



**OPTIMISM CREATES A FUTURE.
LET US SHAPE IT TOGETHER.**

ANNUAL REPORT 2021

ГРАВЕ Україна



The GRAWE Group – grown strength.

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

GRAWE Group

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ГРАВЕ Україна

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The GRAWE insurance companies in 2021

1828
Austria



2000
Romania



1991
Slovenia



2001
Banja Luka



1993
Croatia



2004
Moldova



1997
Hungary



2004
Podgorica



1997
Beograd



2007
Skopje



1998
Sarajevo



2008
Ukraine



1998
Ukraine



2019
Skopje



1999
Cyprus



2020
Podgorica



2000
Bulgaria





OPTIMISM CREATES A FUTURE. LET US SHAPE IT TOGETHER.

In a few years, GRAWE will be celebrating its 200th anniversary. Throughout this long history, our company has regularly had to cope with turbulent times. This was also the case in 2021, because the pandemic, which we had hoped to have overcome, continued. And yet, like in the previous year, the GRAWE Group was once again able to generate a good result.

The key to our lasting success: A culture that puts its faith in respect and entrepreneurial commitment and a consistent orientation to the requirements of our clients. But in particular also in the dedication of our 5,155 employees. A special “thank you” for their commitment with which they have maintained the high level of proximity to the customer that is standard at GRAWE, despite the trying working conditions and in many cases also difficult personal circumstances during the second year of the pandemic.

This diligent service and an optimistic look to the future have always been part of our corporate culture and the most important component for success. It is reminiscent of the founder of GRAWE, Archduke Johann of Austria. His guiding motto still shapes the work of GRAWE to this day: „In the unity of many, lies the strength that creates good. To contribute to it is the duty of everyone.“

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

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



Members of the Board
(from left to right):

Mag. Gerald Gröstenberger, MBA
Board director

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

Dr. Philipp Meran
Chairman of the Supervisory Board

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

MMag. Georg Schneider
Board director

Foreword by the Chairmen of the Board

Dear Readers,

In 2021, it was not only the ongoing pandemic that continued to present us with particular challenges; the high inflation and the sharp rise in the construction costs index also had a substantial impact on our day-to-day business.

Through specific adaptations and adjustments to internal processes and in the contact with our clients as well as our business partners, our companies have succeeded in adapting to the situation in the best possible way. A high level of flexibility and the necessary resoluteness were the basic prerequisite for this.

For more than 190 years, Grazer Wechselseitige Versicherung has stood for stability, security and reliability. Particularly in times of rising commodity and energy costs, the aim is to demonstrate this in particular towards our clients and business partners. Individual support and the development of sustainable solutions have always been our overriding premise and are in demand more than ever.

The success of this strategy is also proven by the history of Grazer Wechselseitige Versicherung which has developed from a regional fire insurer into an international group with 18 subsidiaries in Central, Eastern and South-East Europe. The business model incorporates not only the insurance sector. Grazer Wechselseitige also operates as a reliable service provider in the financial and real estate sector at national and international level. The successful merger of Bankhaus Schelhammer & Schattera and Capital Bank to form Schelhammer Capital Bank AG, which offers considerable added value for our clients, should be particularly highlighted here.

In the past financial year, the GRAWE Group posted a growth in premiums totalling 7.8% in the insurance business; this was supported by the increase in the indemnity and accident insurance of 10.1%. Earnings from ordinary activities amounted to EUR 135.0 million; the Group's profit amounted to EUR 100.3 million. Despite the ongoing challenges in connection with COVID-19 and the strong price rises in virtually all areas, the GRAWE Group continues to be on course for success.

The same also applies for Grazer Wechselseitige Versicherung in Austria. Premium income increased by 6.8% and despite a strong increase in the areas of storm, mains water and fully comprehensive claims, earnings from ordinary activities amounted to EUR 72.4 million and a profit of EUR 52.9 million was generated.

In this respect, we would like to express our special thanks to our highly trained employees. They are the driving force in our company and fundamentally responsible for our success. We also owe it to their flexibility and their commitment that we can emerge stronger from the COVID-19 crisis and look to the future with optimism. Together, we have used the opportunity to drive fundamental digitalisation projects forward and to make our processes more flexible and more efficient.

In addition, we would like to thank our clients for their loyalty and the trust that they have shown in our company. We are particularly delighted that in this connection we were presented with the "Recommender Award" of the Financial Marketing Association of Austria (FMVÖ) in 2021 and thus for the 14th time in 15 years. Grazer Wechselseitige Versicherung came out top again in the category "Insurances nationwide" and was thus once more the most recommended insurance in Austria in 2021. In the past financial year, we were also awarded the seal of quality for "Excellent customer orientation".

The careful handling of resources has the utmost priority throughout our companies, which is why we are putting our faith in sustainability in all areas. This applies both in capital investment and in the area of building and refurbishment of our properties. Also with regard to the reduction of CO₂, we are making a fundamental contribution with our own photovoltaic system to supply our data centre, to name just one of the many measures already implemented. As Grazer Wechselseitige Versicherung, we are also conscious of our social responsibility. We support a large number of initiatives, events and institutions in the areas of health, environmental protection, education, art, culture and sport. The latest project that we are sponsoring is the project "Klimaneuzeit – die 24H Challenge" ("A new age for the climate – the 24-hour challenge") sponsored by the province of Styria and which is a collaboration between Quantum, the Wegener Center Graz and the International Institute for Applied Systems Analysis.

In summary, Grazer Wechselseitige Versicherung was able to make very good use of the past financial year and can look back at a gratifying result. It has always proven to be a group with a long tradition and constant growth. We owe this to our clients, business partners and our employees whom we would once again like to offer our sincere thanks.

Yours sincerely,
Klaus Scheitegel

Yours sincerely,
Othmar Ederer

GRAWE Group Profit and Loss Account for Financial Year 2021 (summary)

Profit and Loss Account

	2021	2020
	EUR	TEUR
General Insurance		
1. Earned premiums	539,071,095	504,448
2. Allocated investment return	167,047	151
3. Other technical income	2,900,969	2,690
4. Claims accrued	-342,578,992	-323,022
5. Increase in the technical provisions	0	0
6. Decrease in the technical provisions	-171,118	39
7. Rebates	-1,164,486	-1,061
8. Operating expenses	-172,784,417	-163,769
9. Other technical charges	-4,028,617	-4,233
10. Change in the volatility reserve	-2,176,263	-625
11. Technical account balance	19,235,219	14,619
12. Investment income and interest income	66,483,796	60,750
13. Investment charges and interest paid	-25,462,525	-20,378
14. Capital income transferred to the technical account	-167,047	-151
15. Other non-technical income	5,582,853	4,313
16. Other non-technical charges	-7,495,641	-6,833
17. Earnings gross before taxes	58,176,654	52,319
Life Insurance		
1. Earned premiums	411,067,157	395,574
2. Allocated investment return transferred from the technical account	111,011,757	133,360
3. Unrealised gains on investments pursuant to asset item C.	37,707,404	9,309
4. Other technical income	1,857,781	1,763
5. Claims accrued	-323,268,288	-319,532
6. Increase in the technical provisions	-111,726,073	-82,128
7. Decrease in technical provisions	122,832	0
8. Rebates	-400,327	515
9. Bonuses and/or policyholders' participation in profits	-5,830,830	-12,189
10. Operating expenses	-91,909,805	-84,042
11. Unrealised losses on investments pursuant to asset item C.	-332,608	-3,641
12. Other technical charges	-333,059	-263
13. Technical account balance	27,965,940	38,727
14. Investment income and interest income	141,733,472	175,965
15. Investment charges and interest paid	-49,155,053	-37,981
16. Allocated investment return transferred to the technical account	-111,011,757	-133,360
17. Other non-technical income	889,025	1,140
18. Other non-technical charges	-527,339	-1,069
19. Earnings gross before taxes	9,894,287	43,422
Total		
1. Earnings gross before taxes of insurance undertakings		
General insurance business	58,176,654	52,319
Life insurance	9,894,287	43,422
	68,070,941	95,741
2. Earnings gross before taxes of credit institutions	66,917,489	51,690
3. Earnings gross before taxes in total	134,988,430	147,431
4. Taxes on income and earnings	-34,668,524	-25,059
5. Profit / Loss for the financial year	100,319,906	122,372

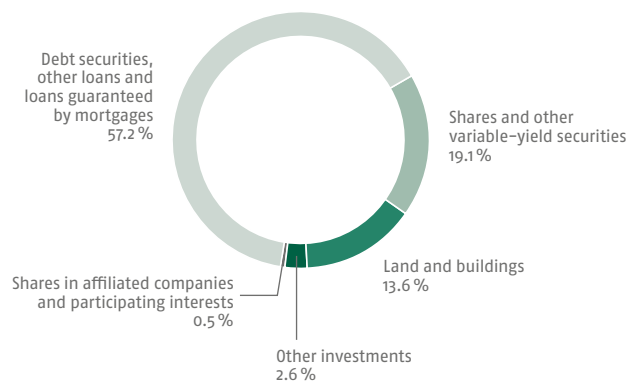
GRAWE Group Balance Sheet on 31 December 2021 (summary)

Assets	31.12.2021	31.12.2020
	EUR	TEUR
A. Intangible assets	22,460,561	25,985
B. Investments		
I. Land and buildings	780,137,423	741,485
II. Investments in affiliated undertakings and participating interests	43,070,376	38,774
III. Other investments	4,410,173,314	4,266,034
IV. Deposits with ceding undertakings	29,282	53
C. Investments of unit-linked and index-linked life insurance	401,037,658	336,235
D. Receivables	117,912,370	100,906
E. Accrued interest and rent	51,004,326	52,980
F. Other assets	113,556,413	115,122
G. Prepaid expenses	6,367,557	4,566
H. Deferred taxes on the assets side	55,012,469	49,459
I. Assets which derive from credit institutions	6,499,265,748	6,179,359
	12,500,027,495	11,910,959

Liabilities	31.12.2021	31.12.2020
	EUR	TEUR
A. Equity	1,711,317,389	1,592,948
B. Technical provisions, net of reinsurance		
I. Provision for unearned premiums	194,383,927	182,340
II. Life insurance provision	2,919,298,937	2,840,544
III. Provision for claims outstanding	941,911,332	920,176
IV. Provision for rebates	4,612,384	4,457
V. Provision for bonuses and/or policyholders' participation in profits	133,594,835	134,491
VI. Volatility reserve	69,351,959	67,433
VII. Other technical provisions	11,079,074	10,242
C. Technical provisions of unit-linked and index-linked life insurance	395,818,400	332,057
D. Non-technical provisions	133,564,273	129,433
E. Deposits received from reinsurers	3,434,383	4,045
F. Other liabilities	148,856,529	142,826
G. Deferred income	59,256,432	61,660
H. Provisions, liabilities and deferred income, which derive from credit institutions	5,773,547,641	5,488,306
	12,500,027,495	11,910,959

GRAWE Group Investments – a Reliable Basis

At 31 December 2021 the Group's total investments amounted to EUR 5,634 million (2020: EUR 5,383 million), corresponding to a 4.7% rise with respect to the previous year.



Auditor's Opinion

We have audited the consolidated financial statements of

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

and its subsidiaries (the Group), which comprise the Consolidated Balance Sheet as at 31 December 2021, and the Consolidated Income Statement, Consolidated Statement of Changes in Equity and Consolidated Statement of Cash Flows for the year then ended, and the Notes to the Consolidated Financial Statements.

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of 31 December 2021, and its consolidated financial performance and consolidated cash flows for the year then ended in accordance with, Austrian Generally Accepted Accounting Principles as well as legal or regulatory requirements.

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

Vienna, 18 March 2022

KPMG Austria GmbH
Wirtschaftsprüfungs- und
Steuerberatungsgesellschaft
Mag. Michael Schlenk

CENTURION
Wirtschaftsprüfungs-
und Steuerberatungs GmbH
Dr. Andreas Staribacher

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



Report 2021



Голова Правління
Наталія Базилевська



Член Правління
Етмір Краснічі

Шановні пані та панове!

Перебуваючи в сьогоденній точці відліку, було б некоректно говорити про минулий рік дистанціюючись від теперішньої ситуації. 24 лютого 2022 року став переломним моментом для нас та України. Війна – це час випробувань не тільки для громадян України, окремих компаній, ринків, економіки України, а й для всієї світової спільноти. Головним випробуванням для нас було зрозуміти, що війна справді має серйозні масштаби і руйнування та почати в цій ситуації адаптувати свої очікування та стратегію під нові реалії. Спробуємо в цей важкий час озирнутися назад і підвести підсумки нашої роботи за 2021 рік. Минулий рік був для ПрАТ «ГРАВЕ УКРАЇНА Страхування життя» періодом розвитку, зміцнення ринкових позицій, періодом нарощування фінансової стійкості та надійності компанії. Протягом року компанія здійснювала плідну діяльність, впевнено закріплюючи свої лідерські позиції на вітчизняному ринку страхування життя.

За підсумками 2021 року «ГРАВЕ УКРАЇНА Страхування життя» збільшила клієнтську базу та обсяг залучених страхових премій, розмір страхових резервів та активів, отримала позитивний фінансовий результат, розмір якого із року в рік залишається на стабільно високому рівні.

«ГРАВЕ УКРАЇНА Страхування життя» має дуже потужний портфель клієнтів, за яким протягом 2021 року були здійсненні 1770 виплат страхових сум за випадком дожиття до закінчення строку дії договору страхування на загальну суму 119,36 млн. грн. Крім того, компанія не залишила клієнтів під час війни, а продовжила роботу сумлінно виконуючі свої зобов'язання перед Україною та народом України. Тільки протягом перших 100 днів війни компанія здійснила виплати 688 клієнтам на загальну суму 21,6 млн. гривень, з них 17,4 млн. гривень за випадком дожиття до закінчення дії договору страхування.

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

«ГРАВЕ УКРАЇНА Страхування життя» постійно працює над самовдосконаленням, приділяючи значну увагу моніторингу потреб громадян України і якості обслуговування своїх клієнтів. Минулого року компанія доклала багато зусиль, щоб максимально задовольнити потреби своїх клієнтів, розробила та впровадила нову програму страхування життя та захисту здоров'я. «ГРАВЕ УКРАЇНА Страхування життя» продовжує виконувати свою головну функцію — залишатися фінансовим радником та партнером для своїх клієнтів.

Компанія за результатами різних рейтингових досліджень неодноразово отримувала нагороди за вагомий внесок в розвиток ринку страхування. Минулий рік також не став виключенням, «ГРАВЕ УКРАЇНА Страхування життя» отримала почесну нагороду «Компанія року 2021» від Всеукраїнського галузево-аналітичного центру, що є безумовним свідченням лідерства компанії в галузі страхування життя, відкритості до змін, глибокого розуміння потреб ринку та здатності пристосовуватися до нових викликів.

Звичайно, головними перевагами для нас були та залишаються честь і гідність, адже тільки завдяки консервативній політиці управління активами та підтримці надійних партнерів ми крокуємо впевнено вперед. Запевняємо Вас, що «ГРАВЕ УКРАЇНА» буде залишатися надійним партнером. Ми пройдемо цей складний шлях із кожним партнером, клієнтом та співробітником, щоб стати ще сильнішими, міцнішими та надійнішими.

«ГРАВЕ УКРАЇНА» працює для Вас і робить все можливе для оперативного зв'язку та підтримки клієнтів. Ми віримо в нашу перемогу та знаємо, що кожен наступний рік стане роком післявоєнного зростання та розквіту України в економічному плані.

З повагою,
Правління «ГРАВЕ УКРАЇНА Страхування життя»

Баланс на 31.12.2021 р.

Актив	31.12.2020 тис. грн.	31.12.2021 тис. грн.
I. Необоротні активи		
Нематеріальні активи	28,8	1.988,1
первісна вартість	93,2	2.061,5
накопичена амортизація	64,4	73,4
Незавершені капітальні інвестиції	0,0	0,0
Основні засоби	23.989,9	24.483,4
первісна вартість	32.159,0	34.616,2
знос	8.169,1	10.132,8
Інвестиційна нерухомість	37.031,6	36.229,2
Первісна вартість інвестиційної нерухомості	40.778,7	40.778,7
Знос інвестиційної нерухомості	3.747,1	4.549,5
Довгострокові біологічні активи	0,0	0,0
Первісна вартість довгострокових біологічних активів	0,0	0,0
Накопичена амортизація довгострокових біологічних активів	0,0	0,0
Довгострокові фінансові інвестиції: які обліковуються за методом участі в капіталі інших підприємств	0,0	0,0
інші фінансові інвестиції	1.814.963,0	2.247.394,6
Довгострокова дебіторська заборгованість	0,0	0,0
Відстрочені податкові активи	5.395,3	5.899,3
Гудвіл	0,0	0,0
Відстрочені аквізиційні витрати	0,0	0,0
Залишок коштів у централізованих страхових резервних фондах	0,0	0,0
Інші необоротні активи	0,0	0,0
Усього за розділом I	1.881.408,6	2.315.994,6
II. Оборотні активи		
Запаси	871,3	1.305,5
Виробничі запаси	0,0	0,0
Незавершене виробництво	0,0	0,0
Готова продукція	0,0	0,0
Товари	0,0	0,0
Поточні біологічні активи	0,0	0,0
Депозити перестрахування	0,0	0,0
Векселі одержані	0,0	0,0
Дебіторська заборгованість за продукцію, товари, роботи, послуги	36.446,4	45.487,5
Дебіторська заборгованість за розрахунками: за виданими авансами	2.086,3	2.397,1
з бюджетом	7.724,5	3.414,7
у тому числі з податку на прибуток	7.469,6	3.078,4
Дебіторська заборгованість за розрахунками з нарахованих доходів	76.514,0	78.276,9
Дебіторська заборгованість за розрахунками із внутрішніх розрахунків	1.295,3	1.709,9
Інша поточна дебіторська заборгованість	476,7	460,1
Поточні фінансові інвестиції	1.026.858,1	919.706,8
Гроші та їх еквіваленти	106.202,3	53.289,2
Готівка	0,0	0,0
Рахунки в банках	106.202,3	50.304,2
Витрати майбутніх періодів	1.855,5	3.029,6
Частка перестраховика у страхових резервах	304.624,3	292.142,8
у тому числі в: резервах довгострокових зобов'язань	282.577,5	266.437,3
резервах збитків або резервах належних виплат	22.046,8	25.705,5
резервах незароблених премій	0,0	0,0
інших страхових резервах	0,0	0,0
Інші оборотні активи	0,0	0,0
Усього за розділом II	1.564.954,7	1.401.220,1
III. Необоротні активи, утримувані для продажу, та групи вибуття	0,0	0,0
Баланс	3.446.363,3	3.717.214,7

Баланс на 31.12.2021 р.

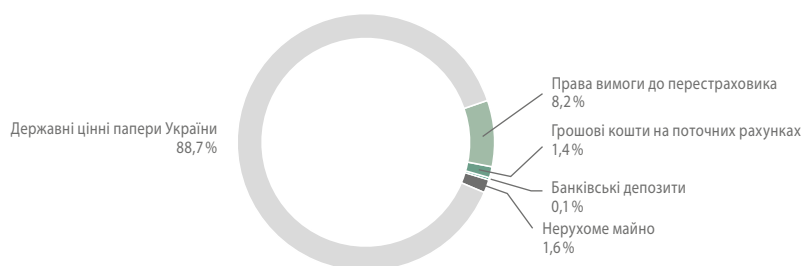
Пасив	31.12.2020 тис. грн.	31.12.2021 тис. грн.
I. Власний капітал		
Зареєстрований (пайовий) капітал	26.903,1	26.903,1
Внески до незареєстрованого статутного капіталу	0,0	0,0
Капітал у дооцінках	1.104,7	441,6
Додатковий капітал	0,0	0,0
Емісійний дохід	0,0	0,0
Накопичені курсові різниці	0,0	0,0
Резервний капітал	6.576,7	6.576,7
Нерозподілений прибуток (непокритий збиток)	243.703,1	252.337,2
Неоплачений капітал	0,0	0,0
Вилучений капітал	0,0	0,0
Інші резерви	0,0	0,0
Усього за розділом I	278.287,6	286.258,6
II. Довгострокові зобов'язання і забезпечення		
Відстрочені податкові зобов'язання	0,0	0,0
Пенсійні зобов'язання	0,0	0,0
Довгострокові кредити банків	0,0	0,0
Інші довгострокові зобов'язання	0,0	0,0
Довгострокові забезпечення	0,0	0,0
Довгострокові забезпечення витрат персоналу	0,0	0,0
Цільове фінансування	0,0	0,0
Благодійна допомога	0,0	0,0
Страхові резерви	3.071.501,3	3.322.050,0
у тому числі: резерв довгострокових зобов'язань	3.009.547,3	3.246.096,5
резерв збитків або резерв належних виплат	61.954,0	75.953,5
резерв незароблених премій	0,0	0,0
інші страхові резерви	0,0	0,0
Інвестиційні контракти	0,0	0,0
Призовий фонд	0,0	0,0
Резерв на виплату джек-поту	0,0	0,0
Усього за розділом II	3.071.501,3	3.322.050,0
III. Поточні зобов'язання і забезпечення		
Короткострокові кредити банків	0,0	0,0
Векселі видані	0,0	0,0
Поточна кредиторська заборгованість за: довгостроковими зобов'язаннями	0,0	0,0
товари, роботи, послуги	37.991,6	42.331,6
розрахунками з бюджетом	89,5	96,9
у тому числі з податку на прибуток	0,0	0,0
розрахунками зі страхування	40,5	57,4
розрахунками з оплати праці	33,7	3,1
Поточна кредиторська заборгованість за одержаними авансами	30.468,0	36.735,1
Поточна кредиторська заборгованість за розрахунками з учасниками	0,0	0,0
Поточна кредиторська заборгованість із внутрішніх розрахунків	0,0	0,0
Поточна кредиторська заборгованість за страховою діяльністю	0,0	0,0
Поточні забезпечення	27.929,1	29.595,4
Доходи майбутніх періодів	0,0	0,0
Відстрочені комісійні доходи від перестраховиків	0,0	0,0
Інші поточні зобов'язання	22,0	86,6
Усього за розділом III	96.574,4	108.906,1
IV. Зобов'язання, пов'язані з необоротними активами, утримуваними для продажу, та групами вибуття	0,0	0,0
V. Чиста вартість активів недержавного пенсійного фонду	0,0	0,0
Баланс	3.446.363,3	3.717.214,7

Фінансові результати 2021 року

	2021 тис. грн.	2020 тис. грн.
Страхові премії	520.749,00	441.262,30
Інші операційні доходи	7.389,80	37.593,60
Премії, сплачені за перестрахування	-75.113,00	-66.226,40
Формування резервів		
Відрахування до резервів	-250.548,79	-578.847,06
Частка перестраховика у зміні резервів	-12.481,48	50.231,08
Страхові виплати		
Сплачені страхові виплати	-177.250,19	-171.058,07
Частка страхових виплат, сплачена перестраховиком	34.673,96	27.981,85
Операційні витрати	-303.448,90	-221.925,90
Фінансові доходи	289.200,00	545.242,60
Фінансові витрати	-19.407,50	-8.452,30
Податок на прибуток	-5.128,80	-13.653,50
Чистий прибуток	8.634,10	42.148,20

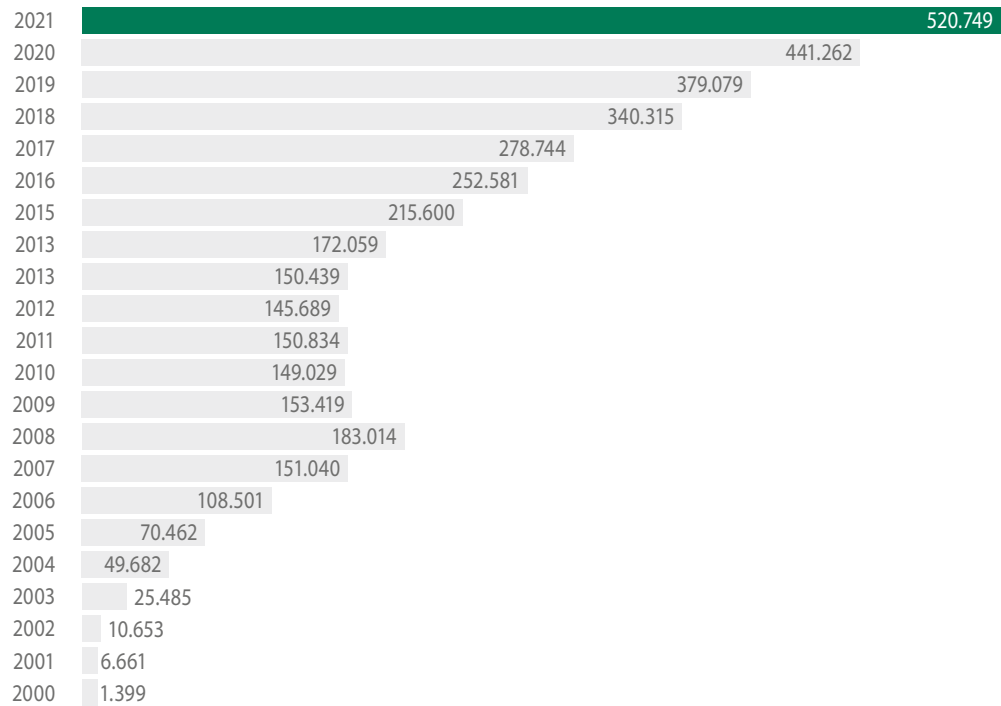
Інвестиційний портфель ГРАВЕ Україна: 3.570.075,50 тис.грн.

(в тому числі страхові резерви: 3.322.050,06 тис.грн.)



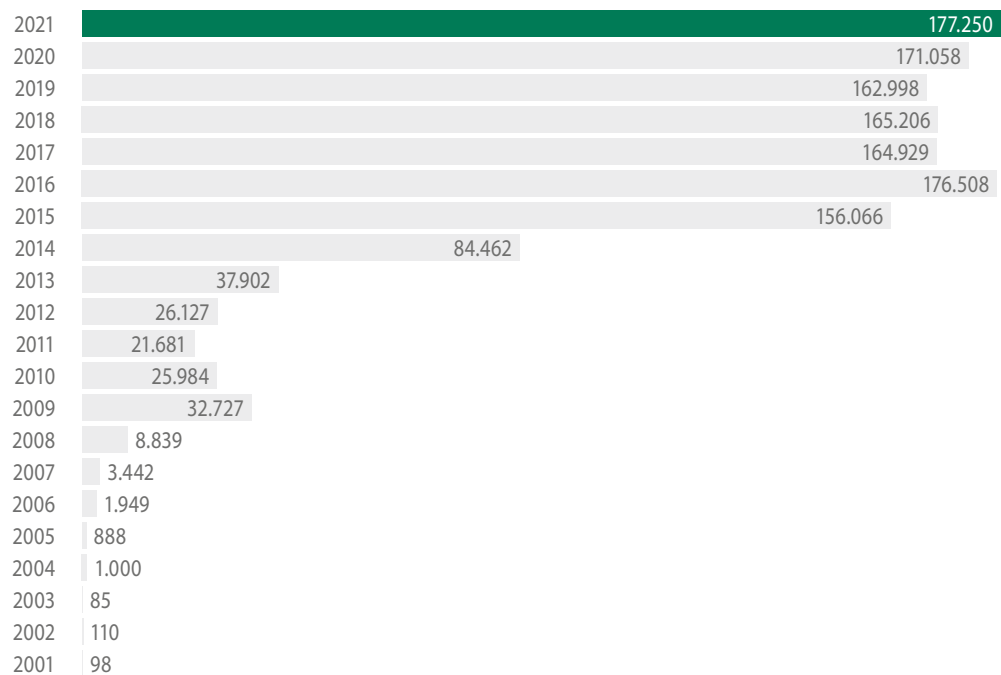
Страхові премії

(тис.грн.)



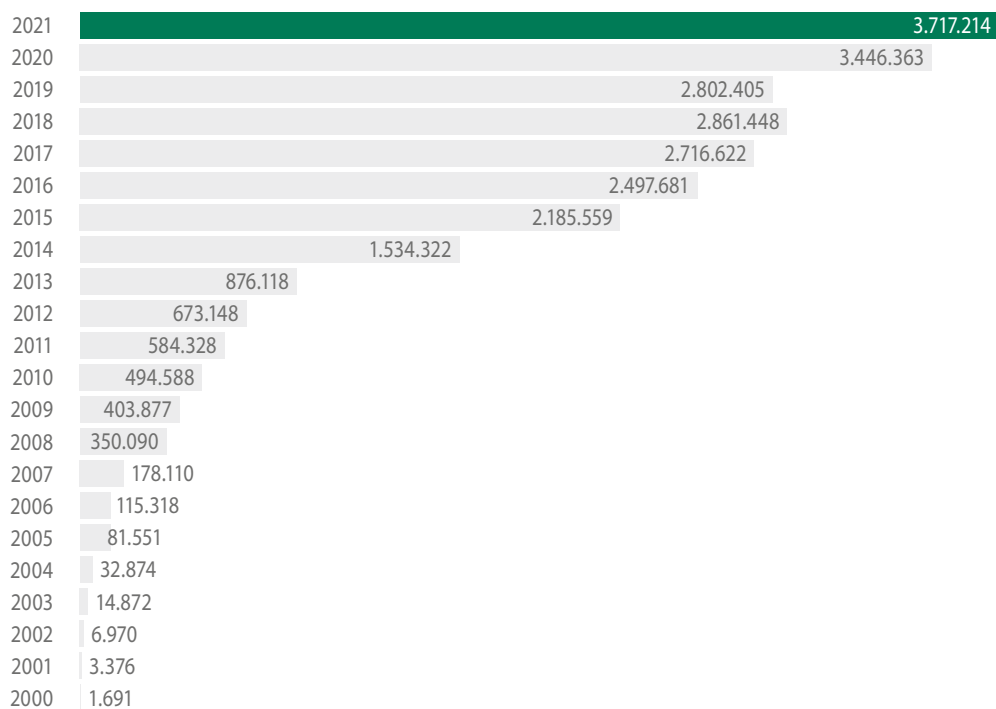
Страхові виплати разом з викупами

(тис.грн.)



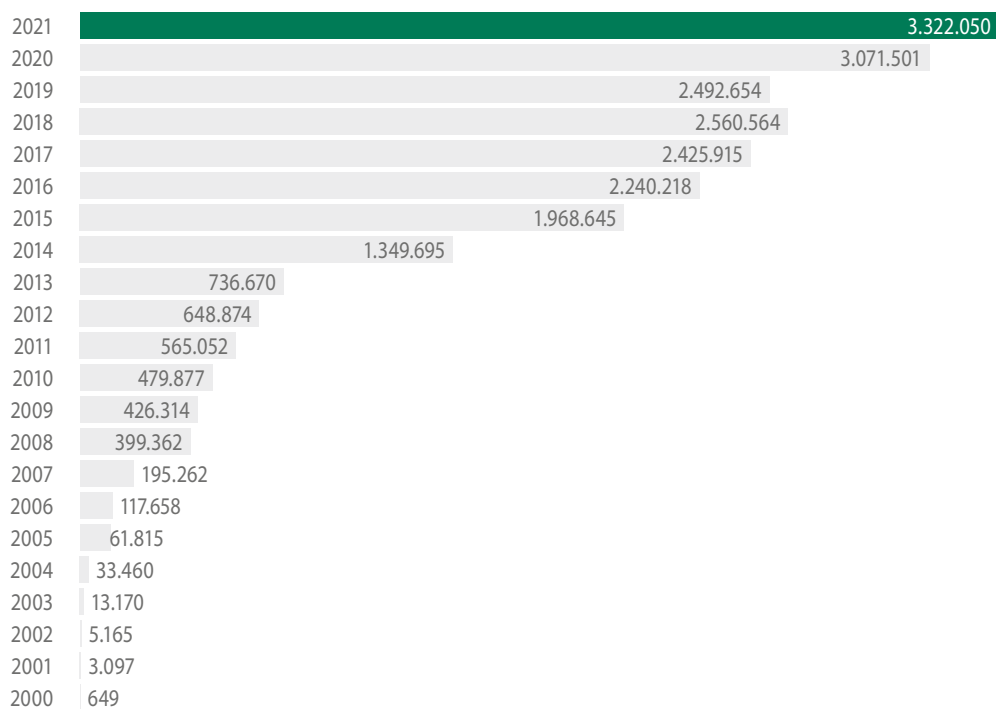
Активи

(тис.грн.)



Страхові резерви

(тис.грн.)





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INDEPENDENT AUDITOR'S REPORT

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

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the annual financial statements of the PRIVATE JOINT STOCK COMPANY "GRAWE UKRAINE LIFE INSURANCE" (hereinafter – the Company), which comprise statement of financial position as at 31 December 2021, statement of profit or loss and other comprehensive income, statement of cash flows, statement of changes in equity for the year then ended and notes to the financial statements, including the summary of significant accounting policies (hereinafter – the financial statements).

In our opinion, the accompanying financial statements present fairly, in all material respects the financial position of the Company as at 31 December 2021, and its financial performance and cash flows for the year then ended in accordance with the International Financial Reporting Standards (hereinafter – IFRSs).

Basis for Opinion

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

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

Emphasis of Matter

We draw attention to Note 2 of the financial statements, which describes the uncertainty of estimates. In particular, this note states that according to management estimates that the greatest effect on the Company may have the uncertainty, the outcome of which depends on future events that are not under the Company's direct control but which may affect its future financial statements. This uncertainty is caused by internal and external political and economic factors, which cannot be reasonably predicted as at the date of approval of these financial statements.

Our opinion is not modified in respect of this matter.

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



Key Audit Matters

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

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

Insurance reserves and liabilities as at 31 December 2021 are disclosed in note 9 to the financial statements and amount to UAH 3,322,050 thousand (gross) and UAH 292,143 thousand (reinsurer's share in the insurance reserves) respectively. The book value of insurance reserves and liabilities (gross) make 96.8% of the Company's liabilities and reinsurer's share in insurance reserves make 7.9% of the Company's assets respectively.

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

Other Information

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

Other information includes:

- *The Annual information of the issuer*, which shall be formed by the Company on the basis of the requirements of Articles 126 and 127 of the Law of Ukraine "On Capital Markets and Organized Commodity Markets" taking into account the requirements of Article 127 "On Financial Services and State Regulation of Financial Services Markets", and which is not the financial statements of the Company. The Annual information of the issuer will be approved after the date of our Independent Auditor's Report. Our opinion on the financial statements does not apply to the Annual information of the issuer and we do not conclude with any level of assurance about this Annual information of the issuer as at the date of this Independent Auditor's Report. In connection with our audit of the financial statements, our responsibility is to read the Annual information of the issuer and, in doing so, consider whether there is a material inconsistency between the Annual information of the issuer and the financial statements or our knowledge obtained during the audit, or, whether the Annual information of the issuer otherwise appears to be materially misstated. When we read the Annual information of the issuer and if we come to the conclusion that it contains a material misstatement, we will be obliged to report this fact;
- *The reporting of the issuer*, which shall be formed by the Company on the basis of the requirements of the "Rules for preparation and submission of reports by non-banking financial services market participants to the National Bank of Ukraine", approved by the resolution of the Board of the National Bank of Ukraine #123 dated November 25, 2021. The reporting of the issuer will be approved after the date of this Independent Auditor's Report. Our opinion on the financial statements does not apply to the reporting of the issuer and we do not conclude with any level of assurance about this reporting of the issuer as of the date of this Independent Auditor's Report. In connection with our audit of the financial statements, our responsibility is to read the reporting of the issuer and,

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in doing so, consider whether there is a material inconsistency between the reporting of the issuer and the financial statements or our knowledge obtained during the audit, or, whether the reporting of the issuer otherwise appears to be materially misstated. When we read the reporting of the issuer and if we come to the conclusion that it contains a material misstatement, we will be obliged to report this fact to those charged with governance;

- *Management Report*, which is prepared by the Company on the basis of the requirements of the Law of Ukraine "On accounting and financial reporting in Ukraine" and which is not the financial statements of the Company and does not contain our Independent Auditor's Report on it. Our opinion on the financial statements does not cover the Management Report and we do not conclude with any level of assurance about this Management Report as of the date of this Independent Auditor's Report. In connection with our audit of the financial statements our responsibility is to read the Management Report and, in doing so, consider whether there is a material inconsistency between the Management Report and the financial statements or our knowledge obtained during the audit, or, whether the Management Report otherwise appears to be materially misstated. If, on the basis of our work, we come to the conclusion that there is a material misstatement in the Management Report, we are obliged to report this fact. We have not identified such facts by the results of our reading the Management Report, which would have to be included to this Independent Auditor's Report.

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

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

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

Auditor's Responsibility for the Audit of the Financial Statements

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

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

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

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

We communicate to those charged with governance regarding the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

- *The Law of Ukraine "On audit of the financial statements and auditing" N2258-VIII dated 21 December 2017*

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

We were appointed to conduct a statutory audit of the Company's financial statements by the Supervisory Board decision No.126 dated 18 March 2021. Total duration of the audit engagement without interruptions, taking into account extension of the mandate that took place and the re-appointments, is 5 years.

Audit Estimates. Our statement regarding identification and our assessment of risks of material misstatement of financial statements due to fraud or error is contained in the *Auditor's Responsibility for the Audit of the Financial Statements* section of this Independent Auditor's Report

Description and assessment of risks of material misstatement in the financial statements

In planning our audit we determined that the audit of the Company's financial statements is accompanied by a high audit risk, which comprise: the Company's business and inherent accounting risk. Information on the risks of material misstatement of the financial statements as a result of fraud is provided in the paragraph



"Main reservations regarding the risks of material misstatement in the financial statements" of this section of the Independent Auditor's Report below.

According to our audit estimates business risk is derived from the Company's belonging to public interest companies and from the Company's status of a financial institution that provides insurance services.

In planning our audit we identified the accounting risk as existing for matters described in "Key audit matters" section of this Independent Auditor's Report.

References to information in the financial statements for describing and assessing the risk of material misstatement in the financial statements

We describe business risk in the Statement of financial position in notes 1, 21 and 22 to the financial statements of the Company.

Accounting risk is described in "Key audit matters" section of this Independent Auditor's Report, which contains references to relevant notes in the financial statements.

Description of responses taken to address identified risks of material misstatement in the financial statements

Based on identified and assessed risks of material misstatement of the financial statements, we conducted the following audit procedures, we:

- increased the level of professional scepticism (i.e., increased our attention to the documentation and the need to confirm the explanations or statements of the Company's management);
- assigned personnel appropriate in the circumstances to carry out the statutory audit, including, in accordance with the RSM International Audit Manual, a second partner and a quality control reviewer were appointed;
- increased sample size and scope of analytical procedures;
- investigated whether there were any significant and / or unusual transactions occurred close to the year end;
- assessed the appropriateness of the applied accounting policies and the reasonableness of the accounting estimates and relevant disclosures in the financial statements made by the Company's management;
- assessed the overall presentation, structure and content of the financial statements, including disclosures, as well as whether the underlying operations and events are presented the financial statements in the way to achieve their reliable presentation in the financial statements;
- analysed conclusion on the acceptability to use the assumption of the Company's management regarding going concern as the basis for accounting based on the audit evidence obtained. The period of going concern assessment covered a period of at least twelve months from the date the financial statements was approved;
- analysed information on whether there is a significant uncertainty about events or conditions that would put into question the Company's ability to continue as going concern.

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

The main reservation is the risk of fraud. In accordance with the requirements of IAS 240, in planning of our audit, we considered the Company's disposition to fraud, taking into account the business environment, as well as the means and methods of control established and supported by management, as well as the character of the transactions, assets and liabilities presented in the accounting.



In planning our audit, we made inquiries to the Company's management regarding whether they have knowledge of any actual, suspected or alleged fraud affecting the Company. In response to such inquiries the management provided a written assessment of the risk of fraud in the Company, according to which the risk of fraud is controlled.

However, the primary responsibility for prevention and detection of fraud rests with the management of the Company, which shall not rely on the audit to avoid its responsibilities, as fraud may include conspiracy, forgery, deliberate omission, incorrect statements or override of internal control, which may not be detected as a result of the limitations inherent of an audit. The inherent audit limitations are described in the *Auditor's Responsibility for the Audit of the Financial Statements* section of this Independent Auditor's Report.

Audit effectiveness in detecting violations

In case of any misstatements identified as a result of our audit, other than purely trivial mistakes, we report them to the Supervisory Board and management of the Company and apply professional judgment for quantitative and qualitative assessment of their cumulative effect on items and disclosures in the Company's financial statements; and also consider qualification of our Independent Auditor's Report. As a result of our audit, we have not identified any uncorrected misstatements, which would require qualification of our Independent Auditor's Report.

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

Audit Committee function in the Company rests with the Supervisory Board Audit Committee. The Independent Auditor's Report is brought in line with the Additional Report to the Audit Committee dated 22 February 2022, which was prepared in accordance with the requirements of Article 35 of the Law of Ukraine "On Audit of the Financial Statements and Auditing".

Providing Services Prohibited by Law and the Key Audit Partner and Audit Firm Independence from the Company during the Audit

We have not provided services prohibited by law to the Company.

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

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

From the date of our appointment as an auditor of the Company's financial statements for 2021 until the date of this Independent Auditor's Report, we have not provided other services to the Company or its controlled entities (subsidiaries) apart from those described in Note 1 to the financial statements.

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

Limitations inherent of the audit are disclosed in the *Auditor's Responsibility for the Audit of Financial Statements* paragraph of this Independent Auditor's Report. Because of the inherent limitations of the audit and inherent limitations of the internal control system, there is an inevitable risk that some significant misstatements cannot be detected even if the audit is properly planned and performed in accordance with the ISAs.

Basic Information about the Audit Firm

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

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

- Decision of the National Securities and Stock Market Commission (hereinafter - the NSSMC) "Requirements for information related to the audit or review of financial statements of capital markets and organized commodity markets participants, supervised by the National Securities and Stock Market Commission" #555 dated July 22, 2021 №555.

On the basis of the agreement #08-11/2021 C 700 dated November 8, 2021, we performed the audit of the financial statements of PRIVATE JOINT STOCK COMPANY "GRAWE UKRAINE LIFE INSURANCE" from November 8, 2021 to February 22, 2022 included.

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

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

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

The parent company of the Company is the Joint-Stock Company Grazer Vekselzeitige Versicherung Aktiengesellschaft, Austria, 8010, Graz, ul. Herengasse, 18-20; there are no subsidiaries (Note 1 to the financial statements).

Legal and regulatory requirements of the NSSMC do not establish prudential indicators for insurance activities.

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

- according to the audit data, the information specified in paragraphs 1-4 of the third part of Article 127 of the Law of Ukraine "On Capital Markets and Organized Commodity Markets" № 3480-IV dated February 3, 2006 is given in Note 1 to the Financial Statements and the Corporate Governance Report;
- in our opinion, the information specified in paragraphs 5 - 9 of the third part of Article 127 of the Law of Ukraine "On Capital Markets and Organized Commodity Markets", namely: description of the main characteristics of internal control and risk management systems of the Company; a list of persons who directly or indirectly own a significant block of shares in the Company; information on any restrictions on the rights of participation and voting of shareholders at the general meeting of the Company; the procedure for appointing and dismissing officials and the powers of the Company's officials set out in the Corporate Governance Report does not contradict the information we obtained during the audit of the Company's financial statements.

The Company has not formed the Audit Commission.

Galyna Rybak
Key Audit Partner



Registration number
in the Register of Auditors and Audit Entities is 100733

22 February 2022
37/19 Donetska Str., Kyiv, Ukraine
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