



**CROATIA[®]
OSIGURANJE**

CROATIA osiguranje d.d.
Vatroslava Jagića 33, 10 000 Zagreb
www.crosig.hr

**UNCONSOLIDATED UNAUDITED
HALF-YEAR REPORT,
FOR THE PERIOD
1 January 2022 – 30 June 2022**

Zagreb, July 2022

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.

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I. UNAUDITED FINANCIAL STATEMENTS

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ISSUER'S GENERAL DATA		
Reporting period:	1.1.2022	to 30.6.2022
Year:	2022	
Quarter:	2	
Quarterly financial statements		
Registration number (MB):	03276147	Issuer's home Member State code: HR
Entity's registration number (MBS):	080051022	
Personal identification number (OIB):	26187994862	LET: 74780000M0GHQ1VXJU20
Institution code:	199	
Name of the issuer:	CROATIA osiguranje d.d.	
Postcode and town:	10 000	ZAGREB
Street and house number:	Vatroslava Jagića 33	
E-mail address:	info@crosig.hr	
Web address:	www.crosig.hr	
Number of employees (end of the reporting period):	2436	
Consolidated report:	KN	(KN-not consolidated/KD-consolidated)
Audited:	RN	(RN-not audited/RD-audited)
Names of subsidiaries (according to IFRS):	Registered office:	MB:
Bookkeeping firm:	No	(Yes/No)
Contact person:	Jelena Matijević	
Telephone:	072 00 1884	
E-mail address:	izdavatelji@crosig.hr	
Audit firm:		
Certified auditor:		

STATEMENT OF COMPREHENSIVE INCOME
(STATEMENT OF PROFIT OR LOSS)
For the period: 1.1.2022 - 30.6.2022

in HRK

Item	ADP code	Same period of the previous year			Current year		
		Life	Non-life	Total	Life	Non-life	Total
1	2	3	4	5(3+4)	6	7	8(6+7)
I Earned premiums (ADP 119 to 123)	118	278.083.108	1.044.674.649	1.322.757.757	195.931.029	1.106.502.579	1.302.433.608
1 Gross written premium	119	278.588.796	1.455.833.783	1.734.422.579	195.740.620	1.665.948.102	1.861.688.722
2 Value adjustment and charged premium value adjustment	120	0	8.973.843	8.973.843	0	2.388.230	2.388.230
3 Outward reinsurance premiums (-)	121	-44.082	-190.206.870	-190.250.952	-37.457	-248.306.574	-248.344.031
4 Change of gross provisions for unearned premiums (+/-)	122	-461.606	-308.504.120	-308.965.726	209.930	-414.601.067	-414.391.137
5 Change of provisions for unearned premiums, reinsurers' share (+/-)	123	0	78.578.013	78.578.013	17.936	101.073.888	101.091.824
II Income from investments (ADP 125 to 131)	124	50.208.390	181.773.511	231.981.901	56.575.212	192.480.902	249.056.114
1 Income from branches, associates and joint ventures.	125	958.918	52.472.461	53.431.379	1.578.458	74.307.512	75.885.970
2 Income from investment in land and buildings	126	0	16.882.215	16.882.215	0	19.466.814	19.466.814
3 Interest income	127	42.730.677	43.232.198	85.962.875	43.214.545	41.399.898	84.614.443
4 Unrealised gains on investments	128	3.299.784	20.983.353	24.283.137	2.420.816	11.124.073	13.544.889
5 Realised gains on investments	129	3.217.481	30.069.017	33.286.498	5.604.667	29.351.644	34.956.311
6 Net positive exchange rate differences	130	0	0	0	3.749.154	8.435.436	12.184.590
7 Other income from investments	131	1.530	18.134.267	18.135.797	7.572	8.395.525	8.403.097
III Income from commissions and fees	132	952.356	13.261.170	14.213.526	796.375	24.830.655	25.627.030
IV Other insurance-technical income, net amount from reinsurance	133	89.629	15.091.136	15.180.765	63.585	13.948.189	14.011.774
V Other income	134	1	3.514.710	3.514.711	3.707	15.652.242	15.655.949
VI Claims incurred, net (ADP 136 + 139)	135	-232.074.303	-535.066.115	-767.140.418	-215.907.850	-588.999.770	-804.907.620
1 Claims settled (ADP 137+138)	136	-243.075.012	-582.948.425	-826.023.437	-214.193.709	-560.830.928	-775.024.637
1.1 Gross amount (-)	137	-243.075.012	-673.068.134	-916.143.146	-214.193.709	-625.462.586	-839.656.295
1.2 Reinsurers' share (+)	138	0	90.119.709	90.119.709	0	64.631.658	64.631.658
2 Change in the provision for claims (+/-) (ADP 140+141)	139	11.000.709	47.882.310	58.883.019	-1.714.141	-28.168.842	-29.882.983
2.1 Gross amount	140	11.000.709	125.351.303	136.352.012	-1.714.141	-51.276.097	-52.990.238
2.3 Reinsurers' share	141	0	-77.468.993	-77.468.993	0	23.107.255	23.107.255
VII Change in mathematical provision and other technical provisions, net of reinsurance (ADP 143+146)	142	-39.878.764	-10.652.292	-50.531.056	-50.442.787	-981.313	-51.424.100
1 Change in mathematical provisions (+/-) (ADP 144+145)	143	-39.878.764	2.648.500	-37.230.264	-50.442.787	1.710.583	-48.732.204
1.1 Gross amount (-)	144	-39.876.723	2.648.500	-37.228.223	-50.434.008	1.710.583	-48.723.425
1.2 Reinsurers' share (+)	145	-2.041	0	-2.041	-8.779	0	-8.779
2 Change in other technical provisions, net of reinsurance (+/-) (ADP 147+148)	146	0	-13.300.792	-13.300.792	0	-2.691.896	-2.691.896
2.1 Gross amount (-)	147	0	-13.300.792	-13.300.792	0	-2.691.896	-2.691.896
2.2 Reinsurers' share (+)	148	0	0	0	0	0	0
VIII Change of special provision for life assurance where policyholders bear the investment risk, net of reinsurance (+/-) (ADP 150+151)	149	5.988.609	0	5.988.609	71.236.718	0	71.236.718
1 Gross amount (-)	150	5.988.609	0	5.988.609	71.236.718	0	71.236.718
3 Reinsurers' share (+)	151	0	0	0	0	0	0
IX Cash payments for bonuses and rebates, net of reinsurance (ADP 153+154)	152	0	-3.819.577	-3.819.577	0	-5.626.751	-5.626.751
1 Performance-dependent (bonuses)	153	0	-3.819.577	-3.819.577	0	-5.626.751	-5.626.751
2 Performance-independent (rebates)	154	0	0	0	0	0	0

STATEMENT OF COMPREHENSIVE INCOME
(STATEMENT OF PROFIT OR LOSS)
For the period: 1.1.2022 - 30.6.2022

in HRK

Item	ADP code	Same period of the previous year			Current year		
		Life	Non-life	Total	Life	Non-life	Total
1	2	3	4	5(3+4)	6	7	8(6+7)
X Operating expenses (business expenditures), net (ADP 156+160)	155	-27.062.673	-431.996.458	-459.059.131	-16.314.574	-477.835.615	-494.150.189
1 Acquisition costs (ADP 157 to 159)	156	-12.115.733	-248.083.479	-260.199.212	-4.793.588	-282.080.040	-286.873.628
1.1 Commission	157	-3.536.743	-154.921.541	-158.458.284	-2.336.742	-182.034.558	-184.371.300
1.2 Other acquisition costs	158	-8.578.990	-112.463.076	-121.042.066	-2.456.846	-130.884.827	-133.341.673
1.3 Change in deferred acquisition costs	159	0	19.301.138	19.301.138	0	30.839.345	30.839.345
2 Administration expenses (administrative costs) (ADP 161 to 163)	160	-14.946.940	-183.912.979	-198.859.919	-11.520.986	-195.755.575	-207.276.561
2.1 Depreciation	161	-1.182.249	-26.765.921	-27.948.170	-679.907	-29.827.732	-30.507.639
2.2 Salaries, taxes and contributions from/on salaries	162	-5.336.239	-53.402.496	-58.738.735	-5.029.024	-70.946.388	-75.975.412
2.3 Other administration expenses	163	-8.428.452	-103.744.562	-112.173.014	-5.812.055	-94.981.455	-100.793.510
XI Investment expenses (ADP 165 to 171)	164	-20.184.692	-32.910.620	-53.095.312	-3.005.043	-39.069.918	-42.074.961
1 Depreciation of land and buildings not occupied by an undertaking for its own activities	165	0	0	0	0	0	0
2 Interest	166	-475.479	-4.213.843	-4.689.322	-234.786	-4.744.499	-4.979.285
3 Impairment of investments	167	0	-591.969	-591.969	-1.032.515	-2.209.408	-3.241.923
4 Realised loss on investments	168	-1.377.142	-3.247.515	-4.624.657	-309.867	-4.264.713	-4.574.580
5 Unrealised loss on investments	169	-546.540	-2.695.314	-3.241.854	-747.645	-12.937.521	-13.685.166
6 Net negative exchange rate differences	170	-16.919.892	-7.457.565	-24.377.457	0	0	0
7 Other investment expenses	171	-865.639	-14.704.414	-15.570.053	-680.230	-14.913.777	-15.594.007
XII Other technical expenses, net of reinsurance (ADP 173+174)	172	-842.340	-19.964.852	-20.807.192	-343.378	-17.326.818	-17.670.196
1 Expenses of preventive activities	173	0	0	0	0	0	0
2 Other technical expenses of insurance	174	-842.340	-19.964.852	-20.807.192	-343.378	-17.326.818	-17.670.196
XIII Other activities, including value adjustments	175	-5.861	-280.717	-286.578	-4.948	-13.743.862	-13.748.810
XIV Profit or loss for the accounting period before tax (+/-) (ADP 118+124+132 to 135+142+149+152+155+164+172+175)	176	15.273.460	223.624.545	238.898.005	38.588.046	209.830.520	248.418.566
XV Profit or loss tax (ADP 178+179)	177	-2.576.618	-31.008.719	-33.585.337	-6.842.443	-24.598.249	-31.440.692
1 Current tax expense	178	-2.576.618	-31.008.719	-33.585.337	-6.842.443	-24.598.249	-31.440.692
2 Deferred tax expense (income)	179	0	0	0	0	0	0
XVI Profit or loss for the accounting period after tax (+/-) (ADP 176+177)	180	12.696.842	192.615.826	205.312.668	31.745.603	185.232.271	216.977.874
1 Attributable to owners of the parent	181	0	0	0	0	0	0
2 Attributable to non-controlling interest	182	0	0	0	0	0	0
XVII TOTAL INCOME (ADP 118+124+132+133+134+179)	183	329.333.484	1.258.315.176	1.587.648.660	253.369.908	1.353.414.567	1.606.784.475
XVIII TOTAL EXPENSES (ADP 135+142+149+152+155+164+172+175+178)	184	-316.636.642	-1.065.699.350	-1.382.335.992	-221.624.305	-1.168.182.296	-1.389.806.601
IX Other comprehensive income (ADP 186 to 193)	185	-16.176.127	96.413.330	80.237.203	-158.220.283	-227.265.808	-385.486.091
1 Gains/losses arising from translation of financial statements relating to foreign operations	186	0	122.073	122.073	0	-27.193	-27.193
2 Gains/losses arising from the revaluation of financial assets available for sale	187	-19.726.984	117.428.362	97.701.378	-192.951.565	-277.120.262	-470.071.827
3 Gains/losses arising from the revaluation of land and buildings occupied by an undertaking for its own activities	188	0	0	0	0	0	0
4 Gains/losses arising from the revaluation of other tangible (other than land and property) and intangible assets	189	0	0	0	0	0	0
5 Effects of cash flow hedging instruments	190	0	0	0	0	0	0
6 Actuarial gains/losses on pension plans with defined pensions	191	0	0	0	0	0	0
7 Share in other comprehensive income of associates	192	0	0	0	0	0	0
8 Income tax on other comprehensive income	193	3.550.857	-21.137.105	-17.586.248	34.731.282	49.881.647	84.612.929
XX Total comprehensive income (ADP 180 +185)	194	-3.479.285	289.029.156	285.549.871	-126.474.680	-42.033.537	-168.508.217
1 Attributable to owners of the parent	195	0	0	0	0	0	0
2 Attributable to non-controlling interests	196	0	0	0	0	0	0
XXI Reclassification adjustments	197	0	0	0	0	0	0

STATEMENT OF FINANCIAL POSITION (BALANCE SHEET)

As at: 30.6.2022

in HRK

Item	ADP code	Last day of the preceding business year			At the reporting date of the current period		
		Life	Non-life	Total	Life	Non-life	Total
1	2	3	4	5(3+4)	6	7	8(6+7)
ASSETS							
A) INTANGIBLE ASSETS (ADP 002 +003)	001	0	133.712.534	133.712.534	0	139.232.091	139.232.091
1 Goodwill	002	0	0	0	0	0	0
2 Other intangible assets	003	0	133.712.534	133.712.534	0	139.232.091	139.232.091
B) TANGIBLE ASSETS (ADP 005 to 007)	004	14.133	496.678.283	496.692.416	14.133	492.408.978	492.423.111
1 Land and buildings occupied by an undertaking for its own activities	005	0	195.045.782	195.045.782	0	195.524.530	195.524.530
2 Equipment	006	14.051	26.485.497	26.499.548	14.051	24.203.651	24.217.702
3 Other tangible assets and inventories	007	82	275.147.004	275.147.086	82	272.680.797	272.680.879
C) INVESTMENTS (ADP 009+010+014+033)	008	3.223.878.711	5.844.582.499	9.068.461.210	3.094.975.606	5.735.960.049	8.830.935.655
I Investments in land and buildings not occupied by an undertaking for its own activities	009	0	524.104.269	524.104.269	0	519.474.341	519.474.341
II Investments in branches, associates and joint ventures (ADP 011 to 013)	010	0	384.197.496	384.197.496	0	384.197.496	384.197.496
1 Shares and holdings in branches	011	0	356.197.496	356.197.496	0	356.197.496	356.197.496
2 Shares and holdings in associates	012	0	0	0	0	0	0
3 Shares and holdings in joint ventures	013	0	28.000.000	28.000.000	0	28.000.000	28.000.000
III Financial assets (ADP 015+018+023+029)	014	3.223.878.711	4.936.280.734	8.160.159.445	3.094.975.606	4.832.288.212	7.927.263.818
1 Financial assets held to maturity (ADP 016+017)	015	1.231.461.828	1.094.522.138	2.325.983.966	1.248.081.490	1.112.276.587	2.360.358.077
1.1 Debt financial instruments	016	1.231.461.828	1.094.522.138	2.325.983.966	1.248.081.490	1.112.276.587	2.360.358.077
1.2 Other	017	0	0	0	0	0	0
2 Financial assets available for sale (ADP 019 to 022)	018	1.884.095.466	3.283.111.285	5.167.206.751	1.740.791.394	3.200.932.294	4.941.723.688
2.1 Equity financial instruments	019	78.835.758	794.141.134	872.976.892	85.652.831	756.901.339	842.554.170
2.2 Debt financial instruments	020	1.700.547.001	2.168.583.697	3.869.130.698	1.546.119.746	2.153.857.768	3.699.977.514
2.3 Units in investment funds	021	104.712.707	320.386.454	425.099.161	109.018.817	290.173.187	399.192.004
2.4 Other	022	0	0	0	0	0	0
3 Financial assets at fair value through statement of profit or loss (ADP 024 to 028)	023	309.553	28.489.385	28.798.938	2.106.412	34.165.196	36.271.608
3.1 Equity financial instruments	024	0	25.765.552	25.765.552	0	23.485.106	23.485.106
3.2 Debt financial instruments	025	0	0	0	0	0	0
3.3 Derivative financial instruments	026	309.553	2.723.833	3.033.386	2.106.412	10.680.090	12.786.502
3.4 Units in investment funds	027	0	0	0	0	0	0
3.5 Other	028	0	0	0	0	0	0
4 Loans and receivables (ADP 030 to 032)	029	108.011.864	530.157.926	638.169.790	103.996.310	484.914.135	588.910.445
4.1 Deposits with credit institutions	030	67.847.755	100.289.307	168.137.062	68.013.911	70.471.957	138.485.868
4.2 Loans	031	39.445.265	283.366.478	322.811.743	35.101.254	275.063.583	310.164.837
4.3 Other	032	718.844	146.502.141	147.220.985	881.145	139.378.595	140.259.740
IV Deposits with cedants	033	0	0	0	0	0	0
D) INVESTMENTS FOR THE ACCOUNT OF LIFE ASSURANCE POLICYHOLDERS WHO BEAR THE INVESTMENT RISK	034	355.280.253	0	355.280.253	276.322.666	0	276.322.666
E) REINSURANCE AMOUNT IN TECHNICAL PROVISIONS (ADP 036 to 042)	035	20.627	331.321.934	331.342.561	29.784	455.503.077	455.532.861
1 Provisions for unearned premiums, reinsurance amount	036	0	75.363.648	75.363.648	17.936	176.437.536	176.455.472
2 Mathematical provision, reinsurance amount	037	20.627	0	20.627	11.848	0	11.848
3 Claims outstanding, reinsurance amount	038	0	255.958.286	255.958.286	0	279.065.541	279.065.541
4 Provisions for bonuses and rebates, reinsurance amount	039	0	0	0	0	0	0
5 Equalization provision, reinsurance amount	040	0	0	0	0	0	0
6 Other technical provisions, reinsurance amount	041	0	0	0	0	0	0
7 Special provisions for life assurance where policyholders bear the investment risk, reinsurance amount	042	0	0	0	0	0	0
F) DEFERRED AND CURRENT TAX ASSETS (ADP 044 +045)	043	2.125.392	69.111.257	71.236.649	2.125.392	95.359.184	97.484.576
1 Deferred tax assets	044	2.125.392	69.111.257	71.236.649	2,125,392	69,111,257	71,236,649
2 Current tax assets	045	0	0	0	0	26.247.927	26.247.927
G) RECEIVABLES (ADP 047+050+051)	046	16.107.888	895.130.447	911.238.335	1.377.670	1.263.247.901	1.264.625.571
1 Receivables arising from insurance business (ADP 048+049)	047	233.896	536.565.103	536.798.999	233.896	890.365.702	890.599.598
1.1 From policyholders	048	0	536.452.727	536.452.727	0	889.758.642	889.758.642
1.2 From insurance agents or insurance brokers	049	233.896	112.376	346.272	233.896	607.060	840.956
2 Receivables arising from reinsurance business	050	465	150.119.653	150.120.118	747	113.276.153	113.276.900
3 Other receivables (ADP 052 to 054)	051	15.873.527	208.445.691	224.319.218	1.143.027	259.606.046	260.749.073
3.1 Receivables arising from other insurance operations	052	0	130.469.004	130.469.004	0	129.603.254	129.603.254
3.2 Receivables for investment income	053	381.379	610.571	991.950	248.212	191.535	439.747
3.3 Other receivables	054	15.492.148	77.366.116	92.858.264	894.815	129.811.257	130.706.072
H) OTHER ASSETS (ADP 056+060+061)	055	48.451.977	530.581.366	579.033.343	65.489.696	554.523.815	620.013.511
1 Cash at bank and in hand (ADP 057 to 059)	056	48.451.977	530.580.854	579.032.831	65.489.696	554.523.303	620.012.999
1.1 Funds in the business account	057	0	530.580.854	530.580.854	0	554.523.303	554.523.303
1.2 Funds in the account of assets covering mathematical provisions	058	48.451.977	0	48.451.977	65.489.696	0	65.489.696
1.3 Cash in hand	059	0	0	0	0	0	0
2 Fixed assets held for sale and termination of business operations	060	0	0	0	0	0	0
3 Other	061	0	512	512	0	512	512
I) PREPAYMENTS AND ACCRUED INCOME (ADP 063 to 065)	062	0	217.928.510	217.928.510	0	256.769.399	256.769.399
1 Deferred interest and rent	063	0	0	0	0	0	0
2 Deferred acquisition costs	064	0	196.996.387	196.996.387	0	227.835.731	227.835.731
3 Other prepayments and accrued income	065	0	20.932.123	20.932.123	0	28.933.668	28.933.668
J) TOTAL ASSETS (ADP 001+004+008+034+035+043+046+055+062)	066	3.645.878.981	8.519.046.830	12.164.925.811	3.440.334.947	8.993.004.494	12.433.339.441
K) OFF-BALANCE SHEET ITEMS	067	295.776.653	3.127.366.763	3.423.143.416	300.010.175	3.038.906.471	3.338.916.646

STATEMENT OF FINANCIAL POSITION (BALANCE SHEET)

As at: 30.6.2022

in HRK

Item	ADP code	Last day of the preceding business year			At the reporting date of the current period		
		Life	Non-life	Total	Life	Non-life	Total
1	2	3	4	5(3+4)	6	7	8(6+7)
LIABILITIES							
A) CAPITAL AND RESERVES (ADP 069+072+073+077+081+084)	068	433.496.449	3.582.303.680	4.015.800.129	307.021.768	3.540.313.625	3.847.335.393
1 Subscribed capital (ADP 070 to 071)	069	44.288.720	545.037.080	589.325.800	44.288.720	545.037.080	589.325.800
1.1 Paid in capital - ordinary shares	070	44.288.720	545.037.080	589.325.800	44.288.720	545.037.080	589.325.800
1.2 Paid in capital - preference shares	071	0	0	0	0	0	0
2 Premium on shares issued (capital reserves)	072	0	681.482.525	681.482.525	0	681.482.525	681.482.525
3 Revaluation reserves (ADP 074 to 076)	073	115.128.390	503.064.646	618.193.036	-43.091.894	275.600.763	232.508.869
3.1 Land and buildings	074	0	48.514.703	48.514.703	0	48.316.627	48.316.627
3.2 Financial assets available for sale	075	115.128.390	454.549.943	569.678.333	-43.091.894	227.284.136	184.192.242
3.3 Other revaluation reserves	076	0	0	0	0	0	0
4 Reserves (ADP 078 to 080)	077	85.295.937	316.742.639	402.038.576	85.295.937	316.742.639	402.038.576
4.1 Legal reserves	078	2.214.436	27.864.354	30.078.790	2.214.436	27.864.354	30.078.790
4.2 Statutory reserve	079	7.581.501	139.638.499	147.220.000	7.581.501	139.638.499	147.220.000
4.3 Other reserves	080	75.500.000	149.239.786	224.739.786	75.500.000	149.239.786	224.739.786
5 Retained profit or loss brought forward (ADP 082 + 083)	081	179.986.450	1.210.660.461	1.390.646.911	188.783.402	1.536.218.347	1.725.001.749
5.1 Retained profit	082	179.986.450	1.210.660.461	1.390.646.911	188.783.402	1.536.218.347	1.725.001.749
5.2 Loss brought forward (-)	083	0	0	0	0	0	0
6 Profit or loss for the current accounting period (ADP 085+086)	084	8.796.952	325.316.329	334.113.281	31.745.603	185.232.271	216.977.874
6.1 Profit for the current accounting period	085	8.796.952	325.316.329	334.113.281	31.745.603	185.232.271	216.977.874
6.2 Loss for the current accounting period(-)	086	0	0	0	0	0	0
B) SUBORDINATE LIABILITIES	087	0	0	0	0	0	0
C) MINORITY INTEREST	088	0	0	0	0	0	0
D) TECHNICAL PROVISIONS (ADP 090 to 095)	089	2.749.553.919	3.836.466.172	6.586.020.091	2.801.492.138	4.303.324.650	7.104.816.788
1 Provisions for unearned premiums, gross amount	090	5.179.737	1.193.835.121	1.199.014.858	4.969.807	1.608.436.188	1.613.405.995
2 Mathematical provisions, gross amount	091	2.649.731.672	6.553.376	2.656.285.048	2.700.165.680	4.842.794	2.705.008.474
3 Claims outstanding, gross amount	092	94.642.510	2.600.712.902	2.695.355.412	96.356.651	2.651.988.999	2.748.345.650
4 Provisions for bonuses and rebates, gross amount	093	0	21.471.444	21.471.444	0	22.355.259	22.355.259
5 Equalization provision, gross amount	094	0	7.055.533	7.055.533	0	7.055.533	7.055.533
6 Other technical provisions, gross amount	095	0	6.837.796	6.837.796	0	8.645.877	8.645.877
E) SPECIAL PROVISIONS FOR LIFE ASSURANCE WHERE POLICYHOLDERS BEAR THE INVESTMENT RISK, gross amount	096	355.280.253	0	355.280.253	276.322.666	0	276.322.666
F) OTHER PROVISIONS (ADP 098 + 099)	097	4.059.715	56.691.988	60.751.703	2.723.477	44.727.837	47.451.314
1 Provisions for pensions and similar obligations	098	3.950.010	54.103.971	58.053.981	2.723.477	42.103.060	44.826.537
2 Other provisions	099	109.705	2.588.017	2.697.722	0	2.624.777	2.624.777
G) DEFERRED AND CURRENT TAX LIABILITIES (ADP 101 + 102)	100	25.272.086	133.082.324	158.354.410	-2.616.754	90.312.786	87.696.032
1 Deferred tax liability	101	25.272.086	110.447.790	135.719.876	-9.459.196	60.522.663	51.063.467
2 Current tax liability	102	0	22.634.534	22.634.534	6.842.442	29.790.123	36.632.565
H) DEPOSITS HELD UNDER BUSINESS CEDED	103	0	0	0	0	0	0
I) FINANCIAL LIABILITIES (ADP 105 to 107)	104	20.256.104	349.578.104	369.834.208	379.606	298.161.049	298.540.655
1 Loan liabilities	105	0	0	0	0	0	0
2 Liabilities for issued financial instruments	106	0	0	0	0	0	0
3 Other financial liabilities	107	20.256.104	349.578.104	369.834.208	379.606	298.161.049	298.540.655
J) OTHER LIABILITIES (ADP 109 to 112)	108	27.562.002	306.953.588	334.515.590	45.857.824	397.970.600	443.828.424
1 Liabilities from direct insurance business	109	717.639	92.089.280	92.806.919	1.210.560	97.827.769	99.038.329
2 Liabilities from coinsurance and reinsurance business	110	18.567	110.193.290	110.211.857	18.683	200.343.617	200.362.300
3 Liabilities for disposal and discontinued operations	111	0	0	0	0	0	0
4 Other liabilities	112	26.825.796	104.671.018	131.496.814	44.628.581	99.799.214	144.427.795
K) ACCRUALS AND DEFERRED INCOME (ADP 114+115)	113	30.398.453	253.970.974	284.369.427	9.154.222	318.193.947	327.348.169
1 Deferred reinsurance commission	114	0	8.988.308	8.988.308	0	24.715.646	24.715.646
2 Other accruals and deferred income	115	30.398.453	244.982.666	275.381.119	9.154.222	293.478.301	302.632.523
J) TOTAL LIABILITIES (ADP 068+087+088+089+096+097+100+103+104+108+113)	116	3.645.878.981	8.519.046.830	12.164.925.811	3.440.334.947	8.993.004.494	12.433.339.441
M) OFF-BALANCE SHEET ITEMS	117	295.776.653	3.127.366.763	3.423.143.416	300.010.175	3.038.906.471	3.338.916.646

STATEMENT OF CHANGES IN EQUITY

For the period: 1.1.2022 - 30.6.2022

in HRK

Item	ADP code	Attributable to owners of the parent							Attributable to non-controlling interest	Total capital and reserves (9+10)
		Paid in capital (ordinary and preference shares)	Premium on shares issued	Revaluation reserves	Reserves (legal, statutory, other)	Retained profit or loss brought forward	Profit/loss for the year	Total capital and reserves (3 to 8)		
1	2	3	4	5	6	7	8	9	10	11
I Balance on the first day of the previous business year	1	589.325.800	681.482.525	471.124.404	402.038.576	1.160.279.132	229.589.272	3.533.839.709	0	3.533.839.709
Change in accounting policies	2	0	0	0	0	0	0	0	0	0
Correction of errors from prior periods	3	0	0	0	0	0	0	0	0	0
II Balance on the first day of the previous business year (restated)	4	589.325.800	681.482.525	471.124.404	402.038.576	1.160.279.132	229.589.272	3.533.839.709	0	3.533.839.709
III Comprehensive income or loss for the same period of the previous year (ADP 006 + ADP 007)	5	0	0	147.707.008	0	0	334.113.281	481.820.289	0	481.820.289
Profit or loss for the period	6	0	0	0	0	0	334.113.281	334.113.281	0	334.113.281
2 Other comprehensive income or loss for the same period of the previous year (ADP 008 to ADP 11)	7	0	0	147.707.008	0	0	0	147.707.008	0	147.707.008
Unrealised gains or losses on tangible assets (land and buildings)	8	0	0	-20.559	0	0	0	-20.559	0	-20.559
Unrealised gains or losses on financial assets available for sale	9	0	0	173.001.041	0	0	0	173.001.041	0	173.001.041
Realised gains or losses on financial assets available for sale	10	0	0	-25.326.111	0	0	0	-25.326.111	0	-25.326.111
Other changes in equity unrelated to owners	11	0	0	52.637	0	0	0	52.637	0	52.637
IV Transactions with owners (previous period)	12	0	0	-638.376	0	230.367.779	-229.589.272	140.131	0	140.131
Increase/decrease in subscribed capital	13	0	0	0	0	0	0	0	0	0
Other contributions by owners	14	0	0	0	0	0	0	0	0	0
Payment of share in profit/dividend	15	0	0	0	0	0	0	0	0	0
Other distribution to owners	16	0	0	-638.376	0	230.367.779	-229.589.272	140.131	0	140.131
V Balance on the last day of the previous business year reporting period	17	589.325.800	681.482.525	618.193.036	402.038.576	1.390.646.911	334.113.281	4.015.800.129	0	4.015.800.129
VI Balance on the first day of the current business year	18	589.325.800	681.482.525	618.193.036	402.038.576	1.390.646.911	334.113.281	4.015.800.129	0	4.015.800.129
Change in accounting policies	19	0	0	0	0	0	0	0	0	0
Correction of errors from prior periods	20	0	0	0	0	0	0	0	0	0
VII Balance on the first day of the current business year (restated)	21	589.325.800	681.482.525	618.193.036	402.038.576	1.390.646.911	334.113.281	4.015.800.129	0	4.015.800.129
VIII Comprehensive income or loss for the year	22	0	0	-385.486.091	0	0	216.977.874	-168.508.217	0	-168.508.217
Profit or loss for the period	23	0	0	0	0	0	216.977.874	216.977.874	0	216.977.874
Other comprehensive income or loss for the year	24	0	0	-385.486.091	0	0	0	-385.486.091	0	-385.486.091
Unrealised gains or losses on tangible assets (land and buildings)	25	0	0	0	0	0	0	0	0	0
Unrealised gains or losses on financial assets available for sale	26	0	0	-360.311.708	0	0	0	-360.311.708	0	-360.311.708
Realised gains or losses on financial assets available for sale	27	0	0	-25.147.190	0	0	0	-25.147.190	0	-25.147.190
Other changes in equity unrelated to owners	28	0	0	-27.193	0	0	0	-27.193	0	-27.193
Transactions with owners (current period)	29	0	0	-198.076	0	334.354.838	-334.113.281	43.481	0	43.481
Increase/decrease in subscribed capital	30	0	0	0	0	0	0	0	0	0
Other contributions by owners	31	0	0	0	0	0	0	0	0	0
Payment of share in profit/dividend	32	0	0	0	0	0	0	0	0	0
Other transactions with owners	33	0	0	-198.076	0	334.354.838	-334.113.281	43.481	0	43.481
Balance on the last day of the current year reporting period	34	589.325.800	681.482.525	232.508.869	402.038.576	1.725.001.749	216.977.874	3.847.335.393	0	3.847.335.393

STATEMENT OF CASH FLOWS – indirect method

For the period: 1.1.2022 - 30.6.2022

in HRK

Item	ADP code	Same period of the previous year	Current business period
1	2	3	4
I Cash flow from operating activities (ADP 002+013+031)	001	-122.200.625	23.294.919
1 Cash flow before changes in operating assets and liabilities (ADP 003+004)	002	101.019.374	110.169.144
1.1 Profit/loss before tax	003	238.898.005	248.418.566
1.2 Adjustments: (ADP 005 to 012)	004	-137.878.631	-138.249.422
1.2.1 Depreciation of property and equipment	005	16.381.871	17.904.587
1.2.2 Amortization of intangible assets	006	11.566.299	12.603.052
1.2.3 Impairment and gains/losses on fair valuation	007	-32.202.143	-14.697.673
1.2.4 Interest expenses	008	4.689.322	4.979.285
1.2.5 Interest income	009	-85.962.875	-84.614.443
1.2.6 Share in profit of associates	010	0	0
1.2.7 Profit/loss from the sale of tangible assets (including land and buildings)	011	-298.896	-793.212
1.2.8 Other adjustments	012	-52.052.209	-73.631.018
2 Increase/decrease in operating assets and liabilities (ADP 014 to 030)	013	-201.231.901	-43.183.642
2.1 Increase/decrease in financial assets available for sale	014	-414.501.952	-197.642.089
2.2 Increase/decrease in financial assets at fair value through statement of profit or loss	015	7.286.616	1.293.563
2.3 Increase/decrease in loans and receivables	016	171.658.369	25.793.774
2.4 Increase/decrease in deposits with cedants	017	0	0
2.5 Increase/decrease in investments for the account of life assurance policyholders who bear the investment risk	018	8.230.671	78.957.586
2.6 Increase/decrease in reinsurance amount in technical provisions	019	-1.105.346	-124.190.299
2.7 Increase/decrease in tax assets	020	-21.892.986	-26.247.927
2.8 Increase/decrease in receivables	021	-335.311.848	-297.742.893
2.9 Increase/decrease in other assets	022	0	0
2.10 Increase/decrease in prepayments and accrued income	023	10.648.425	-38.840.890
2.11 Increase/decrease in technical provisions	024	223.142.728	518.796.677
2.12 Increase/decrease in special provisions for life assurance where policyholders bear the investment risk	025	-8.230.671	-78.957.586
2.13 Increase/decrease in tax liabilities	026	21.201.464	26.247.927
2.14 Increase/decrease in deposits held under reinsurance business ceded	027	0	0
2.15 Increase/decrease in financial liabilities	028	42.252.101	-72.070.816
2.16 Increase/decrease in other liabilities	029	73.556.934	98.440.592
2.17 Increase/decrease in accruals and deferred income	030	21.833.594	42.978.739
3 Income tax paid	031	-21.988.098	-43.690.583
II CASH FLOW FROM INVESTING ACTIVITIES (ADP 033 to 046)	032	19.829.647	41.789.520
1 Cash receipts from the sale of tangible assets	033	31.754	382.375
2 Cash payments for the purchase of tangible assets	034	-7.800.079	-7.228.795
3 Cash receipts from the sale of intangible assets	035	0	0
4 Cash payments for the purchase of intangible assets	036	-33.771.037	-18.125.767
5 Cash receipts from the sale of land and buildings not occupied by an undertaking for its own activities	037	4.313.270	5.955.000
6 Cash payments for the purchase of land and buildings not occupied by an undertaking for its own activities	038	-2.118.915	-691.071
7 Increase/decrease of investments in branches, associates and joint ventures.	039	-1.465.985	0
8 Cash receipts from financial assets held to maturity	040	38.832.527	42.078.736
9 Cash payments for financial assets held to maturity	041	-52.602.801	-37.027.954
10 Cash receipts from the sale of financial instruments	042	0	0
11 Cash payments for investments in financial instruments	043	0	0
12 Cash receipts from dividends and share in profit	044	29.786.661	17.499.510
13 Cash receipts from repayments of short-term and long-term loans given	045	57.359.392	60.740.816
14 Cash payments for short-term and long-term loans	046	-12.735.140	-21.793.330
III CASH FLOW FROM FINANCING ACTIVITIES (ADP 048 to 052)	047	-10.176.723	-11.919.681
1 Cash receipts resulting from the increase of initial capital	048	0	0
2 Cash receipts from short-term and long-term loans received	049	0	0
3 Cash payments for the repayment of short-term and long-term loans received	050	-10.176.723	-10.939.681
4 Cash payments for the redemption of treasury shares	051	0	0
5 Cash payments of share in profit (dividend)	052	0	-980.000
NET CASH FLOW (ADP 001 + 032 + 047)	053	-112.547.701	53.164.758
IV EFFECT OF EXCHANGE RATE FLUCTUATIONS ON CASH AND CASH EQUIVALENTS	054	24.377.457	-12.184.590
V NET INCREASE/DECREASE IN CASH AND CASH EQUIVALENTS (053+054)	055	-88.170.244	40.980.168
Cash and cash equivalents at the beginning of period	056	512.936.448	579.033.343
Cash and cash equivalents at the end of period (ADP 055 + 056)	057	424.766.204	620.013.511

II. HALF-YEAR MANAGEMENT REPORT

CROATIA osiguranje d.d. is still the leading company on the market of the Republic of Croatia with a total market share of 28.3 percent.

In the period observed, CROATIA osiguranje d.d. reported profit before tax in the amount of HRK 248.4m and profit after tax in the amount of HRK 217m which represents an increase of 4 percent, or 5.7 percent respectively, compared to the same period of the previous year.

Earned premium, which represents 81.1 percent of total revenues, amounted to HRK 1,302.4m and decreased by 1.5 percent compared to the same period of the previous year. Total gross written premium increased by 7.3 percent and amounted to HRK 1,861.7m. Gross written premium of non-life insurance amounted to HRK 1,666m and increased by 14.4 percent compared to the same period of the previous year. Gross written premium of the life insurance amounted to HRK 195.7m representing a decrease of 29.7 percent.

Investments recorded income in the amount of HRK 249.1m, representing an increase of 7.4 percent compared to the same period of the previous year. Income from investments represents 15.5 percent of total revenues. Expenses from investments amounted to HRK 42.1m, representing a decrease of 20.8 percent compared to the same period of the previous year. Expenses from investments represent 3.1 percent of total expenses.

Net claims incurred represent 59.3 percent of total expenses and amounted to HRK 804.9m, representing an increase of 4.9 percent compared to the same period of the previous year, while claims settled amounted to HRK 775m, representing a decrease of 6.2 percent compared to the same period of the previous year.

Acquisition and administration expenses amounted to HRK 494.2m, increasing by 7.6 percent compared to the same period of the previous year.

Total assets of the Company as at 30 June 2022 amounted to HRK 12.4 billion, which represents an increase of 2.2 percent compared to 31 December 2021.

Technical reserves as at 30 June 2022 amounted to HRK 7.1 billion, representing an increase of 7.9 percent compared to 31 December 2021.

The half-year report contains the following key indicators that the Company monitors as alternative performance measures and, together with other measures defined by International Financial Reporting Standards, provides useful information regarding the Company's operational performance.

Key performance indicators	30 June 2021	30 June 2022	Change in percentage points (p.p.)
Claims ratio (non-life) *	51.8%	51.9%	0.1%
Cost ratio (non-life) **	41.4%	43.2%	1.8%
Combined ratio (non-life)	93.2%	95.1%	1.9%

* *Claims ratio = (Income from commissions and fees + Other insurance-technical income + Net Claims incurred + Change in mathematical provisions and other technical provisions, net of reinsurance + Change in technical life insurance provisions where the policy holder bears the investment risk, net of reinsurance + Cost for premium returns (bonuses and rebates), net of reinsurance + Other technical expenses, net of reinsurance) / Net Earned premiums*

** *Cost ratio = Operating expenses (business expenditures) / Net Earned premiums*

The combined ratio represents the sum of the claims ratio and the cost ratio and is the most important indicator of operational success in the non-life insurance segment. It is usually expressed as a percentage and a ratio below 100% means that the insurance result is profitable, and above 100% that it is not profitable. The combined ratio amounted to 95.1 percent for the observed period, which is an increase of 1.9 percentage points compared to the same period of 2021.

Unaudited unconsolidated financial statements for the half-year of the 2022 will be available on the web sites of CROATIA osiguranje d.d., Zagreb Stock Exchange and Officially appointed mechanism for the central storage of regulated information.

Significant business events in the reporting period

Approvals from the Croatian Financial Services Supervisory Agency to perform the functions of members of the Supervisory Board

In accordance with the Capital Market Act and the Rules of the Zagreb Stock Exchange, on 18 January 2022 CROATIA osiguranje held its General Assembly on which the Decision on the election of the members of the Supervisory Board CROATIA osiguranje d.d. was adopted. By the mentioned decision Roberto Škopac and Hrvoje Patajac were elected as a president and as a member of the Supervisory Board of CROATIA osiguranje d.d. for a term of 4 years, starting from the 24 April 2022, subject to obtaining an approval to perform the function of a member of the Supervisory Board issued by the Croatian Financial Services Supervisory Agency. The Governing Board of the Croatian Financial Services Supervisory Agency (HANFA) held a session on 17 February 2022 and issued a decision approving Roberto Škopac to perform the function of a president of the Supervisory Board and Hrvoje Patajac to perform the function of a member of the Supervisory Board of CROATIA osiguranje d.d. for a term of 4 years, starting from 24 April 2022 to 24 April 2026.

Employee representative to the Supervisory Board of CROATIA osiguranje d.d.

After elections for the employee representative to the Supervisory Board of CROATIA osiguranje d.d. for a member of the Supervisory Board of CROATIA osiguranje d.d. is elected employee Pero Kovačić from Zagreb, for a term of 4 years, starting from 10 March 2022.

Impact of the COVID-19 pandemic on the Company's operations

In the first half of 2022, there was a significant improvement in the epidemiological situation related to the COVID-19 pandemic. Accordingly, no significant negative impacts of the pandemic on the Company's operations have been identified, which is confirmed by the results of the Company's operations and the Company's strong solvency ratio of 279% as of 31 March 2022. Despite this, and primarily due to the risk of epidemiological situation deteriorating in the second half of the year, the Company continuously monitors the situation and continues to act with caution. Thus, the Company continues to assess the possible impacts of the pandemic on its operations, analysing the effects of a possible increase in the frequency of claims due to the normalization of the epidemiological situation, but also possible negative effects in the event of a new escalation of the pandemic in the second half of the year. In addition, there are risks indirectly caused or triggered by the COVID-19 pandemic. Firstly, this refers to supply chain disruptions, which continue to have a negative impact on certain segments of economic activity, and since February have been further reinforced by the negative impact of the war in Ukraine, which has global effects. Also, a long-term increased level of inflation could have negative effects on the Group's operations, through a decrease of realized premium if there is a significant drop in the purchasing power of citizens, an increase in average claims and an increase in the Group's operating costs. The rise in interest rates on the financial markets, which further intensified after the escalation of the war in Ukraine, had negative effects primarily in the form of lower market valuations and a decline in the value of financial instruments, but currently does not cause significant difficulties for the Company, due to the adequate alignment of assets and liabilities. On the other hand, the increase in interest rates enables new investments by the Company with slightly higher yields.

The mentioned effects of the pandemic and other related events could be realized or, in the case of a negative scenario, further intensified in the future, and therefore the Company will continue to have the special emphasis on monitoring the situation and taking timely measures to mitigate the potential negative consequences on its operations.

The Russian-Ukrainian crisis

The ongoing war in Ukraine and the related sanctions targeted against the Russian Federation are affecting the European economies and globally, primarily in the form of rising energy prices and the spill over of inflationary effects on economies as a whole. The Company has no direct operations in insurance and reinsurance business with Russia and Ukraine (nor with reinsurance companies, brokers, MGA agencies, etc.). In addition, reinsurance contracts through the Sanction & Embargo clause exempt reinsurance transactions with states under any sanctions and the terms of insurance on the direct side exclude war damage. The Company has an exposure to insurance policyholders who are members of certain companies associated with entities from Russia and does not expect a significant adverse effect

on the ability to collect these receivables in the short term, ie. as a direct consequence of the war in Ukraine. In case of collection receivables inability, the Company disposes of receivables insurance instruments that can be activated as part of compulsory collection if necessary. Furthermore, the Company's certain investments are to some extent exposed to operations in Russia - shareholdings in individual companies and investments in debt instruments of EU issuers that have a slightly more exposed part of operations in Russia. These exposures are not material in terms of business threats and considering the size of the total investment portfolio. The aforementioned indirect exposures may have a negative impact on the Company's results in the event of escalation, which cannot be precisely quantified due to uncertainty and market volatility. However, based on the internal analysis of the impact of the Russian-Ukrainian crisis, as well as the sanctions imposed on Russia, the Company expects to maintain financial stability and a further high level of solvency (SCR ratio). In addition, at the date of these financial statements the Company continues to meet its obligations as they fall due and therefore continues to apply the going concern basis of preparation.

Dividend payment

The General Assembly of CROATIA osiguranje d.d. on 26 May 2022, passed the Decision on the use of the profits of CROATIA osiguranje d.d. achieved in 2021. A dividend was voted for 8,750 preferred shares in the amount of HRK 112.00 per share, i.e. in the amount of HRK 980,000.00. The dividend was paid on 23 June 2022.

Significant events after the end of the reporting date

No events occurring after the reporting date were material to the financial statements for the reporting period.

Company branch

As at 30 June 2022 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.

Purchase of treasury shares

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

Expected development in the future

In the future, an increase in the negative effects and trends resulting from the COVID-19 pandemic, the Russian-Ukrainian crisis and other global macroeconomic trends is expected. In addition to the already present effect of delays in the delivery of new vehicles (waiting from six months to a year or more) due to the global problem in supply chains, there are also strong inflationary pressures. Rising prices of basic commodities and energy products (gas, oil) will reduce the amount of the household disposable income for specific essentials, which include some insurance products such as voluntary insurance. The negative effects on the demand side for insurance products will be partially mitigated by the increase in the minimum wage in the Republic of Croatia as well as the pressure on wage growth in general, but at the same time it will cause inflationary pressures on the cost side through the increased amount of claims due to higher labour costs and repairs that may lead to the need for price corrections of insurance products.

As a result of the significant increase in market interest rates from the beginning of 2022, increase in the life insurance premium is possible, especially for part of life insurance products which has grown much slower in recent years due to the pandemic and low interest rates environment.

At the beginning of 2023, two major regulatory changes will take place: the introduction of the euro as the official currency of the Republic of Croatia and changes in the accounting standards for insurance companies (IFRS 17 and IFRS 9). Accordingly, 2022 will be a year of major IT investments and changes, which due to the state of available resources in the IT market will be a significant challenge for all insurance companies in the Republic of Croatia. Extensive adaptations to regulatory changes are in progress, and Croatia osiguranje, in accordance with the decision of the Council of the European Union on the fixed kuna to euro conversion rate, as the first insurer in Croatia and before the legal obligation, prepared a dual display of the prices of products and services in both currencies on all its communications channels.

In the forthcoming period, the goal is to continue the best practice of transferring operational excellence from the parent to subsidiaries in the region, as well as help by the parent in the adoption on new accounting regulations (in those countries where it enters into force).

New sources of growth in the future are combinations of organic and acquisition activities. New acquisitions are aimed at strengthening the insurance business and further development of healthcare offering in addition to using the synergies arising from the insurance offer.

Research and development activities

Customer focus and continuous innovations are the values of the Company that underlie research activities and new product development. The aim is to provide fast and quality service and increasing client satisfaction.

At the beginning of 2022, a new cycle of transformation initiatives "Sprint 2022" was launched, the implementation of which in the second half of the year should lead to new premium growth and even more efficient cost management. This program also includes Croatian and regional branches.

The process of digitalization of business continues, and total investments in this segment in 2022 amounted to more than HRK 100 million. The realized premium from digital business in the first half-year of 2022 increased by 49 percent compared to the first half-year of 2021, while the number of Croatia osiguranje clients using the Moja Croatia mobile application increased by 132 percent. In the first half-year of 2022, Croatia's digital brand Laqo grew by 93 percent compared to the same period last year. The Laqo Prevent safe driving program is actively used by 36 percent of mobile application users, and was awarded as the best in the Technology and Innovation category at this year's Communication Days.

Croatia osiguranje continuously invests in private healthcare with the highest standards, while total value of the investment in this and next year amounts HRK 60 million. The business development strategy is focused on geographical coverage of the entire country with modern polyclinics that provide a wide range of services. In March, a new Croatia Polyclinic was opened in Rijeka, equipped with the most modern devices and technology for diagnostics and treatment. This is the fifth Polyclinic after Zagreb, Split, Pula and Koprivnica. By the end of 2022, opening of one more Polyclinic is planned, and two more new Croatia Polyclinics during 2023. Croatia Polyclinics strengthened their market position and are now in fourth place in terms of revenue among comparable polyclinics in Croatia.

Croatia's Brigometar, launched as part of a health insurance campaign as a unique interactive digital ad powered by artificial intelligence, was declared the best European digital outdoor advertising project by the European Digital Marketing Association (IAB Europe) in May, and Brigometar was also among the finalists of this year's Cannes Lions.

Description of the most significant risks and uncertainties

In relation to the most significant risks and uncertainties which were described in the audited financial statements for the year 2021, in the period observed there were no significant changes in relation to the risks to which the Company is exposed in the course of its business, except as described in the chapter *Significant business events in the reporting period*.

Zagreb, 27 July 2022

Member of the Management Board

Luka Babić

Member of the Management Board

Vanko Balen



III. NOTES TO THE UNAUDITED FINANCIAL STATEMENTS FOR THE PERIOD I-VI 2022

1. GENERAL INFORMATION ON THE COMPANY

CROATIA osiguranje d.d., Zagreb, Vatroslava Jagića 33 (the 'Company') 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. The Company's principal activity is non-life and life insurance business and reinsurance business in the non-life insurance group.

The Company, within the scope of its business, also performs the following tasks:

- activities of offering the investment fund shares and activities of offering pension programs of voluntary pension funds and pension insurance companies in accordance with the provisions of the law governing the offering of shares of investment funds and the offer of pension programs,
- insurance distribution activities for other insurance companies,
- activities that are directly or indirectly related to insurance activities,
- credit intermediation operations in accordance with the regulations governing credit intermediaries.

Since 2004, the Company's shares have been listed at Official Market of the Zagreb Stock Exchange, Zagreb.

The company is majorly owned by ADRIS GRUPA d.d., Rovinj and is included in the consolidated financial statements of ADRIS GRUPE d.d. which are available on the website of ADRIS GRUPA d.d.

The average number of employees of the Company during the current period is 2,394.

Supervisory Board and Management Board

According to the Company Act, Insurance Act and the Articles of Association of the Company the Company's bodies are the General Assembly, the Supervisory Board and the Management Board. Obligations and responsibilities of the members of these bodies are determined by the mentioned acts.

Members of the Supervisory Board are:

Roberto Škopac	President
Dr.sc. Željko Lovrinčević	Vice President
Vitomir Palinec	Member
Hrvoje Patajac	Member
Vlasta Pavličević	Member
Dr. sc. Zoran Barac	Member
Pero Kovačić	Member since 10 March 2022

Members of the Management Board are:

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

Basis of preparation of financial statements

Financial statements are prepared in accordance with the Capital Market Act (Official Gazette 65/18, 17/20, 83/21), International Accounting Standard 34 – *Interim Financial Reporting*, the Rules of Zagreb Stock Exchange and the Ordinance on the contents and structure of issuers interim reports and on the form and manner of their submission to the Croatian Financial Services Supervisory Agency, which is issued by the Croatian Financial Services Supervisory Agency.

Half-year financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Company's annual financial statements as at 31 December 2021. The annual financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union. The Annual Financial Report for 2021, for the purpose of understanding the information published in the notes to the financial statements prepared for the half-year of the 2022, is available on the company's official website, the official website of the Zagreb Stock Exchange and the Croatian Financial Services Supervisory Agency's Official Register.

Several new standards and interpretations have been published that are not mandatory for the reporting period and that the Company has not previously adopted and intends to adopt with the effective date:

- *IFRS 17 Insurance contracts (effective for annual periods beginning on or after 1 January 2023)*

IFRS 17 was issued in May 2017 as a replacement for IFRS 4 Insurance Contracts. By the reporting date, various supplements to *IFRS 17* and *IFRS 4* have been issued, which contain a number of clarifications for the purpose of facilitating the implementation of IFRS 17, simplifying certain requirements of the standard, and extending the temporary exemption from the application of IFRS 9 to annual periods beginning on or after 1 January 2023. The amendments cover eight areas of IFRS 17, but are not intended to change the underlying principles of the standard.

The Standard requires a measurement model based on current best estimates, whereby estimates are remeasured in each reporting period. The contracts are measured by using the following parameters:

- discounted probability-weighted cash flows
- non-financial risk adjustment due to uncertainty of the amount and timing of estimated cash flows
- contractual service margin - CSM which represents the unearned profit under the contract which is recognised as income over the coverage period of the insurance contract.

According to the Standard, the Company may choose where to present the change in the discount rate, either in profit or loss or in other comprehensive income. The final choice will reflect the manner in

which insurers disclose their financial assets in accordance with IFRS 9, and in this sense the Company's objective will be to minimize the accounting mismatch between assets and liabilities.

An alternative, simplified approach based on the allocation of premiums based on the passage of time is permitted for the liability for remaining coverage for insurance contracts with short-term coverage, usually underwritten by non-life insurers.

A variation of the general measurement model, called the "variable fee approach", is also envisaged, which should be applied to certain life insurance contracts where the policyholders participate in the changes of fair value of specific items specified by the relevant insurance contracts. When applying the variable fee approach, the insurer's share of the change in fair value of these items is included in the contractual service margin. Consequently, the results of the insurers using this model are likely to be less volatile than under the general measurement model.

In accordance with IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors", IFRS 17 requires the Company to apply IFRS 17 retroactively, unless it is not practicable to do so. The above implies that the effective date of the transition is 1 January 2022, whereby one-off adjustments to the initial balances will be recognized in capital and reserves.

The Company expects to use the full retrospective approach for groups of contracts that will be measured using the premium allocation approach and for more recent groups of contracts which will be measured under the general measurement approach.

Where retrospective application for a group of insurance contracts is not practical, IFRS 17 lists two alternative transition methods that could be used:

- A modified retrospective approach that allows certain simplifications and changes compared to full retrospective application. This approach allows insurers lacking certain information to calculate initial balances that are as close as possible to the balances that would be obtained by applying full retrospective application, using information that is available, verifiable and appropriate for the insurer.
- Fair value approach where the CSM amount for a group of insurance contracts is obtained using the fair value of the insurance contract at the transition date. The fair value approach allows the entity to calculate the initial transition balances, even if the entity does not have reasonable and verifiable information about the contracts at the transition date.

The Company plans to use a combination of both alternative methods to calculate opening balances for those groups of contracts where the application of the full retrospective approach is not practical, whereby the selection of one of the methods will depend on the availability of historical information.

- *IFRS 9 Financial instruments and related supplements to various other standards*

IFRS 9 regulates the classification, measurement and derecognition of financial assets and financial liabilities, introduces new rules for hedge accounting and a new impairment model for financial assets. The classification of financial assets is divided into the following categories with regards to the valuation method: valuation according to the amortized cost method, valuation at fair value through the profit and loss and valuation at fair value through other comprehensive income. The classification of financial assets depends on the business model chosen by the Group for managing financial assets and contracted cash flows.

In accordance with IFRS 9, the impairment model will require the recognition of provisions for impairment on the basis of expected credit losses (the so-called "ECL"), and not only on the basis of incurred credit losses as is the case with IAS 39 and will apply to financial assets classified at amortized cost and debt instruments measured in other comprehensive income.

Given that the Company's financial assets, for which ECL will be recognized in accordance with IFRS 9, are primarily invested in government bonds and placements with banks that carry a low credit risk, the Company does not expect the amount of expected credit losses to be significant in the context of the Company's overall portfolio of financial assets.

- *IFRS 17 and IFRS 9 implementation process*

The Company has started a project to implement IFRS 17 and 9 and is continuously monitoring the process of updating IFRS 17 by the International Accounting Standards Board (IASB) and conducting an impact assessment on financial statements together with an impact assessment of IFRS 9. The Company expects that the new standard will result in a significant change in accounting policies for measuring insurance contract liabilities, that it will have an impact on reported profit and equity and will lead to changes in terms of presentation and disclosures in financial statements. In this regard, the Company sees the most significant sources of change in:

1. The method of recognizing insurance income, whereby the concept of gross written premium is abandoned and the savings component of the premium is excluded from the profit or loss account
2. Estimating the total profitability from the insurance contract at initial recognition, the so-called CSM and the systematic allocation of CSM to the profit and loss account based on the volume of insurance services provided in the period
3. Discounting of insurance liabilities using current discount yield curves
4. Recognition of expected cash flows from recourses on the balance sheet as part of liabilities for claims
5. Separation of unprofitable (onerous) contracts from profitable ones and immediate recognition of total expected losses on such contracts directly to the profit or loss account

Considering the significant effect of the standard, the Company has engaged additional resources in terms of human resources (experts), including external consultants, and is in the process of development of information systems needed to implement the Standard. The Company expects that, on the transition date, the majority of non-life insurance contracts and reinsurance contracts will be eligible for measurement under the simplified approach based on premium allocation. For life insurance contracts with direct participation such as unit linked contracts, the Company plans to use a variable fee approach.

For most insurance and reinsurance contracts measured by the general measurement model, the Company plans to use the option to recognize the effect of change in the current discount rate in relation to the initial (so-called "locked-in") discount rate in other comprehensive income.

As of the reporting date, the potential combined effect of the two standards on the financial position and results of the Company cannot be precisely quantified, and in future quarterly reports, after the implementation of the transition, quantified estimates of the impact of the standards on the financial statements will be published, if available.

- *Other standards and interpretations*

The International Accounting Standards Board has published several new amendments to standards and interpretations that are not mandatory for the reporting period and that the Group has not previously adopted. The group estimates that their effect is not material.

Financial statements are prepared by using the accrual principle, which is the underlying accounting assumption. Economic events are recognized when they occurred and are reported in financial statements for the period in which they occurred by using the underlying accounting principle of going concern.

Financial statements for the half-year of the 2022 have not been audited.

Presentation currency

Company's financial statements are prepared in the Croatian kuna as the functional and presentation currency.

Use of estimates and judgements

Preparation of financial statements in conformity with IFRS requires the Management Board to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, and information available at the date of preparation of financial statements, the results of which form the basis of making the judgements about carrying value of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Changes of accounting estimates are recognised from the period in which an estimate is revised and in future periods, if the change also affects them.

Accounting policies

Accounting policies and measurement methods which are used in the preparation of financial statements for the reporting period are the same as those which are used for preparation of the audited financial statements for the year 2021.

Related party transactions

There were no significant unusual related party transactions of goods and services in the current reporting period.

Seasonality of business activities

Company's operations are not seasonal. However, in the first part of the year, gross written premium and receivables for written premiums are higher than in the rest of the year due to dynamics of conclusion of insurance contracts.

Segment reporting

The Company's reporting segments comprise the life insurance segment and the non-life insurance segment. The description of segments as well as allocation of costs between segment of life insurance and non-life insurance, capital and reserves and assets described in the annual financial statements for 2021, have not changed. There were no significant intersegmental revenues and expenses in the period observed.

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 certainly achieved from the sale of a financial instrument. The fair value of investments at amortised cost is presented below:

	30 June 2022			31 December 2021		
	Net book value	Fair value	Difference	Net book value	Fair value	Difference
	in HRK	in HRK	in HRK	in HRK	in HRK	in HRK
Debt securities	2,360,358,077	2,213,664,186	(146,693,891)	2,325,983,966	2,523,640,767	197,656,801
Loans	443,090,977	459,451,536	16,360,559	466,532,728	481,986,492	15,453,764
Deposits	145,819,468	146,091,880	272,412	171,637,062	171,854,639	217,577
	2,949,268,522	2,819,207,602	(130,060,920)	2,964,153,756	3,177,481,898	213,328,142

Methods of assessment or assumptions in determining fair value

For measuring the fair value, the Company takes into account the IFRS fair value hierarchy rules that reflect the significance of inputs used in the assessment process. Each instrument is assessed

individually and in detail. The levels of the fair value hierarchy are determined on the basis of the lowest level and the input data that are important for determining the fair value of the instrument.

The table below analyses financial instruments carried at fair value using the valuation method. Different levels have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1).
- Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices or interest rates information) or indirectly (that is, derived from prices or interest rates) (Level 2).
- Inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

The Company's assets measured at fair value as at 30 June 2022 are presented as follows:

	Level 1 in HRK	Level 2 in HRK	Level 3 in HRK	Total in HRK
<i>Property for own use</i>	-	-	195,524,530	195,524,530
<i>Investment property</i>	-	-	519,474,341	519,474,341
Equity securities	680,903,397	153,349,151	8,301,622	842,554,170
Debt securities	2,323,265,547	1,375,040,875	1,671,092	3,699,977,514
Investment funds	76,644,476	322,488,332	59,196	399,192,004
<i>Available-for-sale financial assets</i>	3,080,813,420	1,850,878,358	10,031,910	4,941,723,688
Equity securities	23,485,106	-	-	23,485,106
Debt securities	-	-	-	-
Investment funds	276,322,666	-	-	276,322,666
Foreign currency forward contracts	-	12,786,502	-	12,786,502
<i>Financial assets at fair value through profit or loss</i>	299,807,772	12,786,502	-	312,594,274
Total assets at fair value	3,380,621,192	1,863,664,860	725,030,781	5,969,316,833

The Company's assets measured at fair value as at 31 December 2021 are presented as follows:

	Level 1 in HRK	Level 2 in HRK	Level 3 in HRK	Total in HRK
<i>Property for own use</i>	-	-	195,045,782	195,045,782
<i>Investment property</i>	-	-	524,104,269	524,104,269
Equity securities	764,572,089	100,466,852	7,937,951	872,976,892
Debt securities	2,798,247,722	1,068,992,279	1,890,697	3,869,130,698
Investment funds	180,957,159	244,082,807	59,195	425,099,161
<i>Available-for-sale financial assets</i>	3,743,776,970	1,413,541,938	9,887,843	5,167,206,751
Equity securities	25,765,552	-	-	25,765,552
Debt securities	-	-	-	-
Investment funds	355,280,253	-	-	355,280,253
Foreign currency forward contracts	-	3,033,386	-	3,033,386
<i>Financial assets at fair value through profit or loss</i>	381,045,805	3,033,386	-	384,079,191
Total assets at fair value	4,124,822,775	1,416,575,324	729,037,894	6,270,435,993

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. The Management Board believes that, due to fact that interest rate of these instruments is in line with market rates, 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 are therefore 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 are classified as Level 1.

The fair values of cash and cash equivalents and insurance 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 insurance 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. There was no significant increase or decrease in the value of the parameters that would affect the change in the fair value of financial assets classified in Level 3 fair value.

There have been no significant reclassifications of financial assets at fair value through profit or loss from Level 1 and Level 2 to Level 3 and vice versa in statement of financial position.

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 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 measurements of the fair value of investment property using significant inputs that are not available on the market (Level 3) is published in the financial statements for 2021.

Intangible assets

In the period observed, intangible assets increased by HRK 5.5m, primarily due to additional investments in the new Core IT system. The Company capitalized the costs of net salaries in the amount of HRK 2m, the costs of contributions from salaries in the amount of HRK 0.6m, the costs of taxes and surcharges from salaries in the amount of HRK 0.3m, the costs of contributions to salaries in in the amount of HRK 0.4m and other employee costs in the amount of HRK 0.6m.

Financial assets and financial liabilities

The Company's structure of financial assets as at 30 June 2022 and 31 December 2021 was as follows:

	30 June 2022				
	Held-to- maturity investments	Available- for-sale financial assets	Financial assets at fair value through profit or loss - for trading	Loans and receivables	Total
	in HRK	in HRK	in HRK	in HRK	in HRK
Shares					
Shares, listed	-	840,457,086	23,485,106	-	863,942,192
Shares, not listed	-	2,097,084	-	-	2,097,084
	-	842,554,170	23,485,106	-	866,039,276
Debt securities					
Government bonds	2,296,447,274	3,030,086,716	-	-	5,326,533,990
Corporate bonds	63,910,803	669,890,798	-	-	733,801,601
	2,360,358,077	3,699,977,514	-	-	6,060,335,591
Derivative financial instruments					
Foreign currency forward contracts	-	-	12,786,502	-	12,786,502
	-	-	12,786,502	-	12,786,502
Investment funds					
Open-ended investment funds	-	399,192,004	-	-	399,192,004
Open-ended investment funds - assets for coverage of unit-linked products	-	-	276,322,666	-	276,322,666
	-	399,192,004	276,322,666	-	675,514,670
Loans and receivables					
Deposits with credit institutions	-	-	-	145,819,468	145,819,468
Loans	-	-	-	443,090,977	443,090,977
	-	-	-	588,910,445	588,910,445
	2,360,358,077	4,941,723,688	312,594,274	588,910,445	8,203,586,484

31 December
2021

	Held-to- maturity investments	Available- for-sale financial assets	Financial assets at fair value through profit or loss - for trading	Loans and receivables	Total
	in HRK	in HRK	in HRK	in HRK	in HRK
Shares					
Shares, listed	-	806,336,528	25,765,552	-	832,102,080
Shares, not listed	-	66,640,364	-	-	66,640,364
	-	872,976,892	25,765,552	-	898,742,444
Debt securities					
Government bonds	2,262,102,845	3,346,343,162	-	-	5,608,446,007
Corporate bonds	63,881,121	522,787,536	-	-	586,668,657
	2,325,983,966	3,869,130,698	-	-	6,195,114,664
Derivative financial instruments					
Foreign currency forward contracts	-	-	3,033,386	-	3,033,386
	-	-	3,033,386	-	3,033,386
Investment funds					
Open-ended investment funds	-	425,099,161	-	-	425,099,161
Open-ended investment funds - assets for coverage of unit-linked products	-	-	355,280,253	-	355,280,253
	-	425,099,161	355,280,253	-	780,379,414
Loans and receivables					
Deposits with credit institutions	-	-	-	171,637,062	171,637,062
Loans	-	-	-	466,532,728	466,532,728
	-	-	-	638,169,790	638,169,790
	2.325.983.966	5.167.206.751	384.079.191	638.169.790	8.515.439.698

The structure of financial liabilities as at 30 June 2022 and 31 December 2021 was as follows:

	30 June 2022	31 December 2021
	in HRK	in HRK
Lease liabilities	275,137,529	274,715,764
Liabilities for repo transactions	-	76,481,325
Derivative financial instruments	10,903,125	5,987,102
Preference shares	12,250,000	12,250,000
Other financial liabilities	250,001	400,017
	298,540,655	369,834,208

Share capital and shares

The Company's share capital with a nominal value of HRK 601,575,800 as at 30 June 2022 is divided among 429,697 shares with a nominal value of HRK 1,400. The shares are marked as follows:

Number of shares	Nominal amount:
307,598 ordinary shares I, emission with ticker CROS-R-A/CROS	430,637,200
113,349 ordinary shares II, emission with ticker CROS-R-A/CROS	158,688,600
TOTAL OF ORDINARY SHARES	589,325,800
8,750 preference shares I, emission with ticker CROS-P-A/CROS2	12,250,000
TOTAL OF PREFERENCE SHARES	12,250,000

Each share, ordinary and preference, provides the right to 1 (one) vote at the Company's General Assembly. Due to the guaranteed dividend payment, preference shares are classified as financial liabilities. All shares are paid in full, issued in dematerialized form, are transferable and are managed at the central depository of the Central Depository & Clearing Company.

Liabilities

The structure of Company's liabilities was as follows:

	30 June 2022			
	No later than 1 year in HRK	1-5 years in HRK	More than 5 years in HRK	Total in HRK
Other provisions	3,247,662	36,984,850	7,218,802	47,451,314
Financial liabilities	27,731,399	54,857,706	215,951,550	298,540,655
Liabilities arising from insurance contracts, other liabilities and deferred income	732,427,292	24,186,427	14,562,874	771,176,593
Total	763,406,353	116,028,983	237,733,226	1,117,168,562
	31 December 2021			
	No later than 1 year in HRK	1-5 years in HRK	More than 5 years in HRK	Total in HRK
Other provisions	10,576,449	42,993,212	7,182,042	60,751,703
Financial liabilities	98,162,784	53,946,685	217,724,739	369,834,208
Liabilities arising from insurance contracts, other liabilities and deferred income	582,713,194	24,020,210	12,151,613	618,885,017
Total	691,452,427	120,960,107	237,058,394	1,049,470,928

Deferred taxes

The Company has recognized deferred tax assets and liabilities as at 30 June 2022. There were no significant changes in deferred tax assets compared to 31 December 2021 while the movement of deferred tax liability is shown in the note below:

	Land and buildings occupied by an undertaking for its own activities	Financial assets available for sale	Total
	in HRK	in HRK	in HRK
31 December 2021	10,649,570	125,070,306	135,719,876
Utilization through retained earnings	(43,480)	-	(43,480)
Change in fair value of available-for-sale investments	-	(84,612,929)	(84,612,929)
30 June 2022	10,606,090	40,457,377	51,063,467

Commitments

As at 30 June 2022, the Company's contractual obligations for future investments amount to HRK 365.2m based on binding bids for investments in alternative investment funds.

MANAGEMENT BOARD STATEMENT

Pursuant to article 20 of the Articles of Association of the Company from 9 September 2021 and article 465 of the Capital Market Law (Official Gazette 65/18, 17/20, 83/21), the Management Board provides this

STATEMENT

That to the best of our knowledge:

- the set of half-year unaudited unconsolidated financial statements of the issuer for the period 1 January – 30 June 2022 prepared by using applicable financial reporting standards, gives a true and fair view of assets and liabilities, the financial position and profit or loss of the issuer,
- the management report presents an objective view of the development and business results and position of the issuer with description of significant risks and uncertainties to which the issuer is exposed.

Zagreb, 27 July 2022

Member of the Management Board

Luka Babić



Member of the Management Board

Vančo Balen

