



**CROATIA[®]
OSIGURANJE**

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

**CONSOLIDATED UNAUDITED
QUARTERLY REPORT,
FOR THE PERIOD
1 January 2022 – 30 September 2022**

Zagreb, October 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.

CONTENT

I. UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS 3

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME 4

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (BALANCE SHEET)..... 6

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY 8

CONSOLIDATED STATEMENT OF CASH FLOWS – indirect method..... 9

II. QUARTERLY MANAGEMENT REPORT10

III. NOTES TO THE UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE

PERIOD I-IX 2022..... 16

MANAGEMENT BOARD STATEMENT 30

I. UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

Annex 1		
ISSUER'S GENERAL DATA		
Reporting period:	1.1.2022	to 30.9.2022
Year:	2022	
Quarter:	3	
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	LEI: 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):	3733	
Consolidated report:	KD	(KN-not consolidated/KD-consolidated)
Audited:	RN	(RN-not audited/RD-audited)
Names of subsidiaries (according to IFRS):	Registered office:	MB:
CROATIA PREMIUM d.o.o.	ZAGREB	01885880
CORE 1 d.o.o.	ZAGREB	04570243
AUTO MAKSIMIR VOZILA d.o.o.	ZAGREB	01804812
CROATIA OSIGURANJE DD	MOSTAR	20097647
MILENIJUM OSIGURANJE A.D.	BEOGRAD	7810318
CROATIA OSIGURANJE A.D. - ZA ŽIVOTNA OSIG.	SKOPJE	05920922
CROATIA OSIGURANJE A.D. - ZA NEŽIVOTNA OSIG.	SKOPJE	06479570
CROATIA OSIGURANJE MIROVINSKO DRUŠTVO D.O.O.	ZAGREB	01731742
RAZNE USLUGE D.O.O. - U LIKVIDACIJI	ZAGREB	01892037
CROATIA - TEHNIČKI PREGLEDI D.O.O.	ZAGREB	01450930
PBZ CROATIA OSIGURANJE DD	ZAGREB	01583999
CO ZDRAVLJE D.O.O.	ZAGREB	04837550
STRMEC PROJEKT d.o.o.	ZAGREB	02586649
AGROSERVIS STP d.o.o.	VIROVITICA	01233033
ASTORIA d.o.o.	ZAGREB	080339352
CO LOGISTIKA d.o.o.	ZAGREB	081353961
Bookkeeping firm:	No (Yes/No)	(name of the bookkeeping firm)
Contact person:	Jelena Matijević (only name and surname of the contact person)	
Telephone:	072 00 1884	
E-mail address:	izdavatelji@crosig.hr	
Audit firm:	(name of the audit firm)	
Certified auditor:	(name and surname)	

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
(STATEMENT OF PROFIT OR LOSS)
For the period: 1.1.2022 - 30.9.2022

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	424.717.233	1.896.023.121	2.320.740.354	319.295.797	2.090.312.199	2.409.607.996
1 Gross written premium	119	425.111.021	2.309.935.005	2.735.046.026	318.931.073	2.656.490.991	2.975.422.064
2 Value adjustment and charged premium value adjustment	120	0	10.842.198	10.842.198	0	-57.530	-57.530
3 Outward reinsurance premiums (-)	121	-343.619	-263.717.142	-264.060.761	-410.274	-323.894.272	-324.304.546
4 Change of gross provisions for unearned premiums (+/-)	122	-166.263	-223.275.447	-223.441.710	646.956	-309.544.114	-308.897.158
5 Change of provisions for unearned premiums, reinsurers' share (+/-)	123	116.094	62.238.507	62.354.601	128.042	67.317.124	67.445.166
II Income from investments (ADP 125 to 131)	124	90.815.305	262.977.513	353.792.818	93.209.844	292.374.691	385.584.535
1 Income from branches, associates and joint ventures.	125	2.783.512	34.668.383	37.451.895	4.717.849	49.475.523	54.193.372
2 Income from investment in land and buildings	126	124.590	76.464.889	76.589.479	60.638	89.311.081	89.371.719
3 Interest income	127	77.320.213	63.665.704	140.985.917	76.483.634	69.138.784	145.622.418
4 Unrealised gains on investments	128	4.266.109	17.855.129	22.121.238	1.795.288	8.764.070	10.559.358
5 Realised gains on investments	129	5.953.365	47.643.839	53.597.204	7.123.976	42.447.633	49.571.609
6 Net positive exchange rate differences	130	0	0	0	3.015.419	21.530.574	24.545.993
7 Other income from investments	131	367.516	22.679.569	23.047.085	13.040	11.707.026	11.720.066
III Income from commissions and fees	132	1.427.808	24.199.683	25.627.491	1.243.817	40.655.186	41.899.003
IV Other insurance-technical income, net amount from reinsurance	133	118.313	33.580.598	33.698.911	86.618	32.772.297	32.858.915
V Other income	134	243.891	124.433.901	124.677.792	279.054	132.120.178	132.399.232
VI Claims incurred, net (ADP 136 + 139)	135	-332.088.988	-985.717.263	-1.317.806.251	-369.747.751	-1.104.747.624	-1.474.495.375
1 Claims settled (ADP 137+138)	136	-343.794.455	-983.040.770	-1.326.835.225	-360.777.405	-1.010.803.659	-1.371.581.064
1.1 Gross amount (-)	137	-343.794.455	-1.131.776.178	-1.475.570.633	-360.777.405	-1.132.823.473	-1.493.600.878
1.2 Reinsurers' share (+)	138	0	148.735.408	148.735.408	0	122.019.814	122.019.814
2 Change in the provision for claims (+/-) (ADP 140+141)	139	11.705.467	-2.676.493	9.028.974	-8.970.346	-93.943.965	-102.914.311
2.1 Gross amount	140	11.705.467	89.690.179	101.395.646	-8.970.346	-125.566.156	-134.536.502
2.3 Reinsurers' share	141	0	-92.366.672	-92.366.672	0	31.622.191	31.622.191
VII Change in mathematical provision and other technical provisions, net of reinsurance (ADP 143+146)	142	-82.447.277	-14.022.169	-96.469.446	-56.990.511	-991.058	-57.981.569
1 Change in mathematical provisions (+/-) (ADP 144+145)	143	-82.447.277	3.803.012	-78.644.265	-56.990.511	2.411.539	-54.578.972
1.1 Gross amount (-)	144	-82.462.922	3.803.012	-78.659.910	-56.997.643	2.411.539	-54.586.104
1.2 Reinsurers' share (+)	145	15.645	0	15.645	7.132	0	7.132
2 Change in other technical provisions, net of reinsurance (+/-) (ADP 147+148)	146	0	-17.825.181	-17.825.181	0	-3.402.597	-3.402.597
2.1 Gross amount (-)	147	0	-17.949.192	-17.949.192	0	-3.402.605	-3.402.605
2.2 Reinsurers' share (+)	148	0	124.011	124.011	0	8	8
VIII Change of special provision for life assurance where policyholders bear the investment risk, net of reinsurance (+/-) (ADP 150+151)	149	4.836.946	0	4.836.946	121.965.659	0	121.965.659
1 Gross amount (-)	150	4.836.946	0	4.836.946	121.965.659	0	121.965.659
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	-7.616.415	-7.616.415	0	-11.920.440	-11.920.440
1 Performance-dependent (bonuses)	153	0	-5.284.314	-5.284.314	0	-9.026.130	-9.026.130
2 Performance-independent (rebates)	154	0	-2.332.101	-2.332.101	0	-2.894.310	-2.894.310

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
(STATEMENT OF PROFIT OR LOSS)
For the period: 1.1.2022 - 30.9.2022

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	-54.727.068	-875.200.984	-929.928.052	-41.181.496	-994.324.176	-1.035.505.672
1 Acquisition costs (ADP 157 to 159)	156	-26.894.781	-460.181.052	-487.075.833	-19.193.553	-524.950.761	-544.144.314
1.1 Commission	157	-9.262.041	-237.632.113	-246.894.154	-9.268.483	-289.942.395	-299.210.878
1.2 Other acquisition costs	158	-17.632.740	-230.514.727	-248.147.467	-9.925.070	-252.254.784	-262.179.854
1.3 Change in deferred acquisition costs	159	0	7.965.788	7.965.788	0	17.246.418	17.246.418
2 Administration expenses (administrative costs) (ADP 161 to 163)	160	-27.832.287	-415.019.932	-442.852.219	-21.987.943	-469.373.415	-491.361.358
2.1 Depreciation	161	-2.663.054	-57.477.980	-60.141.034	-1.943.683	-66.403.274	-68.346.957
2.2 Salaries, taxes and contributions from/on salaries	162	-10.901.564	-147.469.837	-158.371.401	-9.385.666	-170.804.895	-180.190.561
2.3 Other administration expenses	163	-14.267.669	-210.072.115	-224.339.784	-10.658.594	-232.165.246	-242.823.840
XI Investment expenses (ADP 165 to 171)	164	-21.218.812	-58.702.739	-79.921.551	-7.803.568	-91.539.253	-99.342.821
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	-819.635	-7.642.106	-8.461.741	-459.183	-8.502.053	-8.961.236
3 Impairment of investments	167	0	-2.402.624	-2.402.624	-1.032.515	-2.209.408	-3.241.923
4 Realised loss on investments	168	-3.018.634	-9.557.996	-12.576.630	-3.281.477	-19.379.217	-22.660.694
5 Unrealised loss on investments	169	-278.147	-3.890.722	-4.168.869	-1.582.758	-29.363.169	-30.945.927
6 Net negative exchange rate differences	170	-15.685.922	-9.987.388	-25.673.310	0	0	0
7 Other investment expenses	171	-1.416.474	-25.221.903	-26.638.377	-1.447.635	-32.085.406	-33.533.041
XII Other technical expenses, net of reinsurance (ADP 173+174)	172	-1.354.419	-45.768.042	-47.122.461	-1.066.614	-46.252.929	-47.319.543
1 Expenses of preventive activities	173	0	-804.841	-804.841	0	-789.757	-789.757
2 Other technical expenses of insurance	174	-1.354.419	-44.963.201	-46.317.620	-1.066.614	-45.463.172	-46.529.786
XIII Other activities, including value adjustments	175	-7.632	-973.377	-981.009	-6.471	-15.430.492	-15.436.963
XIV Profit or loss for the accounting period before tax (+/-) (ADP 118+124+132 to 135+142+149+152+155+164+172+175)	176	30.315.300	353.213.827	383.529.127	59.284.378	323.028.579	382.312.957
XV Profit or loss tax (ADP 178+179)	177	-5.275.917	-58.716.654	-63.992.571	-10.274.102	-50.135.996	-60.410.098
1 Current tax expense	178	-5.275.917	-58.843.690	-64.119.607	-10.274.102	-49.141.378	-59.415.480
2 Deferred tax expense (income)	179	0	127.036	127.036	0	-994.618	-994.618
XVI Profit or loss for the accounting period after tax (+/-) (ADP 176+177)	180	25.039.383	294.497.173	319.536.556	49.010.276	272.892.583	321.902.859
1 Attributable to owners of the parent	181	25.074.271	294.093.506	319.167.777	48.941.217	272.643.322	321.584.539
2 Attributable to non-controlling interest	182	-34.888	403.667	368.779	69.059	249.261	318.320
XVII TOTAL INCOME (ADP 118+124+132+133+134+179)	183	517.322.550	2.341.341.852	2.858.664.402	414.115.130	2.587.239.933	3.001.355.063
XVIII TOTAL EXPENSES (ADP 135+142+149+152+155+164+172+175+178)	184	-492.283.167	-2.046.844.679	-2.539.127.846	-365.104.854	-2.314.347.350	-2.679.452.204
IX Other comprehensive income (ADP 186 to 193)	185	-6.995.314	133.304.788	126.309.474	-259.684.847	-373.400.514	-633.085.361
1 Gains/losses arising from translation of financial statements relating to foreign operations	186	-823.064	-995.743	-1.818.807	281.827	458.101	739.928
2 Gains/losses arising from the revaluation of financial assets available for sale	187	-8.706.404	164.136.590	155.430.186	-311.010.464	-451.880.928	-762.891.392
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	2.534.154	-29.836.059	-27.301.905	51.043.790	78.022.313	129.066.103
XX Total comprehensive income (ADP 180 +185)	194	18.044.069	427.801.961	445.846.030	-210.674.571	-100.507.931	-311.182.502
1 Attributable to owners of the parent	195	18.080.951	427.408.250	445.489.201	-210.744.667	-100.738.529	-311.483.196
2 Attributable to non-controlling interests	196	-36.882	393.711	356.829	70.096	230.598	300.694
XXI Reclassification adjustments	197	0	0	0	0	0	0

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (BALANCE SHEET)

As at: 30.9.2022

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	542.627.107	4.058.521.258	4.601.148.365	332.335.561	3.957.605.303	4.289.940.864
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	147.476.155	548.957.110	696.433.265	-112.209.729	174.298.896	62.089.167
3.1 Land and buildings	074	0	106.333.697	106.333.697	0	105.073.587	105.073.587
3.2 Financial assets available for sale	075	147.476.155	442.457.823	589.933.978	-112.209.729	69.059.719	-43.150.010
3.3 Other revaluation reserves	076	0	165.590	165.590	0	165.590	165.590
4 Reserves (ADP 078 to 080)	077	85.295.937	316.742.638	402.038.575	85.295.937	316.742.638	402.038.575
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	149.239.785	224.739.785	75.500.000	149.239.785	224.739.785
5 Retained profit or loss brought forward (ADP 082 + 083)	081	252.230.964	1.617.294.890	1.869.525.854	266.019.416	1.967.400.842	2.233.420.258
5.1 Retained profit	082	252.230.964	1.617.294.890	1.869.525.854	266.019.416	1.967.400.842	2.233.420.258
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	13.335.331	349.007.015	362.342.346	48.941.217	272.643.322	321.584.539
6.1 Profit for the current accounting period	085	13.335.331	349.007.015	362.342.346	48.941.217	272.643.322	321.584.539
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	821.750	9.349.523	10.171.273	905.282	9.319.043	10.224.325
D) TECHNICAL PROVISIONS (ADP 090 to 095)	089	3.235.659.788	4.396.227.440	7.631.887.228	3.302.510.114	4.834.025.957	8.136.536.071
1 Provisions for unearned premiums, gross amount	090	6.639.516	1.494.855.949	1.501.495.465	5.997.628	1.805.228.265	1.811.225.893
2 Mathematical provisions, gross amount	091	3.126.810.816	6.553.376	3.133.364.192	3.183.205.766	4.141.838	3.187.347.604
3 Claims outstanding, gross amount	092	102.209.456	2.847.892.563	2.950.102.019	111.194.345	2.974.292.003	3.085.486.348
4 Provisions for bonuses and rebates, gross amount	093	0	24.175.940	24.175.940	0	25.309.018	25.309.018
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	15.694.079	15.694.079	2.112.375	17.999.300	20.111.675
E) SPECIAL PROVISIONS FOR LIFE ASSURANCE WHERE POLICYHOLDERS BEAR THE INVESTMENT RISK, gross amount	096	376.481.979	0	376.481.979	249.938.643	0	249.938.643
F) OTHER PROVISIONS (ADP 098 + 099)	097	4.397.636	66.183.483	70.581.119	3.012.921	54.681.182	57.694.103
1 Provisions for pensions and similar obligations	098	3.994.621	63.595.466	67.590.087	2.767.912	52.056.405	54.824.317
2 Other provisions	099	403.015	2.588.017	2.991.032	245.009	2.624.777	2.869.786
G) DEFERRED AND CURRENT TAX LIABILITIES (ADP 101 + 102)	100	30.065.787	192.016.345	222.082.132	-11.952.676	134.447.917	122.495.241
1 Deferred tax liability	101	28.818.637	154.880.088	183.698.725	-22.229.836	77.743.502	55.513.666
2 Current tax liability	102	1.247.150	37.136.257	38.383.407	10.277.160	56.704.415	66.981.575
H) DEPOSITS HELD UNDER BUSINESS CEDED	103	0	0	0	0	0	0
I) FINANCIAL LIABILITIES (ADP 105 to 107)	104	24.048.547	394.592.699	418.641.246	4.239.949	352.692.855	356.932.804
1 Loan liabilities	105	0	2.647.724	2.647.724	0	1.881.547	1.881.547
2 Liabilities for issued financial instruments	106	0	0	0	0	0	0
3 Other financial liabilities	107	24.048.547	391.944.975	415.993.522	4.239.949	350.811.308	355.051.257
J) OTHER LIABILITIES (ADP 109 to 112)	108	72.602.199	388.044.337	460.646.536	79.761.335	439.034.581	518.795.916
1 Liabilities from direct insurance business	109	2.592.849	101.831.575	104.424.424	3.140.647	110.942.627	114.083.274
2 Liabilities from coinsurance and reinsurance business	110	18.567	116.272.399	116.290.966	363.303	179.522.466	179.885.769
3 Liabilities for disposal and discontinued operations	111	0	11.819	11.819	0	3.634	3.634
4 Other liabilities	112	69.990.783	169.928.544	239.919.327	76.257.385	148.565.854	224.823.239
K) ACCRUALS AND DEFERRED INCOME (ADP 114+115)	113	30.605.868	268.563.047	299.168.915	9.554.481	329.843.182	339.397.663
1 Deferred reinsurance commission	114	0	8.988.308	8.988.308	0	20.804.708	20.804.708
2 Other accruals and deferred income	115	30.605.868	259.574.739	290.180.607	9.554.481	309.038.474	318.592.955
J) TOTAL LIABILITIES (ADP 068+087+088+089+096+097+100+103+104+108+113)	116	4.317.310.661	9.773.498.132	14.090.808.793	3.970.305.610	10.111.650.020	14.081.955.630
M) OFF-BALANCE SHEET ITEMS	117	298.481.477	3.175.257.358	3.473.738.835	129.117.933	1.886.522.212	2.015.640.145

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the period: 1.1.2022 - 30.9.2022

in HRK

Item	ADP code	Attributable to owners of the parent							Total capital and reserves (3 to 8)	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				
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	568.449.623	402.038.575	1.538.153.217	327.902.069	4.107.351.809	12.654.441	4.120.006.250	
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	568.449.623	402.038.575	1.538.153.217	327.902.069	4.107.351.809	12.654.441	4.120.006.250	
III Comprehensive income or loss for the same period of the previous year (ADP 006 + ADP 007)	5	0	0	130.012.326	0	0	362.342.346	492.354.672	417.356	492.772.028	
Profit or loss for the period	6	0	0	0	0	0	362.342.346	362.342.346	414.927	362.757.273	
2 Other comprehensive income or loss for the same period of the previous year (ADP 008 to ADP 11)	7	0	0	130.012.326	0	0	0	130.012.326	2.429	130.014.755	
Unrealised gains or losses on tangible assets (land and buildings)	8	0	0	-3.889.180	0	0	0	-3.889.180	6.012	-3.883.168	
Unrealised gains or losses on financial assets available for sale	9	0	0	160.194.552	0	0	0	160.194.552	-6.985	160.187.567	
Realised gains or losses on financial assets available for sale	10	0	0	-25.615.096	0	0	0	-25.615.096	0	-25.615.096	
Other changes in equity unrelated to owners	11	0	0	-677.950	0	0	0	-677.950	3.402	-674.548	
IV Transactions with owners (previous period)	12	0	0	-2.028.684	0	331.372.637	-327.902.069	1.441.884	-2.900.524	-1.458.640	
Increase/decrease in subscribed capital	13	0	0	0	0	0	0	0	0	0	
Other contributions by owners	14	0	0	0	0	1.131.514	0	1.131.514	-2.785.495	-1.653.981	
Payment of share in profit/dividend	15	0	0	0	0	0	0	0	-134.972	-134.972	
Other distribution to owners	16	0	0	-2.028.684	0	330.241.123	-327.902.069	310.370	19.943	330.313	
V Balance on the last day of the previous business year reporting period	17	589.325.800	681.482.525	696.433.265	402.038.575	1.869.525.854	362.342.346	4.601.148.365	10.171.273	4.611.319.638	
VI Balance on the first day of the current business year	18	589.325.800	681.482.525	696.433.265	402.038.575	1.869.525.854	362.342.346	4.601.148.365	10.171.273	4.611.319.638	
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	696.433.265	402.038.575	1.869.525.854	362.342.346	4.601.148.365	10.171.273	4.611.319.638	
VIII Comprehensive income or loss for the year	22	0	0	-633.067.735	0	0	321.584.539	-311.483.196	300.694	-311.182.502	
Profit or loss for the period	23	0	0	0	0	0	321.584.539	321.584.539	318.320	321.902.859	
Other comprehensive income or loss for the year	24	0	0	-633.067.735	0	0	0	-633.067.735	-17.626	-633.085.361	
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	-613.549.737	0	0	0	-613.549.737	-21.720	-613.571.457	
Realised gains or losses on financial assets available for sale	27	0	0	-20.253.832	0	0	0	-20.253.832	0	-20.253.832	
Other changes in equity unrelated to owners	28	0	0	735.834	0	0	0	735.834	4.094	739.928	
Transactions with owners (current period)	29	0	0	-1.276.363	0	363.894.404	-362.342.346	275.695	-247.642	28.053	
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	-247.642	-247.642	
Other transactions with owners	33	0	0	-1.276.363	0	363.894.404	-362.342.346	275.695	0	275.695	
Balance on the last day of the current year reporting period	34	589.325.800	681.482.525	62.089.167	402.038.575	2.233.420.258	321.584.539	4.289.940.864	10.224.325	4.300.165.189	

CONSOLIDATED STATEMENT OF CASH FLOWS – indirect method

For the period: 1.1.2022 - 30.9.2022

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	86.775.184	-487.447.100
1 Cash flow before changes in operating assets and liabilities (ADP 003+004)	002	238.732.560	253.279.664
1.1 Profit/loss before tax	003	383.529.127	382.312.957
1.2 Adjustments: (ADP 005 to 012)	004	-144.796.567	-129.033.293
1.2.1 Depreciation of property and equipment	005	40.683.762	47.972.082
1.2.2 Amortization of intangible assets	006	19.457.272	20.374.875
1.2.3 Impairment and gains/losses on fair valuation	007	-30.593.687	73.483
1.2.4 Interest expenses	008	8.461.741	8.961.236
1.2.5 Interest income	009	-140.985.917	-145.622.418
1.2.6 Share in profit of associates	010	-8.018.343	-7.649.664
1.2.7 Profit/loss from the sale of tangible assets (including land and buildings)	011	-558.163	-3.232.136
1.2.8 Other adjustments	012	-33.243.232	-49.910.751
2 Increase/decrease in operating assets and liabilities (ADP 014 to 030)	013	-110.812.482	-672.505.178
2.1 Increase/decrease in financial assets available for sale	014	-425.773.158	-324.355.439
2.2 Increase/decrease in financial assets at fair value through statement of profit or loss	015	4.189.669	-164.698.406
2.3 Increase/decrease in loans and receivables	016	239.957.002	-322.552.371
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	6.451.605	126.543.336
2.6 Increase/decrease in reinsurance amount in technical provisions	019	30.001.614	-99.155.539
2.7 Increase/decrease in tax assets	020	-35.642.919	-43.334.061
2.8 Increase/decrease in receivables	021	-242.818.173	-227.309.141
2.9 Increase/decrease in other assets	022	0	0
2.10 Increase/decrease in prepayments and accrued income	023	6.247.547	-57.116.764
2.11 Increase/decrease in technical provisions	024	213.045.314	504.648.844
2.12 Increase/decrease in special provisions for life assurance where policyholders bear the investment risk	025	-6.451.605	-126.543.336
2.13 Increase/decrease in tax liabilities	026	27.464.370	38.564.687
2.14 Increase/decrease in deposits held under reinsurance business ceded	027	0	0
2.15 Increase/decrease in financial liabilities	028	42.517.530	-63.668.100
2.16 Increase/decrease in other liabilities	029	21.649.818	46.242.356
2.17 Increase/decrease in accruals and deferred income	030	8.348.904	40.228.756
3 Income tax paid	031	-41.144.894	-68.221.586
II CASH FLOW FROM INVESTING ACTIVITIES (ADP 033 to 046)	032	59.901.741	236.468.920
1 Cash receipts from the sale of tangible assets	033	313.770	459.278
2 Cash payments for the purchase of tangible assets	034	-20.681.171	-31.971.907
3 Cash receipts from the sale of intangible assets	035	0	0
4 Cash payments for the purchase of intangible assets	036	-42.209.344	-36.306.282
5 Cash receipts from the sale of land and buildings not occupied by an undertaking for its own activities	037	2.550.908	14.503.017
6 Cash payments for the purchase of land and buildings not occupied by an undertaking for its own activities	038	-3.382.562	-2.140.869
7 Increase/decrease of investments in branches, associates and joint ventures.	039	7.862.249	10.500.000
8 Cash receipts from financial assets held to maturity	040	155.378.689	388.123.291
9 Cash payments for financial assets held to maturity	041	-114.873.198	-199.352.757
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	27.158.406	45.935.371
13 Cash receipts from repayments of short-term and long-term loans given	045	67.864.182	61.318.994
14 Cash payments for short-term and long-term loans	046	-20.080.188	-14.599.216
III CASH FLOW FROM FINANCING ACTIVITIES (ADP 048 to 052)	047	-23.938.754	-21.821.587
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	-21.843.782	-20.593.943
4 Cash payments for the redemption of treasury shares	051	0	0
5 Cash payments of share in profit (dividend)	052	-2.094.972	-1.227.644
NET CASH FLOW (ADP 001 + 032 + 047)	053	122.738.171	-272.799.767
IV EFFECT OF EXCHANGE RATE FLUCTUATIONS ON CASH AND CASH EQUIVALENTS	054	25.673.310	-24.545.993
V NET INCREASE/DECREASE IN CASH AND CASH EQUIVALENTS (053+054)	055	148.411.481	-297.345.760
Cash and cash equivalents at the beginning of period	056	662.448.984	769.363.678
Cash and cash equivalents at the end of period (ADP 055 + 056)	057	810.860.465	472.017.918

II. QUARTERLY MANAGEMENT REPORT

In the period observed, the CROATIA osiguranje Group, operating in Croatia and the markets of the region (BiH, North Macedonia, Serbia and Slovenia), achieved consolidated profit after tax and non-controlling interest in the amount of HRK 321.6m, which represents an increase of 0.8 percent compared to the comparative period of the previous year.

Gross written premium for the reporting period amounted to HRK 2,975.4m, which represents an increase of 8.8 percent compared to the comparative period of the previous year. Gross written premium of non-life insurance amounted to HRK 2,656.5m which represents an increase by 15 percent. Gross written premium of life insurance decreased by 25 percent and amounted to HRK 318.9m.

Earned premium for the reporting period amounted to HRK 2,409.6m, which represents 80.3 percent of total income and an increase of 3.8 percent compared to the comparative period of the previous year.

In the non-life and life insurance business, the Group has achieved income from investments in the amount of HRK 385.6m, which represents an increase of 9 percent compared to the comparative period of the previous year. Income from investments represents 12.8 percent of total income. Investment expenses amounted to HRK 99.3m, which represents an increase of 24.3 percent compared to the comparative period of the previous year. Investment expenses represent 3.8 percent of total expenses.

Net claims incurred for the reporting period represent 56.3 percent of total expenses and amounted to HRK 1,474.5m, which represents an increase of 11.9 percent compared to the same period of the previous year, while claims settled amounted to HRK 1,371.6m, representing an increase of 3.4 percent compared to the same period of the previous year.

Acquisition and administration costs amounted to HRK 1,035.5m, representing 39.5 percent of total expenses of the Group. Acquisition and administration costs increased by 11.4 percent compared to the comparative period of the previous year.

Total assets of the Group as at 30 September 2022 amounted to HRK 14.1 billion, representing a decrease of 0.1 percent compared to 31 December 2021.

Technical reserves as at 30 September 2022 amounted to HRK 8.1 billion, representing an increase of 6.6 percent compared to 31 December 2021.

Unaudited consolidated financial statements for the third quarter of 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 d.d. 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, employee Pero Kovačić from Zagreb was elected as a member of the Supervisory Board, for a term of 4 years, starting from 10 March 2022.

Impact of the COVID-19 pandemic on the Group'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 Group's operations have been identified, which is confirmed by the results of the Group's operations and the Group's strong solvency ratio of 235% as of 30 June 2022. Despite this, and primarily due to the risk of epidemiological situation deteriorating in the second half of the year, the Group continuously monitors the situation and continues to act with caution. Thus, the Group 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 and through an increase in average claims and 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 Group, due to the adequate alignment of assets and liabilities. On the other hand, the increase in interest rates enables new investments by the Group with slightly higher yields.

The mentioned impacts 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 Group 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 Group 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 Group has an exposure to insurance policyholders who are members of certain companies related to 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 Group disposes of receivables insurance instruments that can be activated as part of compulsory collection if necessary. Furthermore, the Group'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 Group'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 Group expects to maintain financial stability and a further high level of solvency (SCR ratio). In addition, at the date of these financial statements the Group 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

At the session held on 29 July 2022, the Croatian Financial Services Supervisory Agency (HANFA) passed a resolution authorizing Hrvoje Šimović to perform the duties of a member of the Supervisory Board of CROATIA osiguranje d.d., for a term of 5 October 2022 until 5 October 2026.

Additionally, at the session held on 5 October 2022, the Administrative Council of HANFA passed resolutions authorizing Davor Tomašković, Robert Vučković, Luka Babić and Vančo Balen to perform the functions of members of the Management Board of CROATIA osiguranje d.d., for a term of 1 January 2023 to 31 December 2026.

Expected development in the future

In the future, a further increase in the negative effects and trends resulting from the COVID-19 pandemic, the Russian-Ukrainian crisis and the related energy crisis (which especially affects the EU) and a deteriorating of global macroeconomic trends and uncertainty are expected. In addition to the already present delays in deliveries of new vehicles, due to the global supply chain disruptions, strong inflationary pressures are also occurring. In the coming period, further price corrections can be expected in all areas, including insurance products.

The above leads to pressure on the overall increase in wages (along with announcements of an increase in the minimum wage in the Republic of Croatia by the Government), which then additionally contributes to further price increases and inflation.

A further tightening of the monetary policy of the US Federal Reserve and the European Central Bank is expected, through raising interest rates, which in the long term could stimulate the growth of life insurance premiums, which stagnated or even fell during the pandemic and low interest rates.

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.

On 29 August 2022, CROATIA osiguranje joined the Code of Ethics for the transparent introduction of the euro. As a market and digital leader in the field of insurance in Croatia, CROATIA osiguranje wants to provide all its clients with the most reliable and transparent introduction of the euro as the new official currency of the Republic of Croatia. By acceding to the Code of Ethics, CROATIA osiguranje additionally confirms its long-standing commitment to clients and business partners.

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 Group 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 by the end 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 amount to more than HRK 100 million. The realized premium from digital business in the first three quarters of 2022 increased by 50 percent compared to the same period of 2021, while the number of CROATIA osiguranje clients using the Moja Croatia mobile application increased by 61 percent. In the first three quarters 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 37 percent of mobile application users, and was awarded as the best in the Technology and Innovation category at this year's Communication Days. In August 2022, LAQO introduced payment with cryptocurrencies on its webshop and became the first insurance company in Croatia to enable this type of payment, bringing it even closer to digital users, offering them a completely new shopping experience. On the LAQO website, owners of cryptocurrencies can buy Obligatory and Comprehensive auto insurance, and can use 13 cryptocurrencies.

CROATIA osiguranje continuously invests in private healthcare with the highest standards, while total value of the investment in this and next year amounts to 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, and by October it already achieved its annual planned income for 2022. 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. In the first three quarters, Croatia Polyclinics recorded a 44 percent increase in revenue compared to last year, which confirms their recognition as a provider of above-standard health insurance services, based on top experts and modern medical equipment and space. With the aim of providing an even better user experience and faster and easier information about availability, services and benefits for clients, the new Croatia Poliklinika website was launched in the third quarter of 2022. At the beginning of July, an internal satisfaction survey of CROATIA osiguranje employees was conducted with the aim of defining further activities for the development of the desired organizational culture. The employee satisfaction survey is conducted once a year, and completion is voluntary and anonymous.

Through the sharing and improvement of knowledge related to the company's core business, CROATIA osiguranje continued to provide support to projects aimed at increasing the level of financial literacy and security in the community in the third quarter as well. One such project is the "Sigurnije sutra" project, which is jointly implemented by the Croatian Insurance Office (HUO) and the Association of Insurers of the Croatian Chamber of Commerce. The project aims to increase citizens' awareness of the

importance of insurance in general and taking personal responsibility for life, health and property. Croatia's experts also participated in numerous gatherings and conferences, sharing their professional knowledge and presenting technological innovations that promote safety in the community.

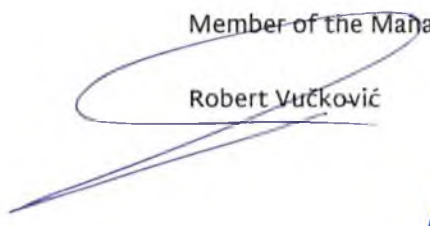
Description of the most significant risks and uncertainties

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 Group is exposed in the course of its business, except as described in the chapter *Significant business events in the reporting period*.

Zagreb, 28 October 2022

Member of the Management Board

Robert Vučković



Member of the Management Board

Vančo Balen



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

1. GENERAL INFORMATION

The Group consolidated the following entities as at 30 September 2022:

Group	Activity	30 September 2022		
		Shares directly held by parent (%)	Shares held by the Group (%)	Shares held by non-controlling interests (%)
Subsidiaries registered in Croatia which are consolidated:				
Croatia premium d.o.o., Zagreb	Real estate business	100.00	100.00	-
- <i>M teh d.o.o.</i>	<i>Equipment rental</i>	<i>100.00</i>	<i>100.00</i>	-
Core 1 d.o.o., Zagreb	Real estate business	100.00	100.00	-
Razne usluge d.o.o. (u likvidaciji)	-	100.00	100.00	-
AUTO MAKSIMIR VOZILA d.o.o.	Insurance agency	100.00	100.00	-
CO LOGISTIKA d.o.o.	Real estate business	100.00	100.00	-
Strmec projekt d.o.o.	Real estate business	100.00	100.00	-
CO Zdravlje d.o.o.	Consulting and services	100.00	100.00	-
- <i>CROATIA Poliklinika, Zagreb</i>	<i>Healthcare</i>	-	<i>100.00</i>	-
Croatia-Tehnički pregledi d.o.o., Zagreb	MOT*	100.00	100.00	-
- <i>Herz d.d., Požega</i>	<i>MOT</i>	-	<i>100.00</i>	-
- <i>Slavonijatrans-Tehnički pregledi d.o.o., Sl. Brod</i>	<i>MOT</i>	-	<i>76.00</i>	<i>24.00</i>
- <i>STP Pitomača, Pitomača</i>	<i>MOT</i>	-	<i>100.00</i>	-
- <i>STP Blato</i>	<i>MOT</i>	-	<i>100.00</i>	-
- <i>Autoprijevoz d.d.</i>	<i>MOT</i>	-	<i>79.12</i>	<i>20.88</i>
- <i>Crotehna d.o.o., Ljubuški</i>	<i>MOT</i>	-	<i>100.00</i>	-
- <i>Skadenca d.o.o.,</i>	<i>Insurance agency</i>	-	<i>100.00</i>	-
Croatia osiguranje mirovinsko društvo d.o.o., Zagreb	Fund management	100.00	100.00	-
ASTORIA d.o.o.	Real estate business	100.00	100.00	-
Subsidiaries registered abroad which are consolidated				
Milenijum osiguranje a.d.o., Beograd	Insurance	100.00	100.00	-
Croatia osiguranje d.d., Mostar	Insurance	97.12	97.12	2.88
- <i>Croatia remont d.d., Čapljina**</i>	<i>MOT</i>	-	<i>69.79</i>	<i>30.21</i>
- <i>Croauto d.o.o., Mostar</i>	<i>MOT</i>	-	<i>66.79</i>	<i>33.21</i>
- <i>Hotel Hum d.o.o., Ljubuški</i>	<i>Hospitality</i>	-	<i>100.00</i>	-
Croatia osiguranje d.d., non-life insurance company, Skopje	Insurance	91.75	100.00	-
Croatia osiguranje d.d., life insurance company, Skopje	Insurance	95.00	100.00	-

*MOT – Motor vehicle examination stations

** Crotehna d.o.o. additionally holds 9.27% in Croatia remont d.d.

In consolidation, the equity method is used for the valuation of investments in associates Agroservis - STP d.o.o., Virovitica (37%) and joint venture PBZ CROATIA osiguranje d.d. (50.0%).

The following is a summary of financial information for PBZ CROATIA osiguranje d.d. for the last year for which the annual financial statements have been adopted and which have been presented for the Group using the equity method.

Summary statement of financial position

	31 December 2021
	in HRK'000
Financial assets	104,872
Other assets	36,203
Total assets	141,075
Liabilities	9,247
Capital and reserves	131,828
Total equity and liabilities	141,075

Summary financial information

	31 December 2021
	in HRK'000
Opening balance of net assets at 1 January	130,240
Profit for the period	21,389
Dividends	(19,800)
Closing balance of net assets	131,829
Share in profit of joint venture @ 50%	65,914
Carrying amount	65,914

CROATIA osiguranje d.d., Zagreb, Vatroslava Jagića 33 (parent 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 together with activities that are related to insurance activities and reinsurance business in the non-life insurance segment. Among other important activities, the Group also carries out activities of pension fund management, technical examinations and providing medical services of clinics.

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

The average number of employees of the Group during the current period is 3,679.

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 for preparation and consolidation

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*, Rules of the 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.

Quarterly financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Group's annual financial statements as at 31 December 2021. The Group's 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 third quarter 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 Group 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 Group may choose where to present the change in the discount rates - 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 Group'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 up 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 Group 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 Group 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 Group 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 Group'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 Group does not expect the amount of expected credit losses to be significant in the context of the Group's overall portfolio of financial assets.

- *IFRS 17 and IFRS 9 implementation process*

The Group 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 Group 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 Group 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 Group 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 Group 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 Group plans to use a variable fee approach.

For most insurance and reinsurance contracts measured by the general measurement model, the Group 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 and the Group cannot be precisely quantified, and in future 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.

Consolidated financial statements comprise the Company and its subsidiaries (together 'the Group'). All significant intragroup transactions and balances are eliminated.

Financial statements for the third quarter of the 2022 have not been audited.

Presentation currency

The Group's financial statements are prepared in Croatian kuna as presentation currency of the Group.

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.

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 unusual related party transactions of goods and services in the current reporting period.

Seasonality of business activities

Group'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 Group'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.

Earnings per share

	1 January-30 September 2021	1 January-30 September 2022
	in HRK	in HRK
Profit for the year attributable to the Company's shareholders	319,167,777	321,584,539
Weighted average of ordinary shares	420,947	420,947
Earnings per share attributable to the Company's shareholders		
Basic and diluted earnings per share in HRK	758.2	764.0

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 September 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	2,276,042,808	2,041,894,354	(234,148,454)	2,407,887,367	2,610,989,562	203,102,195
Loans	190,083,780	190,551,195	467,415	229,748,717	230,316,307	567,590
Deposits	875,718,593	875,535,395	(183,198)	550,844,800	551,062,376	217,576
	3,341,845,181	3,107,980,944	(233,864,237)	3,188,480,884	3,392,368,245	203,887,361

Methods of assessment or assumptions in determining fair value

For measuring the fair value, the Group 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 Group's assets measured at fair value as at 30 September 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>	-	-	410,159,015	410,159,015
<i>Investment property</i>	-	-	1,070,167,832	1,070,167,832
Equity securities	560,630,210	92,412,581	73,831,018	726,873,809
Debt securities	2,434,791,774	1,936,955,147	1,725,290	4,373,472,211
Investment funds	13,710,646	360,697,530	-	374,408,176
<i>Available-for-sale financial assets</i>	3,009,132,630	2,390,065,258	75,556,308	5,474,754,196
Equity securities	20,020,188	-	-	20,020,188
Debt securities	151,707,348	-	-	151,707,348
Investment funds	287,631,081	-	-	287,631,081
Foreign currency forward contracts	-	11,671,990	-	11,671,990
<i>Financial assets at fair value through profit or loss</i>	459,358,617	11,671,990	-	471,030,607
Total assets at fair value	3,468,491,247	2,401,737,248	1,555,883,155	7,426,111,650

The Group'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>	-	-	415,845,152	415,845,152
<i>Investment property</i>	-	-	1,071,945,844	1,071,945,844
Equity securities	764,583,928	100,466,852	7,995,603	873,046,383
Debt securities	3,071,780,572	1,449,139,583	1,890,695	4,522,810,850
Investment funds	180,957,159	244,082,807	59,195	425,099,161
<i>Available-for-sale financial assets</i>	4,017,321,659	1,793,689,242	9,945,493	5,820,956,394
Equity securities	25,765,552	-	-	25,765,552
Debt securities	-	-	-	-
Investment funds	403,227,793	-	-	403,227,793
Foreign currency forward contracts	-	3,033,386	-	3,033,386
<i>Financial assets at fair value through profit or loss</i>	428,993,345	3,033,386	-	432,026,731
Total assets at fair value	4,446,315,004	1,796,722,628	1,497,736,489	7,740,774,121

The Group 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 of the financial asset in question. 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.

In the reporting period, the Group has reclassified one equity security from Level 2 to Level 3 in the amount of HRK 65.6m.

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 16.1m, primarily due to additional investments in the new Core IT system. The Group capitalized the costs of net salaries in the amount of HRK 4.1m, the costs of contributions from salaries in the amount of HRK 1.1m, the costs of taxes and surcharges from salaries in the amount of HRK 0.7m, the costs of contributions to salaries in in the amount of HRK 0.9m and other employee costs in the amount of HRK 1m.

Financial assets and financial liabilities

The structure of financial assets as at 30 September 2022 and 31 December 2021 was as follows:

	30 September 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	-	724,817,914	20,020,188	-	744,838,102
Shares, not listed	-	2,055,895	-	-	2,055,895
	-	726,873,809	20,020,188	-	746,893,997
Debt securities					
Government bonds	2,211,662,598	3,698,373,295	38,829,768	-	5,948,865,661
Corporate bonds	64,380,210	675,098,916	-	-	739,479,126
Treasury bills	-	-	112,877,580	-	112,877,580
	2,276,042,808	4,373,472,211	151,707,348	-	6,801,222,367
Derivative financial instruments					
Foreign currency forward contracts	-	-	11,671,990	-	11,671,990
	-	-	11,671,990	-	11,671,990
Investment funds					
Open-ended investment funds	-	374,408,176	37,692,438	-	412,100,614
Open-ended investment funds - assets for coverage of unit-linked products	-	-	249,938,643	-	249,938,643
	-	374,408,176	287,631,081	-	662,039,257
Loans and receivables					
Deposits with credit institutions	-	-	-	875,718,593	875,718,593
Loans	-	-	-	190,083,780	190,083,780
	-	-	-	1,065,802,373	1,065,802,373
	2,276,042,808	5,474,754,196	471,030,607	1,065,802,373	9,287,629,984

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	-	806,347,984	25,765,552	-	832,113,536
Shares, not listed	-	66,698,399	-	-	66,698,399
	-	873,046,383	25,765,552	-	898,811,935
Debt securities					
Government bonds	2,344,006,246	4,000,023,314	-	-	6,344,029,560
Corporate bonds	63,881,121	522,787,536	-	-	586,668,657
	2,407,887,367	4,522,810,850	-	-	6,930,698,217
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	26,745,814	-	451,844,975
Open-ended investment funds - assets for coverage of unit-linked products	-	-	376,481,979	-	376,481,979
	-	425,099,161	403,227,793	-	828,326,954
Loans and receivables					
Deposits with credit institutions	-	-	-	550,844,800	550,844,800
Loans	-	-	-	229,748,717	229,748,717
	-	-	-	780,593,517	780,593,517
	2,407,887,367	5,820,956,394	432,026,731	780,593,517	9,441,464,009

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

	30 September 2022	31 December 2021
	in HRK	in HRK
Lease liabilities	317,911,876	320,875,077
Liabilities for repo transactions	-	76,481,325
Loan liabilities	1,881,547	2,647,724
Derivative financial instruments	24,889,381	5,987,102
Preference shares	12,250,000	12,250,000
Other financial liabilities	-	400,018
	356,932,804	418,641,246

Share capital and shares

The Company's share capital with a nominal value of HRK 601,575,800 as at 30 September 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. CROATIA osiguranje d.d. has no treasury shares.

Liabilities

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

	30 September 2022			
	No later than 1 year in HRK	1-5 years in HRK	More than 5 years in HRK	Total in HRK
Other provisions	5,189,465	40,469,582	12,035,056	57,694,103
Financial liabilities	46,280,912	85,775,833	224,876,059	356,932,804
Liabilities arising from insurance contracts, other liabilities and deferred income	806,925,129	24,905,049	26,363,401	858,193,579
Total	858,395,506	151,150,464	263,274,516	1,272,820,486
	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	13,369,039	46,382,641	10,829,439	70,581,119
Financial liabilities	106,827,432	76,455,463	235,358,351	418,641,246
Liabilities arising from insurance contracts, other liabilities and deferred income	719,758,884	26,022,288	14,034,278	759,815,450
Total	839,955,355	148,860,392	260,222,068	1,249,037,815

Deferred taxes

The Group has recognized deferred tax assets and liabilities as at 30 September 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	Land and buildings not occupied by an undertaking for its own activities	Financial assets available for sale	Other	Total
	in HRK	in HRK	in HRK	in HRK	in HRK
31 December 2021	22,098,310	33,219,941	127,895,184	485,290	183,698,725
Recognized deferred tax liabilities in profit or loss	(275,692)	-	-	-	(275,692)
Recognized deferred tax liabilities in profit or loss	-	1,135,343	-	-	1,135,343
Change in fair value of available-for-sale investments through other comprehensive income	-	-	(129,066,103)	-	(129,066,103)
Foreign exchange differences	-	-	21,393	-	21,393
30 September 2022	21,822,618	34,355,284	(1,149,526)	485,290	55,513,666

Commitments

As at 30 September 2022, the Group's contractual obligations for future investments amount to HRK 385.5m 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 468 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 quarterly consolidated unaudited financial statements of the issuer for the period 1 January – 30 September 2022, prepared by using applicable financial reporting standards, gives a true and fair view of assets and liabilities, the financial position, profit or loss of the issuer and the entities included in consolidation,
- the management report presents an objective view of the development and business results and position of the issuer and entities included in consolidation, with description of significant risks and uncertainties to which they are exposed.

Zagreb, 28 October 2022


Member of the Management Board
Robert Vučković


Member of the Management Board
Vančo Balen

