**76,756**	-	54,403	-	**54,403**
Deposits	-	-	9,774	**9,774**	-	-	9,889	**9,889**
	42,679	**251,503**	**9,972**	**304,154**	**101,938**	**220,638**	**10,108**	**332,684**

	31 Dec. 2024				31 Dec. 2023			
	Level 1	**Level 2**	**Level 3**	**Total**	**Level 1**	**Level 2**	**Level 3**	**Total**
Group	in EUR'000	in EUR'000	in EUR'000	in EUR'000	in EUR'000	in EUR'000	in EUR'000	in EUR'000
Debt securities	49,633	183,077	198	**232,908**	107,516	176,956	218	**284,690**
Loans	-	39,640	649	**40,289**	-	19,432	440	**19,872**
Deposits	-	-	77,486	**77,486**	-	-	72,553	**72,553**
	49,633	**222,717**	**78,333**	**350,683**	**107,516**	**196,388**	**73,211**	**377,115**

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 2024 are presented as follows:

	Level 1 in EUR'000	Level 2 in EUR'000	Level 3 in EUR'000	Total in EUR'000
Property for own use	-	-	*23,930*	***23,930***
Investment property	-	-	*34,914*	***34,914***
Equity securities	160,879	-	30,817	**191,696**
Debt securities	394,819	108,491	-	**503,310**
Investment funds	-	-	-	-
Financial assets at fair value through other comprehensive income	***555,698***	***108,491***	***30,817***	***695,006***
Equity securities	503	-	-	**503**
Investment funds	2,509	89,499	-	**92,008**
Derivative financial instruments	-	21	-	**21**
Other	-	650	-	**650**
Financial assets at fair value through profit or loss	***3,012***	***90,170***	***-***	***93,182***
Total assets at fair value	**558,710**	**198,661**	**89,661**	**847,032**

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

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

The Group's assets measured at fair value as at 31 December 2024 are presented as follows:

	Level 1 in EUR'000	Level 2 in EUR'000	Level 3 in EUR'000	Total in EUR'000
Property for own use	-	-	***61,046***	***61,046***
Investment property	-	-	***152,459***	***152,459***
Equity securities	160,879	-	30,817	**191,696**
Debt securities	440,114	161,295	-	**601,409**
Investment funds	-	-	-	-
Financial assets at fair value through other comprehensive income	***600,993***	***161,295***	***30,817***	***793,105***
Equity securities	503	-	-	**503**
Investment funds	13,264	89,499	-	**102,763**
Derivative financial instruments	-	21	-	**21**
Other	-	650	-	**650**
Financial assets at fair value through profit or loss	***13,767***	***90,170***	***-***	***103,937***
Total assets at fair value	**614,760**	**251,465**	**244,322**	**1,110,547**

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

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

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

Company	**Equity securities**	**Debt securities**	**Investment funds**	**Total**
	in EUR'000	in EUR'000	in EUR'000	in EUR'000
31 December 2022	**9,770**	**235**	-	**10,006**
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
31 December 2023	**28,984**	-	-	**28,984**
Transfer from/to Level 2	-	-	-	-
Increase	-	-	-	-
Decrease	-	-	-	-
(Losses) recognized in other comprehensive income	-	-	-	-
Gains recognized in other comprehensive income	1,833	-	-	1,833
31 December 2024	**30,817**	-	-	**30,817**

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:

Group	**Equity securities**	**Debt securities**	**Investment funds**	**Total**
	in EUR'000	in EUR'000	in EUR'000	in EUR'000
31 December 2022	**9,770**	**235**	-	**10,005**
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
31 December 2023	**28,985**	-	-	**28,985**

Transfer from/to Level 2	-	-	-	-
Increase	-	-	-	-
Decrease	-	-	-	-
(Losses) recognized in other comprehensive income	-	-	-	-
Gains recognized in other comprehensive income	1,832	-	-	1,832
31 December 2024	**30,817**	**-**	**-**	**30,817**

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. 2024 in EUR'000	Unob-servable inputs	Range of inputs (probability-weighted average)	Relationship of unobservable inputs to fair value
Equity securities	30,817	Discount rate	6.75%-9.22% (7.83%)	An increase in the discount rate by 100 bps would decrease the fair value by EUR 2,404 thousand. A decrease in the discount rate by 100 bps would increase the fair value by EUR 2,658 thousand
Debt securities	-	Discount rate	-	
Investment funds	-	Discount rate	-	

	Fair value at 31 Dec. 2023 in EUR'000	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	-	-

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 valuators in order to determine the fair value as at 31 December 2024 and 31 December 2023.

To determine fair value of the property for own use, the Group use real estate appraisals conducted by independent certified authorized external valuators in 2024. The effects are listed in Note 14.

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 2024	Fair value Land as at 31 December 2024	Fair value Building as at 31 December 2024	Fair value as at 31 December 2023	Fair value Land as at 31 December 2023	Fair value Building as at 31 December 2023	Valuation technique(s)	Unavailable parameters	Range of unavailable parameters 2024	Range of unavailable parameters 2023
Company	**34,914**	5,288	26,626	**67,926**	9,451	58,475	Income approach	Capitalization rate	6-10%	6-10%
							Cost approach	Building unit price per m2 (EUR)	150-915	133-986
							Sales comparison approach	Average price per m2 (EUR)	61.36 – 3,881	1-3,403
Group	**152,459**	23,176	129,283	**138,689**	20,365	118,324	Income approach	Capitalization rate	6%-10%	6%-10%
								Discount rate	10%	10%
							Cost approach	Building unit price (EUR)	150-915	133-986
							Sales comparison approach	Building unit price per m2 (EUR)	21 – 3,609	1 – 4,236

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. 2024	**31 Dec. 2023**
SCR ratio	>100%	267%	308%
MCR ratio	>100%	1014%	1065%

	Regulatory requirement	**Group**	**Group**
		31 Dec. 2024*	**31 Dec. 2023****
SCR ratio	>100%	240%	245%
MCR ratio	>100%	859%	776%

** 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 2024 as part of the Solvency and Financial Condition Report of CROATIA osiguranje Group for 2024, which will be published on the Company's website within the stipulated deadlines.*
*** Data presented for 31 December 2023 are the data that are published in the Solvency and Financial Condition Report of CROATIA osiguranje Group for 2023.*

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:

	2024	2024	2024	2023	2023	2023
	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	441,095	7,742	448,837	388,942	6,442	395,384
Insurance service expenses	(405,587)	(3,057)	(408,644)	(373,366)	(2,565)	(375,931)
Insurance revenue	(14,809)	-	(14,809)	(7,676)	(1)	(7,677)
Result from insurance contracts	**20,699**	**4,685**	**25,384**	**7,900**	**3,876**	**11,776**
Interest revenue calculated using the effective interest rate method	17,117	8,642	25,759	17,365	9,859	27,224
Realised gains/losses (net) from financial assets at fair value through profit or loss	5,918	2,160	8,078	4,158	1,892	6,050
Net impairment/release of impairment of financial assets	2,308	44	2,352	1,649	370	2,019
Income from investment property	4,329	-	4,329	4,691	-	4,691
Net exchange rate differences	1,159	372	1,531	(805)	(159)	(964)
Other income/expenditure from investments	17,510	(849)	16,661	11,874	1,319	13,193
Net investment income	**48,341**	**10,369**	**58,710**	**38,932**	**13,281**	**52,213**
Net financial result from insurance contracts	(4,829)	(2,305)	(7,134)	(3,573)	(1,150)	(4,723)
Net financial result from (passive) reinsurance contracts	739	-	739	673	-	673
Net financial result from insurance and (passive) reinsurance contracts	**(4,090)**	**(2,305)**	**(6,395)**	**(2,900)**	**(1,150)**	**(4,050)**
Other income	7,317	6	7,323	5,636	17	5,653
Other financial expenses	(1,390)	(30)	(1,420)	(1,382)	(36)	(1,418)
Other operating expenses	(11,933)	(170)	(12,103)	(8,834)	(187)	(9,021)
Share of profit of companies consolidated using equity method, net of tax	-	-	-	-	-	-
Profit before tax	**58,944**	**12,555**	**71,499**	**39,352**	**15,801**	**55,153**
Income tax	(3,930)	(1,996)	(5,926)	(5,525)	(2,749)	(8,274)
Profit for the year	**55,014**	**10,559**	**65,573**	**33,827**	**13,052**	**46,879**
Profit attributable to:						
- Company shareholders	55,014	10,559	65,573	33,827	13,052	46,879
- Non-controlling interest	-	-	-	-	-	-
	55,014	**10,559**	**65,573**	**33,827**	**13,052**	**46,879**

Total depreciation cost of the non-life segment amounts to EUR 8,849 thousand (2023: EUR 8,777 thousand), while depreciation cost of the life segment amounts to EUR 107 thousand (2023: EUR 120 thousand).

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

	31 Dec. 2024	31 Dec. 2024	31 Dec. 2024	31 Dec. 2023	31 Dec. 2023	31 Dec. 2023
	in EUR'000	in EUR'000	in EUR'000	in EUR'000	in EUR'000	in EUR'000
Assets	**NON-LIFE**	**LIFE**	**TOTAL**	**NON-LIFE**	**LIFE**	**TOTAL**
Intangible assets	14,907	-	**14,907**	15,767	-	**15,767**
Property at revaluation model	23,930	-	**23,930**	25,693	-	**25,693**
Property and equipment at cost model	37,569	2	**37,571**	36,952	2	**36,954**
Investment property	34,914	-	**34,914**	67,926	-	**67,926**
Investments in subsidiaries, associates and participation in joint ventures	111,010	-	**111,010**	54,531	-	**54,531**
Assets from reinsurance contracts	53,498	-	**53,498**	49,917	-	**49,917**
Assets from insurance contracts	14,999	31	**15,030**	16,997	-	**16,997**
Financial assets	762,665	343,097	**1,105,762**	747,549	412,231	**1,159,780**
Financial assets at amortised cost	210,199	107,375	**317,574**	199,241	152,198	**351,439**
Financial assets at fair value through other comprehensive income	492,824	202,182	**695,006**	472,001	200,697	**672,698**
Financial assets at fair value through profit and loss account	59,642	33,540	**93,182**	76,308	59,335	**135,643**
Deferred tax assets	-	-	**-**	-	-	**-**
Current income tax assets	4,388	-	**4,388**	-	-	**-**
Trade receivables and other receivables	29,859	17	**29,876**	29,931	61	**29,992**
Cash and cash equivalents	47,611	16,145	**63,756**	42,908	2,381	**45,289**
Total assets	**1,135,350**	**359,292**	**1,494,642**	**1,088,171**	**414,675**	**1,502,846**
Capital and reserves						
Subscribed share capital	72,415	5,881	**78,296**	72,415	5,881	**78,296**
Premium on issued shares	90,448	-	**90,448**	90,448	-	**90,448**
Reserves	41,965	11,318	**53,283**	41,961	11,318	**53,279**
Revaluation reserve	104,446	13,864	**118,310**	63,612	14,663	**78,275**
Retained earnings	287,073	30,962	**318,035**	330,690	33,446	**364,136**
Total capital and reserves	**596,347**	**62,025**	**658,372**	**599,126**	**65,308**	**664,434**
Liabilities						
Liabilities from insurance contracts	424,259	289,080	**713,339**	389,298	342,824	**732,122**
Liabilities from reinsurance contracts	6,191	-	**6,191**	1,910	-	**1,910**
Financial liabilities at fair value through profit and loss account	616	216	**832**	72	19	**91**
Financial liabilities at amortized cost	38,796	2	**38,798**	37,058	-	**37,058**
Provisions	5,051	367	**5,418**	6,374	393	**6,767**
Deferred tax liability	16,741	2,492	**19,233**	5,573	2,702	**8,275**
Accounts payable and other liabilities	47,191	5,110	**52,301**	37,822	3,429	**41,251**
Current income tax liability	158	-	**158**	10,938	-	**10,938**
Total liabilities	**539,003**	**297,267**	**836,270**	**489,045**	**349,367**	**838,412**
Total capital, reserves and liabilities	**1,135,350**	**359,292**	**1,494,642**	**1,088,171**	**414,675**	**1,502,846**

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.

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

	2024	2024	2024	2023	2023	2023
	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**
Additions to non-current assets (Note 13, 14, 15)	14,712	-	**14,712**	8,672	-	**8,672**

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

	2024	2024	2024	2023	2023	2023
	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	526,816	13,996	540,812	464,151	12,245	476,396
Insurance service expenses	(480,578)	(8,539)	(489,117)	(436,407)	(6,194)	(442,601)
Net result of (passive) reinsurance contracts	(14,562)	(49)	(14,611)	(8,495)	(47)	(8,542)
Result from insurance contracts	**31,676**	**5,408**	**37,084**	**19,249**	**6,004**	**25,253**
Interest revenue calculated using the effective interest rate method	18,814	11,460	30,274	18,235	12,558	30,793
Realised gains/losses (net) from financial assets at fair value through profit or loss	5,985	2,263	8,248	4,235	2,002	6,237
Net impairment/release of impairment of financial assets	550	75	625	1,134	359	1,493
Income from investment property	14,946	69	15,015	16,770	10	16,780
Net exchange rate differences	1,144	377	1,521	(850)	(162)	(1,012)
Other income/expenditure from investments	2,735	(11)	2,724	3,694	1,776	5,470
Net investment income	**44,174**	**14,233**	**58,407**	**43,218**	**16,543**	**59,761**
Net financial result from insurance contracts	(6,359)	(3,816)	(10,175)	(4,983)	(1,924)	(6,907)
Net financial result from (passive) reinsurance contracts	914	-	914	790	-	790
Net financial result from insurance and (passive) reinsurance contracts	**(5,445)**	**(3,816)**	**(9,261)**	**(4,193)**	**(1,924)**	**(6,117)**
Other income	38,944	43	38,987	30,558	71	30,629
Other financial expenses	(2,022)	(58)	(2,080)	(1,773)	(42)	(1,815)
Other operating expenses	(54,498)	(446)	(54,944)	(39,816)	(503)	(40,319)
Share of profit of companies consolidated using equity method, net of tax	1,430	-	1,430	1,781	-	1,781
Profit before tax	**54,259**	**15,364**	**69,623**	**49,024**	**20,149**	**69,173**
Income tax	(6,190)	(2,345)	(8,535)	(7,547)	(3,175)	(10,722)
Profit for the year	**48,069**	**13,019**	**61,088**	**41,477**	**16,974**	**58,451**
Profit attributable to:						
- Company shareholders	48,021	13,004	61,025	41,426	16,954	58,380
- Non-controlling interest	48	15	63	51	20	71
	48,069	**13,019**	**61,088**	**41,477**	**16,974**	**58,451**

Total depreciation cost of the non-life segment amounts to EUR 15,617 thousand (2023: EUR 13,794 thousand), while depreciation cost of the life segment amounts to EUR 423 thousand (2023: EUR 241 thousand).

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

	31 Dec. 2024	31 Dec. 2024	31 Dec. 2024	31 Dec. 2023	31 Dec. 2023	31 Dec. 2023
	in EUR'000	in EUR'000	in EUR'000	in EUR'000	in EUR'000	in EUR'000
Assets	**NON-LIFE**	**LIFE**	**TOTAL**	**NON-LIFE**	**LIFE**	**TOTAL**
Intangible assets	24,435	96	**24,531**	19,288	103	**19,391**
Property at revaluation model	58,706	2,340	**61,046**	56,779	1,769	**58,548**
Property and equipment at cost model	63,391	965	**64,356**	60,783	1,159	**61,942**
Investment property	149,765	2,694	**152,459**	138,525	164	**138,689**
Investments in subsidiaries, associates and participation in joint ventures	9,869	-	**9,869**	10,123	-	**10,123**
Assets from reinsurance contracts	59,141	-	**59,141**	54,438	-	**54,438**
Assets from insurance contracts	14,999	31	**15,030**	16,997	-	**16,997**
Financial assets	829,917	429,652	**1,259,569**	806,909	489,906	**1,296,815**
Financial assets at amortised cost	229,195	133,332	**362,527**	214,149	180,092	**394,241**
Financial assets at fair value through other comprehensive income	538,912	254,193	**793,105**	512,244	244,486	**756,730**
Financial assets at fair value through profit and loss account	61,810	42,127	**103,937**	80,515	65,329	**145,844**
Deferred tax assets	1,410	12	**1,422**	906	1	**907**
Current income tax assets	4,417	-	**4,417**	-	-	**-**
Trade receivables and other receivables	47,285	4,290	**51,575**	48,262	4,740	**53,002**
Cash and cash equivalents	68,827	16,876	**85,703**	63,660	3,163	**66,823**
Total assets	**1,332,162**	**456,956**	**1,789,118**	**1,276,670**	**501,005**	**1,777,675**
Capital and reserves						
Subscribed share capital	72,415	5,881	**78,296**	72,415	5,881	**78,296**
Premium on issued shares	90,448	-	**90,448**	90,448	-	**90,448**
Reserves	41,965	11,318	**53,283**	41,961	11,318	**53,279**
Revaluation reserve	117,612	20,541	**138,153**	70,928	20,503	**91,431**
Retained earnings	353,858	44,918	**398,776**	405,034	45,923	**450,957**
Equity attributable to shareholders of the Company	**676,298**	**82,658**	**758,956**	**680,786**	**83,625**	**764,411**
Non-controlling interests	349	133	**482**	599	148	**747**
Total capital and reserves	**676,647**	**82,791**	**759,438**	**681,385**	**83,773**	**765,158**
Liabilities						
Liabilities from insurance contracts	503,004	356,486	**859,490**	459,521	402,465	**861,986**
Liabilities from reinsurance contracts	6,619	20	**6,639**	4,021	4	**4,025**
Financial liabilities ate fair value through profit and loss account	616	216	**832**	72	19	**91**
Financial liabilities at amortized cost	47,772	788	**48,560**	47,174	975	**48,149**
Provisions	7,046	378	**7,424**	7,680	405	**8,085**
Deferred tax liability	24,247	3,250	**27,497**	11,967	3,233	**15,200**
Accounts payable and other liabilities	64,893	12,803	**77,696**	53,050	9,865	**62,915**
Current income tax liability	1,318	224	**1,542**	11,800	266	**12,066**
Total liabilities	**655,515**	**374,165**	**1,029,680**	**595,285**	**417,232**	**1,012,517**
Total capital, reserves and liabilities	**1,332,162**	**456,956**	**1,789,118**	**1,276,670**	**501,005**	**1,777,675**

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:

	2024	2024	2024	2023	2023	2023
	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
Additions to non-current assets (Note 13, 14 and 15)	23,137	450	**23,587**	25,669	1,333	**27,002**

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:

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

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

	Company	Company	Group	Group
	2024	2023	2024	2023
	in EUR'000	in EUR'000	in EUR'000	in EUR'000
Medical expense insurance	71,304	59,214	79,363	64,702
Income protection insurance	15,413	15,790	19,706	19,732
Workers' compensation insurance	-	-	-	-
Motor vehicle liability insurance	96,541	84,453	143,582	126,919
Other motor insurance	82,654	70,557	94,621	80,463
Marine, aviation and transport insurance	12,311	13,159	13,020	13,686
Fire and other damage to property insurance	122,017	110,005	128,752	116,040
General liability insurance	23,164	18,646	24,073	19,384
Credit and suretyship insurance	3,169	3,685	5,333	6,373
Legal expenses insurance	1	4	1	5
Assistance	4,374	3,723	8,005	6,989
Miscellaneous financial loss insurance	7,220	7,409	7,433	7,561
Non-proportional health reinsurance (non-life)	-	-	-	-
Non-proportional reinsurance casualty	1,250	1,091	1,250	1,091
Non-proportional marine, aviation and transport reinsurance	43	29	43	29
Non-proportional property reinsurance	1,635	1,176	1,636	1,177
Total non-life insurance	**441,096**	**388,941**	**526,818**	**464,151**
Health insurance	-	-	-	-
Insurance with profit participation	7,474	5,872	9,001	7,348
Index-linked and unit-linked insurance	122	431	704	828
Other life insurance	145	140	4,289	4,069
Health reinsurance	-	-	-	-
Life reinsurance	-	-	-	-
Total life insurance	**7,741**	**6,443**	**13,994**	**12,245**
Total	**448,837**	**395,384**	**540,812**	**476,396**

Certain amounts from the previous reporting period have been reclassified to be consistent with the current reporting period's presentation and reclassification is not material.

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

Company in EUR'000	**2024**			
	Republic of Croatia	Slovenia	Other countries	**TOTAL**
Insurance revenue	436,747	4,399	7,691	**448,837**
Net operating income	436,747	4,399	7,691	**448,837**

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

Group in EUR'000	**2024**					
	Republic of Croatia	Republic of Serbia	Bosnia and Herzegovina	North Macedonia	Other countries	**TOTAL**
Insurance revenue	436,165	49,379	24,340	24,612	6,316	**540,812**
Net operating income	436,165	49,379	24,340	24,612	6,316	**540,812**

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	**476,396**
Net operating income	380,710	41,448	22,600	21,044	10,594	**476,396**

An overview of the Company's and the Group's non-current assets by geographical area is shown below:

Company in EUR'000	**2024**			
	Republic of Croatia	Slovenia	Other countries	**TOTAL**
Non-current assets (note 13, 14 and 15)	111,250	72	-	**111,322**

Company in EUR'000	**2023**			
	Republic of Croatia	Slovenia	Other countries	**TOTAL**
Non-current assets (note 13, 14 and 15)	145,949	391	-	**146,340**

Group in EUR'000	2024					
	Republic of Croatia	Republic of Serbia	Bosnia and Herzegovina	North Macedonia	Other countries	**TOTAL**
Non-current assets (note 13, 14 and 15)	281,964	3,956	13,471	2,929	72	**302,392**

Group in EUR'000	2023					
	Republic of Croatia	Republic of Serbia	Bosnia and Herzegovina	North Macedonia	Other countries	**TOTAL**
Non-current assets (note 13, 14 and 15)	257,287	4,247	13,223	3,422	391	**278,570**

4. Insurance revenue

	2024	2024	2024	2023	2023	2023
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
Contracts not measured under the Premium allocation approach ("PAA")						
Amounts relating to changes in liabilities from remaining coverage						
- Changes in contractual service margin	899	3,336	4,235	1,106	1,215	2,321
- Change in risk adjustment for non-financial risk	84	296	380	139	434	573
- Expected incurred claims and other insurance service expenses	1,311	3,588	4,899	1,728	4,487	6,215
- Other changes	-	-	-	38	-	38
Allocation of the portion of the premiums that relate to the recovery of insurance acquisition cash flows	490	521	1,011	418	307	725
Total	**2,784**	**7,741**	**10,525**	**3,429**	**6,443**	**9,872**
Contracts measured under the Premium allocation approach ("PAA")	438,312	-	438,312	385,512	-	385,512
Total income from insurance contracts	**441,096**	**7,741**	**448,837**	**388,941**	**6,443**	**395,384**

	2024	2024	2024	2023	2023	2023
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
Contracts not measured under the Premium allocation approach ("PAA")						
Amounts relating to changes in liabilities from remaining coverage						
- Changes in contractual service margin	1,556	4,106	5,662	2,172	2,030	4,202
- Change in risk adjustment for non-financial risk	102	593	695	209	740	949
- Expected incurred claims and other insurance service expenses	2,291	6,930	9,221	2,984	7,912	10,896
- Other changes	-	-	-	38	-	38
Allocation of the portion of the premiums that relate to the recovery of insurance acquisition cash flows	769	2,365	3,134	562	1,563	2,125
Total	**4,718**	**13,994**	**18,712**	**5,965**	**12,245**	**18,210**
Contracts measured under the Premium allocation approach ("PAA")	522,100	-	522,100	458,186	-	458,186
Total income from insurance contracts	**526,818**	**13,994**	**540,812**	**464,151**	**12,245**	**476,396**

5. Insurance service expenses

	Company	Company	Group	Group
	2024	2023	2024	2023
	in EUR'000	in EUR'000	in EUR'000	in EUR'000
Incurred claims	263,164	257,715	308,549	299,289
Other insurance service expenses	63,004	60,283	78,022	73,065
Other sale related insurance expenses	45,060	38,510	55,399	47,780
Provisions	44,890	39,912	53,816	46,582
Losses and reversals of losses on onerous contracts	365	(2,147)	807	(2,210)
Adjustments to liabilities for incurred claims	(7,839)	(18,342)	(7,476)	(21,905)
	408,644	**375,931**	**489,117**	**442,601**

5.1. Other insurance expenses

	Company	Company	Group	Group
	2024	2023	2024	2023
	in EUR'000	in EUR'000	in EUR'000	in EUR'000
Services	16,026	15,820	18,815	18,216
Net salaries and fees	13,319	13,005	17,026	15,939
Contributions from salaries	3,171	2,994	3,689	3,472
Contributions on salaries	2,347	2,263	2,480	2,394
Taxes and surtaxes	1,971	1,844	2,031	1,905
Amortisation of intangible assets	3,850	3,850	4,004	3,996
Depreciation of tangible assets	2,737	2,811	3,402	3,418
Depreciation – right-of-use assets	2,369	2,236	2,955	2,557
Contributions for health insurance from motor liability premium	2,626	2,423	4,202	3,885
Commission expenses of credit card companies, payment transactions and banking services	2,148	1,946	2,642	2,373
Energy consumed	1,071	1,555	1,596	2,131
Insurance premiums	1,581	1,575	1,980	1,906
Other contributions and fees	1,165	1,063	1,378	1,231
Fire Department fee	894	1,065	1,270	1,401
Sponsorships	1,176	1,064	1,214	1,102
Other employee benefits in line with collective agreement	948	768	1,169	811
Transportation to and from work	358	430	399	472
Other employee benefits	148	163	176	183
Guarantee fund fee	374	464	1,035	1,119
Fee to supervisory authorities (e.g. HANFA)	398	337	774	661
Fee to Croatian Insurance Bureau	291	291	332	325
Materials used	271	275	565	560
Severance pay and jubilee awards expenses	23	27	38	32
Provisions for unused vacation days	329	89	316	109
(Reversal)/reservation for jubilee awards and old-age severance pay	5	(82)	45	(75)
Other provisions	1,248	(249)	1,248	(249)
Other various costs and expenditures	2,160	2,256	3,241	3,191
	63,004	**60,283**	**78,022**	**73,065**

5.2 Other sale related insurance expenses

	Company	Company	Group	Group
	2024	2023	2024	2023
	in EUR'000	in EUR'000	in EUR'000	in EUR'000
Sales staff costs	32,201	29,399	41,425	38,642
Marketing costs	7,448	4,829	8,418	5,746
Other direct sales costs	5,411	4,282	5,556	3,392
	45,060	**38,510**	**55,399**	**47,780**

6. Net investment income

	Company	Company	Group	Group
	2024	2023	2024	2023
	in EUR'000	in EUR'000	in EUR'000	in EUR'000
Interest revenue calculated using the effective interest rate method	25,759	27,224	30,274	30,793
Other income/(expenditure) from investments	16,661	13,193	2,724	5,470
Realised gains/(losses) (net) from financial assets at fair value through profit or loss	8,078	6,050	8,248	6,237
Income from investment property	4,329	4,691	15,015	16,780
Net (impairment)/release of impairment of financial assets	2,352	2,019	625	1,493
Net exchange rate differences	1,531	(964)	1,521	(1,012)
	58,710	**52,213**	**58,407**	**59,761**

6.1. Interest revenue calculated using the effective interest rate method

	Company	Company	Group	Group
	2024	2023	2024	2023
	in EUR'000	in EUR'000	in EUR'000	in EUR'000
Financial assets at amortised cost	11,516	13,401	12,714	14,013
Financial assets at fair value through other comprehensive income	14,243	13,823	17,560	16,780
	25,759	**27,224**	**30,274**	**30,793**

6.2. Other income/(expenses) from investments

	Company	Company	Group	Group
	2024	**2023**	**2024**	**2023**
	in EUR'000	in EUR'000	in EUR'000	in EUR'000
Dividend income	23,595	14,672	9,836	7,784
Realised gains/(losses) (net) from financial assets at fair value through other comprehensive income	(6,339)	289	(6,321)	293
-debt securities	*(6,339)*	*289*	*(6,321)*	*293*
Other income	1,726	298	2,865	788
Other expenses	(195)	(1)	(200)	(2)
Foreign exchange gains from nonfinancial assets	(4)	(7)	(4)	(5)
Payment transactions expenses	(268)	(214)	(281)	(239)
Utilities - investments	(964)	(840)	(2,262)	(2,124)
Personnel costs - investments	(890)	(1,004)	(909)	(1,025)
	16,661	**13,193**	**2,724**	**5,470**

6.3. Realised gains/(losses) (net) from financial assets at fair value through profit or loss

	Company	Company	Group	Group
	2024	**2023**	**2024**	**2023**
	in EUR'000	in EUR'000	in EUR'000	in EUR'000
Net unrealised gains/(losses)	3,255	3,877	3,358	4,051
Interest income	99	1,115	99	1,115
Realised gain/(loss) from the sale	4,724	1,058	4,791	1,071
	8,078	**6,050**	**8,248**	**6,237**

6.4. Income from investment property

	Company	Company	Group	Group
	2024	**2023**	**2024**	**2023**
	in EUR'000	in EUR'000	in EUR'000	in EUR'000
Rental income	3,565	3,759	15,047	14,084
Net (loss)/income from the sale of land and building	-	37	28	37
Income from increase in the fair value of land and buildings	764	895	(60)	2,659
	4,329	**4,691**	**15,015**	**16,780**

6.5. Net (impairment)/release of impairment of financial assets

	Company	Company	Group	Group
	2024	2023	2024	2023
	in EUR'000	in EUR'000	in EUR'000	in EUR'000
Financial assets at amortised cost	461	1,321	559	1,339
Financial assets at fair value through other comprehensive income	107	179	66	154
Investments in subsidiaries, associates and participation in joint ventures	1,784	519	-	-
	2,352	**2,019**	**625**	**1,493**

7. Net financial result from insurance and (passive) reinsurance contracts

	Company	Company	Group	Group
	2024	2023	2024	2023
	in EUR'000	in EUR'000	in EUR'000	in EUR'000
Net financial result from insurance contracts	(7,134)	(4,723)	(10,175)	(6,907)
Net financial result from (passive) reinsurance contracts	739	673	914	790
	(6,395)	**(4,050)**	**(9,261)**	**(6,117)**

8. Other income

	Company	Company	Group	Group
	2024	2023	2024	2023
	in EUR'000	in EUR'000	in EUR'000	in EUR'000
Other income	1,932	1,983	3,301	3,674
Income based on the nuclear pool	794	618	794	618
Income from collection of sued receivables	858	619	858	619
Income from the guarantee fund	277	420	277	420
Gains/(losses) on sale of tangible assets	1,220	460	(72)	562
Income from assessment services	679	618	711	650
Income from liabilities and collected receivables written off	919	491	982	577
Income from penalty interest	624	387	626	389
Income from the medical services of polyclinics	-	-	16,430	9,621
Income from entry fees and management fees	-	-	2,770	2,304
Income from the technical inspection services	-	-	12,124	10,982
Income from the collected costs of settlement	-	-	70	65
Income from claims incurred abroad	20	57	116	148
	7,323	**5,653**	**38,987**	**30,629**

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

	Company	Company	Group	Group
	2024	2023	2024	2023
	in EUR'000	in EUR'000	in EUR'000	in EUR'000
Interest on lease liabilities	1,233	1,266	1,722	1,653
Interest on collateral deposits	2	10	2	10
Interest on repo transactions	5	1	5	1
Interest costs on derivative instruments	50	11	50	11
Interest on preference shares	130	130	130	130
Interest on loans	-	-	50	10
Costs of discounting liabilities	-	-	121	-
	1,420	**1,418**	**2,080**	**1,815**

10. Other operating expenses

	Company	Company	Group	Group
	2024	2023	2024	2023
	in EUR'000	in EUR'000	in EUR'000	in EUR'000
Intellectual costs	7,843	1,859	8,003	1,939
Representation costs	1,163	1,368	1,550	1,655
Net provision for termination benefits and jubilee awards and retirement benefits	(293)	52	147	298
Termination benefits	587	1,587	724	1,694
Impairment of receivables	343	525	461	712
Other contributions and fees	608	776	3,797	3,011
Other various costs and expenditures	1,826	1,124	4,818	3,902
Marketing costs	463	516	2,306	1,599
Daily allowances and transportation expenses	475	376	630	509
Tax expenses not depending on the result	595	133	824	688
Service costs	244	200	4,219	2,814
Impairment of intangible assets	467	-	467	12
Rents of business premises	-	-	2,503	1,886
Depreciation of tangible assets	-	-	3,776	2,947
Depreciation – right-of-use assets	-	-	1,240	957
Amortisation of intangible assets	-	-	663	160
Depreciation – investment property	-	-	-	-
Contributions from salaries	-	-	2,889	1,936
Contributions on salaries	-	-	2,229	1,540
Net salaries and fees	-	-	10,739	7,390
Net impairment/release of impairment of tangible assets	(1,239)	71	(1,419)	62
Other provisions	-	-	236	191
Other employee benefits in line with collective agreement	-	-	424	278
Write off of small inventory	-	-	83	70
Taxes and surtaxes	-	-	1,667	1,201
Energy consumed	-	-	682	548
Insurance premiums	-	-	79	148
Net provisions for unused vacation days	-	-	104	95
Net provisions for termination benefits and jubilee awards	-	-	38	6
Transportation to and from work	-	-	451	367
Commission expenses of credit card companies, payment transactions and banking services	-	-	302	251
Vacation allowance to employees	-	-	110	83
Sponsorship expenses	-	-	5	-
Materials used	-	-	1,503	1,180
Income from reversal of long-term provisions	(25)	(62)	(481)	(351)
Provisions for legal disputes	(954)	496	(825)	541
	12,103	**9,021**	**54,944**	**40,319**

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.

	Company	Company	Group	Group
	2024	2023	2024	2023
	in EUR'000	in EUR'000	in EUR'000	in EUR'000
Net deferred tax expense (Note 19)	1,461	(9,726)	1,191	(9,676)
Current tax expense	4,465	18,000	7,344	20,398
Net income tax expense for the year	**5,926**	**8,274**	**8,535**	**10,722**

The reconciliation between income tax and the profit before tax reported in the income statement is set out below:

	Company	Company	Group	Group
	2024	2023	2024	2023
	in EUR'000	in EUR'000	in EUR'000	in EUR'000
Profit before tax	**71,499**	**55,155**	**69,623**	**69,174**
Income tax at 18%	12,870	9,928	12,532	12,451
Non-deductible expenses	4,966	14,226	6,030	14,555
Income not subject to tax	(11,910)	(15,880)	(10,027)	(16,284)
Income tax	**5,926**	**8,274**	**8,535**	**10,722**
Effective tax rate	**8.29%**	**15.00%**	**12.26%**	**15.50%**

As at 31 December 2024, the Company has no tax losses that can be carried forward for covering the Company's future profits. The remaining Group companies have EUR 8.4 million tax losses that can be carried forward to cover future profits.

The Minimum Global Income Tax Act was enacted in the Republic of Croatia, which is the home Member State of the Group and the ultimate parent company, and is first applied to fiscal years starting on 31 December 2023, i.e. 1 January 2024. The Minimum Global Income Tax Act transposes Council Directive (EU) 2022/2523 on ensuring a global minimum level of taxation for multinational enterprise groups and large domestic groups in the EU, in line with the "Model Rules Pillar 2" published by the Organisation for Economic Co-operation and Development (OECD). The Group is subject to the said Act and is obliged to pay additional tax on the difference between the effective tax rate per tax jurisdiction and the minimum tax rate of 15%. The Group has assessed the effects and they relate primarily to jurisdictions that have a total tax rate of less than 15% and are not material since the Group's exposure to second pillar income tax is not the full difference in the tax rates of individual jurisdictions and the minimum tax rate of 15% due to the effect of special adjustments provided for in second pillar legislation.

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

	Group	Group
	2024	**2023**
	in EUR'000	in EUR'000
Profit for the year attributable to the Parent company's shareholders	61,025	58,380
Weighted average of ordinary shares	420,947	420,947
Earnings per share attributable to the Parent company's shareholders		
Basic and diluted earnings per share in EUR	**144.97**	**138.69**

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 (2023: 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
Cost				
At 31 December 2022	**865**	**37,753**	**8,485**	**47,103**
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)
At 31 December 2023	**865**	**44,690**	**5,733**	**51,288**
Additions	-	(1)	3,496	3,495
Transfer into use	-	3,280	(3,280)	-
Disposals or retirements	-	(38)	-	(38)
At 31 December 2024	**865**	**47,931**	**5,949**	**54,745**
Accumulated amortisation				
At 31 December 2022	**865**	**26,032**	**4,788**	**31,685**
Amortisation charge for 2023	-	3,850	-	3,850
Transfer from/to tangible assets	-	(11)	-	(11)
Disposals or retirements	-	(3)	-	(3)
At 31 December 2023	**865**	**29,868**	**4,788**	**35,521**
Amortisation charge for 2024	-	3,850	-	3,850
Disposals or retirements	-	145	322	467
At 31 December 2024	**865**	**33,863**	**5,110**	**39,838**
Net book amount				
At 31 December 2024	**-**	**14,068**	**839**	**14,907**
At 31 December 2023	**-**	**14,822**	**945**	**15,767**

During the observed period, the Company did not capitalize costs of net salaries (2023: EUR 323 thousand), costs of contributions from salaries (2023: EUR 93 thousand), costs of taxes and surcharges from salaries (2023: EUR 71 thousand), costs of contributions to salaries (2023: EUR 73 thousand) nor other costs of employees (2023: EUR 26 thousand).

Group	Goodwill	Other intangible assets	Software	Intangible assets in progress	Total (in EUR'000)
Cost					
At 31 December 2022	**404**	**3,934**	**40,959**	**9,460**	**54.757**
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
At 31 December 2023	**404**	**4,046**	**48,490**	**7,516**	**60.456**
Additions	-	-	538	4,318	4,856
Acquisition	3,467	600	11	-	4,078
Transfer from/to tangible assets	-	1,381	-	-	1,381
Transfer into use	-	2,274	3,384	(5,658)	-
Disposals or retirements	-	-	(55)	-	(55)
Foreign exchange differences arising on translation of financial statements of foreign operations	-	-	1	-	1
At 31 December 2024	**3,871**	**8,301**	**52,369**	**6,176**	**70,717**
Accumulated amortisation					
At 31 December 2022	**404**	**2,976**	**28,805**	**4,788**	**36,973**
Amortisation charge for 2023	-	117	4,039	-	4,156
Transfer from/to tangible assets	-	-	(11)	-	(11)
Disposals or retirements	-	-	(53)	-	(53)
At 31 December 2023	**404**	**3,093**	**32,780**	**4,788**	**41,065**
Amortisation charge for 2024	-	522	4,145	-	4,667
Impairment	-	-	145	322	467
Disposals or retirements	-	-	(13)	-	(13)
At 31 December 2024	**404**	**3,615**	**37,057**	**5,110**	**46,186**
Net book amount					
At 31 December 2024	**3,467**	**4,686**	**15,312**	**1,066**	**24,531**
At 31 December 2023	**-**	**953**	**15,710**	**2,728**	**19,391**

During the observed period, the Group did not capitalized costs of net salaries (2023: EUR 323 thousand), costs of contributions from salaries (2023: EUR 93 thousand), costs of taxes and surcharges from salaries (2023: EUR 71 thousand), costs of contributions to salaries (2023: EUR 73 thousand) nor other costs of employees (2023: EUR 26 thousand).

14. Property at revaluation model

in EUR'000	Company				Group			
Cost	**Land**	**Buildings**	**Assets under construction**	**Total**	**Land**	**Buildings**	**Assets under construction**	**Total**
At 31 December 2022	**3,311**	**40,492**	**772**	**44,575**	**7,841**	**75,035**	**937**	**83,813**
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
At 31 December 2023	**3,363**	**41,455**	**130**	**44,948**	**7,966**	**77,841**	**208**	**86,015**
Change in fair value (through OCI)	132	3,106	-	3,238	1,376	7,093	-	8,469
Change in fair value (P&L) (Note 10)	156	1,083	-	1,239	156	1,263	-	1,419
Additions	-	-	656	656	-	44	659	703
Transfer from assets in preparation for use	-	280	(280)	-	-	327	(327)	-
Transfer from/to tangible assets (Note 14)	-	-	-	-	-	-	(33)	(33)
Transfer from investment property (Note 15)	-	(957)	-	(957)	(1,983)	(10,455)	-	(12,438)
Disposals or retirements	(1,344)	(9,633)	-	(10,977)	-	(767)	-	(767)
Foreign exchange differences	-	-	-	-	-	1	-	1
At 31 December 2024	**2,307**	**35,334**	**506**	**38,147**	**7,515**	**75,347**	**507**	**83,369**
Accumulated depreciation and impairment								
At 31 December 2022	**-**	**18,646**	**-**	**18,646**	**-**	**26,132**	**-**	**26,132**
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
At 31 December 2023	**-**	**19,255**	**-**	**19,255**	**-**	**27,467**	**-**	**27,467**
Depreciation charge for 2024	-	931	-	931	-	1,420	-	1,420
Depreciation on revaluation effect	-	66	-	66	-	369	-	369
Impairment through equity	-	-	-	-	-	5	-	5
Transfer from investment property (Note 15)	-	(421)	-	(421)	-	(6,234)	-	(6,234)
Disposals or retirements	-	(5,614)	-	(5,614)	-	(704)	-	(704)
At 31 December 2024	**-**	**14,217**	**-**	**14,217**	**-**	**22,323**	**-**	**22,323**
Net book amount								
At 31 December 2024	**2,307**	**21,117**	**506**	**23,930**	**7,515**	**53,024**	**507**	**61,046**
At 31 December 2023	**3,363**	**22,200**	**130**	**25,693**	**7,966**	**50,374**	**208**	**58,548**

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 17,839 thousand (31 December 2023: EUR 21,517 thousand) for the Company and EUR 28,721 thousand (31 December 2023: EUR 32,561 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
At 31 December 2022	**38,921**	**30,206**	**2,705**	**53**	**2,807**	**74,692**
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)**
At 31 December 2023	**39,607**	**31,303**	**2,733**	**55**	**3,229**	**76,927**
Additions	2,518	1,513	4	-	1,389	**5,424**
Disposals or retirements	(295)	(2,497)	(199)	-	(97)	**(3,088)**
At 31 December 2024	**41,830**	**30,319**	**2,538**	**55**	**4,521**	**79,263**
Accumulated depreciation and impairment						
At 31 December 2022	**6,471**	**26,878**	**1,411**	**-**	**1,688**	**36,448**
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)**
At 31 December 2023	**8,101**	**28,063**	**1,515**	**-**	**2,294**	**39,973**
Depreciation charge for 2024	1,677	1,655	85	-	692	**4,109**
Disposals or retirements	-	(2,300)	(90)	-	-	**(2,390)**
At 31 December 2024	**9,778**	**27,418**	**1,510**	**-**	**2,986**	**41,692**
Net book amount						
At 31 December 2024	**32,052**	**2,901**	**1,028**	**55**	**1,535**	**37,571**
At 31 December 2023	**31,506**	**3,240**	**1,218**	**55**	**935**	**36,954**

Group

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**
At 31 December 2022	**47,199**	**50,745**	**8,103**	**1,052**	**2,852**	**109,951**
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)
At 31 December 2023	**53,756**	**57,954**	**9,897**	**221**	**3,258**	**125,086**
Additions	1,057	2,314	2,897	3,735	159	10,162
Acquisition	1,995	3,607	1,403	-	-	7,005
Transfer from assets in preparation for use	-	3,815	9	(3,824)	-	-
Transfer from/to intangible assets (Note 13)	-	2	(1,383)	-	-	(1,381)
Transfer from/to tangible assets (Note 14)	-	157	(150)	-	26	33
Foreign exchange differences arising on translation of financial statements of foreign operations	3	1	2	-	-	6
Disposals or retirements	(538)	(3,929)	(554)	-	(91)	(5,112)
At 31 December 2024	**56,273**	**63,921**	**12,121**	**132**	**3,352**	**135,799**
Accumulated depreciation and impairment						
At 31 December 2022	**9,687**	**40,012**	**5,670**	**-**	**1,596**	**56,965**
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)
At 31 December 2023	**11,905**	**42,993**	**6,180**	**-**	**2,066**	**63,144**
Depreciation charge for 2024	3,677	4,688	701	-	518	9,584
Acquisition	-	2,049	784	-	-	2,833
Foreign exchange differences arising on translation of financial statements of foreign operations	-	2	1	-	-	3
Disposals or retirements	(31)	(3,629)	(432)	-	(29)	(4,121)
At 31 December 2024	**15,551**	**46,103**	**7,234**	**-**	**2,555**	**71,443**
Net book amount						
At 31 December 2024	**40,722**	**17,818**	**4,887**	**132**	**797**	**64,356**
At 31 December 2023	**41,851**	**14,961**	**3,717**	**221**	**1,192**	**61,942**

15. Investment property

	Company	Group
	in EUR'000	in EUR'000
At 31 December 2022	**69,394**	**138,440**
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)
At 31 December 2023	**67,926**	**138,689**
Transfer from/to property and equipment (Note 14)	536	6,204
Increase in fair value recognized in the income statement (Note 6.4)	776	3,178
Decrease in fair value recognized in the income statement (Note 6.4)	(12)	(3,238)
Assets under construction	2,087	2,103
Additions	3,050	5,763
Disposals	(39,449)	(220)
Foreign exchange differences	-	(20)
At 31 December 2024	**34,914**	**152,459**

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	Company	Group	Group
	31 Dec. 2024	31 Dec. 2023	31 Dec. 2024	31 Dec. 2023
	in EUR'000	in EUR'000	in EUR'000	in EUR'000
Investments in subsidiaries	132,641	77,946	-	-
Impairment of investments in subsidiaries	(25,347)	(27,131)	-	-
	107,294	**50,815**	**-**	**-**
Investments in joint ventures	3,716	3,716	9,027	9,334
Investments in associates	-	-	842	789
	3,716	**3,716**	**9,869**	**10,123**
	111,010	**54,531**	**9,869**	**10,123**

16.1. The Company's investments in subsidiaries and associates and participation in joint ventures

			31 Dec. 2024		31 Dec. 2023	
	Activity	**Country**	**Ownership percentage**	**Amount of investment**	**Ownership percentage**	**Amount of investment**
			%	in EUR'000	%	in EUR'000
Subsidiaries						
Croatia Premium d.o.o., Zagreb	Services	Croatia	100.0	1,614	100.0	1,614
Croatia Nekretnine d.o.o., Zagreb	Real estate	Croatia	100.0	42,000	100.0	3
Auto Maksimir Vozila d.o.o., Zagreb	Insurance representation	Croatia	100.0	33	100.0	33
Koreqt d.o.o.	Trade brokerage	Croatia	100.0	4,203	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	12,900	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	11,154	100.0	9,991
Croatia osiguranje d.d., Mostar	Insurance	Bosnia and Herzegovina	97.1	3,128	97.1	3,085
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	3,820	100.0	3,242
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	-
Joint ventures				**107,294**		**50,815**
PBZ Croatia osiguranje d.d., Zagreb	Pension fund management	Croatia	50	**3,716**	50	**3,716**
				111,010		**54,531**

16.2. The Group's investments in subsidiaries and associates and participation in joint ventures

Group

			31 Dec. 2024		31 Dec. 2023	
	Activity	**Country**	**Ownership percentage**	**Amount of investment**	**Ownership percentage**	**Amount of investment**
			%	in EUR'000	%	in EUR'000
Joint ventures						
PBZ Croatia osiguranje d.d., Zagreb	Pension fund management	Croatia	50	9,027	50	9,049
Nacionalni biro za osiguranje Skopje	Insurance	Macedonia	-	-	-	285
				9,027		**9,334**
Associates						
STP Agroservis d.o.o., Virovitica	Technical testing and analysis	Croatia	37	842	37	**789**
				9,869		**10,123**

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.

Summary statement of financial position	**31 Dec. 2024**	**31 Dec. 2023**
	in EUR'000	in EUR'000
Financial assets	17,325	17,579
Cash and cash equivalents	527	558
Other assets	1,638	1,412
Total assets	**19,490**	**19,549**
Liabilities	1,436	1,450
Capital and reserves	18,054	18,099
Total equity and liabilities	**19,490**	**19,549**
Summary statement of comprehensive income		
Income from mandatory pension funds management	9,986	10,278
Expenses from mandatory pension funds management	(3,927)	(3,638)
Other income	19	86
Other expenses	(3,244)	(2,965)
Financial income	537	381
Financial expenses	(9)	(9)
Profit before tax	**3,362**	**4,133**
Income tax	(606)	(745)
Profit for the year	**2,756**	**3,388**
Share in profit of joint venture @ 50%	**1,378**	**1,694**

Other expenses include depreciation in the amount of EUR 135 thousand (2023: EUR 113 thousand).

Reconciliation of the presented summary financial information with the carrying amount of shares in the joint venture.

Summary financial information	**31 Dec. 2024**	**31 Dec. 2023**
	in EUR'000	in EUR'000
Opening balance of net assets at 1 January	**18,099**	**17,364**
Profit for the period	2,756	3,388
Dividends	(2,800)	(2,653)
Closing balance of net assets	18,055	18,099
Share in profit of joint venture @ 50%	9,027	9,049
Carrying amount	**9,027**	**9,049**

16.3. Movements in investments in subsidiaries, associates and participation in joint ventures

	Company	Company	Group	Group
	31 Dec. 2024	31 Dec. 2023	31 Dec. 2024	31 Dec. 2023
	in EUR'000	in EUR'000	in EUR'000	in EUR'000
At 1 January	**54,531**	**51,512**	**10,123**	**9,659**
Increase in investments (purchase) (i)	54,696	2,500	-	-
Increase/decrease by using the equity method	-	-	30	464
Reversal of impairment of investments (iii)	1,783	519	(284)	-
At 31 December	**111,010**	**54,531**	**9,869**	**10,123**

/i/ The increase in investment in 2024 refers to the companies CROATIA nekretnine d.o.o., Zagreb in the amount of EUR 41,988 thousand, KOREQT d.o.o. in the amount of EUR 4,200 thousand and CO Zdravlje d.o.o. in the amount of EUR 8,498 thousand, while in 2023 it related to the company Croatia osiguranje - neživot a.d., Skopje in the amount of EUR 2,500 thousand).

/ii/ During 2024, 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 1,163 thousand (2023: EUR 498 thousand), Croatia osiguranje d.d., Mostar in the amount of EUR 43 thousand (2023: EUR 405 thousand) and Croatia osiguranje - neživot a.d., Skopje in the amount of EUR 578 thousand, while 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.

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 8.36% to 11.77% (2023: 8.73% to 12.50%).

In 2024, the Group indirectly, through the company CROATIA Poliklinika, became the owner of 100% of the business shares in the Poliklinika MARIN MED, the largest and the most renominated polyclinic in the Dubrovnik area. Poliklinika MARIN MED is also the owner of the MARIN MED PLUS health care institution and MARIN MED ZADAR d.o.o. in liquidation. By this acquisition, the Group achieved national coverage and, in addition to polyclinics in Zagreb, Varaždin, Rijeka, Osijek, Split, Zadar, Pula and Koprivnica, it is now also present in Dubrovnik.
Additionally, at the end of 2024, also through the company CROATIA Poliklinika, the Group became the owner of 100% of the business shares in the MEDrOS Healthcare Institution.

After final valuation, the fair value of identifiable assets, liabilities and goodwill are presented below. Intangible assets of MARIN MED Group consists of brand recognised in the amount of EUR 521 thousand and contracts with customers in the amount of EUR 80 thousand.

in EUR'000	Marin med Grupa	MEDrOS	Total
Assets			
Property and equipment at cost model	4,004	168	4,172
Intangible assets	611	-	611
Receivables	241	18	259
Cash and cash equivalents	134	26	160
Liabilities			
Financial liabilities at amortised cost	(3,555)	(158)	(3,713)
Provisions	(256)	-	(256)
Deferred tax liabilities	(76)	-	(76)
Accounts payable and other liabilities	(399)	(3)	(402)
Total net assets at fair value	**704**	**51**	**755**
Goodwill	3,298	169	3,467
Purchase fee	**4,002**	**220**	**4,222**

The purchase fee for acquisition of the MARIN MED Group consists of an initial fee paid in cash in the amount of EUR 1.6 million and a potential fee in the amount of EUR 2.4 million. Compensation for the acquisition was agreed in accordance with the purchase agreement, which will be paid to the previous owners in the next three years, i.e. in three additional tranches, if the set goals are achieved. On the reporting date, the fair value of the liability was determined by discounting it to the present value and taking into account the probability of meeting the set goals. The liability for potential compensation is shown in the consolidated statement of financial position in the line Other liabilities.

MARIN MED Group's and MEDrOS's receivables related to trade receivables and other receivables in the total amount of EUR 259 thousand are gross values, and the Group does not expect significant amounts of receivables that will be not able to collect at the acquisition date.

Cash flows from the acquisition of subsidiaries of MARIN MED Group and MEDrOS are presented below:

	in EUR'000
Purchase fee paid in cash	1,820
Cash acquired	(160)
Cash flow after acquisition	1,660

Up to the reporting date, the Group has disclosed in the consolidated statement of comprehensive income, in the line Other business expenses, the costs related to the acquisition of MARIN MED Group in the amount of EUR 60 thousand in 2023, and in the amount of EUR 36 thousand in 2024.

In the Group consolidated statement of comprehensive income for the period from 1 June to 31 December 2024, MARIN MED Group participated with EUR 2.5 million of income and EUR 233 thousand of loss before tax, while the MEDrOS participated in the Group's consolidated statement of comprehensive income with EUR 52 thousand and EUR 1 thousand profit before tax in the period from 16 October 2024 to 31 December 2024. If the MARIN MED Group had been consolidated from 1 January 2024, the consolidated statement of comprehensive income would have shown higher revenues by EUR 1.6 million and profit before tax would have been lower by EUR 27 thousand. Additionally, if the MEDrOS has been consolidated from 1 January 2024, the consolidated statement of comprehensive income would have shown higher revenues by EUR 194 thousand and profit before tax would have been higher by EUR 51 thousand.

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. 2024	31 Dec. 2024	31 Dec. 2024	31 Dec. 2023	31 Dec. 2023	31 Dec. 2023
	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 contracts						
Insurance contract liabilities	424,259	289,080	**713,339**	389,298	342,824	732,122
Insurance contract assets	(14,999)	(31)	**(15,030)**	(16,997)	-	(16,997)
Total for insurance contracts	**409,260**	**289,049**	**698,309**	**372,301**	**342,824**	**715,125**
Reinsurance contracts						
Reinsurance contract assets	(53,498)	-	**(53,498)**	(49,917)	-	(49,917)
Reinsurance contract liabilities	6,191	-	**6,191**	1,910	-	1,910
Total for reinsurance contracts	**(47,307)**	**-**	**(47,307)**	**(48,007)**	**-**	**(48,007)**

Group	31 Dec. 2024	31 Dec. 2024	31 Dec. 2024	31 Dec. 2023	31 Dec. 2023	31 Dec. 2023
	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 contracts						
Insurance contract liabilities	503,004	356,486	**859,490**	459,521	402,465	**861,986**
Insurance contract assets	(14,999)	(31)	**(15,030)**	(16,997)	-	**(16,997)**
Total for insurance contracts	**488,005**	**356,455**	**844,460**	**442,524**	**402,465**	**844,989**
Reinsurance contracts						
Reinsurance contract assets	(59,141)	-	**(59,141)**	(54,438)	-	**(54,438)**
Reinsurance contract liabilities	6,619	20	**6,639**	4,021	4	**4,025**
Total for reinsurance contracts	**(52,522)**	**20**	**(52,502)**	**(50,417)**	**4**	**(50,413)**

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. 2024				31 Dec. 2023			
	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	n EUR'000	in EUR'000	in EUR'000	in EUR'000	in EUR'000
Insurance contract assets	-	-	-	**-**	-	-	-	**-**
Insurance contract liabilities	328,574	107	14,143	**342,824**	344,264	1,862	14,830	**360,956**
Net insurance contracts as at 1 January	**328,574**	**107**	**14,143**	**342,824**	**344,264**	**1,862**	**14,830**	**360,956**
Changes in the statement of profit or loss and OCI								
Insurance revenue								
Contracts under the modified retrospective transition approach	-	-	-	**-**	-	-	-	**-**
Contracts under the fair value transition approach	(5,859)	-	-	**(5,859)**	(5,290)	-	-	**(5,290)**
Other contracts	(1,883)	-	-	**(1,883)**	(1,153)	-	-	**(1,153)**
Total insurance revenue	**(7,742)**	**-**	**-**	**(7,742)**	**(6,443)**	**-**	**-**	**(6,443)**
Insurance service expense								
Incurred claims and other insurance service expenses	1,881	-	840	**2,721**	2,060	-	1,198	**3,258**
Provisions and other sale related insurance expenses	518	-	-	**518**	305	-	-	**305**
Losses and reversals of losses on onerous contracts	-	(87)	-	**(87)**	-	(1,746)	-	**(1,746)**
Adjustments to liabilities for incurred claims	-	-	(95)	**(95)**	-	-	749	**749**
Total insurance service expenses	**2,399**	**(87)**	**745**	**3,057**	**2,365**	**(1,746)**	**1,947**	**2,566**
Investment components and premium refunds	(94,853)	-	94,853	-	(67,665)	-	67,665	-
Insurance service result	**(100,196)**	**(87)**	**95,598**	**(4,685)**	**(71,743)**	**(1,746)**	**69,612**	**(3,877)**
Net finance income/expenses from insurance contracts	11,239	-	210	**11,449**	27,676	(9)	331	**27,998**
Effect of movements in exchange rates	-	-	-	**-**	-	-	-	**-**
Total changes in the statement of profit or loss and OCI	**(88,957)**	**(87)**	**95,808**	**6,764**	**(44,067)**	**(1,755)**	**69,943**	**24,121**
Cash flows								
Premiums received	40,254	-	-	**40,254**	31,431	-	-	**31,431**
Claims and other insurance service expenses paid, including investment components	-	-	(97,611)	**(97,611)**	-	-	(70,630)	**(70,630)**
Administrative expenses paid	(1,881)	-	-	**(1,881)**	(2,060)	-	-	**(2,060)**
Insurance acquisition cash flows	(1,301)	-	-	**(1,301)**	(994)	-	-	**(994)**

Total cash flows	**37,072**	**-**	**(97,611)**	**(60,539)**	**28,377**	**-**	**(70,630)**	**(42,253)**
Transfer to other items in the statement of financial position	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Net insurance contracts as at 31 December	**276,689**	**20**	**12,340**	**289,049**	**328,574**	**107**	**14,143**	**342,824**
Assets from insurance contracts as at 31December	**(103)**	**72**	**-**	**(31)**	**-**	**-**	**-**	**-**
Liabilities from insurance contracts as at 31December	**276,792**	**(52)**	**12,340**	**289,080**	**328,574**	**107**	**14,143**	**342,824**
Net insurance contracts as at 31 December	**276,689**	**20**	**12,340**	**289,049**	**328,574**	**107**	**14,143**	**342,824**

Group	**31 Dec. 2024**				**31 Dec. 2023**			
	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	in EUR'000
Insurance contract assets	-	-	-	**-**	-	-	-	-
Insurance contract liabilities	386,618	365	15,482	**402,465**	401,810	2,270	16,234	**420,314**
Net insurance contracts as at 1 January	**386,618**	**365**	**15,482**	**402,465**	**401,810**	**2,270**	**16,234**	**420,314**
Changes in the statement of profit or loss and OCI								
Insurance revenue								
Contracts under the modified retrospective transition approach	-	-	-	**-**	-	-	-	-
Contracts under the fair value transition approach	(7,531)	-	-	**(7,531)**	(8,149)	-	-	**(8,149)**
Other contracts	(6,465)	-	-	**(6,465)**	(4,095)	-	-	**(4,095)**
Total insurance revenue	**(13,996)**	**-**	**-**	**(13,996)**	**(12,244)**	**-**	**-**	**(12,244)**
Insurance service expense								
Incurred claims and other insurance service expenses	3,511	-	1,786	**5,297**	3,288	-	2,027	**5,315**
Provisions and other sale related insurance expenses	2,572	-	-	**2,572**	1,676	-	-	**1,676**
Losses and reversals of losses on onerous contracts	8	404	-	**412**	152	(2,009)	-	**(1,857)**
Adjustments to liabilities for incurred claims	-	21	237	**258**	-	33	1,028	**1,061**
Total insurance service expenses	**6,091**	**425**	**2,023**	**8,539**	**5,116**	**(1,976)**	**3,055**	**6,195**
Investment components and premium refunds	(102,818)	-	102,818	-	**(75,021)**	**-**	**75,021**	**-**
Insurance service result	**(110,723)**	**425**	**104,841**	**(5,457)**	**(82,149)**	**(1,976)**	**78,076**	**(6,049)**
Net finance income/expenses from insurance contracts	15,480	110	233	**15,823**	28,326	71	337	**28,734**
Effect of movements in exchange rates	7	-	-	**7**	(5)	-	-	**(5)**
Total changes in the statement of profit or loss and OCI	**(95,236)**	**535**	**105,074**	**10,373**	**(53,828)**	**(1,905)**	**78,413**	**22,680**

Cash flows								
Premiums received	58,427	-	-	**58,427**	45,646	-	-	**45,646**
Claims and other insurance service expenses paid, including investment components	-	-	(106,773)	**(106,773)**	-	-	(79,165)	**(79,165)**
Administrative expenses paid	(3,511)	-	-	**(3,511)**	(3,281)	-	-	**(3,281)**
Insurance acquisition cash flows	(4,526)	-	-	**(4,526)**	(3,729)	-	-	**(3,729)**
Total cash flows	**50,390**	**-**	**(106,773)**	**(56,383)**	**38,636**	**-**	**(79,165)**	**(40,529)**
Transfer to other items in the statement of financial position	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Net insurance contracts as at 31 December	**341,772**	**900**	**13,783**	**356,455**	**386,618**	**365**	**15,482**	**402,465**
Assets from insurance contracts as at 31December	**(103)**	**72**	**-**	**(31)**	**-**	**-**	**-**	**-**
Liabilities from insurance contracts as at 31December	**341,875**	**828**	**13,783**	**356,486**	**386,618**	**365**	**15,482**	**402,465**
Net insurance contracts as at 31 December	**341,772**	**900**	**13,783**	**356,455**	**386,618**	**365**	**15,482**	**402,465**

Analysis by measurement component

Company			**Contractual service margin (CSM)**				***31 Dec. 2024***
	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	325,882	2,220	-	12,131	2,591	14,722	**342,824**
Net insurance contracts as at 1 January	**325,882**	**2,220**	**-**	**12,131**	**2,591**	**14,722**	**342,824**
Changes in the statement of profit or loss and OCI							
Changes that relate to current services							
CSM recognised for services provided	-	-	-	(2,512)	(824)	(3,336)	**(3,336)**
Change in risk adjustment for non-financial risk for risk expired	-	(234)	-	-	-	-	**(234)**
Experience adjustments	(933)	-	-	-	-	-	**(933)**
Changes that relate to future services							
Contracts initially recognised in the year	(1,011)	191	-	-	830	830	**10**
Changes in estimates that adjust the CSM	(3,743)	(120)	-	2,900	963	3,863	**-**
Changes in estimates that result in losses and reversals of losses on onerous contracts	(723)	(24)	-	613	37	650	**(97)**
Changes that relate to past services							
Adjustments to liabilities for incurred claims	(17)	(78)	-	-	-	-	**(95)**
Insurance service result	**(6,427)**	**(265)**	**-**	**1,001**	**1,006**	**2,007**	**(4,685)**
Net finance income/expenses from insurance contracts	10,716	93	-	521	119	640	**11,449**
Effect of movements in exchange rates	-	-	-	-	-	-	**-**
Total changes in the statement of profit or loss and OCI	**4,289**	**(172)**	**-**	**1,522**	**1,125**	**2,647**	**6,764**
Cash flows	**(60,539)**	**-**	**-**	**-**	**-**	**-**	**(60,539)**
Transfer to other items in the statement of financial position	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Net insurance contracts as at 31 December	**269,632**	**2,048**	**-**	**13,653**	**3,716**	**17,369**	**289,049**
Assets from insurance contracts as at 31December	**(241)**	**44**	**-**	**-**	**166**	**166**	**(31)**
Liabilities from insurance contracts as at 31December	**269,873**	**2,004**	**-**	**13,653**	**3,550**	**17,203**	**289,080**
Net insurance contracts as at 31 December	**269,632**	**2,048**	**-**	**13,653**	**3,716**	**17,369**	**289,049**
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**
Net insurance contracts as at 1 January	**355,581**	**3,156**	**-**	**1,158**	**1,060**	**2,218**	**360,955**
Changes in the statement of profit or loss and OCI							
Changes that relate to current services							
CSM recognised for services provided	-	-	-	(723)	(492)	(1,215)	**(1,215)**
Change in risk adjustment for non-financial risk for risk expired	-	(357)	-	-	-	-	**(357)**
Experience adjustments	(1,308)	-	-	-	-	-	**(1,308)**
Changes that relate to future services							
Contracts initially recognised in the year	(951)	170	-	-	780	780	**(1)**
Changes in estimates that adjust the CSM	(2,499)	(110)	-	1,415	1,194	2,609	-
Changes in estimates that result in losses and reversals of losses on onerous contracts	(10,773)	(987)	-	10,015	-	10,015	**(1,745)**
Changes that relate to past services							
Adjustments to liabilities for incurred claims	827	(78)	-	-	-	-	**749**
Insurance service result	**(14,704)**	**(1,362)**	**-**	**10,707**	**1,482**	**12,189**	**(3,877)**
Net finance income/expenses from insurance contracts	27,258	426	-	266	49	315	**27,999**
Effect of movements in exchange rates	-	-	-	-	-	-	-
Total changes in the statement of profit or loss and OCI	**12,554**	**(936)**	**-**	**10,973**	**1,531**	**12,504**	**24,122**
Cash flows	**(42,253)**	**-**	**-**	**-**	**-**	**-**	**(42,253)**
Transfer to other items in the statement of financial position	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Net insurance contracts as at 31 December	**325,882**	**2,220**	**-**	**12,131**	**2,591**	**14,722**	**342,824**
Assets from insurance contracts as at 31December	**-**	**-**	**-**	**-**	**-**	**-**	-
Liabilities from insurance contracts as at 31December	**325,882**	**2,220**	**-**	**12,131**	**2,591**	**14,722**	**342,824**
Net insurance contracts as at 31 December	**325,882**	**2,220**	**-**	**12,131**	**2,591**	**14,722**	**342,824**

Certain amounts from the previous reporting period have been reclassified to be consistent with the current reporting period's presentation and reclassification is not material.

Group			Contractual service margin (CSM)				31 Dec. 2024
	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	380,320	3,552	-	15,327	3,266	18,593	**402,465**
Net insurance contracts as at 1 January	**380,320**	**3,552**	**-**	**15,327**	**3,266**	**18,593**	**402,465**
Changes in the statement of profit or loss and OCI							
Changes that relate to current services							
CSM recognised for services provided	-	-	-	(2,990)	(1,117)	(4,107)	**(4,107)**
Change in risk adjustment for non-financial risk for risk expired	-	(520)	-	-	-	-	**(520)**
Experience adjustments	(1,500)	-	-	-	-	-	**(1,500)**
Changes that relate to future services							
Contracts initially recognised in the year	(1,491)	754	-	-	1,020	1,020	**283**
Changes in estimates that adjust the CSM	(2,783)	205	-	1,667	911	2,578	**-**
Changes in estimates that result in losses and reversals of losses on onerous contracts	(245)	(127)	-	613	(112)	501	**129**
Changes that relate to past services							
Adjustments to liabilities for incurred claims	345	(87)	-	-	-	-	**258**
Insurance service result	**(5,674)**	**225**	**-**	**(710)**	**702**	**(8)**	**(5,457)**
Net finance income/expenses from insurance contracts	14,140	145	-	1,024	514	1,538	**15,823**
Effect of movements in exchange rates	9	-	-	(2)	-	(2)	**7**
Total changes in the statement of profit or loss and OCI	**8,475**	**370**	**-**	**312**	**1,216**	**1,528**	**10,373**
Cash flows	**(56,383)**	**-**	**-**	**-**	**-**	**-**	**(56,383)**
Transfer to other items in the statement of financial position	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Net insurance contracts as at 31 December	**332,412**	**3,922**	**-**	**15,639**	**4,482**	**20,121**	**356,455**
Assets from insurance contracts as at 31December	**(241)**	**44**	**-**	**-**	**166**	**166**	**(31)**
Liabilities from insurance contracts as at 31December	**332,653**	**3,878**	**-**	**15,639**	**4,316**	**19,955**	**356,486**
Net insurance contracts as at 31 December	**332,412**	**3,922**	**-**	**15,639**	**4,482**	**20,121**	**356,455**

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**
Net insurance contracts as at 1 January	**409,577**	**4,725**	**-**	**4,762**	**1,250**	**6,012**	**420,314**
Changes in the statement of profit or loss and OCI							
Changes that relate to current services							
CSM recognised for services provided	-	-	-	(1,338)	(691)	(2,029)	**(2,029)**
Change in risk adjustment for non-financial risk for risk expired	-	(655)	-	-	-	-	**(655)**
Experience adjustments	(2,570)	-	-	-	-	-	**(2,570)**
Changes that relate to future services							
Contracts initially recognised in the year	(432)	499	-	-	1,069	1,069	**1,136**
Changes in estimates that adjust the CSM	(2,196)	(354)	-	1,260	1,290	2,550	-
Changes in estimates that result in losses and reversals of losses on onerous contracts	(12,116)	(1,045)	-	10,014	154	10,168	**(2,993)**
Changes that relate to past services							
Adjustments to liabilities for incurred claims	1,149	(88)	-	-	-	-	**1,061**
Insurance service result	**(16,165)**	**(1,643)**	**-**	**9,936**	**1,822**	**11,758**	**(6,050)**
Net finance income/expenses from insurance contracts	27,439	471	-	630	194	824	**28,734**
Effect of movements in exchange rates	(3)	(1)	-	(1)	-	(1)	**(5)**
Total changes in the statement of profit or loss and OCI	**11,271**	**(1,173)**	**-**	**10,565**	**2,016**	**12,581**	**22,679**
Cash flows	(40,528)	-	-	-	-	**-**	**(40,528)**
Transfer to other items in the statement of financial position	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Net insurance contracts as at 31 December	**380,320**	**3,552**	**-**	**15,327**	**3,266**	**18,593**	**402,465**
Assets from insurance contracts as at 31December	**-**	**-**	**-**	**-**	**-**	**-**	-
Liabilities from insurance contracts as at 31December	**380,320**	**3,552**	**-**	**15,327**	**3,266**	**18,593**	**402,465**
Net insurance contracts as at 31 December	**380,320**	**3,552**	**-**	**15,327**	**3,266**	**18,593**	**402,465**

Certain amounts from the previous reporting period have been reclassified to be consistent with the current reporting period's presentation and reclassification is not material.

17.1.2. Non-life insurance contracts

Analysis by remaining coverage and incurred claims

Company	31 Dec. 2024						31 Dec. 2023					
	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 of present value of future cash flows**	**Risk adjustment for non-financial risk**	**Total**	**Excluding loss component**	**Loss component**	**Contracts not under PAA**	**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	in EUR'000	in EUR'000	in EUR'000	in EUR'000
Insurance contract assets	(5,329)	757	(14,789)	2,272	92	**(16,997)**	(12,379)	936	(16,433)	4,656	296	**(22,924)**
Insurance contract liabilities	96,954	1,135	348	272,298	18,563	**389,298**	80,486	1,323	470	243,370	15,889	**341,538**
Net insurance contracts as at 1 January	**91,625**	**1,892**	**(14,441)**	**274,570**	**18,655**	**372,301**	**68,107**	**2,259**	**(15,963)**	**248,026**	**16,185**	**318,614**
Changes in the statement of profit or loss and OCI												
Insurance service income	(441,095)	-	-	-	-	**(441,095)**	(388,942)	-	-	-	-	**(388,942)**
Insurance service expenses												
Incurred claims and other insurance service expenses	61,122	-	335	257,150	4,840	**323,447**	58,223	-	665	251,119	4,733	**314,740**
Provisions and other sale related insurance expenses	89,432	-	-	-	-	**89,432**	78,117	-	-	-	-	**78,117**
Adjustments to liabilities for incurred claims	-	-	(6,825)	4,685	(5,604)	**(7,744)**	-	-	(5,254)	(10,015)	(3,820)	**(19,089)**
Losses and reversals of losses on onerous contracts	-	452	-	-	-	**452**	-	(402)	-	-	-	**(402)**
Total insurance service expenses	**150,554**	**452**	**(6,490)**	**261,835**	**(764)**	**405,587**	**136,340**	**(402)**	**(4,589)**	**241,104**	**913**	**373,366**
Insurance service result	**(290,541)**	**452**	**(6,490)**	**261,835**	**(764)**	**(35,508)**	**(252,602)**	**(402)**	**(4,589)**	**241,104**	**913**	**(15,576)**
Net finance income/expenses from insurance contracts	225	22	(565)	11,872	822	**12,376**	426	35	(997)	23,640	1,557	**24,661**
Effect of movements in exchange rates	-	-	-	-	-	**-**	-	-	-	-	-	**-**
Total changes in the statement of profit or loss and OCI	**(290,316)**	**474**	**(7,055)**	**273,707**	**58**	**(23,132)**	**(252,176)**	**(367)**	**(5,586)**	**264,744**	**2,470**	**9,085**

Cash flows												
Premiums received	457,363	-	-	-	-	**457,363**	414,625	-	-	-	-	**414,625**
Claims and other insurance service expenses paid	-	-	7,864	(251,728)	-	**(243,864)**	-	-	7,108	(238,200)	-	**(231,092)**
Insurance acquisition cash flows	(92,286)	-	-	-	-	**(92,286)**	(80,708)	-	-	-	-	**(80,708)**
Administrative expenses paid	(61,122)	-	-	-	-	**(61,122)**	(58,223)	-	-	-	-	**(58,223)**
Total cash flows	**303,955**	**-**	**7,864**	**(251,728)**	**-**	**60,091**	**275,694**	**-**	**7,108**	**(238,200)**	**-**	**44,602**
Transfer to other items in the statement of financial position	-	-	-	-	-	-	-	-	-	-	-	-
Contracts derecognised on disposal/loss of control of subsidiary	-	-	-	-	-	-	-	-	-	-	-	-
Net insurance contracts as at 31 December	**105,264**	**2,366**	**(13,632)**	**296,549**	**18,713**	**409,260**	**91,625**	**1,892**	**(14,441)**	**274,570**	**18,655**	**372,301**
Assets from insurance contracts as at 31December	**(3,735)**	**626**	**(13,875)**	**1,910**	**75**	**(14,999)**	**(5,329)**	**757**	**(14,789)**	**2,272**	**92**	**(16,997)**
Liabilities from insurance contracts as at 31December	**108,999**	**1,740**	**243**	**294,639**	**18,638**	**424,259**	**96,954**	**1,135**	**348**	**272,298**	**18,563**	**389,298**
Net insurance contracts as at 31 December	**105,264**	**2,366**	**(13,632)**	**296,549**	**18,713**	**409,260**	**91,625**	**1,892**	**(14,441)**	**274,570**	**18,655**	**372,301**

Group	**31 Dec. 2024**						**31 Dec. 2023**					
	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 of present value of future cash flows**	**Risk adjustment for non-financial risk**	**Total**	**Excluding loss component**	**Loss component**	**Contracts not under PAA**	**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	in EUR'000	in EUR'000	in EUR'000	in EUR'000
Insurance contract assets	(5,328)	756	(14,790)	2,273	92	**(16,997)**	(12,379)	936	(16,433)	4,656	296	**(22,924)**
Insurance contract liabilities	129,808	1,875	640	306,936	20,262	**459,521**	111,396	2,014	856	271,766	17,319	**403,351**
Net insurance contracts as at 1 January	**124,480**	**2,631**	**(14,150)**	**309,209**	**20,354**	**442,524**	**99,017**	**2,950**	**(15,577)**	**276,422**	**17,615**	**380,427**
Changes in the statement of profit or loss and OCI												
Insurance revenue	(526,816)	-	-	-	-	**(526,816)**	(464,151)	-	-	-	-	**(464,151)**
Insurance service expenses												
Incurred claims and other insurance service expenses	74,511	-	975	299,919	5,869	**381,274**	69,778	-	1,445	290,230	5,587	**367,040**
Provisions and other sale related insurance expenses	106,643	-	-	-	-	**106,643**	92,686	-	-	-	-	**92,686**
Adjustments to liabilities for incurred claims	-	-	(6,750)	5,277	(6,261)	**(7,734)**	-	-	(5,292)	(13,119)	(4,556)	**(22,967)**

Losses and reversals of losses on onerous contracts	-	395	-	-	-	**395**	-	(352)	-	-	-	**(352)**
Total insurance service expenses	**181,154**	**395**	**(5,775)**	**305,196**	**(392)**	**480,578**	**162,464**	**(352)**	**(3,847)**	**277,111**	**1,031**	**436,407**
Insurance service result	**(345,662)**	**395**	**(5,775)**	**305,196**	**(392)**	**(46,238)**	**(301,687)**	**(352)**	**(3,847)**	**277,111**	**1,031**	**(27,744)**
Net finance income/expenses from insurance contracts	316	27	(561)	14,351	955	**15,088**	679	32	(993)	26,073	1,679	**27,470**
Effect of movements in exchange rates	27	1	-	30	2	**60**	20	1	-	20	1	**42**
Total changes in the statement of profit or loss and OCI	**(345,319)**	**423**	**(6,336)**	**319,577**	**565**	**(31,090)**	**(300,988)**	**(319)**	**(4,840)**	**303,204**	**2,711**	**(232)**
Cash flows												
Premiums received	547,000	-	-	-	-	**547,000**	492,782	-	-	-	-	**492,782**
Claims and other insurance service expenses paid	-	-	7,132	(292,295)	(40)	**(285,203)**	-	-	6,267	(270,417)	28	**(264,122)**
Insurance acquisition cash flows	(110,715)	-	-	-	-	**(110,715)**	(96,553)	-	-	-	-	**(96,553)**
Administrative expenses paid	(74,511)	-	-	-	-	**(74,511)**	(69,778)	-	-	-	-	**(69,778)**
Total cash flows	**361,774**	**-**	**7,132**	**(292,295)**	**(40)**	**76,571**	**326,451**	**-**	**6,267**	**(270,417)**	**28**	**62,329**
Transfer to other items in the statement of financial position	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Contracts derecognised on disposal/loss of control of subsidiary	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Net insurance contracts as at 31 December	**140,935**	**3,054**	**(13,354)**	**336,491**	**20,879**	**488,005**	**124,480**	**2,631**	**(14,150)**	**309,209**	**20,354**	**442,524**
Assets from insurance contracts as at 31 December	**(3,735)**	**626**	**(13,875)**	**1,910**	**75**	**(14,999)**	**(5,328)**	**756**	**(14,790)**	**2,273**	**92**	**(16,997)**
Liabilities from insurance contracts as at 31 December	**144,670**	**2,428**	**521**	**334,581**	**20,804**	**503,004**	**129,808**	**1,875**	**640**	**306,936**	**20,262**	**459,521**
Net insurance contracts as at 31 December	**140,935**	**3,054**	**(13,354)**	**336,491**	**20,879**	**488,005**	**124,480**	**2,631**	**(14,150)**	**309,209**	**20,354**	**442,524**

Analysis by measurement component – Contracts not measured under the PAA

Company	**31 Dec. 2024**				**31 Dec. 2023**			
	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	(20,724)	7,412	-	**(13,312)**	(22,290)	7,611	-	**(14,679)**
Insurance contract liabilities	5,248	121	3,028	**8,397**	8,122	190	1,411	**9,723**
Net insurance contracts as at 1 January	**(15,476)**	**7,533**	**3,028**	**(4,915)**	**(14,168)**	**7,801**	**1,411**	**(4,956)**
Changes in the statement of profit or loss and OCI								
Changes that relate to current services								
CSM recognised for services provided	-	-	(899)	**(899)**	-	-	(1,106)	**(1,106)**
Change in risk adjustment for non-financial risk for risk expired	-	(95)	-	**(95)**	-	(114)	-	**(114)**
Experience adjustments	(364)	-	-	**(364)**	(113)	-	-	**(113)**
Changes that relate to future services								
Contracts initially recognised in the year	(894)	50	844	**-**	(703)	18	684	**(1)**
Changes in estimates that adjust the CSM	316	10	(325)	**1**	(2,014)	(32)	2,008	**(38)**
Changes in estimates that result in losses and reversals of losses on onerous contracts	45	(124)	-	**(79)**	(89)	(69)	-	**(158)**
Changes that relate to past services								
Adjustments to liabilities for incurred claims	(6,019)	(805)	-	**(6,824)**	(4,627)	(627)	-	**(5,254)**
Total insurance service expenses	**(6,916)**	**(964)**	**(380)**	**(8,260)**	**(7,546)**	**(824)**	**1,586**	**(6,784)**
Net finance income/expenses from insurance contracts	(629)	249	54	**(326)**	(1,137)	556	31	**(550)**
Effect of movements in exchange rates	-	-	-	**-**	-	-	-	**-**
Total changes in the statement of profit or loss and OCI	**(7,545)**	**(715)**	**(326)**	**(8,586)**	**(8,683)**	**(268)**	**1,617**	**(7,334)**
Cash flows								
Premiums received	3,545	-	-	3,545	2,013	-	-	2,013
Claims and other insurance service expenses paid	7,864	-	-	7,864	7,108	-	-	7,108
Insurance acquisition cash flows	(1,455)	-	-	(1,455)	(711)	-	-	(711)
Administrative expenses paid	(669)	-	-	(669)	(1,035)	-	-	(1,035)
Total cash flows	**9,285**	**-**	**-**	**9,285**	**7,375**	**-**	**-**	**7,375**
Transfer to other items in the statement of financial position	-	-	-	-	-	-	-	-
Net insurance contracts as at 31 December	**(13,736)**	**6,818**	**2,702**	**(4,216)**	**(15,476)**	**7,533**	**3,028**	**(4,915)**
Assets from insurance contracts as at 31 December	**(19,290)**	**6,677**	**-**	**(12,613)**	**(20,724)**	**7,412**	**-**	**(13,312)**

Liabilities from insurance contracts as at 31 December	5,554	141	2,702	8,397	5,248	121	3,028	8,397
Net insurance contracts as at 31 December	**(13,736)**	**6,818**	**2,702**	**(4,216)**	**(15,476)**	**7,533**	**3,028**	**(4,915)**

Group	**31 Dec. 2024**				**31 Dec. 2023**			
	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	(20,724)	7,412	-	**(13,312)**	(22,290)	7,611	-	**(14,679)**
Insurance contract liabilities	9,278	202	5,525	**15,005**	13,269	501	4,605	**18,375**
Net insurance contracts as at 1 January	**(11,446)**	**7,614**	**5,525**	**1,693**	**(9,021)**	**8,112**	**4,605**	**3,696**
Changes in the statement of profit or loss and OCI								
Changes that relate to current services								
CSM recognised for services provided	-	-	(1,564)	**(1,564)**	-	-	(2,190)	**(2,190)**
Change in risk adjustment for non-financial risk for risk expired	-	(105)	-	**(105)**	-	(182)	-	**(182)**
Experience adjustments	(149)	-	-	**(149)**	31	-	-	**31**
Changes that relate to future services								
Contracts initially recognised in the year	(887)	64	853	**30**	(828)	35	793	**-**
Changes in estimates that adjust the CSM	683	6	(689)	**-**	(2,118)	(202)	2,282	**(38)**
Changes in estimates that result in losses and reversals of losses on onerous contracts	45	(124)	-	**(79)**	(89)	(69)	-	**(158)**
Changes that relate to past services								
Adjustments to liabilities for incurred claims	(5,936)	(814)	-	**(6,750)**	(4,632)	(659)	-	**(5,291)**
Total insurance service expenses	**(6,244)**	**(973)**	**(1,400)**	**(8,617)**	**(7,636)**	**(1,077)**	**885**	**(7,828)**
Net finance income/expenses from insurance contracts	(497)	252	65	**(180)**	(841)	579	35	**(227)**
Effect of movements in exchange rates	-	-	-	**-**	-	-	-	**-**
Total changes in the statement of profit or loss and OCI	**(6,741)**	**(721)**	**(1,335)**	**(8,797)**	**(8,477)**	**(498)**	**920**	**(8,055)**
Cash flows								
Premiums received	4,455	-	-	4,455	2,943	-	-	2,943
Claims and other insurance service expenses paid	7,118	-	-	7,118	6,241	-	-	6,241
Insurance acquisition cash flows	(2,155)	-	-	(2,155)	(1,490)	-	-	(1,490)
Administrative expenses paid	(1,222)	-	-	(1,222)	(1,642)	-	-	(1,642)
Total cash flows	**8,196**	**-**	**-**	**8,196**	**6,052**	**-**	**-**	**6,052**
Transfer to other items in the statement of financial position	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Net insurance contracts as at 31 December	**(9,991)**	**6,893**	**4,190**	**1,092**	**(11,446)**	**7,614**	**5,525**	**1,693**
Assets from insurance contracts as at 31 December	**(19,290)**	**6,677**	**-**	**(12,613)**	**(20,724)**	**7,412**	**-**	**(13,312)**

Liabilities from insurance contracts as at 31 December	**9,299**	**216**	**4,190**	**13,705**	**9,278**	**202**	**5,525**	**15,005**
Net insurance contracts as at 31 December	**(9,991)**	**6,893**	**4,190**	**1,092**	**(11,446)**	**7,614**	**5,525**	**1,693**

Analysis by remaining coverage and incurred claims – reinsurance

Company	**31 Dec. 2024**				**31 Dec. 2023**			
		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	3,430	44,052	2,435	**49,917**	3,681	35,590	1,925	41,196
Reinsurance contract liabilities	(2,277)	349	18	**(1,910)**	(2,051)	83	7	(1,961)
Net reinsurance contracts as at 1 January	**1,153**	**44,401**	**2,453**	**48,007**	**1,630**	**35,673**	**1,932**	**39,235**
Changes in the statement of profit or loss and OCI								
Allocation of reinsurance premiums paid	(61,326)	-	-	**(61,326)**	(48,047)	-	-	**(48,047)**
Amounts recoverable from reinsurers								
Recoveries of incurred claims and other insurance service expenses	9,067	37,547	(97)	**46,517**	7,178	32,767	426	**40,371**
Adjustments to assets for incurred claims	-	-	-	**-**	-	-	-	**-**
Total amounts recoverable from reinsurers	**9,067**	**37,547**	**(97)**	**46,517**	**7,178**	**32,767**	**426**	**40,371**
Effect of changes in non-performance risk of reinsurers	-	-	-	**-**	-	-	-	**-**
Total reinsurance service expenses	**(52,259)**	**37,547**	**(97)**	**(14,809)**	**(40,869)**	**32,767**	**426**	**(7,676)**
Net finance income/expenses from insurance contracts	(53)	1,266	75	**1,288**	61	1,669	95	**1,825**
Effect of movements in exchange rates	-	-	-	**-**	-	-	-	**-**
Total changes in the statement of profit or loss and OCI	**(52,312)**	**38,813**	**(22)**	**(13,521)**	**(40,808)**	**34,436**	**521**	**(5,851)**
Cash flows								
Premiums paid	55,435	-	-	**55,435**	47,383	-	-	**47,383**
Amounts received	(9,030)	(33,584)	-	**(42,614)**	(7,052)	(25,708)	-	**(32,760)**
Total cash flows	**46,405**	**(33,584)**	**-**	**12,821**	**40,331**	**(25,708)**	**-**	**14,623**
Transfer to other items in the statement of financial position	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Net reinsurance contracts as at 31 December	**(4,754)**	**49,630**	**2,431**	**47,307**	**1,153**	**44,401**	**2,453**	**48,007**

Assets from reinsurance contracts as at 31 December	**3,212**	**47,939**	**2,347**	**53,498**	3,430	44,052	2,435	49,917
Liabilities from reinsurance contracts as at 31 December	**(7,966)**	**1,691**	**84**	**(6,191)**	(2,277)	349	18	(1,910)
Net reinsurance contracts as at 1 January	**(4,754)**	**49,630**	**2,431**	**47,307**	**1,153**	**44,401**	**2,453**	**48,007**

Group	**31 Dec. 2024**				**31 Dec. 2023**			
		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	3,971	47,887	2,580	54,438	4,166	36,740	2,002	**42,908**
Reinsurance contract liabilities	(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**
Changes in the statement of profit or loss and OCI								
Allocation of reinsurance premiums paid	(67,413)	-	-	**(67,413)**	(61,679)	-	-	**(61,679)**
Amounts recoverable from reinsurers								
Recoveries of incurred claims and other insurance service expenses	9,792	43,172	(112)	**52,852**	11,040	41,539	605	**53,184**
Adjustments to assets for incurred claims	-	-	-	**-**	-	-	-	**-**
Total amounts recoverable from reinsurers	**9,792**	**43,172**	**(112)**	**52,852**	**11,040**	**41,539**	**605**	**53,184**
Effect of changes in non-performance risk of reinsurers	-	-	-	**-**	-	-	-	**-**
Total reinsurance service expenses	**(57,621)**	**43,172**	**(112)**	**(14,561)**	**(50,639)**	**41,539**	**605**	**(8,495)**
Net finance income/expenses from insurance contracts	(52)	1,645	92	**1,685**	68	1,946	109	**2,123**
Effect of movements in exchange rates	(4)	7	-	**3**	(3)	2	-	**(1)**
Total changes in the statement of profit or loss and OCI	**(57,677)**	**44,824**	**(20)**	**(12,873)**	**(50,574)**	**43,487**	**714**	**(6,373)**
Cash flows								
Premiums paid	66,270	-	-	**66,270**	56,659	-	-	**56,659**
Amounts received	(11,444)	(39,848)	-	**(51,292)**	(10,409)	(30,234)	-	**(40,643)**
Total cash flows	**54,826**	**(39,848)**	**-**	**14,978**	**46,250**	**(30,234)**	**-**	**16,016**
Transfer to other items in the statement of financial position	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

Net reinsurance contracts as at 31 December	**(5,255)**	**55,074**	**2,703**	**52,522**	**(2,404)**	**50,098**	**2,723**	**50,417**
Assets from reinsurance contracts as at 31 December	**3,186**	**53,337**	**2,618**	**59,141**	**3,971**	**47,887**	**2,580**	**54,438**
Liabilities from reinsurance contracts as at 31 December	**(8,441)**	**1,737**	**85**	**(6,619)**	**(6,375)**	**2,211**	**143**	**(4,021)**
Net reinsurance contracts as at 1 January	**(5,255)**	**55,074**	**2,703**	**52,522**	**(2,404)**	**50,098**	**2,723**	**50,417**

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
2024						
Claims and other insurance costs paid	*(23,914)*	*(369)*	*(24,283)*	*(25,949)*	*(12,655)*	*(38,604)*
Cash flows from the acquisition of insurance	*(1,412)*	*(22)*	*(1,434)*	*(3,321)*	*(1,173)*	*(4,494)*
Estimates of present value of cash outflows	(25,326)	(391)	(25,717)	(29,270)	(13,828)	(43,098)
Estimates of present value of cash inflows	26,344	384	**26,728**	30,753	13,836	**44,589**
Risk adjustment for non-financial risk	(188)	(3)	**(191)**	(463)	(291)	**(754)**
Contractual service margin	(830)	-	**(830)**	(1,020)	-	**(1,020)**
Losses recognised on initial recognition	**-**	**(10)**	**(10)**	**-**	**(283)**	**(283)**
2023						
Claims and other insurance costs paid	*(13,098)*	-	***(13,098)***	*(17,870)*	*(6,732)*	***(24,602)***
Cash flows from the acquisition of insurance	*(929)*	-	***(929)***	*(3,434)*	*(508)*	***(3,942)***
Estimates of present value of cash outflows	(14,027)	-	**(14,027)**	(21,304)	(7,240)	**(28,544)**
Estimates of present value of cash inflows	14,977	-	**14,977**	22,771	6,205	**28,976**
Risk adjustment for non-financial risk	(170)	-	**(170)**	(398)	(100)	**(498)**
Contractual service margin	(780)	-	**(780)**	(1,069)	-	**(1,069)**
Losses recognised on initial recognition	**-**	**-**	**-**	**-**	**(1,135)**	**(1,135)**

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.

								Company
	0-1 year	**1-2 years**	**2-3 years**	**3-4 year**	**4-5 year**	**5-10 year**	**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
31 Dec. 2024								
Life insurance	2,817	2,162	2,860	1,647	1,251	2,578	4,054	**17,369**
Nin-life insurance	691	574	477	301	183	443	33	**2,702**
Reinsurance	17	13	10	4	-	-	-	**44**
	3,525	**2,749**	**3,347**	**1,952**	**1,434**	**3,021**	**4,087**	**20,115**
31 Dec. 2023								
Life insurance	3,233	2,105	1,530	1,562	1,192	1,997	3,103	**14,722**
Nin-life insurance	798	622	526	424	239	383	36	**3,028**
Reinsurance	23	17	14	11	4	-	**-**	**69**
	4,054	**2,744**	**2,070**	**1,997**	**1,435**	**2,380**	**3,139**	**17,819**

	0-1 year	1-2 year	2-3 year	3-4 year	4-5 year	5-10 years	More than 10 years	Group 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
31 Dec. 2024								
Life insurance	2,821	2,161	2,884	1,648	1,318	2,921	6,368	**20,121**
Nin-life insurance	1,156	945	750	478	283	545	33	**4,190**
Reinsurance	18	11	9	4	-	-	-	**42**
	3,995	**3,117**	**3,643**	**2,130**	**1,601**	**3,466**	**6,401**	**24,353**
31 Dec. 2023								
Life insurance	3,154	2,122	1,585	1,560	1,232	2,350	6,590	**18,593**
Nin-life insurance	1,460	1,166	967	755	463	677	37	**5,525**
Reinsurance	32	15	13	10	3	(1)	-	**72**
	4,646	**3,303**	**2,565**	**2,325**	**1,698**	**3,026**	**6,627**	**24,190**

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
Gross of reinsurance	**Before 2022**	**2022**	**2023**	**2024**	**Total**
Estimates of undiscounted gross cumulative claims					
Estimates of undiscounted gross cumulative claims at the end of the accident year	-	203,902	266,589	272,090	742,581
One year later	-	206,798	267,177	-	473,975
Two years later	-	208,243	-	-	208,243
Three years later	-	-	-	-	-
Estimates of the gross cumulative claims at the end of the reporting period	-	**206,847**	**265,293**	**272,090**	**744,230**
Cumulative gross claims paid	-	**180,905**	**226,764**	**169,946**	**577,615**
Gross liabilities – accident years from 2023 to 2024	-	27,338	40,414	102,144	**169,896**
Gross liabilities – accident years before 2023	191,936	-	-	-	**191,936**
Effect of discounting	(44,563)	(4,151)	(4,930)	(6,558)	(60,202)
Gross liabilities for incurred claims included in the statement of financial position	**147,373**	**23,187**	**35,484**	**95,586**	**301,630**

Group					in EUR'000
Gross of reinsurance	**Before 2022**	**2022**	**2023**	**2024**	**Total**
Estimates of undiscounted gross cumulative claims					
Estimates of undiscounted gross cumulative claims at the end of the accident year	-	241,934	313,402	326,142	881,478
One year later	-	244,756	312,468	-	557,224
Two years later	-	246,492	-	-	246,492
Three years later	-	-	-	-	-
Estimates of the gross cumulative claims at the end of the reporting period	-	**244,499**	**312,011**	**326,142**	**882,652**
Cumulative gross claims paid	-	**214,770**	**264,871**	**200,539**	**680,180**
Gross liabilities – accident years from 2023 to 2024	-	31,722	47,597	125,603	**204,922**
Gross liabilities – accident years before 2023	204,346	-	-	-	**204,346**
Effect of discounting	(47,223)	(4,836)	(5,057)	(8,136)	(65,252)
Gross liabilities for incurred claims included in the statement of financial position	**157,123**	**26,886**	**42,540**	**117,467**	**344,016**

18. Financial assets

	Company	Company	Group	Group
	31 Dec. 2024	31 Dec. 2023	31 Dec. 2024	31 Dec. 2023
	in EUR'000	in EUR'000	in EUR'000	in EUR'000
Financial assets at amortised cost	317,574	351,439	362,527	394,241
Financial assets at fair value through other comprehensive income	695,006	672,698	793,105	756,730
Financial assets at fair value through profit and loss account	93,182	135,643	103,937	145,844
	1,105,762	**1,159,780**	**1,259,569**	**1,296,815**

18.1. Overview of investments

The Company's investment structure as at 31 December 2024 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
Shares				
Shares, listed	-	191,467	503	**191,970**
Shares, not listed	-	229	-	**229**
	-	**191,696**	**503**	**192,199**
Debt securities				
Government bonds	226,391	370,020	-	**596,411**
Corporate bonds	2,846	118,429	-	**121,275**
Treasury bills	-	14,861	-	**14,861**
Commercial papers	-	-	-	**-**
	229,237	**503,310**	**-**	**732,547**
Derivative financial instruments				
Foreign currency options	-	-	21	**21**
	-	**-**	**21**	**21**
Investment funds				
Open-ended investment funds	-	-	89,752	89,752
Open-ended investment funds - assets for coverage of unit-linked products	-	-	2,256	**2,256**
	-	**-**	**92,008**	**92,008**
Loans and receivables				
Deposits with credit institutions	9,774	-	650	10,424
Loans	78,563	-	-	**78,563**
	88,337	**-**	**650**	**88,987**
	317,574	**695,006**	**93,182**	**1,105,762**

18.1. Overview of investments (continued)

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
Shares				
Shares, listed	-	138,600	387	**138,987**
Shares, not listed	-	212	-	**212**
	-	**138,812**	**387**	**139,199**
Debt securities				
Government bonds	282,207	439,163	1,340	**722,710**
Corporate bonds	2,862	79,864	9,624	**92,350**
Treasury bills	-	14,859	-	**14,859**
Commercial papers	-	-	-	**-**
	285,069	**533,886**	**10,964**	**829,919**
Derivative financial instruments				
Foreign currency swap contracts	-	-	24	**24**
Foreign currency forward contracts	-	-	462	**462**
	-	**-**	**486**	**486**
Investment funds				
Open-ended investment funds	-	-	108,769	108,769
Open-ended investment funds - assets for coverage of unit-linked products	-	-	15,037	**15,037**
	-	**-**	**123,806**	**123,806**
Loans and receivables				
Deposits with credit institutions	9,889	-	-	9,889
Loans	56,481	-	-	**56,481**
	66,370	**-**	**-**	**66,370**
	351,439	**672,698**	**135,643**	**1,159,780**

18.1. Overview of investments (continued)

The Group's investment structure as at 31 December 2024 was as follows:

				Group
	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
Shares				
Shares, listed	-	191,467	503	191,970
Shares, not listed	-	229	-	229
	-	**191,696**	**503**	**192,199**
Debt securities				
Government bonds	241,874	467,007	-	708,881
Corporate bonds	2,878	118,429	-	121,307
Treasury bills	-	15,973	-	15,973
Commercial papers	-	-	-	-
	244,752	**601,409**	**-**	**846,161**
Derivative financial instruments				
Foreign currency options	-	-	21	21
	-	**-**	**21**	**21**
Investment funds				
Open-ended investment funds	-	-	94,607	94,607
Open-ended investment funds - assets for coverage of unit-linked products	-	-	8,156	8,156
	-	**-**	**102,763**	**102,763**
Loans and receivables				
Deposits with credit institutions	77,486	-	650	78,136
Loans	40,289	-	-	40,289
	117,775	**-**	**650**	**118,425**
	362,527	**793,105**	**103,937**	**1,259,569**

18.1. Overview of investments (continued)

The Group's investment structure as at 31 December 2023 was as follows:

				Group
	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
Shares				
Shares, listed	-	138,600	387	138,987
Shares, not listed	-	212	-	212
	-	**138,812**	**387**	**139,199**
Debt securities				
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	-	-	-	-
	301,800	**617,918**	**10,963**	**930,681**
Derivative financial instruments				
Foreign currency swap contracts	-	-	24	24
Foreign currency forward contracts	-	-	462	462
	-	**-**	**486**	**486**
Investment funds				
Open-ended investment funds	-	-	114,619	114,619
Open-ended investment funds - assets for coverage of unit-linked products	-	-	19,389	19,389
	-	**-**	**134,008**	**134,008**
Loans and receivables				
Deposits with credit institutions	72,553	-	-	72,553
Loans	19,888	-	-	19,888
	92,441	**-**	**-**	**92,441**
	394,241	**756,730**	**145,844**	**1,296,815**

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:

	Company	**Group**
	2024	**2024**
	in EUR'000	in EUR'000
Net book (fair) value of equity securities as of December 31	191,696	191,696
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	8,606	8,606
Net book (fair) value of equity securities (at the time of sale) sold during the year	7,189	7,189
Dividend income recognized in PnL based on equity securities sold during the year	894	894

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 1,694 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 12-month ECL	Stage 2 ECL for the duration	Stage 3 ECL for the duration	POCI	Total	Stage 1 12-month ECL	Stage 2 ECL for the duration	Stage 3 ECL for the duration	POCI	Total
	in EUR'000					in EUR'000				
Balance as at 31 December 2022	**-**	**-**	**(995)**	**-**	**(995)**	**291,628**	**-**	**995**	**-**	**292,623**
Impact of the first application of IFRS 9	(525)	-	-	-	**(525)**	(5,842)	-	-	236	**(5,606)**
Movements affecting credit losses:										
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)**
Movements that do not affect the provision for credit losses:										
Write-offs	-	-	-	-	**-**	-	-	-	-	**-**
Exchange rate differences and other movements	-	-	-	-	**-**	1	-	-	-	**1**
Balance as at 31 December 2023	**(287)**	**-**	**(995)**	**-**	**(1,282)**	**285,114**	**-**	**995**	**242**	**286,351**
Movements affecting credit losses:										
Transfer to impairment (from stage 1 and 2 to stage 3)	-	-	-	-	**-**	-	-	-	-	**-**
Increase or addition	-	-	-	-	**-**	-	-	-	-	**-**
Decrease	56	-	-	-	**56**	(55,623)	-	-	(25)	**(55,648)**
Change of assumptions in the ECL measurement model	62	-	-	-	**62**	-	-	-	-	**-**
Amortization of premium/discount	-	-	-	-	**-**	1,157	-	-	6	**1,163**
Other movements	-	-	-	-	**-**	(1,464)	-	-	(1)	**(1,465)**
Movements that do not affect the provision for credit losses:										
Write-offs	-	-	-	-	**-**	-	-	-	-	**-**
Exchange rate differences and other movements	-	-	-	-	**-**	-	-	-	-	**-**
Balance as at 31 December 2024	**(169)**	**-**	**(995)**	**-**	**(1,164)**	**229,184**	**-**	**995**	**222**	**230,401**

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	POCI	Total	12-month ECL	ECL for the duration	ECL for the duration	POCI	Total
	in EUR'000					in EUR'000				
Balance as at 31 December 2022	**-**	**-**	**(995)**	**-**	**(995)**	**303,834**	**-**	**995**	**-**	**304,829**
Impact of the first application of IFRS 9	(599)	-	-	-	**(599)**	(5,842)	-	-	236	**(5,606)**
Movements affecting credit losses:										
Transfer to impairment (from stage 1 and 2 to stage 3)	-	-	-	-	**-**	-	-	-	-	**-**
Increase or addition	(28)	-	-	-	**(28)**	4,684	-	-	-	**4,684**
Decrease	-	-	-	-	**-**	-	-	-	-	**-**
Change of assumptions in the ECL measurement model	244	-	-	-	**244**	-	-	-	-	**-**
Amortization of premium/discount	-	-	-	-	**-**	(715)	-	-	7	**(708)**
Other movements	-	-	-	-	**-**	(23)	-	-	(1)	**(24)**
Movements that do not affect the provision for credit losses:										
Write-offs	-	-	-	-	**-**	-	-	-	-	**-**
Exchange rate differences and other movements	-	-	-	-	**-**	2	-	-	1	**3**
Balance as at 31 December 2023	**(383)**	**-**	**(995)**	**-**	**(1,378)**	**301,940**	**-**	**995**	**243**	**303,178**
Movements affecting credit losses:										
Transfer to impairment (from stage 1 and 2 to stage 3)	-	-	-	-	**-**	-	-	-	-	**-**
Increase or addition	(8)	-	-	-	**(8)**	3,586	-	-	-	**3,586**
Decrease	60	-	-	-	**60**	(60,414)	-	-	(26)	**(60,440)**
Change of assumptions in the ECL measurement model	59	-	-	-	**59**	-	-	-	-	**-**
Amortization of premium/discount	-	-	-	-	**-**	1,228	-	-	6	**1,234**
Other movements	-	-	-	-	**-**	(1,534)	-	-	(1)	**(1,535)**
Movements that do not affect the provision for credit losses:										
Write-offs	-	-	-	-	**-**	-	-	-	-	**-**
Exchange rate differences and other movements	-	-	-	-	**-**	(4)	-	-	-	**(4)**
Balance as at 31 December 2024	**(272)**	**-**	**(995)**	**-**	**(1,267)**	**244,802**	**-**	**995**	**222**	**246,019**

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			
Balance as at 31 December 2022	**-**	**-**	**-**	**-**	**493,092**	**-**	**-**	**493,092**
Impact of the first application of IFRS 9	(839)	-	-	**(839)**	(66,097)	-	-	**(66,097)**
Movements affecting credit losses:								
Transfer to impairment (from stage 1 and 2 to stage 3)	-	-	-	**-**	-	-	-	**-**
Increase or addition	(165)	-	-	**(165)**	227,662	-	-	**227,662**
Decrease	89	-	-	**89**	(141,455)	-	-	**(141,455)**
Change of assumptions in the ECL measurement model	265	-	-	**265**	(265)	-	-	**(265)**
Amortization of premium/discount	-	-	-	**-**	1,768	-	-	**1,768**
Other movements	-	-	-	**-**	1,325	-	-	**1,325**
Movements that do not affect the provision for credit losses:								
Write-offs	-	-	-	**-**	-	-	-	**-**
Change in fair value recognized in Other comprehensive income	-	-	-	**-**	18,505	-	-	**18,505**
Exchange rate differences and other movements	-	-	-	**-**	1	-	-	**1**
Balance as at 31 December 2023	**(650)**	**-**	**-**	**(650)**	**534,536**	**-**	**-**	**534,536**
Movements affecting credit losses:								
Transfer to impairment (from stage 1 and 2 to stage 3)	-	-	-	**-**	-	-	-	**-**
Increase or addition	-	-	-	**-**	236,758	-	-	**236,758**
Decrease	295	-	-	**295**	(287,484)	-	-	**(287,484)**
Change of assumptions in the ECL measurement model	(190)	-	-	**(190)**	190	-	-	**190**
Amortization of premium/discount	-	-	-	**-**	4,579	-	-	**4,579**
Other movements	-	-	-	**-**	332	-	-	**332**
Movements that do not affect the provision for credit losses:								
Write-offs	-	-	-	**-**	-	-	-	**-**
Change in fair value recognized in Other comprehensive income	-	-	-	**-**	14,944	-	-	**14,944**
Exchange rate differences and other movements	-	-	-	**-**	-	-	-	**-**
Balance as at 31 December 2024	**(545)**	**-**	**-**	**(545)**	**503,855**	**-**	**-**	**503,855**

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			
Balance as at 31 December 2022	**-**	**-**	**-**	**-**	**571,335**	**-**	**-**	**571,335**
Impact of the first application of IFRS 9	(1,120)	-	-	**(1,120)**	(65,816)	-	-	**(65,816)**
Movements affecting credit losses:								
Transfer to impairment (from stage 1 and 2 to stage 3)	-	-	-	**-**	-	-	-	**-**
Increase or addition	(206)	-	-	**(206)**	241,056	-	-	**241,056**
Decrease	102	-	-	**102**	(149,099)	-	-	**(149,099)**
Change of assumptions in the ECL measurement model	266	-	-	**266**	(266)	-	-	**(266)**
Amortization of premium/discount	-	-	-	**-**	1,205	-	-	**1,205**
Other movements	-	-	-	**-**	1,406	-	-	**1,406**
Movements that do not affect the provision for credit losses:								
Write-offs	-	-	-	**-**	-	-	-	**-**
Change in fair value recognized in Other comprehensive income	-	-	-	**-**	19,009	-	-	**19,009**
Exchange rate differences and other movements	3	-	-	**3**	43	-	-	**43**
Balance as at 31 December 2023	**(955)**	**-**	**-**	**(955)**	**618,873**	**-**	**-**	**618,873**
Movements affecting credit losses:								
Transfer to impairment (from stage 1 and 2 to stage 3)	-	-	-	**-**	-	-	-	**-**
Increase or addition	(77)	-	-	**(77)**	256,950	-	-	**256,950**
Decrease	310	-	-	**310**	(298,032)	-	-	**(298,032)**
Change of assumptions in the ECL measurement model	(169)	-	-	**(169)**	190	-	-	**190**
Amortization of premium/discount	-	-	-	**-**	4,129	-	-	**4,129**
Other movements	-	-	-	**-**	450	-	-	**450**
Movements that do not affect the provision for credit losses:								
Write-offs	-	-	-	**-**	-	-	-	**-**
Change in fair value recognized in Other comprehensive income	-	-	-	**-**	19,676	-	-	**19,676**
Exchange rate differences and other movements	-	-	-	**-**	64	-	-	**64**
Balance as at 31 December 2024	**(891)**	**-**	**-**	**(891)**	**602,300**	**-**	**-**	**602,300**

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		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			
Balance as at 31 December 2022	**(133)**	**-**	**-**	**(133)**	**9,180**	**-**	**-**	**9,180**
Impact of the first application of IFRS 9	(81)	-	-	**(81)**	-	-	-	-
Movements affecting credit losses:								
Transfer to impairment (from stage 1 and 2 to stage 3)	-	-	-	**-**	-	-	-	**-**
Increase or addition	(127)	-	-	**(127)**	10,016	-	-	**10,016**
Decrease	81	-	-	**81**	(9,047)	-	-	**(9,047)**
Change of assumptions in the ECL measurement model	-	-	-	**-**	-	-	-	**-**
Other movements	-	-	-	**-**	-	-	-	**-**
Movements that do not affect the provision for credit losses:								
Write-offs	-	-	-	**-**	-	-	-	**-**
Exchange rate differences and other movements	-	-	-	**-**	-	-	-	**-**
Balance as at 31 December 2022	**(260)**	**-**	**-**	**(260)**	**10,149**	**-**	**-**	**10,149**
Movements affecting credit losses:								
Transfer to impairment (from stage 1 and 2 to stage 3)	-	-	-	**-**	-	-	-	**-**
Increase or addition	-	-	-	**-**	-	-	-	**-**
Decrease	-	-	-	**-**	-	-	-	**-**
Change of assumptions in the ECL measurement model	(112)	-	-	**(112)**	-	-	-	**-**
Other movements	-	-	-	**-**	(3)	-	-	**(3)**
Movements that do not affect the provision for credit losses:								
Write-offs	-	-	-	**-**	-	-	-	**-**
Exchange rate differences and other movements	-	-	-	**-**	-	-	-	**-**
Balance as at 31 December 2023	**(372)**	**-**	**-**	**(372)**	**10,146**	**-**	**-**	**10,146**

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			
Balance as at 31 December 2022	**(133)**	**-**	**-**	**(133)**	**64,161**	**-**	**-**	**64,161**
Impact of the first application of IFRS 9	(687)	-	-	**(687)**	-	-	-	**-**
Movements affecting credit losses:								
Transfer to impairment (from stage 1 and 2 to stage 3)	-	-	-	**-**	-	-	-	**-**
Increase or addition	(400)	-	-	**(400)**	63,340	-	-	**63,340**
Decrease	174	-	-	**174**	(54,163)	-	-	**(54,163)**
Change of assumptions in the ECL measurement model	204	-	-	**204**	-	-	-	**-**
Other movements	-	-	-	**-**	35	-	-	**35**
Movements that do not affect the provision for credit losses:								
Write-offs	-	-	-	**-**	-	-	-	**-**
Exchange rate differences and other movements	-	-	-	**-**	22	-	-	**22**
Balance as at 31 December 2022	**(842)**	**-**	**-**	**(842)**	**73,395**	**-**	**-**	**73,395**
Movements affecting credit losses:								
Transfer to impairment (from stage 1 and 2 to stage 3)	-	-	-	**-**	-	-	-	**-**
Increase or addition	(416)	-	-	**(416)**	229,019	-	-	**229,019**
Decrease	285	-	-	**285**	(211,078)	-	-	**(211,078)**
Change of assumptions in the ECL measurement model	141	-	-	**141**	(13,215)	-	-	**(13,215)**
Other movements	-	-	-	**-**	169	-	-	**169**
Movements that do not affect the provision for credit losses:								
Write-offs	-	-	-	**-**	-	-	-	**-**
Exchange rate differences and other movements	-	-	-	**-**	28	-	-	**28**
Balance as at 31 December 2023	**(832)**	**-**	**-**	**(832)**	**78,318**	**-**	**-**	**78,318**

18.3. Loans

	Company	Company	Group	Group
	31 Dec. 2024	31 Dec. 2023	31 Dec. 2024	31 Dec. 2023
	in EUR'000	in EUR'000	in EUR'000	in EUR'000
Gross book value	88,194	66,628	49,886	29,948
Expected credit losses	(9,631)	(10,147)	(9,597)	(10,060)
Net book value	**78,563**	**56,481**	**40,289**	**19,888**

Movement in impairment of loans, i.e. expected credit losses for loans, is as follows:

	Company	Company	Group	Group
	31 Dec. 2024	31 Dec. 2023	31 Dec. 2024	31 Dec. 2023
	in EUR'000	in EUR'000	in EUR'000	in EUR'000
At 1 January	10,147	14,486	10,060	14,532
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	(516)	(668)	(463)	(637)
Derecognition of financial assets during the year	-	(2,278)	-	(2,274)
Foreign exchange differences	-	-	-	(30)
At 31 December	**9,631**	**10,147**	**9,597**	**10,060**

The structure of loans by type of collateral:

	Company		Group	
	31 Dec. 2024	31 Dec. 2023	31 Dec. 2024	31 Dec. 2023
	in EUR'000	in EUR'000	in EUR'000	in EUR'000
Collateralised loans:				
- vinculated life insurance policies	1,584	1,758	2,466	2,645
- mortgages and real estate fiduciaries	69,966	48,492	46,977	27,133
- other collaterals	16,644	16,378	443	170
	88,194	**66,628**	**49,886**	**29,948**
Value adjustment	(9,631)	(10,147)	(9,597)	(10,060)
Total	**78,563**	**56,481**	**40,289**	**19,888**

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.

Company:

31 December 2024	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	1,582	1,582	-	-	1,582	1,582
Loans given to legal entities	12,330	32,921	-	-	12,330	32,921
Loans given to related parties	48,074	127,875	16,577	8,307	64,651	136,182
	61,986	**162,378**	**16,577**	**8,307**	**78,563**	**170,685**
31 December 2023						
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
	40,767	**133,224**	**15,714**	**-**	**56,481**	**133,224**

Group:

31 December 2024	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	2,466	3,348	-	-	2,466	3,348
Loans given to legal entities	12,591	34,344	253	-	12,844	34,344
Loans given to related parties	24,979	53,400	-	-	24,979	53,400
	40,036	**91,092**	**253**	**-**	**40,289**	**91,092**
31 December 2023						
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
	19,846	**67,850**	**43**	**-**	**19,888**	**67,850**

18.4. Derivative financial instruments

The following table presents the fair value of derivative financial instruments at the balance sheet date:

	31 Dec. 2024			31 Dec. 2023		
	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
Company						
Foreign currency forward contracts	19,864	-	(817)	45,280	462	(36)
Futures	-	-	-	268	-	-
Interest swap contracts	-	-	-	-	-	(55)
Foreign currency swap contracts	1,000	21	-	1,017	24	-
Total	**20,864**	**21**	**(817)**	**46,565**	**486**	**(91)**
Group						
Foreign currency forward contracts	19,864	-	(817)	45,280	462	(36)
Futures	-	-	-	268	-	-
Interest swap contracts	-	-	-	-	-	(55)
Foreign currency swap contracts	1,000	21	-	1,017	24	-
Total	**20,864**	**21**	**(817)**	**46,565**	**486**	**(91)**

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**
At 31 December 2022	**81**	**355**	**1,458**	**-**	**2,135**	**-**	**3,443**	**2,692**	**2,178**	**12,342**
Impact of initial application of IFRS 9	-	-	(1,458)	1,605	(2,135)	2,316	-	-	-	**328**
Reclassification	-	-	-	-	-	-	-	-	2	**2**
Utilised deferred tax assets through profit or loss	(73)	(139)	-	(1,206)	-	(138)	(519)	(2,692)	(1,006)	**(5,773)**
Deferred tax assets recognised in profit or loss	69	442	-	49	-	41	78	-	1,002	**1,681**
At 31 December 2023	**77**	**658**	**-**	**448**	**-**	**2,219**	**3,002**	**-**	**2,176**	**8,580**
Reclassification	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	-	**-**
Utilised deferred tax assets through profit or loss	(7)	(464)	-	(178)	-	(203)	(2,476)	-	(1,411)	**(4,739)**
Deferred tax assets recognised in profit or loss	-	443	-	54	-	206	620	-	1,580	**2,903**
At 31 December 2024	**70**	**637**	**-**	**324**	**-**	**2,222**	**1,146**	**-**	**2,345**	**6,744**

in EUR'000

(ii) Movements in deferred tax liabilities:	Property for own use	Financial assets available for sale	Financial assets through OCI	Impact of IFRS 17 application	Financial reserve from the insurance contarcts	Total
At 31 December 2022	**1,370**	**2,460**	**-**	**12,341**	**15,294**	**31,465**
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)
At 31 December 2023	**1,280**	**-**	**8,696**	**-**	**6,879**	**16,855**
Utilisation through profit and loss account	(398)	-	23	-	-	(375)
Change through other comprehensive income	582	-	11,816	-	(2,902)	9,496
At 31 December 2024	**1,465**	**-**	**20,535**	**-**	**3,977**	**25,977**

(iii) Netting deferred taxes:	31 Dec. 2024	31 Dec. 2023
	in EUR'000	in EUR'000
Balance of deferred tax assets	6,744	8,580
Balance of deferred tax liabilities	(25,977)	(16,855)
Net deferred tax (liability)/assets at 31 December	**(19,233)**	**(8,275)**

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**
At 31 December 2022	**394**	**1,949**	**-**	**16**	**2,144**	**3,388**	**3,100**	**2,420**	**13,411**
Impact of initial application of IFRS 9	-	(1,949)	2,128	2,427	(2,145)	-	-	-	**460**
Utilised deferred tax assets through profit or loss	(139)	-	(1,206)	(148)	-	(559)	(2,988)	(1,048)	**(6,088)**
Utilised deferred tax assets in other comprehensive income	-	-	(259)	-	-	-	-	-	**(259)**
Deferred tax assets recognised in profit or loss	442	-	52	47	-	78	-	1,626	**2,245**
Foreign exchange differences arising on translation of financial statements of foreign operations	-	-	(5)	(7)	-	(12)	(10)	1	**(33)**
At 31 December 2023	**697**	**-**	**710**	**2,335**	**(1)**	**2,895**	**102**	**2,999**	**9,736**
Reclassification	-	-	(6)	7	-	94	-	(26)	**69**
Utilised deferred tax assets through profit or loss	(466)	-	(179)	(229)	-	(2,480)	(120)	(1,441)	**(4,915)**
Utilised deferred tax assets in other comprehensive income	-	-	-	-	-	-	-	-	**-**
Deferred tax assets recognised in profit or loss	444	-	54	206	-	619	-	2,371	**3,694**
Deferred tax assets recognised in other comprehensive income	-	-	(167)	-	-	-	-	-	**(167)**
Foreign exchange differences arising on translation of financial statements of foreign operations	-	-	-	-	-	-	-	1	**1**
At 31 December 2024	**675**	**-**	**412**	**2,319**	**(1)**	**1,128**	**(18)**	**3,903**	**8,418**

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
At 31 December 2022	**3,002**	**4,523**	**1,738**	**-**	**12,376**	**16,902**	**64**	**38,605**
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)
At 31 December 2023	**2,855**	**4,959**	**-**	**7,911**	**(72)**	**8,312**	**64**	**24,029**
Reclassification	-	93	-	(6)	-	-	(18)	69
Acquisition	-	-	-	-	-	-	76	76
Recognition/(utilization) through profit or loss	(53)	116	-	22	(137)	-	22	(30)
Recognition through equity	-	-	-	-	-	-	-	-
Change through other comprehensive income	1,490	-	-	12,185	-	(3,325)	-	10,350
Foreign exchange differences	-	-	-	1	-	(2)	-	(1)
At 31 December 2024	**4,292**	**5,168**	**-**	**20,113**	**(209)**	**4,985**	**144**	**34,493**

(iii) Netting deferred taxes:

	31 Dec. 2024	31 Dec. 2023
	in EUR'000	in EUR'000
Total deferred tax assets	8,418	9,736
Netting deferred taxes (i)	(6,996)	(8,829)
Net movement in deferred tax assets	**1,422**	**907**
Total deferred tax liabilities	34,493	24,029
Netting deferred taxes (i)	(6,996)	(8,829)
Net movement in deferred tax liabilities	**27,497**	**15,200**

(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	Company	Group	Group
	31 Dec. 2024	31 Dec. 2023	31 Dec. 2024	31 Dec. 2023
	in EUR'000	in EUR'000	in EUR'000	in EUR'000
Other receivables, net	24,263	24,924	32,371	34,856
Prepaid expenses	2,544	2,505	3,966	3,761
Receivables for return on investments, net	474	1,732	340	1,659
Other assets	54	50	1,875	1,666
Undue interest receivables	-	-	315	144
Accrued income	-	-	8	16
	27,335	**29,211**	**38,875**	**42,102**

20.1. Other receivables, net

	Company	Company	Group	Group
	31 Dec. 2024	31 Dec. 2023	31 Dec. 2024	31 Dec. 2023
	in EUR'000	in EUR'000	in EUR'000	in EUR'000
Receivables for claims from reinsurance and co-insurance	13,724	14,929	14,426	16,910
Receivables for funds on blocked accounts	3,368	3,368	3,368	3,368
Other receivables from insurance policyholders	2,363	2,494	2,510	2,671
Receivables from credit card companies	3,532	3,327	3,702	3,569
Receivables for advances given	882	1,282	1,625	1,875
Receivables for international claims	1,262	1,393	1,913	1,867
Receivables from employees	922	940	1,092	1,084
Trade receivables	863	510	5,085	4,333
Receivables for sold apartments	687	723	687	723
Receivables for default interest	738	720	738	720
Receivables obtained through cession	592	592	592	592
Receivables from the state and state institutions	753	363	1,372	770
Receivables under court decisions	43	43	42	42
Claims for financial assets in the settlement process	36	38	36	38
Other receivables	1,493	1,635	5,324	7,040
Expected credit losses on other receivables	(6,995)	(7,433)	(10,141)	(10,746)
Other receivables, net	**24,263**	**24,924**	**32,371**	**34,856**

20.2. Analysis of other receivables by maturity:

	Company				
	Undue	**<90 days**	**90-180 days**	**> 180 days**	**Total**
	in EUR'000	in EUR'000	in EUR'000	in EUR'000	in EUR'000
31 December 2023					
Gross book value	15,266	7,099	1,395	8,597	**32,357**
Expected credit losses	-	-	-	(7,433)	**(7,433)**
Net book value	15,266	7,099	1,395	1,164	**24,924**
Reduction rate (%)	0%	0%	0%	86%	**23%**
31 December 2024					
Gross book value	13,647	8,340	890	8,380	**31,257**
Expected credit losses	-	-	-	(6,994)	**(6,994)**
Net book value	13,647	8,340	890	1,386	**24,263**
Reduction rate (%)	0%	0%	0%	83%	**22%**

	Group				
	Undue	**<90 days**	**90-180 days**	**> 180 days**	**Total**
	in EUR'000	in EUR'000	in EUR'000	in EUR'000	in EUR'000
31 December 2023					
Gross book value	22,142	10,658	1,742	11,059	**45,601**
Expected credit losses	(206)	(953)	(69)	(9,517)	**(10,745)**
Net book value	21,936	9,705	1,673	1,542	**34,856**
Reduction rate (%)	1%	9%	4%	86%	**24%**
31 December 2024					
Gross book value	19,514	10,923	1,331	10,744	**42,512**
Expected credit losses	(42)	(879)	(142)	(9,078)	**(10,141)**
Net book value	19,472	10,044	1,189	1,666	**32,371**
Reduction rate (%)	0%	8%	11%	84%	**24%**

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. 2024	**31 Dec. 2023**	**31 Dec. 2024**	**31 Dec. 2023**
	u 000 EUR	u 000 EUR	u 000 EUR	u 000 EUR
At 1 January	**7,433**	**7,566**	**10,745**	**10,851**
Impact of the first application of IFRS 9	-	-	-	-
Increase or additions	543	541	450	669
Collection of previously impaired amounts	(843)	(466)	(893)	(543)
Write-off	(139)	(134)	(161)	(160)
Transfer to off-balance	-	(74)	-	(75)
Foreign exchange differences	-	-	-	3
At 31 December	**6,994**	**7,433**	**10,141**	**10,745**

21. Cash and cash equivalents

	Company	Company	Group	Group
	31 Dec. 2024	31 Dec. 2023	31 Dec. 2024	31 Dec. 2023
	in EUR'000	in EUR'000	in EUR'000	in EUR'000
Deposits with maturity up to three months	62,532	43,626	76,926	43,626
Cash on bank accounts	1,226	1,667	8,696	23,151
Cash on hand	-	-	109	115
Expected credit losses	(2)	(4)	(28)	(69)
Total cash and cash equivalents	**63,756**	**45,289**	**85,703**	**66,823**

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 2023: EUR 79,924 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
TOTAL ORDINARY SHARES	**78,296**
8,750 preference shares I, emission with ticker CROS-P-A/CROS2	1,628
TOTAL PREFERENCE SHARES	**1,628**
TOTAL ORDINARY AND PREFERENCE SHARES	**79,924**

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.

On 5 March 2024, the General Assembly passed a decision on the payment of the dividend in the total amount of EUR 65,000,265.19, or EUR 151.27 per share (ordinary and preference), and the dividend was paid on 18 March 2024. On 11 June 2024, the General Assembly passed a decision on the payment of the dividend from retained earnings in the total amount of EUR 16,049,146.52 or EUR 37.35 per share (ordinary and preference) and the payment of dividends from the net profit realized in 2023 in the total amount of EUR 33,954,693.37 or EUR 79.02 per share (ordinary and preference), and the dividend was paid on 8 August 2024.

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 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 2024 and 31 December 2023 was as follows:

Shareholder	31 Dec. 2024	31 Dec. 2023
ADRIS GRUPA d.d.	67.47	66.96
CERP/ Republic of Croatia	30.10	30.10
Other shareholders	2.43	2.94
	100.00	**100.00**

22.2. Reserves

	Company	Company	Group	Group
	31 Dec. 2024	**31 Dec. 2023**	**31 Dec. 2024**	**31 Dec. 2023**
	in EUR'000	in EUR'000	in EUR'000	in EUR'000
Legal reserves	3,996	3,992	3,996	3,992
Statutory reserves	19,458	19,458	19,458	19,458
Other reserves	29,829	29,829	29,829	29,829
	53,283	**53,279**	**53,283**	**53,279**

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:

	Company	Company	Group	Group
	31 Dec. 2024	31 Dec. 2023	31 Dec. 2024	31 Dec. 2023
	in EUR'000	in EUR'000	in EUR'000	in EUR'000
Property for own use	8,139	7,112	25,060	16,929
Deferred tax from change in revaluation reserve of property for own use	(1,465)	(1,280)	(4,292)	(2,855)
Insurance finance reserve	22,086	38,231	32,455	52,452
Deferred tax from insurance finance reserve	(3,976)	(6,879)	(5,000)	(8,323)
Financial assets at fair value through other comprehensive income	114,081	50,134	110,896	42,186
Deferred taxes from financial assets at fair value through other comprehensive income	(20,536)	(9,025)	(20,219)	(8,174)
Foreign exchange differences arising on translation of financial statements of foreign operations	(19)	(19)	(747)	(784)
Total revaluation reserve	**118,310**	**78,274**	**138,153**	**91,431**

/i/ Revaluation reserve of property for own use, net of deferred tax

	Company	Group
	in EUR'000	in EUR'000
31 December 2022	**6,239**	**14,530**
Increase in revaluation reserve	-	-
Decrease in revaluation reserve	(407)	(456)
31 December 2023	**5,832**	**14,074**
Increase in revaluation reserve	2,655	6,975
Decrease in revaluation reserve	(1,813)	(281)
31 December 2024	**6,674**	**20,768**

/ii/ Revaluation reserve of financial assets at fair value through other comprehensive income, net of deferred tax

	Company	Group
	in EUR'000	in EUR'000
31 December 2022	**11,204**	**3,388**
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)
31 December 2023	**41,109**	**34,012**
Changes in fair value of debt securities through other comprehensive income	6,970	11,196
Realised gains of debt securities through other comprehensive income reclassified to profit and loss statement	5,197	5,200
Changes in fair value of equity securities through other comprehensive income	41,658	41,658
Realised gains of equity securities through other comprehensive income reclassified to retained earnings	(1,389)	(1,389)
31 December 2024	**93,545**	**90,677**

23. Financial liabilities at fair value through profit and loss

	Company	Company	Group	Group
	31 Dec. 2024	31 Dec. 2023	31 Dec. 2024	31 Dec. 2023
	in EUR'000	in EUR'000	in EUR'000	in EUR'000
Derivative financial instruments-liabilities	817	91	817	91
Other financial liabilities	15	-	15	-
Total financial liabilities at fair value through profit and loss	**832**	**91**	**832**	**91**

24. Financial liabilities at amortised cost

	Company	Company	Group	Group
	31 Dec. 2024	31 Dec. 2023	31 Dec. 2024	31 Dec. 2023
	in EUR'000	in EUR'000	in EUR'000	in EUR'000
Lease liabilities (IFRS 16)	36,951	35,207	45,300	46,215
Preference shares	1,628	1,628	1,628	1,628
Other financial liabilities	219	223	222	226
Financial liabilities to financial institutions	-	-	1,410	80
Total financial liabilities at amortised cost	**38,798**	**37,058**	**48,560**	**48,149**

Net debt:

	Company	Company	Group	Group
	31 Dec. 2024	31 Dec. 2023	31 Dec. 2024	31 Dec. 2023
	in EUR'000	in EUR'000	in EUR'000	in EUR'000
Cash and cash equivalents	63,756	45,289	85,703	66,823
Lease liabilities and financial liabilities to financial institutions	(36,951)	(35,207)	(46,710)	(46,295)
Net debt	**26,805**	**10,082**	**38,993**	**20,528**

Net debt reconciliation:

	Company	Company	Company	Group	Group	Group
	Cash and cash equivalents	Lease and loan liabilities	Total	Cash and cash equivalents	Lease and loan liabilities	Total
	2024	2024	2024	2024	2024	2024
	in EUR'000	in EUR'000	in EUR'000	in EUR'000	in EUR'000	in EUR'000
At 1 January	**45,289**	**(35,207)**	**10,082**	**66,823**	**(46,295)**	**20,528**
Cash flow	18,467	-	18,467	18,880	-	18,880
Lease and loan payments	-	3,062	3,062	-	5,659	5,659
Increases based on new contracts	-	(3,904)	(3,904)	-	(1,237)	(1,237)
Canceled contracts	-	331	331	-	540	540
Interest expense	-	(1,233)	(1,233)	-	(1,801)	(1,801)
Acquisition	-	-	-	-	(3,713)	(3,713)
Non-monetary movements	-	-	-	-	138	138
Foreign exchange differences arising on translation of financial statements of foreign operations	-	-	-	-	(1)	(1)
At 31 December	**63,756**	**(36,951)**	**26,805**	**85,703**	**(46,710)**	**38,993**

	Company	Company	Company	Group	Group	Group
	Cash and cash equivalents	**Lease and loan liabilities**	**Total**	**Cash and cash equivalents**	**Lease and loan liabilities**	**Total**
	2023	**2023**	**2023**	**2023**	**2023**	**2023**
	in EUR'000	in EUR'000	in EUR'000	in EUR'000	in EUR'000	in EUR'000
At 1 January	**114,589**	**(36,202)**	**78,387**	**143,097**	**(42,039)**	**101,058**
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	-	-	-	-	-	-
At 31 December	**45,289**	**(35,207)**	**10,082**	**66,823**	**(46,295)**	**20,528**

24.1. Lease liabilities

The maturity of lease liabilities is presented below:

	Company	Group
	31 Dec. 2024	**31 Dec. 2024**
	in EUR'000	in EUR'000
2025	2,446	4,392
2026	2,266	3,698
2027	2,173	3,788
2028	1,751	4,399
2029	1,671	2,373
2030 and later	26,644	28,060
	36,951	**46,710**

	Company	Group
	31 Dec. 2023	**31 Dec. 2023**
	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
	35,207	**46,295**

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:

	Company 2024	Company 2023	Group 2024	Group 2023
	in EUR'000	in EUR'000	in EUR'000	in EUR'000
Depreciation expense of right-of-use assets				
Buildings	1,677	1,630	3,009	3,050
Vehicles	692	606	277	457
Equipment	-	-	13	8
	2,369	**2,236**	**3,299**	**3,515**
Interest on lease liabilities	**1,233**	**1,266**	**1,722**	**1,652**
Expenses relating to short-term leases	**94**	**149**	**1,391**	**1,120**
Expenses relating to leases of low-value assets	**295**	**509**	**367**	**871**

25. Provisions

	Company 31 Dec. 2024	Company 31 Dec. 2023	Group 31 Dec. 2024	Group 31 Dec. 2023
	in EUR'000	in EUR'000	in EUR'000	in EUR'000
Provisions for legal disputes	4,335	5,289	4,584	5,450
Provisions for termination benefits	94	488	95	488
Provisions for jubilee awards and retirement benefits /i/	989	990	2,479	2,147
Other long-term provisions	-	-	266	-
	5,418	**6,767**	**7,424**	**8,085**

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
At 1 January 2023	**4,793**	**1,078**	**666**	**-**	**6,537**
Additional provisions	1,210	7	1,533	-	2,750
Decrease in provisions (utilisation)	(714)	(95)	(1,711)	-	(2,520)
Decrease in provisions (reversal)	-	-	-	-	-
At 31 December 2023	**5,289**	**990**	**488**	**-**	**6,767**
Additional provisions	739	389	100	-	1,228
Decrease in provisions (utilisation)	(1,693)	(390)	(494)	-	(2,577)
At 31 December 2024	**4,335**	**989**	**94**	**-**	**5,418**

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
At 1 January 2023	**4,958**	**2,067**	**665**	**-**	**7,690**
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	-	-
At 31 December 2023	**5,450**	**2,147**	**488**	**-**	**8,085**
Acquisition	-	-	-	256	**256**
Additional provisions	876	818	100	10	**1,804**
Decrease in provisions (utilisation)	(1,750)	(484)	(493)	-	**(2,727)**
Decrease in provisions (reversal)	8	(2)	-	-	**6**
At 31 December 2024	**4,584**	**2,479**	**95**	**266**	**7,424**

/i/ The following assumptions were used for the calculation:

- The employment termination rate for the Company is 7.69% (2023: 7.12%), while for the Group the average is 9.23% (2023: 9.31%)
- The expected annual salary increase for the Company is 2.25% (2023: 2.5%), while for the Group is 1.84% (2023: 1.39%);
- 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 2.81% (2023: 3.43%) for the Company and 2.04%-3.52% for the Group (2023: 2.58%-4.69%).

The table below shows the sensitivity analysis for significant assumptions:

	Company	**Company**	**Group**	**Group**
	31 Dec. 2024	**31 Dec. 2023**	**31 Dec. 2024**	**31 Dec. 2023**
	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%	18	22	47	49
Discount rate +10%	(17)	(21)	(46)	(47)
Employment termination rate -10%	65	61	125	108
Employment termination rate +10%	(59)	(55)	(113)	(98)

26. Account payable and other liabilities

	Company	Company	Group	Group
	31 Dec. 2024	**31 Dec. 2023**	**31 Dec. 2024**	**31 Dec. 2023**
	in EUR'000	in EUR'000	in EUR'000	in EUR'000
Accrued expenses and deferred income	23,337	15,699	26,131	17,819
Liabilities for the guarantee fund	4,131	4,401	4,182	4,465
Liabilities for claims and contracted insurance amounts	3,618	3,568	4,295	4,171
Liabilities for net salaries	3,351	3,103	5,052	4,378
Liabilities for tax on motor liability and motor hull insurance	1,749	1,500	1,918	1,644
Trade payables	4,460	4,117	7,057	7,272
Liabilities for advances received for the insurance premium	1,623	1,973	1,912	2,243
Liabilities for intermediaries	1,671	991	1,779	1,206
Liabilities for contributions from salaries	860	776	1,188	1,033
Liabilities for contributions on salaries	669	621	947	846
Liabilities for tax and surtax from salaries	429	387	478	427
Liabilities for health insurance under motor liability premium	190	170	319	286
Liabilities for contribution to the Fire Department	70	101	151	261
Liabilities for advances received	25	28	1,068	895
Liabilities for claims from coinsurance and reinsurance	-	-	10	105
Liabilities due to employees	16	29	310	245
Other liabilities	3,561	3,006	8,199	4,719
Total account payable and other liabilities	**49,760**	**40,470**	**64,996**	**52,015**

26.1. Accrued expenses and deferred income

	Company	Company	Group	Group
	31 Dec. 2024	31 Dec. 2023	31 Dec. 2024	31 Dec. 2023
	in EUR'000	in EUR'000	in EUR'000	in EUR'000
Bonus provisions for employees	7,065	5,088	7,607	5,669
Other deferred income	3,860	4,006	4,354	4,545
Accrued, but not invoiced expenses for service received	6,816	1,533	7,693	2,237
Accrued expenses for unused vacation days	2,546	2,222	2,813	2,406
Accrued, but not invoiced acquisition expenses	1,351	1,220	1,638	1,358
Other accrued expenses	1,699	1,630	2,026	1,604
Total accrued expenses and deferred income	**23,337**	**15,699**	**26,131**	**17,819**

27. Off balance sheet items

	Company	Company	Group	Group
	31 Dec. 2024	31 Dec. 2023	31 Dec. 2024	31 Dec. 2023
	in EUR'000	in EUR'000	in EUR'000	in EUR'000
Derivative financial instruments (nominal amount)	20,864	46,565	20,864	46,565
Premium receivables from companies in bankruptcy	14,274	17,004	16,809	19,540
Shares and stakes of companies in bankruptcy	1,907	1,912	2,874	3,095
Placements and interest from companies in bankruptcy	4,774	10,790	5,687	11,704
Default interest on placements	2,678	2,713	2,678	2,712
Other off-balance-sheet items	236	235	235	235
	44,733	**79,219**	**49,147**	**83,852**

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, 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 4.00% and with maturities of 2025-2041.

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 Croatia Nekretnine d.o.o. in the total amount of EUR 16.7m at an interest rates of 4%, 5.14% and 5.23%, 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 545 thousand at an interest rate of 5.23% , to the company CROATIA Premium d.o.o. in the total amount of

EUR 1.7m at an interest rate of 3.2%, and to the CROATIA POLIKLINIKA in the total amount of EUR 14m at 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 are presented in the following tables for 2024 and 2023:

Transactions and balances with the parent company and other related entities of the Company for 2024:

	Subsidiaries	Associates	ADRIS GRUPA d.d. (Parent company)	Other ADRIS GRUPA companies
	in EUR'000	in EUR'000	in EUR'000	in EUR'000
Financial assets at amortized cost	39,743	-	-	25,000
Trade and other receivables	578	-	26	358
Insurance liabilities	2,377	-	-	152
Trade payables and other liabilities	560	-	176	36
Insurance revenue	2,039	38	75	3,448
Insurance service expenses	9,515	-	2,436	3,627
Net result of (passive) reinsurance contracts	48	-	-	-
Interest revenue calculated using the effective interest rate method	1,884	-	-	875
Rental income	40,202	-	-	-
Other investment income/expense	12,447	1,400	-	63
Other income	7,899	-	1	3
Other operating expenses	91	-	100	132

Transactions and balances with the parent company and other related entities of the Group for 2024:

	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	-	-	25,000
Trade and other receivables	-	27	359
Insurance liabilities	-	-	152
Trade payables and other liabilities	-	178	36
Insurance revenue	38	75	3,448
Insurance service expenses	-	2,436	3,627
Interest revenue calculated using the effective interest rate method	-	-	875
Rental income	-	-	-
Other investment income/expense	1,400	-	63
Other income	-	5	14
Other operating expenses	-	138	140

Transactions and balances with parties related to the shareholder with significant influence on the Company and the Group (Republic of Croatia and companies with majority state ownership) for 2024:

	Company	Group
	in EUR'000	in EUR'000
Financial assets at amortized cost	275,991	275,991
Financial assets at fair value through other comprehensive income	281,402	284,154
Trade and other receivables	132	132
Insurance liabilities	1,692	1,692
Trade payables and other liabilities	154	154
Insurance revenue	16,694	16,694
Insurance service expenses	7,230	7,230
Interest revenue calculated using the effective interest rate method	14,576	14,576
Net gains/losses from financial assets at fair value through profit and loss	47	47
Net impairment/reversal of impairment of financial assets	40	40
Rental income	1,305	1,305
Other investment income/expense	107	107
Other income	6	6
Other operating expenses	173	173

Transactions and balances with the parent company and other related entities of the Company for 2023:

	Subsidiaries	Associates	ADRIS GRUPA d.d. (Parent company)	Other ADRIS GRUPA companies
	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

Transactions and balances with the parent company and other related entities of the Group for 2023:

	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	-	-	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

Transactions and balances with parties related to the shareholder with significant influence on the Company and the Group (Republic of Croatia and companies with majority state ownership) for 2023:

	Company	Group
	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 parties related to key management of the Company, Group and Parent company for 2024 and 2023:

	Company	Company	Group	Group
	2024	2023	2024	2023
	in EUR'000	in EUR'000	in EUR'000	in EUR'000
Insurance liabilities	-	-	-	-
Insurance revenue	18	21	18	21
Insurance expenses	-	3	-	3

/i/ Key management compensation

Company:

	31 Dec.2024				31 Dec.2023			
	in EUR'000				in EUR'000			
	Management	Department directors	Supervisory Board	Total	Management	Department directors	Supervisory Board	Total
Key management compensation	2,326	3,146	22	**5,494**	2,695	2,680	22	**5,397**
Termination benefits	-	119	-	**119**	-	127	-	**127**
	2,326	**3,265**	**22**	**5,613**	**2,695**	**2,807**	**22**	**5,524**

Group:

	31 Dec.2024				31 Dec.2023			
	in EUR'000				in EUR'000			
	Management	Department directors	Supervisory Board	Total	Management	Department directors	Supervisory Board	Total
Key management compensation	3,693	4,013	49	**7,755**	4,041	3,466	53	**7,560**
Termination benefits	301	119	-	**420**	101	127	-	**228**
	3,994	**4,132**	**49**	**8,175**	**4,142**	**3,593**	**53**	**7,788**

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 2024 and 2023. The paid bonuses of key management for 2024 amount to EUR 1,374 thousand for the Company (2023: EUR 1,649 thousand) and include EUR 854 thousand (2023: EUR 1,078 thousand) of bonus paid in shares of the parent company, and for the Group EUR 1,736 thousand (2023: EUR 1,935 thousand) and include EUR 943 thousand (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 202 thousand (2023: EUR 200 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 7m (2023: EUR 1.3m) 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 2024, the Company's contractual obligations for future investments amount to EUR 26,020 thousand based on binding bids for investments in venture capital funds (31 December 2023: EUR 29,240 thousand).

31. Audit of financial statements

The auditors of the Group's financial statements have provided services in 2024 in the amount of EUR 441 thousand plus value added tax (2023: EUR 571 thousand plus value added tax). The Company was provided services in the amount of EUR 225 thousand plus value added tax (2023: EUR 383 thousand plus value added tax). Services in 2024 and 2023 relate to the costs of the statutory audit of annual financial statements and related audit services.

During 2024, Deloitte d.o.o. provided educational services while during 2023, it provided permitted tax advisory services.

32. Events after the balance sheet date

There were no significant events after the end of the reporting period that would require disclosure.

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".

STATEMENT OF FINANCIAL POSITION as at 31 December 2024

in EUR

Item number	Sum elements	Identi fier	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**	**INTANGIBLE ASSETS**	**-**	**15,767,439**	**15,767,439**	**-**	**14,907,112**	**14,907,112**
002		1	Goodwill	-	-	**-**	-	-	**-**
003		2	Other intangible assets	-	15,767,439	**15,767,439**	-	14,907,112	**14,907,112**
004	005+006+007	**II**	**TANGIBLE ASSETS**	**1,874**	**62,695,828**	**62,697,702**	**1,874**	**61,542,730**	**61,544,604**
005		1	Land and buildings occupied by an undertaking for its own activities	-	25,693,150	**25,693,150**	-	23,930,245	**23,930,245**
006		2	Equipment	1,865	3,252,574	**3,254,439**	1,865	2,912,594	**2,914,459**
007		3	Other tangible assets and inventories	9	33,750,104	**33,750,113**	9	34,699,891	**34,699,900**
008	009+010+014	**III**	**INVESTMENTS**	**414,536,145**	**911,326,804**	**1,325,862,949**	**359,032,108**	**955,185,980**	**1,314,218,088**
009		**A**	**Investments in land and buildings not occupied by an undertaking for its own activities**	**-**	**67,925,833**	**67,925,833**	**-**	**34,914,492**	**34,914,492**
010	011+012+013	**B**	**Investments in subsidiaries, associates and joint ventures**	**-**	**54,530,904**	**54,530,904**	**-**	**111,010,290**	**111,010,290**
011		1	Shares and holdings in subsidiaries	-	50,814,665	**50,814,665**	-	107,294,051	**107,294,051**
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**
014	015+020+025	**C**	**Financial assets**	**414,536,145**	**788,870,067**	**1,203,406,212**	**359,032,108**	**809,261,198**	**1,168,293,306**
015	016 + 017 + 018 + 019	**1**	**Financial assets at amortised cost**	**154,503,708**	**240,561,618**	**395,065,326**	**123,310,340**	**256,795,197**	**380,105,537**
016		1.1	Debt financial instruments	149,614,053	135,454,920	**285,068,973**	105,793,328	123,443,252	**229,236,580**
017		1.2	Deposits with credit institutions	2,305,593	51,209,284	**53,514,877**	15,935,471	56,370,628	**72,306,099**
018		1.3.	Loans	2,584,062	40,568,705	**43,152,767**	1,581,541	65,675,598	**67,257,139**
019		1.4.	Other	-	13,328,709	**13,328,709**	-	11,305,719	**11,305,719**
020	021 + 022 + 023 + 024	**2**	**Financial assets at fair value through other comprehensive income**	**200,697,053**	**472,000,910**	**672,697,963**	**202,181,919**	**492,823,908**	**695,005,827**
021		*2.1*	Equity financial instruments	13,239,174	125,573,254	**138,812,428**	18,497,994	173,198,059	**191,696,053**
022		*2.2*	Debt financial instruments	187,457,879	346,427,656	**533,885,535**	183,683,925	319,625,849	**503,309,774**
023		*2.3.*	Units in investment funds	-	-	**-**	-	-	**-**
024		*2.4.*	Other	-	-	**-**	-	-	**-**
025	026 + 027+.... +030	**3**	**Financial assets at fair value through profit and loss account**	**59,335,384**	**76,307,539**	**135,642,923**	**33,539,849**	**59,642,093**	**93,181,942**
026		*3.1*	Equity financial instruments	-	387,390	**387,390**	-	502,273	**502,273**
027		*3.2*	Debt financial instruments	-	10,963,850	**10,963,850**	-	-	**-**
028		*3.3.*	Units in investment funds	59,238,385	64,567,129	**123,805,514**	33,393,758	58,615,068	**92,008,826**
029		*3.4.*	Derivative financial instruments	96,999	389,170	**486,169**	-	20,843	**20,843**
030		*3.5*	Other	-	-	-	146,091	503,909	**650,000**
031	032 + 036 +040	**IV**	**ASSETS FROM INSURANCE CONTRACTS**	-	**16,997,313**	**16,997,313**	**30,830**	**14,998,944**	**15,029,774**
032	034+035+036	1	General measurement model	-	13,311,689	**13,311,689**	30,830	12,612,714	**12,643,544**
033		1.1.	- Assets for remaining coverage	-	(1,477,798)	**(1,477,798)**	30,830	(1,262,308)	**(1,231,478)**
034		1.2.	- Assets for insurance acquisition cash flows	-	-	-	-	-	-
035		1.3.	- Assets from claims incurred	-	14,789,487	**14,789,487**	-	13,875,022	**13,875,022**
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	-	3,685,624	**3,685,624**	-	2,386,230	**2,386,230**
041		3.1.	- Assets for remaining coverage	-	6,049,909	**6,049,909**	-	4,370,994	**4,370,994**
042		3.2.	- Assets for insurance acquisition cash flows	-	-	-	-	-	-
043		3.3.	- Assets from claims incurred	-	(2,364,285)	**(2,364,285)**	-	(1,984,764)	**(1,984,764)**
044		**V**	**ASSETS FROM REINSURANCE CONTRACTS**	-	**49,916,652**	**49,916,652**	**1**	**53,497,827**	**53,497,828**
045	046 +047	**VI**	**DEFERRED AND CURRENT TAX ASSETS**	**458,066**	**8,121,850**	**8,579,916**	**552,495**	**10,578,327**	**11,130,822**
046		1	Deferred tax assets	458,066	8,121,850	**8,579,916**	552,495	6,190,729	**6,743,224**
047		2	Current tax assets	-	-	**-**	-	4,387,598	**4,387,598**
048		**VII**	**OTHER ASSETS**	**136,525**	**31,467,371**	**31,603,896**	**226,222**	**30,830,225**	**31,056,447**
049	050 +051 +052	**1**	**CASH AT BANK AND IN HAND**	**75,348**	**1,587,146**	**1,662,494**	**209,548**	**1,014,661**	**1,224,209**
050		*1.1*	*Funds in the business account*	-	1,587,146	**1,587,146**	-	1,014,661	**1,014,661**
051		*1.2*	*Funds in the account of assets covering liabilities from life insurance contracts*	75,348	-	**75,348**	209,548	-	**209,548**
052		*1.3*	*Cash in hand*	-	-	-	-	-	-
053		**2**	**Fixed assets held for sale and discontinued operations**	-	-	-	-	-	-
054		**3**	**Other**	61,177	29,880,225	**29,941,402**	16,674	29,815,564	**29,832,238**
055	001+004+008 +031+044+04 5+048	**VIII**	**TOTAL ASSETS**	**415,132,610**	**1,096,293,257**	**1,511,425,867**	**359,843,530**	**1,141,541,145**	**1,501,384,675**
056		**IX**	**OFF-BALANCE SHEET ITEMS**	**11,945,389**	**67,272,777**	**79,218,166**	**1,399,439**	**43,333,601**	**44,733,040**

STATEMENT OF FINANCIAL POSITION as at 31 December 2024

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+07 1+074	**X**	**CAPITAL AND RESERVES**	**65,307,009**	**599,127,674**	**664,434,683**	**62,023,654**	**596,349,352**	**658,373,006**
058	059 +060	**1**	**Subscribed capital**	**5,881,322**	**72,414,820**	**78,296,142**	**5,881,322**	**72,414,820**	**78,296,142**
059		*1.1*	*Paid in capital - ordinary shares*	5,881,322	72,414,820	**78,296,142**	5,881,322	72,414,820	**78,296,142**
060		*1.2*	*Paid in capital - preference shares*	-	-	-	-	-	-
061		**2**	**Premium on shares issued (capital reserves)**	-	**90,448,275**	**90,448,275**	-	**90,448,275**	**90,448,275**
062	063 +064 +065	**3**	**Revaluation reserves**	**(3,824,142)**	**50,745,483**	**46,921,341**	**2,877,628**	**97,322,332**	**100,199,960**
063		*3.1*	*Land and buildings*	-	5,831,786	**5,831,786**	-	6,673,633	**6,673,633**
064		*3.2*	*Financial assets*	(3,824,142)	44,913,697	**41,089,555**	2,877,628	90,648,699	**93,526,327**
065		*3.3*	*Other revaluation reserves*	-	-	-	-	-	-
066		**4**	**Financial reserves from insurance contracts**	**18,486,074**	**12,866,232**	**31,352,306**	**10,986,709**	**7,123,609**	**18,110,318**
067	068+069+070	**5**	**Reserves**	**11,317,518**	**41,961,359**	**53,278,877**	**11,317,678**	**41,965,240**	**53,282,918**
068		*5.1.*	*Legal reserves*	293,906	3,698,235	**3,992,141**	294,066	3,702,116	**3,996,182**
069		*5.2.*	*Statutory reserve*	1,003,040	18,455,600	**19,458,640**	1,003,040	18,455,600	**19,458,640**
070		*5.3.*	*Other reserves*	10,020,572	19,807,524	**29,828,096**	10,020,572	19,807,524	**29,828,096**
071	072+073	**6**	**Retained profit or loss brought forward**	**20,394,811**	**296,863,131**	**317,257,942**	**20,403,653**	**232,058,966**	**252,462,619**
072		*6.1.*	*Retained profit*	20,394,811	296,863,131	**317,257,942**	20,403,653	232,058,966	**252,462,619**
073		*6.2.*	*Loss brought forward (-)*	-	-	-	-	-	-
074	075+076	**7**	**Profit or loss for the current accounting period**	**13,051,426**	**33,828,374**	**46,879,800**	**10,556,664**	**55,016,110**	**65,572,774**
075		*7.1.*	*Profit for the current accounting period*	13,051,426	33,828,374	**46,879,800**	10,556,664	55,016,110	**65,572,774**
076		*7.2.*	*Loss for the current accounting period (-)*	-	-	-	-	-	-
077		**XI**	**SUBORDINATE LIABILITIES**	-	-	-	-	-	-
078		**XII**	**MINORITY INTEREST**	-	-	-	-	-	-
079	080+084+088	**XIII**	**LIABILITIES FROM INSURANCE CONTRACTS**	**342,823,644**	**389,298,289**	**732,121,933**	**289,080,613**	**424,258,545**	**713,339,158**
080	081+082+083	1	General measurement model	324,771,568	8,396,725	**333,168,293**	284,797,271	8,397,337	**293,194,608**
081		1.1.	- Liabilities for remaining coverage	313,539,221	8,048,781	**321,588,002**	274,382,306	8,154,302	**282,536,608**
082		1.2.	- Assets for insurance acquisition cash flows	-	-	-	-	-	-
083		1.3.	- Liabilities for claims incurred	11,232,347	347,944	**11,580,291**	10,414,965	243,035	**10,658,000**
084	085+086+087	2	Variable fee approach	18,052,076	-	**18,052,076**	4,283,342	-	**4,283,342**
085		2.1.	- Liabilities for remaining coverage	15,141,549	-	**15,141,549**	2,357,008	-	**2,357,008**
086		2.2.	- Assets for insurance acquisition cash flows	-	-	**-**	-	-	**-**
087		2.3.	- Liabilities for claims incurred	2,910,527	-	**2,910,527**	1,926,334	-	**1,926,334**
088	089 +090 +091	3	Premium allocation approach	-	380,901,564	**380,901,564**	-	415,861,208	**415,861,208**
089		3.1.	- Liabilities for remaining coverage	-	90,040,730	**90,040,730**	-	102,584,921	**102,584,921**
090		3.2.	- Assets for insurance acquisition cash flows	-	-	-	-	-	-
091		3.3.	- Liabilities for claims incurred	-	290,860,834	**290,860,834**	-	313,276,287	**313,276,287**
092		**XIV**	**LIABILITIES FROM REINSURANCE CONTRACTS**	-	**1,910,081**	**1,910,081**	-	**6,191,184**	**6,191,184**
093		**XV**	**LIABILITY FOR INVESTMENT CONTRACTS**	-	-	-	-	-	-
094	095+096	**XVI**	**OTHER PROVISIONS**	**393,671**	**6,701,443**	**7,095,114**	**367,392**	**5,378,348**	**5,745,740**
095		1	Provisions for pensions and similar obligations	393,671	6,373,814	**6,767,485**	367,392	5,050,720	**5,418,112**
096		2	Other provisions	-	327,629	**327,629**	-	327,628	**327,628**
097	098+099	**XVII**	**DEFERRED AND CURRENT TAX LIABILITIES**	**3,159,934**	**24,632,839**	**27,792,773**	**3,043,391**	**23,089,920**	**26,133,311**
098		1	Deferred tax liability	3,159,934	13,694,907	**16,854,841**	3,043,391	22,932,237	**25,975,628**
099		2	Current tax liability	-	10,937,932	**10,937,932**	-	157,683	**157,683**
100	101+102+…+105	**XVIII**	**FINANCIAL LIABILITIES**	**18,872**	**37,130,100**	**37,148,972**	**218,046**	**39,411,577**	**39,629,623**
101		1	Loan liabilities	-	-	-	-	-	-
102		2	Liabilities for issued financial instruments	-	-	-	-	-	-
103		3	Liabilities for derivative financial instruments	18,872	72,193	**91,065**	216,246	600,864	**817,110**
104		4	Liability for unpaid dividend	-	208,602	**208,602**	-	212,811	**212,811**
105		5	Other financial liabilities	-	36,849,305	**36,849,305**	1,800	38,597,902	**38,599,702**
106	107+108+109	**XIX**	**OTHER LIABILITIES**	**3,429,480**	**37,492,831**	**40,922,311**	**5,110,434**	**46,862,219**	**51,972,653**
107		1	Liabilities for disposal and discontinued operations	-	-	-	-	-	-
108		2	Accruals and deferred income	2,414,266	13,285,156	**15,699,422**	2,393,708	20,943,503	**23,337,211**
109		3	Other liabilities	1,015,214	24,207,675	**25,222,889**	2,716,726	25,918,716	**28,635,442**
110	057+077+078 +079+092+09 3+094+097+1 00+106	**XX**	**TOTAL LIABILITIES**	**415,132,610**	**1,096,293,257**	**1,511,425,867**	**359,843,530**	**1,141,541,145**	**1,501,384,675**
111		**XXI**	**OFF-BALANCE SHEET ITEMS**	**11,945,389**	**67,272,777**	**79,218,166**	**1,399,439**	**43,333,601**	**44,733,040**

Note: Item 078 to be filled in by companies preparing consolidated financial statements

STATEMENT OF COMPREHENSIVE INCOME for the period 1 January 2024 – 31 December 2024

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**	**Income from insurance contracts**	**6,442,425**	**388,941,716**	**395,384,141**	**7,741,832**	**441,095,168**	**448,837,000**
002		1	General measurement model	6,011,724	3,428,781	**9,440,505**	7,619,410	2,784,538	**10,403,948**
003		2	Variable fee approach	430,701	-	**430,701**	122,422	-	**122,422**
004		3	Premium allocation approach	-	385,512,935	**385,512,935**	-	438,310,630	**438,310,630**
005	006+007+ ….+012	**II**	**Expenditure from insurance contracts**	**(2,565,385)**	**(373,366,005)**	**(375,931,390)**	**(3,057,096)**	**(405,586,555)**	**(408,643,651)**
006		1	Claims incurred	(1,198,185)	(256,516,442)	**(257,714,627)**	(839,846)	(262,324,172)	**(263,164,018)**
007		2	Commissions	(304,955)	(39,607,432)	**(39,912,387)**	(518,063)	(44,371,583)	**(44,889,646)**
008		3	Other expenses related to the sale of insurance	-	(38,509,840)	**(38,509,840)**	-	(45,060,070)	**(45,060,070)**
009		4	Other insurance service expenses	(2,059,534)	(58,223,236)	**(60,282,770)**	(1,881,348)	(61,122,252)	**(63,003,600)**
010		5	Depreciation of insurance acquisition costs	-	-	-	-	-	-
011		6	Losses and reversal of losses on onerous contracts	1,745,892	401,603	**2,147,495**	87,135	(452,517)	**(365,382)**
012		7	Change in liabilities for claims incurred	(748,603)	19,089,342	**18,340,739**	95,026	7,744,039	**7,839,065**
013	014 + 015	**III**	**Net result of (passive) reinsurance contracts**	**(674)**	**(7,676,594)**	**(7,677,268)**	**1**	**(14,808,698)**	**(14,808,697)**
014		1	Income from (passive) reinsurance contracts	-	40,881,723	**40,881,723**	-	46,874,406	**46,874,406**
015		2	Expenditure from (passive) reinsurance contracts	(674)	(48,558,317)	**(48,558,991)**	1	(61,683,104)	**(61,683,103)**
016	001 + 005 + 013	**IV**	**Result from insurance contracts**	**3,876,366**	**7,899,117**	**11,775,483**	**4,684,737**	**20,699,915**	**25,384,652**
017	018 + 023 + 024 + 025 + 026 + 027 + 031 + 032 + 033 +034	**V**	**Net investment result**	**13,280,875**	**38,933,160**	**52,214,035**	**10,367,434**	**48,341,922**	**58,709,356**
018	019 + 020 + 021 + 022	1	Net result from investment in land and buildings	-	4,691,458	**4,691,458**	-	4,329,127	**4,329,127**
019		1.1.	Rental gains/losses (net)	-	3,759,221	**3,759,221**	-	3,564,743	**3,564,743**
020		1.2.	Realised gains/losses (net) from property not for own use	-	36,808	**36,808**	-	(1,478)	**(1,478)**
021		1.3.	Unrealised gains/losses (net) from property not for own use	-	895,429	**895,429**	-	765,862	**765,862**
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	9,858,820	17,365,397	**27,224,217**	8,641,465	17,117,357	**25,758,822**
024		3	Other interest income	116,984	998,340	**1,115,324**	-	99,389	**99,389**
025		4	Dividend income	1,002,071	13,669,878	**14,671,949**	1,379,824	22,214,728	**23,594,552**
026		5	Unrealised gains/losses (net) from financial assets at fair value through profit or loss	1,270,672	2,606,391	**3,877,063**	1,397,169	1,858,015	**3,255,184**
027	028 + 029 + 030	6	Realised gains/losses	653,913	692,816	**1,346,729**	(1,869,134)	252,730	**(1,616,404)**
028		6.1.	Realised gains/losses (net) from financial assets at fair value through profit or loss	504,429	553,321	**1,057,750**	762,398	3,960,618	**4,723,016**
029		6.2.	Realised gains/losses (net) from financial assets at fair value through other comprehensive income	149,484	139,495	**288,979**	(2,631,532)	(3,707,888)	**(6,339,420)**
030		6.3.	Other realised gains/losses (net)	-	-	-	-	-	-
031		7	Net impairment / reversal of impairment of investments	370,422	1,648,720	**2,019,142**	43,474	2,308,461	**2,351,935**
032		8	Net exchange rate differences	(159,257)	(804,843)	**(964,100)**	372,437	1,158,739	**1,531,176**
033		9	Other income from investments	267,525	33,203	**300,728**	521,495	1,208,739	**1,730,234**
034		10	Other expenditure from investments	(100,275)	(1,968,200)	**(2,068,475)**	(119,296)	(2,205,363)	**(2,324,659)**

STATEMENT OF COMPREHENSIVE INCOME for the period 1 January 2024 – 31 December 2024

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**	**(1,150,771)**	**(2,899,132)**	**(4,049,903)**	**(2,305,271)**	**(4,089,666)**	**(6,394,937)**
036		1	Net financial income/expenditure from insurance contracts	(1,150,772)	(3,572,631)	**(4,723,403)**	(2,305,271)	(4,828,977)	**(7,134,248)**
037		2	Net financial income/expenditure from (passive) reinsurance contracts	1	673,499	**673,500**	-	739,311	**739,311**
038		3	Change of liability for investment contracts	-	-	-	-	-	-
039		**VII**	**Other income**	**16,346**	**6,085,190**	**6,101,536**	**5,943**	**14,244,130**	**14,250,073**
040		**VIII**	**Other operating expenses**	**(187,160)**	**(9,282,656)**	**(9,469,816)**	**(169,855)**	**(18,860,414)**	**(19,030,269)**
041		**IX**	**Other financial expenses**	**(35,670)**	**(1,382,005)**	**(1,417,675)**	**(30,323)**	**(1,389,755)**	**(1,420,078)**
042		**X**	**Share of profit of companies consolidated using equity method, net of tax**	-	-	-	-	-	-
043	001+005+013+016+017+035+039+040+041+042	**XI**	**Profit or loss of the accounting period before tax (+/-)**	**15,799,986**	**39,353,674**	**55,153,660**	**12,552,665**	**58,946,132**	**71,498,797**
044	045 + 046	**XII**	**Tax on profit or loss**	(2,748,560)	(5,525,300)	**(8,273,860)**	(1,996,001)	(3,930,022)	**(5,926,023)**
045		1	Current tax expense	(253,135)	(17,747,082)	**(18,000,217)**	(2,031,891)	(2,432,470)	**(4,464,361)**
046		2	Deferred tax expense/ income	(2,495,425)	12,221,782	**9,726,357**	35,890	(1,497,552)	**(1,461,662)**
047	043+ 044	**XIII**	**Profit or loss of the accounting period after tax (+/-)**	**13,051,426**	**33,828,374**	**46,879,800**	**10,556,664**	**55,016,110**	**65,572,774**
048		1	Attributable to owners of the parent	-	-	-	-	-	-
049		2	Attributable to non-controlling interest	-	-	-	-	-	-
050	051 + 056	**XIV**	**Other comprehensive income**	**(16,631,780)**	**12,289,417**	**(4,342,363)**	**(616,795)**	**43,856,247**	**43,239,452**
051	052 + 053 + 054 + 055	1	Items that will not be reclassified to statement of profit or loss	**889,652**	**18,094,689**	**18,984,341**	**2,087,267**	**42,226,308**	**44,313,575**
052		1.1.	Net change in fair value of equity securities (OCI)	1,084,941	22,203,434	**23,288,375**	2,545,447	48,257,260	**50,802,707**
053		1.2.	Actuarial gains/losses on defined benefit pension plans	-	-	-	-	-	-
054		1.3.	Other	-	(136,740)	**(136,740)**	-	3,238,238	**3,238,238**
055		1.4.	Tax	(195,289)	(3,972,005)	**(4,167,294)**	(458,180)	(9,269,190)	**(9,727,370)**
056	057 + 058 + ...+ 063	2	Items that are, or may be, reclassified to statement of profit or loss	(17,521,432)	(5,805,272)	**(23,326,704)**	(2,704,062)	1,629,939	**(1,074,123)**
057		2.1.	Net change in fair value of debt securities (OCI)	5,479,653	12,860,238	**18,339,891**	5,847,932	8,990,928	**14,838,860**
058		2.2.	Exchange rate differences from translation of foreign operations	-	-	-	-	-	-
059		2.3.	Effects of hedging instruments	-	-	-	-	-	-
060		2.4.	Net financial income/expenditure from insurance contracts	(26,847,263)	(21,085,808)	**(47,933,071)**	(9,145,568)	(7,547,120)	**(16,692,688)**
061		2.5.	Net financial income/expenditure from (passive) reinsurance contracts	10	1,151,777	**1,151,787**	-	548,152	**548,152**
062		2.6.	Other	-	-	-	-	-	-
063		2.7.	Tax	3,846,168	1,268,521	**5,114,689**	593,574	(362,021)	**231,553**
064	047+ 050	**XV**	**Total comprehensive income**	**(3,580,354)**	**46,117,791**	**42,537,437**	**9,939,869**	**98,872,357**	**108,812,226**
065		1	Attributable to owners of the parent	-	-	-	-	-	**-**
066		2	Attributable to non-controlling interest	-	-	-	-	-	**-**
067		**XVI**	**Reclassification adjustments**	**-**	**-**	**-**	**-**	**-**	**-**

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 2024 – 31 December 2024

in EUR

Item number	Sum elements	Identifier	Item	Current business period	Same period of the previous year
001	002+018+035 + 036 + 037	**I**	**CASH FLOW FROM OPERATING ACTIVITIES**	**172,580,522**	**(93,246,235)**
002	003+004	**1**	**Cash flow before changes in operating assets and liabilities**	**24,509,703**	**15,263,969**
003		1.1	Profit/loss of the accounting period	65,572,774	46,879,800
004	005+006+…..+017	1.2	Adjustments:	(41,063,071)	(31,615,831)
005		*1.2.1*	*Depreciation of property and equipment*	5,105,615	5,047,212
006		*1.2.2*	*Amortization of intangible assets*	3,849,908	3,849,838
007		*1.2.3*	*Loss from impairment of intangible assets*	466,974	-
008		*1.2.4*	*Other financial cost*	-	-
009		*1.2.5*	*Impairment and gains/losses on fair valuation*	(7,007,876)	(5,674,537)
010		*1.2.6*	*Interest expenses*	1,420,078	1,417,675
011		*1.2.7*	*Interest income*	(25,858,211)	(28,339,541)
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*	5,926,023	8,273,860
016		*1.2.12*	*Profit/loss from the sale of tangible assets (including land and buildings)*	(1,219,197)	(459,815)
017		*1.2.13*	*Other adjustments*	(23,746,385)	(15,730,523)
018	019+020+…+034	**2**	**Increase/decrease in operating assets and liabilities**	**120,660,105**	**(140,677,445)**
019		2.1	Increase/decrease in financial assets at fair value through other comprehensive income	43,580,486	17,688,109
020		2.2	Increase/decrease in financial assets at fair value through statement of profit or loss	47,328,335	(101,378,844)
021		2.3	Increase/decrease in financial assets at amortised cost	13,988,463	(28,517,561)
022		2.4	*Increase/decrease in assets/liabilities from insurance contracts*	(33,507,924)	(13,350,992)
023		2.5	*Increase/decrease in assets/liabilities from reinsurance contracts*	1,248,080	(7,611,328)
024		2.6	Increase/decrease in tax assets	(2,550,905)	52,058
025		2.7	Increase/decrease in receivables	-	-
026		2.8	Increase/decrease in investments in real estate	33,547,262	1,468,406
027		2.9	Increase/decrease in property for own use	-	-
028		2.10	Increase/decrease in other assets	4,038,774	1,469,828
029		2.11	*Increase/decrease in liabilities from investment contracts*	-	-
030		2.12	*Increase/decrease in other provisions*	(1,349,373)	209,695
031		2.13	Increase/decrease in tax liabilities	2,548,426	(599,497)
032		2.14	Increase/decrease in financial liabilities	738,138	(10,417,085)
033		2.15	Increase/decrease in other liabilities	3,412,553	(1,552,892)
034		2.16	Increase/decrease in accruals and deferred income	7,637,790	1,862,658
035		**3**	**Income tax paid**	**(19,629,729)**	**(7,831,350)**
036		**4**	**Interest received**	**24,456,177**	**25,659,143**
037		**5**	**Dividend received**	**22,584,266**	**14,339,448**
038	039+040+…+045	**II**	**CASH FLOW FROM INVESTING ACTIVITIES**	**(53,420,757)**	**(7,754,172)**
039		1	Cash receipts from the sale of tangible assets	6,904,317	908,789
040		2	Cash payments for the purchase of tangible assets	(2,172,906)	(1,783,126)
041		3	Cash receipts from the sale of intangible assets	39,459	-
042		4	Cash payments for the purchase of intangible assets	(3,496,013)	(4,379,835)
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	(54,695,614)	(2,500,000)
046	047+048+…+057	**III**	**CASH FLOW FROM FINANCING ACTIVITIES**	**(118,066,875)**	**(3,491,366)**
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	(115,004,105)	(130,068)
057		11	Cash payments for rental obligations	(3,062,770)	(3,361,298)
058	001+038+046	**IV**	**NET CASH FLOW**	**1,092,890**	**(104,491,773)**
059		**V**	**EFFECT OF EXCHANGE RATE FLUCTUATIONS ON CASH AND CASH EQUIVALENTS**	**(1,531,175)**	**(12,099)**
060	058+059	**VI**	**NET INCREASE/DECREASE OF CASH AND CASH EQUIVALENTS**	**(438,285)**	**(104,503,872)**
061		1	Cash and cash equivalents at the beginning of period	1,662,494	106,166,366
062	**060+061**	**2**	**Cash and cash equivalents at the end of period**	**1,224,209**	**1,662,494**

Note: Cash flow impairing items are to be indicated with a negative sign

STATEMENT OF CHANGES IN EQUITY for the period 1 January 2024 – 31 December 2024

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**		
I.	**Balance as at 1 January of the previous year**	**78,216,975**	**90,448,275**	**17,423,136**	**69,717,721**	**53,359,689**	**267,939,527**	**45,625,867**	**622,731,190**	-	**622,731,190**
1.	Change in accounting policies	-	-	(3,333,388)	-	-	2,489,732	-	(843,656)	-	**(843,656)**
2.	Correction of errors from prior periods	-	-	-	-	-	-	-	-	-	-
II.	**Balance as at 1 January of the previous year (restated)**	**78,216,975**	**90,448,275**	**14,089,748**	**69,717,721**	**53,359,689**	**270,429,259**	**45,625,867**	**621,887,534**	-	**621,887,534**
III.	**Comprehensive income or loss for the previous year**	-	-	**34,023,052**	**(38,365,415)**	-	-	**46,879,800**	**42,537,437**	-	**42,537,437**
1.	Profit or loss for the period	-	-	-	-	-	-	46,879,800	46,879,800	-	**46,879,800**
2.	**Other comprehensive income or loss for the previous year**	-	-	**34,023,052**	**(38,365,415)**	-	-	-	(4,342,363)	-	**(4,342,363)**
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	-	-	-	-	-	-	-	-	-	-
IV.	**Transactions with owners (previous period)**	**79,167**	-	**(1,191,459)**	-	**(80,812)**	**46,828,683**	**(45,625,867)**	**9,712**	-	**9,712**
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 distribution to owners	-	-	(1,191,459)	-	-	46,828,683	(45,625,867)	11,357	-	**11,357**
V.	**Balance on the last day of the previous year reporting period**	**78,296,142**	**90,448,275**	**46,921,341**	**31,352,306**	**53,278,877**	**317,257,942**	**46,879,800**	**664,434,683**	-	**664,434,683**
VI.	**Balance as at 1 January of the current year**	**78,296,142**	**90,448,275**	**46,921,341**	**31,352,306**	**53,278,877**	**317,257,942**	**46,879,800**	**664,434,683**	-	**664,434,683**
1.	Change in accounting policies	-	-	-	-	-	-	-	-	-	-
2.	Correction of errors from prior periods	-	-	-	-	-	-	-	-	-	-
VII.	**Balance as at 1 January of the current year (restated)**	**78,296,142**	**90,448,275**	**46,921,341**	**31,352,306**	**53,278,877**	**317,257,942**	**46,879,800**	**664,434,683**	-	**664,434,683**
VIII.	**Comprehensive income or loss for the year**	-	-	**56,481,440**	**(13,241,988)**	-	-	**65,572,774**	**108,812,226**	-	**108,812,226**
1.	Profit or loss for the period	-	-	-	-	-	-	65,572,774	65,572,774	-	**65,572,774**
2.	**Other comprehensive income or loss for the year**	-	-	**56,481,440**	**(13,241,988)**	-	-	-	**43,239,452**	-	**43,239,452**
2.1.	Unrealised gains or losses on tangible assets (land and buildings)	-	-	2,655,355	-	-	-	-	2,655,355	-	**2,655,355**
2.2.	Unrealised gains or losses on financial assets at fair value through other comprehensive income	-	-	48,627,762	-	-	-	-	48,627,762	-	**48,627,762**
2.3.	Realised gains or losses on financial assets at fair value through other comprehensive income	-	-	5,198,323	-	-	-	-	5,198,323	-	**5,198,323**
2.4.	Net financial income/expenditure from insurance contracts	-	-	-	(13,691,473)	-	-	-	(13,691,473)	-	**(13,691,473)**
2.5.	Net financial income/expenditure from (passive) reinsurance contracts	-	-	-	449,485	-	-	-	449,485	-	**449,485**
2.6.	Other changes in equity unrelated to owners	-	-	-	-	-	-	-	-	-	-
IX.	**Transactions with owners (current period)**	-	-	**(3,202,821)**	-	**4,041**	**(64,795,323)**	**(46,879,800)**	(114,873,903)	-	**(114,873,903)**
1.	Increase/decrease in subscribed capital	-	-	-	-	-	-	-	-	-	-
2.	Other contributions by owners	-	-	-	-	-	-	-	-	-	-
3.	Payment of share in profit/dividend	-	-	-	-	-	(81,049,412)	(33,824,493)	(114,873,905)	-	**(114,873,905)**
4.	Other transactions with owners	-	-	(3,202,821)	-	4,041	16,254,089	(13,055,307)	2	-	**2**
X.	**Balance on the last day of the current year reporting period**	**78,296,142**	**90,448,275**	**100,199,960**	**18,110,318**	**53,282,918**	**252,462,619**	**65,572,774**	**658,373,006**	-	**658,373,006**

Note: * To be filled in by companies preparing consolidated financial statements

CONSOLIDATED STATEMENT OF FINANCIAL POSITION as at 31 December 2024

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**	**INTANGIBLE ASSETS**	**102,246**	**19,288,355**	**19,390,601**	**95,507**	**24,435,268**	**24,530,775**
002		1	Goodwill	-	-	-	-	3,466,503	**3,466,503**
003		2	Other intangible assets	102,246	19,288,355	**19,390,601**	95,507	20,968,765	**21,064,272**
004	005+006+007	**II**	**TANGIBLE ASSETS**	**2,927,960**	**117,957,398**	**120,885,358**	**3,306,035**	**122,512,933**	**125,818,968**
005		1	Land and buildings occupied by an undertaking for its own activities	1,768,627	56,778,984	**58,547,611**	2,340,062	58,705,556	**61,045,618**
006		2	Equipment	182,736	15,633,777	**15,816,513**	174,651	20,585,406	**20,760,057**
007		3	Other tangible assets and inventories	976,597	45,544,637	**46,521,234**	791,322	43,221,971	**44,013,293**
008	009+010+014	**III**	**INVESTMENTS**	**492,376,160**	**996,877,357**	**1,489,253,517**	**448,280,023**	**1,050,541,428**	**1,498,821,451**
009		**A**	**Investments in land and buildings not occupied by an undertaking for its own activities**	**164,500**	**138,524,858**	**138,689,358**	**2,693,941**	**149,765,245**	**152,459,186**
010	011+012+013	**B**	**Investments in subsidiaries, associates and joint ventures**	-	**10,122,639**	**10,122,639**	-	**9,868,536**	**9,868,536**
011		1	Shares and holdings in subsidiaries	-	-	-	-	-	-
012		2	Shares and holdings in associates	-	788,729	**788,729**	-	841,326	**841,326**
013		3	Shares and holdings in joint ventures	-	9,333,910	**9,333,910**	-	9,027,210	**9,027,210**
014	015+020+025	**C**	**Financial assets**	**492,211,660**	**848,229,860**	**1,340,441,520**	**445,586,082**	**890,907,647**	**1,336,493,729**
015	016 + 017 + 018 + 019	**1**	**Financial assets at amortised cost**	**182,397,299**	**255,469,798**	**437,867,097**	**149,266,891**	**290,185,401**	**439,452,292**
016		1.1	Debt financial instruments	156,217,211	145,582,408	**301,799,619**	110,128,970	134,622,409	**244,751,379**
017		1.2	Deposits with credit institutions	22,641,157	93,538,693	**116,179,850**	36,644,834	117,767,009	**154,411,843**
018		1.3.	Loans	3,538,931	3,019,988	**6,558,919**	2,493,087	26,490,264	**28,983,351**
019		1.4.	Other	-	13,328,709	**13,328,709**	-	11,305,719	**11,305,719**
020	021 + 022 + 023 + 024	**2**	**Financial assets at fair value through other comprehensive income**	**244,485,383**	**512,244,458**	**756,729,841**	**254,192,498**	**538,912,029**	**793,104,527**
021		*2.1*	Equity financial instruments	13,239,174	125,573,304	**138,812,478**	18,497,994	173,198,109	**191,696,103**
022		*2.2*	Debt financial instruments	231,246,209	386,671,154	**617,917,363**	235,694,504	365,713,920	**601,408,424**
023		*2.3.*	Units in investment funds	-	-	-	-	-	-
024		*2.4.*	Other	-	-	-	-	-	-
025	026 + 027+.... +030	**3**	**Financial assets at fair value through profit and loss account**	**65,328,978**	**80,515,604**	**145,844,582**	**42,126,693**	**61,810,217**	**103,936,910**
026		*3.1*	Equity financial instruments	-	387,390	**387,390**	-	502,273	**502,273**
027		*3.2*	Debt financial instruments	-	10,963,850	**10,963,850**	-	-	-
028		*3.3.*	Units in investment funds	65,231,979	68,775,194	**134,007,173**	41,980,602	60,783,192	**102,763,794**
029		*3.4.*	Derivative financial instruments	96,999	389,170	**486,169**	-	20,843	**20,843**
030		*3.5*	Other	-	-	-	146,091	503,909	**650,000**
031	032 + 036 +040	**IV**	**ASSETS FROM INSURANCE CONTRACTS**	-	**16,997,313**	**16,997,313**	**30,830**	**14,998,944**	**15,029,774**
032	034+035+036	1	General measurement model	-	13,311,689	**13,311,689**	30,830	12,612,714	**12,643,544**
033		1.1.	- Assets for remaining coverage	-	-1,477,798	**-1,477,798**	30,830	(1,262,308)	**(1,231,478)**
034		1.2.	- Assets for insurance acquisition cash flows	-	-	-	-	-	-
035		1.3.	- Assets from claims incurred	-	14,789,487	**14,789,487**	-	13,875,022	**13,875,022**
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	-	3,685,624	**3,685,624**	-	2,386,230	**2,386,230**
041		3.1.	- Assets for remaining coverage	-	6,049,909	**6,049,909**	-	4,370,994	**4,370,994**
042		3.2.	- Assets for insurance acquisition cash flows	-	-	-	-	-	-
043		3.3.	- Assets from claims incurred	-	(2,364,285)	**(2,364,285)**	-	(1,984,764)	**(1,984,764)**
044		**V**	**ASSETS FROM REINSURANCE CONTRACTS**	**3**	**54,437,607**	**54,437,610**	**4**	**59,140,685**	**59,140,689**
045	046 +047	**VI**	**DEFERRED AND CURRENT TAX ASSETS**	**569,532**	**10,965,028**	**11,534,560**	**538,672**	**13,982,410**	**14,521,082**
046		1	Deferred tax assets	569,532	9,167,766	**9,737,298**	538,672	7,879,778	**8,418,450**
047		2	Current tax assets	-	1,797,262	**1,797,262**	-	6,102,632	**6,102,632**
048		**VII**	**OTHER ASSETS**	**5,594,054**	**70,212,759**	**75,806,813**	**5,228,485**	**54,706,991**	**59,935,476**
049	050 +051 +052	**1**	**CASH AT BANK AND IN HAND**	**858,176**	**22,338,648**	**23,196,824**	**939,795**	**7,837,061**	**8,776,856**
050		*1.1*	*Funds in the business account*	698,748	22,225,238	**22,923,986**	547,067	7,727,162	**8,274,229**
051		*1.2*	*Funds in the account of assets covering liabilities from life insurance contracts*	159,228	-	**159,228**	392,509	-	**392,509**
052		*1.3*	*Cash in hand*	200	113,410	**113,610**	219	109,899	**110,118**
053		**2**	**Fixed assets held for sale and discontinued operations**	-	267,053	**267,053**	-	273,867	**273,867**
054		**3**	**Other**	4,735,878	47,607,058	**52,342,936**	4,288,690	46,596,063	**50,884,753**
055	001+004+008 +031+044+045+048	**VIII**	**TOTAL ASSETS**	**501,569,955**	**1,286,735,817**	**1,788,305,772**	**457,479,556**	**1,340,318,659**	**1,797,798,215**
056		**IX**	**OFF-BALANCE SHEET ITEMS**	**12,307,214**	**71,543,758**	**83,850,972**	**1,761,345**	**47,386,120**	**49,147,465**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION as at 31 December 2024

in EUR

Item number	Sum elements	Identi fier	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+07 1+074	**X**	**CAPITAL AND RESERVES**	**83,624,361**	**680,786,530**	**764,410,891**	**82,658,315**	**676,297,531**	**758,955,846**
058	059 +060	**1**	**Subscribed capital**	**5,881,322**	**72,414,820**	**78,296,142**	**5,881,322**	**72,414,820**	**78,296,142**
059		*1.1*	*Paid in capital - ordinary shares*	5,881,322	72,414,820	**78,296,142**	5,881,322	72,414,820	**78,296,142**
060		*1.2*	*Paid in capital - preference shares*	-	-	-	-	-	-
061		**2**	**Premium on shares issued (capital reserves)**	-	**90,448,275**	**90,448,275**	-	**90,448,275**	**90,448,275**
062	063 +064 +065	**3**	**Revaluation reserves**	**(9,858,749)**	**57,160,437**	**47,301,688**	**246,216**	**110,451,453**	**110,697,669**
063		*3.1*	*Land and buildings*	-	14,051,528	**14,051,528**	9,739	20,736,313	**20,746,052**
064		*3.2*	*Financial assets*	(9,858,749)	43,086,931	**33,228,182**	236,477	89,693,162	**89,929,639**
065		*3.3*	*Other revaluation reserves*	-	21,978	**21,978**	-	21,978	**21,978**
066		**4**	**Financial reserves from insurance contracts**	**30,361,393**	**13,767,819**	**44,129,212**	**20,294,705**	**7,160,131**	**27,454,836**
067	068+069+070	**5**	**Reserves**	**11,317,518**	**41,961,359**	**53,278,877**	**11,317,678**	**41,965,240**	**53,282,918**
068		*5.1.*	*Legal reserves*	293,906	3,698,235	**3,992,141**	294,066	3,702,116	**3,996,182**
069		*5.2.*	*Statutory reserve*	1,003,040	18,455,600	**19,458,640**	1,003,040	18,455,600	**19,458,640**
070		*5.3.*	*Other reserves*	10,020,572	19,807,524	**29,828,096**	10,020,572	19,807,524	**29,828,096**
071	072+073	**6**	**Retained profit or loss brought forward**	**28,968,496**	**363,607,420**	**392,575,916**	**31,914,426**	**305,836,672**	**337,751,098**
072		*6.1.*	*Retained profit*	28,968,496	363,607,420	**392,575,916**	31,914,426	305,836,672	**337,751,098**
073		*6.2.*	*Loss brought forward (-)*	-	-	-	-	-	-
074	075+076	**7**	**Profit or loss for the current accounting period**	**16,954,381**	**41,426,400**	**58,380,781**	**13,003,968**	**48,020,940**	**61,024,908**
075		*7.1.*	*Profit for the current accounting period*	16,954,381	41,426,400	**58,380,781**	13,003,968	48,020,940	**61,024,908**
076		*7.2.*	*Loss for the current accounting period (-)*	-	-	-	-	-	-
077		**XI**	**SUBORDINATE LIABILITIES**	-	-	-	-	-	-
078		**XII**	**MINORITY INTEREST**	**147,467**	**599,144**	**746,611**	**133,095**	**348,875**	**481,970**
079	080+084+088	**XIII**	**LIABILITIES FROM INSURANCE CONTRACTS**	**402,464,932**	**459,521,335**	**861,986,267**	**356,485,969**	**503,003,799**	**859,489,768**
080	081+082+083	1	General measurement model	378,072,485	15,005,026	**393,077,511**	343,966,988	13,704,578	**357,671,566**
081		1.1.	- Liabilities for remaining coverage	365,503,431	14,365,027	**379,868,458**	332,115,703	13,183,272	**345,298,975**
082		1.2.	- Assets for insurance acquisition cash flows	-	-	-	-	-	-
083		1.3.	- Liabilities for claims incurred	12,569,054	639,999	**13,209,053**	11,851,285	521,306	**12,372,591**
084	085+086+087	2	Variable fee approach	24,392,447	-	**24,392,447**	12,518,981	-	**12,518,981**
085		2.1.	- Liabilities for remaining coverage	21,480,024	-	**21,480,024**	10,586,775	-	**10,586,775**
086		2.2.	- Assets for insurance acquisition cash flows	-	-	-	-	-	-
087		2.3.	- Liabilities for claims incurred	2,912,423	-	**2,912,423**	1,932,206	-	**1,932,206**
088	089 +090 +091	3	Premium allocation approach	-	444,516,309	**444,516,309**	-	489,299,221	**489,299,221**
089		3.1.	- Liabilities for remaining coverage	-	117,318,118	**117,318,118**	-	133,914,872	**133,914,872**
090		3.2.	- Assets for insurance acquisition cash flows	-	-	-	-	-	-
091		3.3.	- Liabilities for claims incurred	-	327,198,191	**327,198,191**	-	355,384,349	**355,384,349**
092		**XIV**	**LIABILITIES FROM REINSURANCE CONTRACTS**	**3,499**	**4,021,037**	**4,024,536**	**19,999**	**6,619,022**	**6,639,021**
093		**XV**	**LIABILITY FOR INVESTMENT CONTRACTS**	-	-	-	-	-	-
094	095+096	**XVI**	**OTHER PROVISIONS**	**478,484**	**8,007,169**	**8,485,653**	**490,651**	**7,373,390**	**7,864,041**
095		1	Provisions for pensions and similar obligations	405,514	7,679,540	**8,085,054**	377,801	7,045,762	**7,423,563**
096		2	Other provisions	72,970	327,629	**400,599**	112,850	327,628	**440,478**
097	098+099	**XVII**	**DEFERRED AND CURRENT TAX LIABILITIES**	**4,066,910**	**33,825,783**	**37,892,693**	**3,999,791**	**33,720,920**	**37,720,711**
098		1	Deferred tax liability	3,801,081	20,229,017	**24,030,098**	3,775,203	30,717,321	**34,492,524**
099		2	Current tax liability	265,829	13,596,766	**13,862,595**	224,588	3,003,599	**3,228,187**
100	101+102+...+1 05	**XVIII**	**FINANCIAL LIABILITIES**	**994,024**	**47,246,171**	**48,240,195**	**1,003,707**	**48,388,208**	**49,391,915**
101		1	Loan liabilities	-	79,534	**79,534**	-	1,407,480	**1,407,480**
102		2	Liabilities for issued financial instruments	-	-	-	-	-	-
103		3	Liabilities for derivative financial instruments	18,872	72,193	**91,065**	216,246	600,864	**817,110**
104		4	Liability for unpaid dividend	-	212,528	**212,528**	1,761	216,738	**218,499**
105		5	Other financial liabilities	975,152	46,881,916	**47,857,068**	785,700	46,163,126	**46,948,826**
106	107+108+109	**XIX**	**OTHER LIABILITIES**	**9,790,278**	**52,728,648**	**62,518,926**	**12,688,029**	**64,566,914**	**77,254,943**
107		1	Liabilities for disposal and discontinued operations	-	1,047	**1,047**	-	875	**875**
108		2	Accruals and deferred income	2,570,106	15,248,722	**17,818,828**	2,538,369	23,592,223	**26,130,592**
109		3	Other liabilities	7,220,172	37,478,879	**44,699,051**	10,149,660	40,973,816	**51,123,476**
110	057+077+078 +079+092+09 3+094+097+1 00+106	**XX**	**TOTAL LIABILITIES**	**501,569,955**	**1,286,735,817**	**1,788,305,772**	**457,479,556**	**1,340,318,659**	**1,797,798,215**
111		**XXI**	**OFF-BALANCE SHEET ITEMS**	**12,307,214**	**71,543,758**	**83,850,972**	**1,761,345**	**47,386,120**	**49,147,465**

Note: Item 078 to be filled in by companies preparing consolidated financial statements

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME for the period 1 January 2024 – 31 December 2024

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**	**Income from insurance contracts**	**12,244,536**	**464,150,966**	**476,395,502**	**13,995,636**	**526,815,998**	**540,811,634**
002		1	General measurement model	11,416,574	5,964,863	**17,381,437**	13,291,774	4,717,593	**18,009,367**
003		2	Variable fee approach	827,962	-	**827,962**	703,862	-	**703,862**
004		3	Premium allocation approach	-	458,186,103	**458,186,103**	-	522,098,405	**522,098,405**
005	006+007+ ….+012	**II**	**Expenditure from insurance contracts**	**(6,193,567)**	**(436,407,334)**	**(442,600,901)**	**(8,538,584)**	**(480,578,039)**	**(489,116,623)**
006		1	Claims incurred	(2,027,041)	(297,262,227)	**(299,289,268)**	(1,786,364)	(306,762,538)	**(308,548,902)**
007		2	Commissions	(1,679,446)	(44,902,576)	**(46,582,022)**	(2,571,188)	(51,244,863)	**(53,816,051)**
008		3	Other expenses related to the sale of insurance	3,645	(47,783,621)	**(47,779,976)**	-	(55,398,590)	**(55,398,590)**
009		4	Other insurance service expenses	(3,287,584)	(69,777,839)	**(73,065,423)**	(3,510,885)	(74,511,436)	**(78,022,321)**
010		5	Depreciation of insurance acquisition costs	-	-	-	-	-	-
011		6	Losses and reversal of losses on onerous contracts	1,857,495	352,212	**2,209,707**	(411,894)	(395,278)	**(807,172)**
012		7	Change in liabilities for claims incurred	(1,060,636)	22,966,717	**21,906,081**	(258,253)	7,734,666	**7,476,413**
013	014 + 015	**III**	**Net result of (passive) reinsurance contracts**	**(47,440)**	**(8,494,942)**	**(8,542,382)**	**(49,091)**	**(14,561,898)**	**(14,610,989)**
014		1	Income from (passive) reinsurance contracts	-	53,695,677	**53,695,677**	-	53,208,407	**53,208,407**
015		2	Expenditure from (passive) reinsurance contracts	(47,440)	(62,190,619)	**(62,238,059)**	(49,091)	(67,770,305)	**(67,819,396)**
016	001 + 005 + 013	**IV**	**Result from insurance contracts**	**6,003,529**	**19,248,690**	**25,252,219**	**5,407,961**	**31,676,061**	**37,084,022**
017	018 + 023 + 024 + 025 + 026 + 027 + 031 + 032 + 033 +034	**V**	**Net investment result**	**16,544,826**	**43,217,602**	**59,762,428**	**14,232,341**	**44,175,171**	**58,407,512**
018	019 + 020 + 021 + 022	1	Net result from investment in land and buildings	10,237	16,769,974	**16,780,211**	68,419	14,946,416	**15,014,835**
019		1.1.	Rental gains/losses (net)	10,737	14,073,592	**14,084,329**	13,287	15,033,751	**15,047,038**
020		1.2.	Realised gains/losses (net) from property not for own use	-	36,808	**36,808**	18,742	9,123	**27,865**
021		1.3.	Unrealised gains/losses (net) from property not for own use	-500	2,659,574	**2,659,074**	36,390	(96,458)	**(60,068)**
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	12,558,448	18,235,025	**30,793,473**	11,459,951	18,814,174	**30,274,125**
024		3	Other interest income	116,984	998,340	**1,115,324**	-	99,389	**99,389**
025		4	Dividend income	1,002,071	6,782,402	**7,784,473**	1,379,824	8,455,676	**9,835,500**
026		5	Unrealised gains/losses (net) from financial assets at fair value through profit or loss	1,369,688	2,681,457	**4,051,145**	1,465,324	1,893,001	**3,358,325**
027	028 + 029 + 030	6	Realised gains/losses	665,141	698,195	**1,363,336**	(1,834,437)	303,663	**(1,530,774)**
028		6.1.	Realised gains/losses (net) from financial assets at fair value through profit or loss	515,763	555,046	**1,070,809**	797,095	3,993,086	**4,790,181**
029		6.2.	Realised gains/losses (net) from financial assets at fair value through other comprehensive income	149,378	143,149	**292,527**	(2,631,532)	(3,689,423)	**(6,320,955)**
030		6.3.	Other realised gains/losses (net)	-	-	-	-	-	-
031		7	Net impairment / reversal of impairment of investments	359,304	1,134,076	**1,493,380**	75,221	550,116	**625,337**
032		8	Net exchange rate differences	(162,005)	(850,185)	**(1,012,190)**	377,302	1,143,645	**1,520,947**
033		9	Other income from investments	751,168	43,898	**795,066**	1,382,294	1,490,332	**2,872,626**
034		10	Other expenditure from investments	(126,210)	(3,275,580)	**(3,401,790)**	(141,557)	(3,521,241)	**(3,662,798)**

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME for the period 1 January 2024 – 31 December 2024

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**	**(1,924,283)**	**(4,192,183)**	**(6,116,466)**	**(3,815,922)**	**(5,444,901)**	**(9,260,823)**
036		1	Net financial income/expenditure from insurance contracts	(1,924,284)	(4,982,644)	**(6,906,928)**	(3,815,922)	(6,359,176)	**(10,175,098)**
037		2	Net financial income/expenditure from (passive) reinsurance contracts	1	790,461	**790,462**	-	914,275	**914,275**
038		3	Change of liability for investment contracts	-	-	-	-	-	-
039		**VII**	**Other income**	**73,606**	**31,029,878**	**31,103,484**	**43,259**	**40,552,202**	**40,595,461**
040		**VIII**	**Other operating expenses**	**(505,310)**	**(40,289,062)**	**(40,794,372)**	**(446,117)**	**(56,106,646)**	**(56,552,763)**
041		**IX**	**Other financial expenses**	**(41,330)**	**(1,773,338)**	**(1,814,668)**	**(57,550)**	**(2,022,265)**	**(2,079,815)**
042		**X**	**Share of profit of companies consolidated using equity method, net of tax**	**-**	**1,781,169**	**1,781,169**	**-**	**1,430,408**	**1,430,408**
043	001+005+ 013+016+ 017+035+ 039+040+ 041+042	**XI**	**Profit or loss of the accounting period before tax (+/-)**	**20,151,038**	**49,022,756**	**69,173,794**	**15,363,972**	**54,260,030**	**69,624,002**
044	045 + 046	**XII**	**Tax on profit or loss**	(3,175,197)	(7,546,091)	**(10,721,288)**	(2,345,546)	(6,190,172)	**(8,535,718)**
045		1	Current tax expense	(518,832)	(19,878,343)	**(20,397,175)**	(2,256,282)	(5,088,833)	**(7,345,115)**
046		2	Deferred tax expense/ income	(2,656,365)	12,332,252	**9,675,887**	(89,264)	(1,101,339)	**(1,190,603)**
047	043+ 044	**XIII**	**Profit or loss of the accounting period after tax (+/-)**	**16,975,841**	**41,476,665**	**58,452,506**	**13,018,426**	**48,069,858**	**61,088,284**
048		1	Attributable to owners of the parent	16,954,381	41,426,400	**58,380,781**	13,003,968	48,020,940	**61,024,908**
049		2	Attributable to non-controlling interest	21,460	50,265	**71,725**	14,458	48,918	**63,376**
050	051 + 056	**XIV**	**Other comprehensive income**	**(17,630,739)**	**12,816,181**	**(4,814,558)**	**211,227**	**48,166,867**	**48,378,094**
051	052 + 053 + 054 + 055	1	Items that will not be reclassified to statement of profit or loss	**889,652**	**18,245,501**	**19,135,153**	**2,097,306**	**46,535,859**	**48,633,165**
052		1.1.	Net change in fair value of equity securities (OCI)	1,084,941	22,203,434	**23,288,375**	2,545,447	48,257,260	**50,802,707**
053		1.2.	Actuarial gains/losses on defined benefit pension plans	-	-	-	-	-	-
054		1.3.	Other	-	(952)	**(952)**	10,039	8,454,686	**8,464,725**
055		1.4.	Tax	(195,289)	(3,956,981)	**(4,152,270)**	(458,180)	(10,176,087)	**(10,634,267)**
056	057 + 058 + ...+ 063	2	Items that are, or may be, reclassified to statement of profit or loss	(18,520,391)	(5,429,320)	**(23,949,711)**	(1,886,079)	1,631,008	**(255,071)**
057		2.1.	Net change in fair value of debt securities (OCI)	4,340,422	14,626,003	**18,966,425**	9,614,579	9,986,689	**19,601,268**
058		2.2.	Exchange rate differences from translation of foreign operations	(7,716)	942	**(6,774)**	3,474	34,416	**37,890**
059		2.3.	Effects of hedging instruments	-	-	-	-	-	-
060		2.4.	Net financial income/expenditure from insurance contracts	(26,809,413)	(22,403,165)	**(49,212,578)**	(12,007,207)	(8,700,297)	**(20,707,504)**
061		2.5.	Net financial income/expenditure from (passive) reinsurance contracts	10	1,184,601	**1,184,611**	-	695,517	**695,517**
062		2.6.	Other	-	-	-	-	-	-
063		2.7.	Tax	3,956,306	1,162,299	**5,118,605**	503,075	(385,317)	**117,758**
064	047+ 050	**XV**	**Total comprehensive income**	**(654,898)**	**54,292,846**	**53,637,948**	**13,229,653**	**96,236,725**	**109,466,378**
065		1	Attributable to owners of the parent	(659,789)	54,256,282	**53,596,493**	13,223,056	96,190,110	**109,413,166**
066		2	Attributable to non-controlling interest	4,891	36,564	**41,455**	6,597	46,615	**53,212**
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 2024 – 31 December 2024

in EUR

Item number	Sum elements	Identifier	Item	Current business period	Same period of the previous year
001	002+018+035 + 036 + 037	**I**	**CASH FLOW FROM OPERATING ACTIVITIES**	**122,192,803**	**(91,001,705)**
002	003+004	**1**	**Cash flow before changes in operating assets and liabilities**	**42,388,323**	**35,669,830**
003		1.1	Profit/loss of the accounting period	61,088,284	58,452,506
004	005+006+…..+017	1.2	Adjustments:	(18,699,961)	(22,782,676)
005		*1.2.1*	*Depreciation of property and equipment*	11,372,873	9,879,072
006		*1.2.2*	*Amortization of intangible assets*	4,666,831	4,156,109
007		*1.2.3*	*Loss from impairment of intangible assets*	466,973	13,202
008		*1.2.4*	*Other financial cost*	-	-
009		*1.2.5*	*Impairment and gains/losses on fair valuation*	(5,385,542)	(5,295,762)
010		*1.2.6*	*Interest expenses*	1,958,075	1,813,580
011		*1.2.7*	*Interest income*	(30,373,514)	(31,908,797)
012		*1.2.8*	*Profit from the sale of branch*	-	-
013		*1.2.9*	*Share in profit of associates*	(1,430,408)	(1,781,169)
014		*1.2.10*	*Equity-settled share-based payment transactions*	-	-
015		*1.2.11*	*Cost of income tax*	8,535,718	10,721,288
016		*1.2.12*	*Profit/loss from the sale of tangible assets (including land and buildings)*	62,961	(561,893)
017		*1.2.13*	*Other adjustments*	(8,573,928)	(9,818,306)
018	019+020+…+034	**2**	**Increase/decrease in operating assets and liabilities**	**64,364,382**	**(151,921,045)**
019		2.1	Increase/decrease in financial assets at fair value through other comprehensive income	35,824,743	14,501,128
020		2.2	Increase/decrease in financial assets at fair value through statement of profit or loss	45,189,142	(102,526,413)
021		2.3	Increase/decrease in financial assets at amortised cost	(2,421,848)	(37,908,386)
022		2.4	*Increase/decrease in assets/liabilities from insurance contracts*	(21,220,862)	(4,927,162)
023		2.5	*Increase/decrease in assets/liabilities from reinsurance contracts*	(1,394,005)	(8,471,127)
024		2.6	Increase/decrease in tax assets	(2,986,520)	285,308
025		2.7	Increase/decrease in receivables	-	-
026		2.8	Increase/decrease in investments in real estate	(7,565,731)	(249,332)
027		2.9	Increase/decrease in property for own use	-	-
028		2.10	Increase/decrease in other assets	4,979,935	(4,166,008)
029		2.11	*Increase/decrease in liabilities from investment contracts*	-	-
030		2.12	*Increase/decrease in other provisions*	(621,612)	398,862
031		2.13	Increase/decrease in tax liabilities	2,533,174	(1,211,978)
032		2.14	Increase/decrease in financial liabilities	102,448	(9,793,743)
033		2.15	Increase/decrease in other liabilities	3,631,608	1,054,647
034		2.16	Increase/decrease in accruals and deferred income	8,313,910	1,093,159
035		**3**	**Income tax paid**	**(21,833,163)**	**(9,042,800)**
036		**4**	**Interest received**	**27,437,761**	**26,730,657**
037		**5**	**Dividend received**	**9,835,500**	**7,561,653**
038	039+040+…+045	**II**	**CASH FLOW FROM INVESTING ACTIVITIES**	**(16,073,436)**	**(15,059,113)**
039		1	Cash receipts from the sale of tangible assets	335,637	989,794
040		2	Cash payments for the purchase of tangible assets	(9,649,188)	(9,799,488)
041		3	Cash receipts from the sale of intangible assets	40,578	-
042		4	Cash payments for the purchase of intangible assets	(4,856,178)	(5,941,557)
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	(1,944,285)	(307,862)
045		7	Cash receipts and payments based on other investing activities	-	-
046	047+048+...+057	**III**	**CASH FLOW FROM FINANCING ACTIVITIES**	**(120,691,319)**	**(5,406,549)**
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	(479,945)	(136,345)
054		8	Cash payments for the redemption of own shares	-	-
055		9	Cash payments for interest	(54,377)	(1,985)
056		10	Cash payments for dividend	(115,032,126)	(162,462)
057		11	Cash payments for rental obligations	(5,124,871)	(5,105,757)
058	001+038+046	**IV**	**NET CASH FLOW**	**(14,571,952)**	**(111,467,367)**
059		**V**	**EFFECT OF EXCHANGE RATE FLUCTUATIONS ON CASH AND CASH EQUIVALENTS**	**151,984**	**(10,539)**
060	058+059	**VI**	**NET INCREASE/DECREASE OF CASH AND CASH EQUIVALENTS**	**(14,419,968)**	**(111,477,906)**
061		1	Cash and cash equivalents at the beginning of period	23,196,824	134,674,730
062	**060+061**	**2**	**Cash and cash equivalents at the end of period**	**8,776,856**	**23,196,824**

Note: Cash flow impairing items are to be indicated with a negative sign

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY for the period 1 January 2024 – 31 December 2024

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		
I.	**Balance as at 1 January of the previous year**	**78,216,975**	**90,448,275**	**17,137,031**	**83,552,702**	**53,359,689**	**330,942,064**	**58,198,604**	**711,855,340**	**1,369,771**	**713,225,111**
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	-	-	-	-	-	-	-	-	-	-
II.	**Balance as at 1 January of the previous year (restated)**	**78,216,975**	**90,448,275**	**14,048,934**	**83,552,702**	**53,359,689**	**332,653,629**	**58,198,604**	**710,478,808**	**1,360,048**	**711,838,856**
III.	**Comprehensive income or loss for the previous year**	-	-	**34,639,202**	**(39,423,490)**	-	-	**58,380,780**	**53,596,492**	**41,455**	**53,637,947**
1.	Profit or loss for the period	-	-	-	-	-	-	58,380,780	58,380,780	71,725	**58,452,505**
2.	**Other comprehensive income or loss for the previous year**	-	-	**34,639,202**	**(39,423,490)**	-	-	**-**	(4,784,288)	**(30,270)**	**(4,814,558)**
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)**
IV.	**Transactions with owners (previous period)**	**79,167**	-	**(1,386,448)**	-	**(80,812)**	**59,922,287**	**(58,198,603)**	**335,591**	**(654,892)**	**(319,301)**
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 distribution to owners	-	-	-	-	-	59,607,509	(58,198,603)	22,458	142	**22,600**
V.	**Balance on the last day of the previous year reporting period**	**78,296,142**	**90,448,275**	**47,301,688**	**44,129,212**	**53,278,877**	**392,575,916**	**58,380,781**	**764,410,891**	**746,611**	**765,157,502**
VI.	**Balance as at 1 January of the current year**	**78,296,142**	**90,448,275**	**47,301,688**	**44,129,212**	**53,278,877**	**392,575,916**	**58,380,781**	**764,410,891**	**746,611**	**765,157,502**
1.	Change in accounting policies	-	-	-	-	-	-	-	-	-	-
2.	Correction of errors from prior periods	-	-	-	-	-	-	-	-	-	-
VII.	**Balance as at 1 January of the current year (restated)**	**78,296,142**	**90,448,275**	**47,301,688**	**44,129,212**	**53,278,877**	**392,575,916**	**58,380,781**	**764,410,891**	**746,611**	**765,157,502**
VIII.	**Comprehensive income or loss for the year**	-	-	**65,062,634**	**(16,674,376)**	-	-	**61,024,908**	**109,413,166**	**53,212**	**109,466,378**
1.	Profit or loss for the period	-	-	-	-	-	-	61,024,908	61,024,908	63,376	**61,088,284**
2.	**Other comprehensive income or loss for the year**	-	-	**65,062,634**	**(16,674,376)**	-	-	-	**48,388,258**	**(10,164)**	**48,378,094**
2.1.	Unrealised gains or losses on tangible assets (land and buildings)	-	-	6,971,864	-	-	-	-	6,971,864	3,080	**6,974,944**
2.2.	Unrealised gains or losses on financial assets at fair value through other comprehensive income	-	-	52,854,556	-	-	-	-	52,854,556	(37)	**52,854,519**
2.3.	Realised gains or losses on financial assets at fair value through other comprehensive income	-	-	5,198,324	-	-	-	-	5,198,324	-	**5,198,324**
2.4.	Net financial income/expenditure from insurance contracts	-	-	-	(17,246,523)	-	-	-	(17,246,523)	(14,042)	**(17,260,565)**
2.5.	Net financial income/expenditure from (passive) reinsurance contracts	-	-	-	572,147	-	-	-	572,147	835	**572,982**
2.6.	Other changes in equity unrelated to owners	-	-	37,890	-	-	-	-	37,890	-	**37,890**
IX.	**Transactions with owners (current period)**	-	-	**(1,666,653)**	-	**4,041**	**(54,824,818)**	**(58,380,781)**	(114,868,211)	**(317,853)**	**(115,186,064)**
1.	Increase/decrease in subscribed capital	-	-	-	-	-	-	-	-	-	-
2.	Other contributions by owners	-	-	-	-	-	5,137	-	5,137	(289,961)	**(284,824)**
3.	Payment of share in profit/dividend	-	-	-	-	-	(81,049,412)	(33,824,493)	(114,873,905)	(28,021)	**(114,901,926)**
4.	Other transactions with owners	-	-	(1,666,653)	-	4,041	26,219,457	(24,556,288)	557	129	**686**
X.	**Balance on the last day of the current year reporting period**	**78,296,142**	**90,448,275**	**110,697,669**	**27,454,836**	**53,282,918**	**337,751,098**	**61,024,908**	**758,955,846**	**481,970**	**759,437,816**

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.

CROATIA osiguranje d.d., Zagreb
Reconciliation of the financial statements and statements for the Croatian Financial Services Supervisory Agency

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
Income from insurance contracts	**448,837**				**448,837**	Insurance revenue
General measurement model	10,404					
Variable fee approach	122					
Premium allocation approach	438,311					
Expenditure from insurance contracts	**(408,644)**				**(408,644)**	Insurance service expenses
Claims incurred	(263,164)					
Commissions	(44,890)					
Other expenses related to the sale of insurance	(45,060)					
Other insurance service expenses	(63,004)					
Depreciation of insurance acquisition costs	-					
Losses and reversal of losses on onerous contracts	(365)					
Change in liabilities for claims incurred	7,839					
Net result of (passive) reinsurance contracts	**(14,809)**				**(14,809)**	Net result of (passive) reinsurance contracts
Income from (passive) reinsurance contracts	46,874					
Expenditure from (passive) reinsurance contracts	(61,683)					
Result from insurance contracts	**25,384**				**25,384**	Result from insurance contracts
Net investment result	**58,710**				**58,710**	Net investment income
Net result from investment in land and buildings	4,329				4,329	Income from investment property
Rental gains/losses (net)	3,565					
Realised gains/losses (net) from property not for own use	(2)					
Unrealised gains/losses (net) from property not for own use	766					
Depreciation of land and buildings not occupied by an undertaking for its own activities	-					
Interest revenue calculated using the effective interest rate method	25,759				25,759	Interest revenue calculated using the effective interest rate method
Other interest income	99		(99)			
Dividend income	23,595			(23,595)		
Unrealised gains/losses (net) from financial assets at fair value through profit or loss	3,255		4,822		8,077	Net gains/losses (net) from financial assets at fair value through profit or loss
Realised gains/losses	(1,616)					
Realised gains/losses (net) from financial assets at fair value through profit or loss	4,723		(4,723)			
Realised gains/losses (net) from financial assets at fair value through other comprehensive income	(6,339)			6,339		
Other realised gains/losses (net)	-					
Net impairment / reversal of impairment of investments	2,352				2,352	Net impairment/release of impairment of financial assets
Net exchange rate differences	1,531				1,531	Net exchange rate differences
Other income from investments	1,730			14,931	16,661	Other income/expenditure from investments
Other expenditure from investments	(2,325)			2,325		
Net financial expenditure from insurance and (passive) reinsurance contracts	**(6,395)**				**(6,395)**	Net financial result from insurance and (passive) reinsurance contracts
Net financial income/expenditure from insurance contracts	(7,134)				(7,134)	Net financial result from insurance contracts
Net financial income/expenditure from (passive) reinsurance contracts	739				739	Net financial result from (passive) reinsurance contracts
Change of liability for investment contracts	-					
Other income	14,250	(6,927)			7,323	Other income
Other operating expenses	(19,030)	6,927			(12,103)	Other operating expenses
Other financial expenses	(1,420)				(1,420)	Other financial expenses
Share of profit of companies consolidated using equity method, net of tax	-					
Profit or loss of the accounting period before tax (+/-)	**71,499**				**71,499**	Profit before tax
Tax on profit or loss	**(5,926)**				**(5,926)**	Income tax
Current tax expense	(4,464)					
Deferred tax expense/ income	(1,462)					
Profit or loss of the accounting period after tax (+/-)	**65,573**				**65,573**	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.

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
INTANGIBLE ASSETS	**14,907**						**14,907**	Intangible asset
Goodwill	-							
Other intangible assets	14,907							
TANGIBLE ASSETS	**61,544**	**(43)**					**61,501**	Property at revaluation model and Property and equipment at cost model
Land and buildings occupied by an undertaking for its own activities	23,930	(43)						
Equipment	2,914							
Other tangible assets and inventories	34,700							
INVESTMENTS	**1,314,218**		**(62,532)**				**1,251,686**	
Investments in land and buildings not occupied by an undertaking for its own activities	**34,914**						**34,914**	Investment property
Investments in subsidiaries, associates and joint ventures	**111,010**						**111,010**	Investments in subsidiaries, associates and participation in joint ventures
Shares and holdings in subsidiaries	107,294							
Shares and holdings in associates	-							
Shares and holdings in joint ventures	3,716							
Financial assets	**1,168,294**		**(62,532)**				**1,105,762**	Financial assets
Financial assets at amortised cost	**380,106**		**(62,532)**				**317,574**	Financial assets at amortised cost
Debt financial instruments	229,237							
Deposits with credit institutions	72,306							
Loans	67,257							
Other	11,306							
Financial assets at fair value through other comprehensive income	**695,006**						**695,006**	Financial assets at fair value through other comprehensive income
Equity financial instruments	191,696							
Debt financial instruments	503,310							
Units in investment funds	-							
Other	-							
Financial assets at fair value through profit and loss account	**93,182**						**93,182**	Financial assets at fair value through profit and loss account
Equity financial instruments	502							
Debt financial instruments	-							
Units in investment funds	92,009							
Derivative financial instruments	21							
Other	650							
ASSETS FROM INSURANCE CONTRACTS	**15,030**						**15,030**	Assets from insurance contracts
General measurement model	12,644							
- Assets for remaining coverage	(1,231)							
- Assets for insurance acquisition cash flows	-							
- Assets from claims incurred	13,875							
Variable fee approach	-							
- Assets for remaining coverage	-							
- Assets for insurance acquisition cash flows	-							
- Assets from claims incurred	-							
Premium allocation approach	2,386							
- Assets for remaining coverage	4,371							
- Assets for insurance acquisition cash flows	-							
- Assets from claims incurred	(1,985)							
ASSETS FROM REINSURANCE CONTRACTS	**53,498**						**53,498**	Assets from reinsurance contracts
DEFERRED AND CURRENT TAX ASSETS	**11,131**				**(6,743)**		**4,388**	
Deferred tax assets	6,743				(6,743)			Deferred tax assets
Current tax assets	4,388						4,388	Current income tax assets
OTHER ASSETS	**31,057**	**43**	**62,531**	**(2,540)**			**91,091**	
CASH AT BANK AND IN HAND	**1,225**		**62,531**				**63,756**	Cash and cash equivalents
Funds in the business account	1,015							
Funds in the account of assets covering liabilities from life insurance contracts	210							
Cash in hand	-							
Fixed assets held for sale and discontinued operations	-							
Other	**29,832**	**43**		**(2,540)**			**27,335**	Trade receivables and other receivables
TOTAL ASSETS	**1,501,385**	**-**	**(1)**	**(2,540)**	**(6,743)**		**1,492,101**	
OFF-BALANCE SHEET ITEMS	**44,733**						**44,733**	

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
CAPITAL AND RESERVES	**658,372**						**658,372**	Capital and reserves
Subscribed capital	**78,296**						**78,296**	Subscribed share capital
Paid in capital - ordinary shares	78,296							
Paid in capital - preference shares	-							
Premium on shares issued (capital reserves)	**90,448**						**90,448**	Premium on issued shares
Revaluation reserves	**100,200**				**18,110**		**118,310**	Revaluation reserve
Land and buildings	6,674							
Financial assets	93,526							
Other revaluation reserves	-							
Financial reserves from insurance contracts	**18,110**				**(18,110)**		-	
Reserves	**53,283**						**53,283**	Reserves
Legal reserves	3,996							
Statutory reserve	19,459							
Other reserves	29,828							
Retained profit or loss brought forward	**252,462**					**65,573**	**318,035**	Retained earnings
Retained profit	252,462					65,573		
Loss brought forward (-)	-							
Profit or loss for the current accounting period	**65,573**					**(65,573)**	-	
Profit for the current accounting period	65,573					(65,573)		
Loss for the current accounting period (-)	-							
SUBORDINATE LIABILITIES	**-**						-	
MINORITY INTEREST	**-**						-	
LIABILITIES FROM INSURANCE CONTRACTS	**713,339**						**713,339**	Liabilities from insurance contracts
General measurement model	293,195							
- Liabilities for remaining coverage	282,537							
- Assets for insurance acquisition cash flows	-							
- Liabilities for claims incurred	10,658							
Variable fee approach	4,283							
- Liabilities for remaining coverage	2,357							
- Assets for insurance acquisition cash flows	-							
- Liabilities for claims incurred	1,926							
Premium allocation approach	415,861							
- Liabilities for remaining coverage	102,585							
- Assets for insurance acquisition cash flows	-							
- Liabilities for claims incurred	313,276							
LIABILITIES FROM REINSURANCE CONTRACTS	**6,191**						**6,191**	Liabilities from reinsurance contracts
LIABILITY FOR INVESTMENT CONTRACTS	**-**							
OTHER PROVISIONS	**5,746**	**(328)**					**5,418**	Provisions
Provisions for pensions and similar obligations	5,418							
Other provisions	328	(328)						
DEFERRED AND CURRENT TAX LIABILITIES	**26,134**			**(6,743)**			**19,391**	
Deferred tax liability	25,976			(6,743)			19,233	Deferred tax liability
Current tax liability	158						158	Current income tax liability
FINANCIAL LIABILITIES	**39,630**						**39,630**	
Loan liabilities	-							
Liabilities for issued financial instruments	-							
Liabilities for derivative financial instruments	817							
Liability for unpaid dividend	213							
Other financial liabilities	38,600							
OTHER LIABILITIES	**51,972**	328	**(2,540)**				**49,760**	Accounts payable and other liabilities
Liabilities for disposal and discontinued operations	-							
Accruals and deferred income	23,337							
Other liabilities	28,635	328						
TOTAL LIABILITIES	**1,501,385**	-	**(2,540)**	**(6,743)**	**-**	**-**	**1,492,101**	
OFF-BALANCE SHEET ITEMS	**44,733**						**44,733**	

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 the 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
Income from insurance contracts	**540,812**				**540,812**	Insurance revenue
General measurement model	18,009					
Variable fee approach	704					
Premium allocation approach	522,099					
Expenditure from insurance contracts	**(489,117)**				**(489,117)**	Insurance service expenses
Claims incurred	(308,549)					
Commissions	(53,816)					
Other expenses related to the sale of insurance	(55,399)					
Other insurance service expenses	(78,022)					
Depreciation of insurance acquisition costs	-					
Losses and reversal of losses on onerous contracts	(807)					
Change in liabilities for claims incurred	7,476					
Net result of (passive) reinsurance contracts	**(14,611)**				**(14,611)**	Net result of (passive) reinsurance contracts
Income from (passive) reinsurance contracts	53,208					
Expenditure from (passive) reinsurance contracts	(67,819)					
Result from insurance contracts	**37,084**				**37,084**	Result from insurance contracts
Net investment result	**58,407**				**58,407**	Net investment income
Net result from investment in land and buildings	15,015				15,015	Income from investment property
Rental gains/losses (net)	15,047					
Realised gains/losses (net) from property not for own use	28					
Unrealised gains/losses (net) from property not for own use	(60)					
Depreciation of land and buildings not occupied by an undertaking for its own activities	-					
Interest revenue calculated using the effective interest rate method	30,274				30,274	Interest revenue calculated using the effective interest rate method
Other interest income	99		(99)			
Dividend income	9,836			(9,836)		
Unrealised gains/losses (net) from financial assets at fair value through profit or loss	3,359		4,889		8,248	Realised gains/losses (net) from financial assets at fair value through profit or loss
Realised gains/losses	(1,531)					
Realised gains/losses (net) from financial assets at fair value through profit or loss	4,790		(4,790)			
Realised gains/losses (net) from financial assets at fair value through other comprehensive income	(6,321)			6,321		
Other realised gains/losses (net)	-					
Net impairment / reversal of impairment of investments	625				625	Net impairment/release of impairment of financial assets
Net exchange rate differences	1,521				1,521	Net exchange rate differences
Other income from investments	2,872			(148)	2,724	Other income/expenditure from investments
Other expenditure from investments	(3,663)			3,663		
Net financial expenditure from insurance and (passive) reinsurance contracts	**(9,261)**				**(9,261)**	Net financial result from insurance and (passive) reinsurance contracts
Net financial income/expenditure from insurance contracts	(10,175)				(10,175)	Net financial result from insurance contracts
Net financial income/expenditure from (passive) reinsurance contracts	914				914	Net financial result from (passive) reinsurance contracts
Change of liability for investment contracts	-					
Other income	40,595	(1,608)			38,987	Other income
Other operating expenses	(56,553)	1,609			(54,944)	Other operating expenses
Other financial expenses	(2,080)				(2,080)	Other financial expenses
Share of profit of companies consolidated using equity method, net of tax	1,430				1,430	
Profit or loss of the accounting period before tax (+/-)	**69,623**				**69,623**	Profit before tax
Tax on profit or loss	**(8,535)**				**(8,535)**	Income tax
Current tax expense	(7,345)					
Deferred tax expense/ income	(1,190)					
Profit or loss of the accounting period after tax (+/-)	**61,088**				**61,088**	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
INTANGIBLE ASSETS	**24,531**						**24,531**	Intangible asset
Goodwill	3,467							
Other intangible assets	21,064							
TANGIBLE ASSETS	**125,819**	**(417)**					**125,402**	Property at revaluation model and Property and equipment at cost model
Land and buildings occupied by an undertaking for its own activities	61,046	(417)						
Equipment	20,760							
Other tangible assets and inventories	44,013							
INVESTMENTS	**1,498,822**		**(76,925)**				**1,421,897**	
Investments in land and buildings not occupied by an undertaking for its own activities	**152,459**						**152,459**	Investment property
Investments in subsidiaries, associates and joint ventures	**9,869**						**9,869**	Investments in subsidiaries, associates and participation in joint ventures
Shares and holdings in subsidiaries	-							
Shares and holdings in associates	841							
Shares and holdings in joint ventures	9,028							
Financial assets	**1,336,494**		**(76,925)**				**1,259,569**	Financial assets
Financial assets at amortised cost	**439,452**		**(76,925)**				**362,527**	Financial assets at amortised cost
Debt financial instruments	244,751							
Deposits with credit institutions	154,412		(76,925)					
Loans	28,983							
Other	11,306							
Financial assets at fair value through other comprehensive income	**793,105**						**793,105**	Financial assets at fair value through other comprehensive income
Equity financial instruments	191,696							
Debt financial instruments	601,409							
Units in investment funds	-							
Other	-							
Financial assets at fair value through profit and loss account	**103,937**						**103,937**	Financial assets at fair value through profit and loss account
Equity financial instruments	502							
Debt financial instruments	-							
Units in investment funds	102,764							
Derivative financial instruments	21							
Other	650							
ASSETS FROM INSURANCE CONTRACTS	**15,030**						**15,030**	Assets from insurance contracts
General measurement model	**12,644**							
- Assets for remaining coverage	(1,231)							
- Assets for insurance acquisition cash flows	-							
- Assets from claims incurred	13,875							
Variable fee approach	**-**							
- Assets for remaining coverage	-							
- Assets for insurance acquisition cash flows	-							
- Assets from claims incurred	-							
Premium allocation approach	**2,386**							
- Assets for remaining coverage	4,371							
- Assets for insurance acquisition cash flows	-							
- Assets from claims incurred	(1,985)							
ASSETS FROM REINSURANCE CONTRACTS	**59,141**						**59,141**	Assets from reinsurance contracts
DEFERRED AND CURRENT TAX ASSETS	**14,521**					**(8,682)**	**5,839**	
Deferred tax assets	8,418					(6,996)	1,422	Deferred tax assets
Current tax assets	6,103					(1,686)	4,417	Current income tax assets
OTHER ASSETS	**59,936**	**417**	**76,926**	**-**	**(12,701)**		**124,578**	
CASH AT BANK AND IN HAND	**8,777**		**76,926**				**85,703**	Cash and cash equivalents
Funds in the business account	8,274		76,926					
Funds in the account of assets covering liabilities from life insurance contracts	393							
Cash in hand	110							
Fixed assets held for sale and discontinued operations	**274**			**(274)**				
Other	**50,885**	**417**		**274**	**(12,701)**		**38,875**	Trade receivables and other receivables
TOTAL ASSETS	**1,797,799**	**-**	**1**	**-**	**(12,701)**	**(8,682)**	**1,776,418**	
OFF-BALANCE SHEET ITEMS	**49,147**						**49,147**	

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 and current 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
CAPITAL AND RESERVES	**758,956**						**758,956**	Capital and reserves
Subscribed capital	**78,296**						**78,296**	Subscribed share capital
Paid in capital - ordinary shares	78,296							
Paid in capital - preference shares	-							
Premium on shares issued (capital reserves)	**90,448**						**90,448**	Premium on issued shares
Revaluation reserves	**110,698**				**27,455**		**138,153**	Revaluation reserve
Land and buildings	20,746							
Financial assets	89,930							
Other revaluation reserves	22							
Financial reserves from insurance contracts	**27,455**				**(27,455)**		**-**	
Reserves	**53,283**						**53,283**	Reserves
Legal reserves	3,996							
Statutory reserve	19,459							
Other reserves	29,828							
Retained profit or loss brought forward	**337,751**					**61,025**	**398,776**	Retained earnings
Retained profit	337,751					61,025		
Loss brought forward (-)	-							
Profit or loss for the current accounting period	**61,025**					**(61,025)**		
Profit for the current accounting period	61,025					(61,025)		
Loss for the current accounting period (-)	-							
SUBORDINATE LIABILITIES	**-**							
MINORITY INTEREST	**482**						**482**	
LIABILITIES FROM INSURANCE CONTRACTS	**859,490**						**859,490**	Liabilities from insurance contracts
General measurement model	357,672							
- Liabilities for remaining coverage	345,299							
- Assets for insurance acquisition cash flows	-							
- Liabilities for claims incurred	12,373							
Variable fee approach	12,519							
- Liabilities for remaining coverage	10,587							
- Assets for insurance acquisition cash flows	-							
- Liabilities for claims incurred	1,932							
Premium allocation approach	489,299							
- Liabilities for remaining coverage	133,915							
- Assets for insurance acquisition cash flows	-							
- Liabilities for claims incurred	355,384							
LIABILITIES FROM REINSURANCE CONTRACTS	**6,639**						**6,639**	Liabilities from reinsurance contracts
LIABILITY FOR INVESTMENT CONTRACTS	**-**							
OTHER PROVISIONS	**7,864**	**(440)**					**7,424**	Provisions
Provisions for pensions and similar obligations	7,424							
Other provisions	440	(440)						
DEFERRED AND CURRENT TAX LIABILITIES	**37,721**			**(8,682)**			**29,039**	
Deferred tax liability	34,493			(6,996)			27,497	Deferred tax liability
Current tax liability	3,228			(1,686)			1,542	Current income tax liability
FINANCIAL LIABILITIES	**49,392**						**49,392**	
Loan liabilities	1,407							
Liabilities for issued financial instruments	-							
Liabilities for derivative financial instruments	817							
Liability for unpaid dividend	219							
Other financial liabilities	46,949							
OTHER LIABILITIES	**77,255**	**440**	**(12,699)**				**64,996**	Accounts payable and other liabilities
Liabilities for disposal and discontinued operations	1							
Accruals and deferred income	26,131							
Other liabilities	51,123	440						
TOTAL LIABILITIES	**1,797,799**	**-**	**(12,699)**	**(8,682)**			**1,776,418**	
OFF-BALANCE SHEET ITEMS	**49,147**						**49,147**	

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 and current tax assets and liabilities are offset in the Basic financial statements.
4. In the 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.