



**CROATIA[®]
OSIGURANJE**

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

**UNCONSOLIDATED UNAUDITED
QUARTERLY REPORT,
FOR THE PERIOD 1.1.2020 - 31.12.2020**

Zagreb, February 2021

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I. UNAUDITED FINANCIAL STATEMENTS

Annex 1

ISSUER'S GENERAL DATA

Reporting period:

1.1.2020

to

31.12.2020

Year:

2020

Quarter:

4

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): 2278

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)

(name of the bookkeeping firm)

Contact person: Jelena Matijević

(only name and surname of the contact person)

Telephone: 072 00 1884

E-mail address: izdavatelii@crosig.hr

Audit firm:

(name of the audit firm)

Certified auditor:

(name and surname)

STATEMENT OF COMPREHENSIVE INCOME
(STATEMENT OF PROFIT OR LOSS)
For the period: 1.1.2020 - 31.12.2020

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	516.797.292	1.968.720.775	2.485.518.067	453.368.816	2.045.516.759	2.498.885.575
1 Gross written premium	119	517.407.481	2.221.290.222	2.738.697.703	453.598.194	2.288.220.230	2.741.818.424
2 Value adjustment and charged premium value adjustment	120	0	3.810.299	3.810.299	0	2.775.347	2.775.347
3 Outward reinsurance premiums (-)	121	-89.149	-247.719.321	-247.808.470	-72.479	-248.703.784	-248.776.263
4 Change of gross provisions for unearned premiums (+/-)	122	-523.834	4.452.474	3.928.640	-153.175	-13.289.226	-13.442.401
5 Change of provisions for unearned premiums, reinsurers' share (+/-)	123	2.794	-13.112.899	-13.110.105	-3.724	16.514.192	16.510.468
II Income from investments (ADP 125 to 131)	124	131.978.407	363.146.323	495.124.730	141.183.338	245.380.705	386.564.043
1 Income from branches, associates and joint ventures.	125	1.229.923	43.723.450	44.953.373	2.103.298	23.594.252	25.697.550
2 Income from investment in land and buildings	126	0	41.040.287	41.040.287	0	28.494.465	28.494.465
3 Interest income	127	106.303.691	109.626.509	215.930.200	88.370.335	91.126.147	179.496.482
4 Unrealised gains on investments	128	475.060	7.325.949	7.801.009	280.468	3.756.462	4.036.930
5 Realised gains on investments	129	15.191.219	45.380.715	60.571.934	20.090.027	69.738.695	89.828.722
6 Net positive exchange rate differences	130	8.768.666	5.258.179	14.026.845	30.327.779	6.864.874	37.192.653
7 Other income from investments	131	9.848	110.791.234	110.801.082	11.431	21.805.810	21.817.241
III Income from commissions and fees	132	2.154.864	33.928.007	36.082.871	2.100.261	39.477.927	41.578.188
IV Other insurance-technical income, net amount from reinsurance	133	203.030	27.839.650	28.042.680	441.516	30.605.116	31.046.632
V Other income	134	3.949	21.285.273	21.289.222	846	9.017.435	9.018.281
VI Claims incurred, net (ADP 136 + 139)	135	-356.548.481	-1.095.772.610	-1.452.321.091	-482.361.296	-1.200.100.950	-1.682.462.246
1 Claims settled (ADP 137+138)	136	-363.782.364	-1.132.561.442	-1.496.343.806	-449.163.260	-1.167.191.486	-1.616.354.746
1.1 Gross amount (-)	137	-363.782.364	-1.246.902.469	-1.610.684.833	-449.163.260	-1.270.466.176	-1.719.629.436
1.2 Reinsurers' share (+)	138	0	114.341.027	114.341.027	0	103.274.690	103.274.690
2 Change in the provision for claims (+/-) (ADP 140+141)	139	7.233.883	36.788.832	44.022.715	-33.198.036	-32.909.464	-66.107.500
2.1 Gross amount	140	7.233.883	25.714.963	32.948.846	-33.198.036	-277.744.085	-310.942.121
2.3 Reinsurers' share	141	0	11.073.869	11.073.869	0	244.834.621	244.834.621
VII Change in mathematical provision and other technical provisions, net of reinsurance (ADP 143+146)	142	-167.716.110	15.302.095	-152.414.015	-48.505.070	22.976.061	-25.529.009
1 Change in mathematical provisions (+/-) (ADP 144+145)	143	-167.716.110	11.342.252	-156.373.858	-48.505.070	6.599.519	-41.905.551
1.1 Gross amount (-)	144	-167.726.381	11.342.252	-156.384.129	-48.495.303	6.599.519	-41.895.784
1.2 Reinsurers' share (+)	145	10.271	0	10.271	-9.767	0	-9.767
2 Change in other technical provisions, net of reinsurance (+/-) (ADP 147+148)	146	0	3.959.843	3.959.843	0	16.376.542	16.376.542
2.1 Gross amount (-)	147	0	3.959.843	3.959.843	0	16.376.542	16.376.542
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	11.314.972	0	11.314.972	44.416.501	0	44.416.501
1 Gross amount (-)	150	11.314.972	0	11,314.972	44,416.501	0	44,416.501
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	-7.645.260	-7.645.260	0	-5.277.788	-5.277.788
1 Performance-dependent (bonuses)	153	0	-7.645.260	-7.645.260	0	-5.277.788	-5.277.788
2 Performance-independent (rebates)	154	0	0	0	0	0	0

STATEMENT OF COMPREHENSIVE INCOME
(STATEMENT OF PROFIT OR LOSS)
For the period: 1.1.2020 - 31.12.2020

in HRK

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		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	-84.348.494	-832.018.936	-916.367.430	-65.446.336	-799.044.691	-864.491.027
1 Acquisition costs (ADP 157 to 159)	156	-37.326.726	-474.735.493	-512.062.219	-28.951.976	-448.794.543	-477.746.519
1.1 Commission	157	-11.400.130	-263.988.593	-275.388.723	-7.464.637	-248.858.271	-256.322.908
1.2 Other acquisition costs	158	-25.926.596	-185.454.230	-211.380.826	-21.487.339	-182.176.164	-203.663.503
1.3 Change in deferred acquisition costs	159	0	-25.292.670	-25.292.670	0	-17.760.108	-17.760.108
2 Administration expenses (administrative costs) (ADP 161 to 163)	160	-47.021.768	-357.283.443	-404.305.211	-36.494.360	-350.250.148	-386.744.508
2.1 Depreciation	161	-3.686.062	-54.248.874	-57.934.936	-3.241.179	-53.822.008	-57.063.187
2.2 Salaries, taxes and contributions from/on salaries	162	-19.365.586	-124.374.460	-143.740.046	-15.326.618	-116.008.796	-131.335.414
2.3 Other administration expenses	163	-23.970.120	-178.660.109	-202.630.229	-17.926.563	-180.419.344	-198.345.907
XI Investment expenses (ADP 165 to 171)	164	-4.940.320	-141.817.187	-146.757.507	-16.810.586	-100.387.576	-117.198.162
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	-1.321.372	-8.932.083	-10.253.455	-1.280.485	-9.369.907	-10.650.392
3 Impairment of investments	167	0	-34.485.331	-34.485.331	-1.013.854	-6.741.194	-7.755.048
4 Realised loss on investments	168	-864.282	-16.181.820	-17.046.102	-9.667.064	-24.903.404	-34.570.468
5 Unrealised loss on investments	169	-300.004	-5.324.927	-5.624.931	-2.079.253	-8.691.697	-10.770.950
6 Net negative exchange rate differences	170	0	0	0	0	0	0
7 Other investment expenses	171	-2.454.662	-76.893.026	-79.347.688	-2.769.930	-50.681.374	-53.451.304
XII Other technical expenses, net of reinsurance (ADP 173+174)	172	-407.137	-36.775.208	-37.182.345	-707.601	-37.967.306	-38.674.907
1 Expenses of preventive activities	173	0	0	0	0	0	0
2 Other technical expenses of insurance	174	-407.137	-36.775.208	-37.182.345	-707.601	-37.967.306	-38.674.907
XIII Other activities, including value adjustments	175	-989	-11.298.523	-11.299.512	-9.233	-3.726.537	-3.735.770
XIV Profit or loss for the accounting period before tax (+/-) (ADP 118+124+132 to 135+142+149+152+155+164+172+175)	176	48.490.983	304.894.399	353.385.382	27.671.156	246.469.155	274.140.311
XV Profit or loss tax (ADP 178+179)	177	-8.815.039	-51.439.629	-60.254.668	-4.904.042	-39.646.997	-44.551.039
1 Current tax expense	178	-8.731.189	-35.245.008	-43.976.197	-4.652.721	-38.036.452	-42.689.173
2 Deferred tax expense (income)	179	-83.850	-16.194.621	-16.278.471	-251.321	-1.610.545	-1.861.866
XVI Profit or loss for the accounting period after tax (+/-) (ADP 176+177)	180	39.675.944	253.454.770	293.130.714	22.767.114	206.822.158	229.589.272
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	651.053.692	2.398.725.407	3.049.779.099	596.843.456	2.368.387.397	2.965.230.853
XVIII TOTAL EXPENSES (ADP 135+142+149+152+155+164+172+175+178)	184	-611.377.748	-2.145.270.637	-2.756.648.385	-574.076.342	-2.161.565.239	-2.735.641.581
IX Other comprehensive income (ADP 186 to 193)	185	81.013.026	162.936.979	243.950.005	-3.802.028	-40.648.486	-44.450.514
1 Gains/losses arising from translation of financial statements relating to foreign operations	186	0	-30.198	-30.198	0	-107.321	-107.321
2 Gains/losses arising from the revaluation of financial assets available for sale	187	98.796.373	198.076.792	296.873.165	-4.636.620	-49.176.408	-53.813.028
3 Gains/losses arising from the revaluation of land and buildings occupied by an undertaking for its own activities	188	0	663.668	663.668	0	-264.037	-264.037
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	-17.783.347	-35.773.283	-53.556.630	834.592	8.899.280	9.733.872
XX Total comprehensive income (ADP 180 +185)	194	120.688.970	416.391.749	537.080.719	18.965.086	166.173.672	185.138.758
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: 31.12.2020

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	36.992.651	36.992.651	0	96.858.015	96.858.015
1 Goodwill	002	0	0	0	0	0	0
2 Other intangible assets	003	0	36.992.651	36.992.651	0	96.858.015	96.858.015
B) TANGIBLE ASSETS (ADP 005 to 007)	004	9.973	641.779.864	641.789.837	14.133	553.220.673	553.234.806
1 Land and buildings occupied by an undertaking for its own activities	005	0	355.254.200	355.254.200	0	264.388.018	264.388.018
2 Equipment	006	9.973	18.585.898	18.595.871	14.051	26.833.703	28.847.754
3 Other tangible assets and inventories	007	0	267.939.766	267.939.766	82	261.998.952	261.999.034
C) INVESTMENTS (ADP 009+010+014+033)	008	3.054.031.686	5.465.347.334	8.519.379.020	3.114.967.354	5.376.935.614	8.491.902.968
I Investments in land and buildings not occupied by an undertaking for its own activities	009	0	367.521.081	367.521.081	0	456.652.567	456.652.567
II Investments in branches, associates and joint ventures (ADP 011 to 013)	010	0	279.110.925	279.110.925	0	376.515.932	376.515.932
1 Shares and holdings in branches	011	0	245.422.632	245.422.632	0	342.827.639	342.827.639
2 Shares and holdings in associates	012	0	5.688.293	5.688.293	0	5.688.293	5.688.293
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	3.054.031.686	4.818.715.328	7.872.747.014	3.114.967.354	4.543.767.115	7.658.734.469
1 Financial assets held to maturity (ADP 016+017)	015	1.228.357.915	944.029.371	2.172.387.286	1.083.787.700	998.546.873	2.082.334.573
1.1 Debt financial instruments	016	1.228.357.915	944.029.371	2.172.387.286	1.083.787.700	998.546.873	2.082.334.573
1.2 Other	017	0	0	0	0	0	0
2 Financial assets available for sale (ADP 019 to 022)	018	1.628.859.849	2.817.918.674	4.446.778.523	1.804.243.754	2.731.918.505	4.536.162.259
2.1 Equity financial instruments	019	24.551.993	498.028.031	522.580.024	29.250.178	506.883.860	536.134.038
2.2 Debt financial instruments	020	1.582.180.361	2.255.225.971	3.837.406.332	1.718.133.233	2.089.821.103	3.807.954.336
2.3 Units in investment funds	021	22.127.495	64.664.672	86.792.167	56.860.343	135.213.542	192.073.885
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	589.945	47.661.095	48.251.040	318.108	20.984.620	21.302.728
3.1 Equity financial instruments	024	0	17.070.930	17.070.930	0	17.187.511	17.187.511
3.2 Debt financial instruments	025	0	0	0	0	0	0
3.3 Derivative financial instruments	026	589.945	3.080.534	3.670.479	318.108	3.797.109	4.115.217
3.4 Units in investment funds	027	0	27.509.631	27.509.631	0	0	0
3.5 Other	028	0	0	0	0	0	0
4 Loans and receivables (ADP 030 to 032)	029	196.223.977	1.009.106.188	1.205.330.165	226.617.792	792.317.117	1.018.934.909
4.1 Deposits with credit institutions	030	144.001.733	540.294.540	684.296.273	175.737.297	317.322.719	493.060.016
4.2 Loans	031	52.222.244	312.837.084	365.059.328	47.414.600	301.235.373	348.649.973
4.3 Other	032	0	155.974.564	155.974.564	3.465.895	173.759.025	177.224.920
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	445.325.559	0	445.325.559	400.250.132	0	400.250.132
E) REINSURANCE AMOUNT IN TECHNICAL PROVISIONS (ADP 036 to 042)	035	25.754	213.507.427	213.533.181	12.263	474.856.240	474.868.503
1 Provisions for unearned premiums, reinsurance amount	036	3.724	42.185.167	42.188.891	0	58.699.359	58.699.359
2 Mathematical provision, reinsurance amount	037	22.030	0	22.030	12.263	0	12.263
3 Claims outstanding, reinsurance amount	038	0	171.322.260	171.322.260	0	416.156.881	416.156.881
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	2.028.656	66.492.988	68.521.644	1.777.335	65.691.032	67.468.367
1 Deferred tax assets	044	2.028.656	66.492.988	68.521.644	1.777.335	65.691.032	67.468.367
2 Current tax assets	045	0	0	0	0	0	0
G) RECEIVABLES (ADP 047+050+051)	046	503.662	854.729.992	855.233.654	622.573	741.344.471	741.967.044
1 Receivables arising from insurance business (ADP 048+049)	047	235.763	465.705.701	465.941.464	234.219	486.139.967	486.374.186
1.1 From policyholders	048	0	464.918.705	464.918.705	0	485.689.766	485.689.766
1.2 From insurance agents or insurance brokers	049	235.763	786.996	1.022.759	234.219	450.201	684.420
2 Receivables arising from reinsurance business	050	879	46.715.736	46.716.615	413	59.037.983	59.038.396
3 Other receivables (ADP 052 to 054)	051	267.020	342.308.555	342.575.575	387.941	196.166.521	196.554.462
3.1 Receivables arising from other insurance operations	052	0	199.851.589	199.851.589	0	164.158.334	164.158.334
3.2 Receivables for investment income	053	262.624	997.458	1.260.082	277.389	756.947	1.034.336
3.3 Other receivables	054	4.396	141.459.508	141.463.904	110.552	31.251.240	31.361.792
H) OTHER ASSETS (ADP 056+060+061)	055	25.003.071	100.317.264	125.320.335	62.420.478	450.515.970	512.936.448
1 Cash at bank and in hand (ADP 057 to 059)	056	25.003.071	100.316.752	125.319.823	62.420.478	450.515.458	512.935.936
1.1 Funds in the business account	057	0	100.316.752	100.316.752	0	450.515.458	450.515.458
1.2 Funds in the account of assets covering mathematical provisions	058	25.003.071	0	25.003.071	62.420.478	0	62.420.478
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	239.306.560	239.306.560	0	260.751.069	260.751.069
1 Deferred interest and rent	063	0	0	0	0	10.000	10.000
2 Deferred acquisition costs	064	0	226.109.778	226.109.778	0	208.349.670	208.349.670
3 Other prepayments and accrued income	065	0	13.196.782	13.196.782	0	52.391.399	52.391.399
J) TOTAL ASSETS (ADP 001+004+008+034+035+043+046+055+062)	066	3.526.928.361	7.618.474.080	11.145.402.441	3.580.064.268	8.020.173.084	11.600.237.352
K) OFF-BALANCE SHEET ITEMS	067	265.956.261	2.518.024.767	2.783.981.028	368.537.309	2.681.501.745	3.050.039.054

STATEMENT OF FINANCIAL POSITION (BALANCE SHEET)

As at: 31.12.2020

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	434.798.823	2.913.664.885	3.348.463.708	453.763.909	3.080.075.801	3.533.839.710
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	147.994.829	368.660.865	516.655.694	144.192.801	326.931.603	471.124.404
3.1 Land and buildings	074	0	50.470.925	50.470.925	0	49.173.638	49.173.638
3.2 Financial assets available for sale	075	147.994.829	318.189.940	466.184.769	144.192.801	277.757.965	421.950.766
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	139.638.995	147.220.496	7.581.501	139.638.995	147.220.496
4.3 Other reserves	080	75.500.000	149.239.290	224.739.290	75.500.000	149.239.290	224.739.290
5 Retained profit or loss brought forward (ADP 082 + 083)	081	117.543.395	748.287.005	865.830.400	157.219.337	1.003.059.796	1.160.279.133
5.1 Retained profit	082	117.543.395	748.287.005	865.830.400	157.219.337	1.003.059.796	1.160.279.133
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	39.675.942	253.454.771	293.130.713	22.767.114	206.822.158	229.589.272
6.1 Profit for the current accounting period	085	39.675.942	253.454.771	293.130.713	22.767.114	206.822.158	229.589.272
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	2.572.182.413	3.712.920.109	6.285.102.522	2.654.028.927	3.980.977.359	6.635.006.286
1 Provisions for unearned premiums, gross amount	090	4.869.308	1.130.567.020	1.135.436.328	5.022.484	1.143.856.246	1.148.878.730
2 Mathematical provisions, gross amount	091	2.505.680.869	17.908.413	2.523.589.282	2.554.176.172	11.308.894	2.565.485.066
3 Claims outstanding, gross amount	092	61.632.236	2.532.867.656	2.594.499.892	94.830.271	2.810.611.741	2.905.442.012
4 Provisions for bonuses and rebates, gross amount	093	0	7.653.600	7.653.600	0	7.213.900	7.213.900
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	16.867.887	16.867.887	0	931.045	931.045
E) SPECIAL PROVISIONS FOR LIFE ASSURANCE WHERE POLICYHOLDERS BEAR THE INVESTMENT RISK, gross amount	096	445.325.559	0	445.325.559	400.250.132	0	400.250.132
F) OTHER PROVISIONS (ADP 098 + 099)	097	2.930.875	104.301.522	107.232.397	2.570.940	87.002.391	89.573.331
1 Provisions for pensions and similar obligations	098	2.930.875	99.785.773	102.716.648	2.570.940	83.967.933	86.538.873
2 Other provisions	099	0	4.515.749	4.515.749	0	3.034.458	3.034.458
G) DEFERRED AND CURRENT TAX LIABILITIES (ADP 101 + 102)	100	32.486.670	94.182.105	126.668.775	31.652.078	76.140.059	107.792.137
1 Deferred tax liability	101	32.486.670	81.151.666	113.638.356	31.652.078	71.795.993	103.448.071
2 Current tax liability	102	0	13.030.419	13.030.419	0	4.344.066	4.344.066
H) DEPOSITS HELD UNDER BUSINESS CEDED	103	0	0	0	0	0	0
I) FINANCIAL LIABILITIES (ADP 105 to 107)	104	300.004	271.366.763	271.666.767	1.528.948	282.748.677	284.277.625
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	300.004	271.366.763	271.666.767	1.528.948	282.748.677	284.277.625
J) OTHER LIABILITIES (ADP 109 to 112)	108	16.312.651	209.728.027	226.040.678	9.389.826	253.603.410	262.993.236
1 Liabilities from direct insurance business	109	4.067.620	78.960.077	83.027.697	3.266.164	76.576.333	79.842.497
2 Liabilities from coinsurance and reinsurance business	110	21.961	43.692.666	43.714.627	10.330	90.279.328	90.289.658
3 Liabilities for disposal and discontinued operations	111	0	0	0	0	0	0
4 Other liabilities	112	12.223.070	87.075.284	99.298.354	6.113.332	86.747.749	92.861.081
K) ACCRUALS AND DEFERRED INCOME (ADP 114+115)	113	22.591.366	312.310.669	334.902.035	26.879.508	259.625.387	286.504.895
1 Deferred reinsurance commission	114	0	0	0	0	0	0
2 Other accruals and deferred income	115	22.591.366	312.310.669	334.902.035	26.879.508	259.625.387	286.504.895
J) TOTAL LIABILITIES (ADP 068+087+088+089+096+097+100+103+104+108+113)	116	3.526.928.361	7.618.474.080	11.145.402.441	3.580.064.268	8.020.173.084	11.600.237.352
M) OFF-BALANCE SHEET ITEMS	117	265.956.261	2.518.024.767	2.783.981.028	368.537.309	2.681.501.745	3.050.039.054

STATEMENT OF CHANGES IN EQUITY

For the period: 1.1.2020 - 31.12.2020

in Hrk

Item	ADP code	Attributable to owners of the parent						Profit/loss for the year	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					
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	273.428.913	402.038.576	594.530.662	270.417.757	2.811.224.233	0	2.811.224.233	
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	273.428.913	402.038.576	594.530.662	270.417.757	2.811.224.233	0	2.811.224.233	
III Comprehensive income or loss for the same period of the previous year (ADP 006 + ADP 007)	5	0	0	243.950.004	0	0	293.130.713	537.080.717	0	537.080.717	
Profit or loss for the period	6	0	0	0	0	0	293.130.713	293.130.713	0	293.130.713	
2 Other comprehensive income or loss for the same period of the previous year (ADP 008 to ADP 11)	7	0	0	243.950.004	0	0	0	243.950.004	0	243.950.004	
Unrealised gains or losses on tangible assets (land and buildings)	8	0	0	544.208	0	0	0	544.208	0	544.208	
Unrealised gains or losses on financial assets available for sale	9	0	0	270.441.738	0	0	0	270.441.738	0	270.441.738	
Realised gains or losses on financial assets available for sale	10	0	0	-27.005.744	0	0	0	-27.005.744	0	-27.005.744	
Other changes in equity unrelated to owners	11	0	0	-30.198	0	0	0	-30.198	0	-30.198	
IV Transactions with owners (previous period)	12	0	0	-723.223	0	271.299.738	-270.417.757	158.758	0	158.758	
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	-723.223	0	271.299.738	-270.417.757	158.758	0	158.758	
V Balance on the last day of the previous business year reporting period	17	589.325.800	681.482.525	516.655.694	402.038.576	865.830.400	293.130.713	3.348.463.708	0	3.348.463.708	
VI Balance on the first day of the current business year	18	589.325.800	681.482.525	516.655.694	402.038.576	865.830.400	293.130.713	3.348.463.708	0	3.348.463.708	
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	516.655.694	402.038.576	865.830.400	293.130.713	3.348.463.708	0	3.348.463.708	
VIII Comprehensive income or loss for the year	22	0	0	-44.450.514	0	0	229.589.272	185.139.758	0	185.139.758	
Profit or loss for the period	23	0	0	0	0	0	229.589.272	229.589.272	0	229.589.272	
Other comprehensive income or loss for the year	24	0	0	-44.450.514	0	0	0	-44.450.514	0	-44.450.514	
Unrealised gains or losses on tangible assets (land and buildings)	25	0	0	-216.511	0	0	0	-216.511	0	-216.511	
Unrealised gains or losses on financial assets available for sale	26	0	0	7.374.940	0	0	0	7.374.940	0	7.374.940	
Realised gains or losses on financial assets available for sale	27	0	0	-51.501.622	0	0	0	-51.501.622	0	-51.501.622	
Other changes in equity unrelated to owners	28	0	0	-107.321	0	0	0	-107.321	0	-107.321	
Transactions with owners (current period)	29	0	0	-1.080.776	0	294.448.733	-293.130.713	237.244	0	237.244	
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	-1.080.776	0	294.448.733	-293.130.713	237.244	0	237.244	
Balance on the last day of the current year reporting period	34	589.325.800	681.482.525	471.124.404	402.038.576	1.160.279.133	229.589.272	3.533.839.710	0	3.533.839.710	

STATEMENT OF CASH FLOWS – indirect method

For the period: 1.1.2020 - 31.12.2020

in HRK

Item 1	ADP code 2	Same period of the previous year 3	Current business period 4
I Cash flow from operating activities (ADP 002+013+031)	001	-247.534.975	333.325.164
1 Cash flow before changes in operating assets and liabilities (ADP 003+004)	002	129.937.347	152.931.886
1.1 Profit/loss before tax	003	353.385.382	274.140.311
1.2 Adjustments: (ADP 005 to 012)	004	-223.448.035	-121.208.425
1.2.1 Depreciation of property and equipment	005	40.640.872	38.763.845
1.2.2 Amortization of intangible assets	006	17.294.064	18.299.342
1.2.3 Impairment and gains/losses on fair valuation	007	-28.969.476	15.531.917
1.2.4 Interest expenses	008	10.253.455	10.650.392
1.2.5 Interest income	009	-215.930.200	-179.496.482
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	-1.135.517	449.307
1.2.8 Other adjustments	012	-45.601.233	-25.406.746
2 Increase/decrease in operating assets and liabilities (ADP 014 to 030)	013	-326.447.671	231.768.804
2.1 Increase/decrease in financial assets available for sale	014	-361.421.935	-58.020.322
2.2 Increase/decrease in financial assets at fair value through statement of profit or loss	015	124.003.667	21.040.620
2.3 Increase/decrease in loans and receivables	016	-223.962.355	183.955.033
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	-10.534.151	45.075.427
2.6 Increase/decrease in reinsurance amount in technical provisions	019	2.025.965	-261.335.323
2.7 Increase/decrease in tax assets	020	94.308	-808.588
2.8 Increase/decrease in receivables	021	21.377.957	42.453.567
2.9 Increase/decrease in other assets	022	0	0
2.10 Increase/decrease in prepayments and accrued income	023	21.757.998	-21.444.509
2.11 Increase/decrease in technical provisions	024	115.546.800	349.903.764
2.12 Increase/decrease in special provisions for life assurance where policyholders bear the investment risk	025	10.534.151	-45.075.427
2.13 Increase/decrease in tax liabilities	026	-115.427	-219.169
2.14 Increase/decrease in deposits held under reinsurance business ceded	027	0	0
2.15 Increase/decrease in financial liabilities	028	625.430	5.347.410
2.16 Increase/decrease in other liabilities	029	-8.356.374	19.293.455
2.17 Increase/decrease in accruals and deferred income	030	-18.023.705	-48.397.134
3 Income tax paid	031	-51.024.651	-51.375.526
II CASH FLOW FROM INVESTING ACTIVITIES (ADP 033 to 046)	032	51.319.006	111.550.057
1 Cash receipts from the sale of tangible assets	033	5.417.096	2.612.835
2 Cash payments for the purchase of tangible assets	034	-25.969.189	-19.926.098
3 Cash receipts from the sale of intangible assets	035	628.124	0
4 Cash payments for the purchase of intangible assets	036	-27.541.961	-78.164.706
5 Cash receipts from the sale of land and buildings not occupied by an undertaking for its own activities	037	16.750.126	80.780.300
6 Cash payments for the purchase of land and buildings not occupied by an undertaking for its own activities	038	-4.259.498	-24.368.531
7 Increase/decrease of investments in branches, associates and joint ventures.	039	0	-97.029.427
8 Cash receipts from financial assets held to maturity	040	357.560.988	374.224.065
9 Cash payments for financial assets held to maturity	041	-386.588.725	-191.656.958
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	43.886.354	25.443.331
13 Cash receipts from repayments of short-term and long-term loans given	045	93.026.128	88.391.016
14 Cash payments for short-term and long-term loans	046	-21.590.437	-48.755.770
III CASH FLOW FROM FINANCING ACTIVITIES (ADP 048 to 052)	047	-20.077.306	-20.066.455
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	-19.097.306	-20.066.455
4 Cash payments for the redemption of treasury shares	051	0	0
5 Cash payments of share in profit (dividend)	052	-980.000	0
NET CASH FLOW (ADP 001 + 032 + 047)	053	-216.293.275	424.808.766
IV EFFECT OF EXCHANGE RATE FLUCTUATIONS ON CASH AND CASH EQUIVALENTS	054	-14.026.845	-37.192.653
V NET INCREASE/DECREASE IN CASH AND CASH EQUIVALENTS (053+054)	055	-230.320.120	387.616.113
Cash and cash equivalents at the beginning of period	056	365.640.455	125.320.335
Cash and cash equivalents at the end of period (ADP 055 + 056)	057	125.320.335	512.936.448

II. QUARTERLY MANAGEMENT REPORT

In accordance with the statutory deadlines, we submit unaudited reports of the Company at the end of the fourth quarter of 2020. The audit of the financial statements for 2020 is ongoing and the information provided may vary from the final annual audited report.

CROATIA osiguranje d.d. is still the leading company on the market of the Republic of CROATIA with a total market share of 26.7 percent.

In the period observed, CROATIA osiguranje d.d. reported profit before tax in the amount of HRK 274.1m and profit after tax in the amount of HRK 229.6m which represents a decrease of 22.4 percent and 21.7 percent, respectively, compared to the same period of the previous year.

Earned premium, which represents 84.2 percent of total revenues, amounted to HRK 2,498.9m and increased by 0.5 percent compared to the same period of the previous year. Total gross written premium increased by 0.1 percent and amounted to HRK 2,741.8m. Gross written premium of non-life insurance amounted to HRK 2,288.2m and increased by 3 percent compared to the same period of the previous year. Gross written premium of the life insurance amounted to HRK 453.6m representing a decrease of 12.3 percent.

Investments recorded income in the amount of HRK 386.6m, representing a decrease of 21.9 percent compared to the same period of the previous year. Income from investments represents 13 percent of total revenues. Expenses from investments amounted to HRK 117.2m, representing a decrease of 20.1 percent compared to the same period of the previous year. Expenses from investments represent 4.4 percent of total expenses.

Net claims incurred represent 62.5 percent of total expenses and amounted to HRK 1,682.5m, representing an increase of 15.8 percent compared to the same period of the year 2019. An increase of net claims incurred is primary caused by one-time expenses in the amount of HRK 100m, such as claims caused by earthquake and decision of the Supreme Court of the Republic of Croatia on increase of orientation criteria and amounts for immaterial claims.

Acquisition and administration expenses amounted to HRK 864.5m, decreasing by 5.7 percent compared to the same period of the previous year.

Total assets of the Company as at 31.12.2020 amounted to HRK 11.6 billion, which represents an increase of 4.1 percent compared to 31.12.2019.

Technical reserves as at 31.12.2020 amounted to HRK 6.6 billion, representing an increase of 5.6 percent compared to 31.12.2019.

The quarterly 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	31.12.2019	31.12.2020	Change in percentage points (p.p.)
Claims ratio (non-life) *	54.00%	56.23%	2.23%
Cost ratio (non-life) **	42.26%	39.06%	-3.20%
Combined ratio (non-life)	96.26%	95.29%	-0.97%

** 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 95.29 percent for the observed period, which is an improvement of 0.97 percentage points compared to the same period of 2019.

Unaudited unconsolidated financial statements at the end of the fourth quarter of the 2020 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 Management Board

The Croatian Financial Services Supervisory Agency (HANFA), at its meeting of the Governing Board held on 5 March 2020, issued a resolution authorising Vančo Balen to act as a member of the Management Board of CROATIA osiguranje d.d. for a term of office until 31 December 2022 beginning on the date of appointment to the function.

Also, at the meeting of the Governing Board held on 12 March 2020, HANFA issued a resolution authorising Robert Vučković to act as a member of the Management Board of CROATIA osiguranje d.d. for a term of office until 31 December 2022, beginning on the date of appointment to the function.

Furthermore, at the meeting of the Governing Board held on 9 April 2020, HANFA issued a resolution authorizing Luka Babić to act as a member of the Management Board of CROATIA osiguranje d.d. for a term of office until 31 December 2022, beginning on the date of appointment to the function.

At its meeting held on April 17, 2020, the Supervisory Board appointed members of the Management Board to the mentioned functions.

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

The existence of the coronavirus (COVID-19) was confirmed in early 2020 and spread to mainland China and beyond, and in late February 2020 to Croatia, causing disruption in business and economic activities.

From the information available at the time of preparation of these financial statements and based on numerous publicly available macroeconomic projections (CNB), despite the improvement in the epidemiological situation in the third quarter of 2020, the subsequent unfavorable development of the epidemiological situation has impact on a strong slowdown in recovery in the last quarter and this trend is expected to continue in early 2021. It is expected that the pandemic will be relatively successfully controlled during 2021, and with the application of an effective vaccine, the gradual recovery of economic activity could begin in the second quarter.

The recovery in personal consumption affects the demand for insurance services since the volume of insurance premiums written is related to GDP trends. The European Commission for Croatia estimates in 2020 a decline in GDP of about 9.6%, and an increase in the number of unemployed of 21.3% compared to 2019.

In addition, the Company has identified the following key areas that could be affected by adverse economic conditions:

- volatility of comprehensive income from investments, as a result of developments on the financial markets,
- increased credit risk and increased impairment provisions for insurance receivables,
- increased number of life insurance policy surrenders.

After the significant volatility of domestic and foreign markets at the beginning of 2020, at the end of the year there was a partial slowdown but with a further decline in the value of companies whose activities are closely related to the sectors most affected by the pandemic (transport, especially air transport, tourism and hotel business, service activities).

The credit risk of the companies cannot be assessed exactly at this time, and the correction is expected after the announcement of the financial results for 2020. In addition, the assessment of the effects on banks' operations is expected in the first quarter of 2021, when the results will be known after the moratorium due to the COVID-19 pandemic, among citizens and legal entities.

As part of the own risk and solvency assessment process (ORSA), a scenario of prolonged impact of the COVID-19 pandemic was created, which includes a graded analysis of the possible impact of the pandemic on business, results and solvency ratio of the Company, taking into consideration current

knowledge about the impact of the pandemic, and also the measures which can be taken to minimize negative impacts as much as possible. The results of the scenario imply a certain decrease in the solvency ratio, but it should remain at levels significantly higher than the regulatory ones, and the Company's solvency should not be questioned in any way. Also, solvency calculation which was performed as at 31.12.2020. showed that despite the negative effects of COVID-19, the Company is still operating with a very high solvency ratio of 268% (as at 31.12.2019. 277%). In regard to liquidity, the Company still has the satisfactory amounts of liquid resources that are sufficient for discharging all obligations that have become due and also has at its disposal instruments available for obtaining additional liquidity if necessary.

The Company will continue to actively monitor the development of the COVID-19 outbreak and if it should be considered to significantly affect the Company's business and financial position in 2020, it will fully comply with the Capital Market Act.

Earthquake in the Republic of Croatia

On 22 March 2020, in the area of the City of Zagreb and on 29 December 2020, in the area of the City of Petrinja, a series of earthquakes were recorded. In some insurance contracts, the Group also provides insurance for earthquake insurance risk. The amount of claims from Group's insurance contracts caused by this event (after reinsurance) amount to more than HRK 40m per individual event, ie a total to more than HRK 80m (after reinsurance).

Decision of the Supreme Court of the Republic of Croatia on increase of Orientation criteria for determining the amount of fair financial compensation for immaterial damages

As at 15.6.2020 the Supreme Court of the Republic of Croatia has adopted a decision on increase of Orientation criteria for determining the amount of fair financial compensation for immaterial damages, by 50%, and it will be applied to all future compensation proceedings, but also at those that are in progress. This decision led to an increase in technical provisions from insurance that is, it has an effect on profit before tax (after reinsurance) in the reporting period in the amount of over HRK 80m. In addition to the effect on the reporting period, the consequences of the decision are higher future expenses for insurance claims.

HANFA's Decision regarding prohibition of dividend payment

The Governing Board of HANFA, at its session held on 26 March 2020, adopted a decision prohibiting CROATIA osiguranje d.d., Zagreb, payment of dividends until 30 April 2021.

Such a decision was made for insurance companies in the Republic of Croatia due to exceptional market circumstances, with the aim of ensuring stable operations of insurance companies and maintaining the stability of the financial system. Also, the regulator's intention is to strengthen the liquidity of insurance

companies in the context of the coronavirus pandemic, but also in light of the recent earthquake in the capital city of the Republic of Croatia.

Resignation of the member of the Supervisory Board of CROATIA osiguranje d.d.

Mr. Damir Vandelić, the member of the Supervisory Board of CROATIA osiguranje d.d., resigned from his membership in the Supervisory Board of CROATIA osiguranje d.d. as of 31 December 2020.

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 31 December 2020 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

With a focus on digitalization, CROATIA osiguranje will continue to work as a market leader in further developing the overall insurance market in Croatia. This especially relates to the further development of casco, travel, health and property insurance, and step forward in product creation, sales network organization and customer experience.

The Company continues with continuous improvement in all business segments with the aim of strengthening the leading position on the Croatian market. Key business improvement activities include:

- Introduction of new products and improvement of existing ones according to customer needs
- Continued sales force strengthening activities with the aim of growth in the profitable retail segment and the segment of small and medium-sized businesses
- Further improvement in processes with the aim of providing the best customer service.

In the forthcoming period, the goal is to continue the best practice of transferring operational excellence from the parent to subsidiaries in the region. 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.

We conduct trends and developments in highly developed insurance markets with a focus on the EU. Also, we conduct market research activities regularly with the goal of better understanding the existing market needs and creating products that will adequately respond to them. In this way, we connect the relevant worldwide insurance products with the needs of clients in Croatia. We also introduce new and innovative products that will ensure long-term growth and retaining the Company's leading market position.

During product development, our focus is on creating products with quality insurance coverage and on the service that we provide. Special emphasis is placed on quality and available service which will adequately cover risks with which our clients are faced. We monitor trends and continuously implement the latest technology solutions as well as numerous innovations to ensure customer satisfaction. Customer satisfaction is continually monitored, and we respond to all challenges we face.

As a market and digital leader, Croatia osiguranje is currently investing more than HRK 200 m in digitalization and development of new products. A number of successful projects have been launched, from the process of reporting claims remotely, the new Moja Croatia application and the company's new website, to the launch of a completely new product, Laqo osiguranje - the first Croatian 100 percent digital insurance. With the launch of this innovative product whose quality is at the level of the best modern digital solutions, Croatia joins a small number of European countries with this type of insurance.

A specialist postgraduate study Products, Digital Innovations and Technologies in Insurance (Insurtech) was developed and launched with the Faculty of Electrical Engineering and Computing in Zagreb. The aim of the study is to further improve the insurance profession through the education of experts who will handle the development of industry in Croatia and the region.

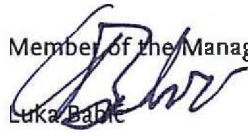
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Description of the most significant risks and uncertainties

In relation to the most significant risks and uncertainties which were described in the audited financial statements for the year 2019, 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 note *Significant business events in the reporting period*.

Zagreb, 26 February 2021

Member of the Management Board



Luka Babić



Member of the Management Board



Vanco Balen



III. NOTES TO THE UNAUDITED FINANCIAL STATEMENTS FOR THE PERIOD I-XII 2020

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 under the Company’s Court Reg. No. (“MBS”) o80051022 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 also performs the following activities, which are directly or indirectly related to insurance business, as follows:

- Mediation in the sale or sale of items belonging to the Company based on performing insurance business,
- Taking measures to prevent and eliminate hazards that endanger the insured property and persons,
- Assessment of the degree of the risk exposure of insured facility and claim assessment,
- Performing other intellectual and technical services relating to insurance business,
- 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.

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
Željko Lovrinčević, PhD	Vice President
Vitomir Palinec	Member
Damir Vandelić	Member until 31 December 2020
Hrvoje Patajac	Member
Vlasta Pavličević	Member

Members of the Management Board are:

Davor Tomašković	President
Robert Vučković	Member
Miroslav Klepač	Member until 17 April 2020
Luka Babić	Member since 18 April 2020
Vančo Balen	Member since 18 April 2020

Basis of preparation of financial statements

Financial statements are prepared in accordance with the Company's Act (Official Gazette 65/18, 17/20), International Accounting Standard 34 – *Interim Financial Reporting*, the Rules of Zagreb Stock Exchange and the Ordinance on the structure and content of periodic financial reports for issuers during the year, 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 Company's annual financial statements as at 31 December 2019. The annual financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union.

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 at the end of the fourth quarter of the 2020 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.

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 2019.

Related party transactions

Except for usual related party transactions of goods and services in the current reporting period, on 31 March 2020, the Company signed a purchase agreement with the Company HUP-ZAGREB d.d. for the acquisition of a 100 percent share in ASTORIA d.o.o., headquartered in Zagreb, 9 Krešimir Ćosić Square.

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 2019, 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:

	31.12.2020			31.12.2019		
	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	2,082,334,573	2,339,164,612	256,830,039	2,172,387,286	2,476,604,759	304,217,473
Loans	510,903,668	525,898,879	14,995,211	519,033,891	530,851,709	11,817,818
Deposits	508,031,241	509,434,854	1,403,613	686,296,274	692,933,030	6,636,756
	3,101,269,482	3,374,498,345	273,228,863	3,377,717,451	3,700,389,498	322,672,047

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 Company's assets measured at fair value as at 31 December 2020 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>	-	-	264,388,018	264,388,018
<i>Investment property</i>	-	-	456,652,567	456,652,567
Equity securities	505,893,358	-	30,240,680	536,134,038
Debt securities	3,028,770,077	777,054,585	2,129,674	3,807,954,336
Investment funds	60,338,215	128,706,694	3,028,976	192,073,885
<i>Available-for-sale financial assets</i>	3,595,001,650	905,761,279	35,399,330	4,536,162,259
Equity securities	17,187,511	-	-	17,187,511
Debt securities	-	-	-	-
Investment funds	400,250,132	-	-	400,250,132
Foreign currency forward contracts	-	4,115,217	-	4,115,217
<i>Financial assets at fair value through profit or loss</i>	417,437,643	4,115,217	-	421,552,860
Total assets at fair value	4,012,439,293	909,876,496	756,439,915	5,678,755,704

The Company's assets measured at fair value as at 31 December 2019 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>	-	-	355,254,200	355,254,200
<i>Investment property</i>	-	-	367,521,081	367,521,081
Equity securities	497,175,473	-	25,404,551	522,580,024
Debt securities	2,048,644,745	1,772,023,159	16,738,428	3,837,406,332
Investment funds	59,171,866	20,878,908	6,741,393	86,792,167
<i>Available-for-sale financial assets</i>	2,604,992,084	1,792,902,067	48,884,372	4,446,778,523
Equity securities	17,070,930	-	-	17,070,930
Debt securities	-	-	-	-
Investment funds	472,835,190	-	-	472,835,190
Foreign currency forward contracts	-	3,670,479	-	3,670,479
<i>Financial assets at fair value through profit or loss</i>	489,906,120	3,670,479	-	493,576,599
Total assets at fair value	3,094,898,204	1,796,572,546	771,659,653	5,663,130,403

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 would therefore be classified as Level 2 or Level 3 in the fair value hierarchy. Investments with available market prices that are classified in the portfolio of held-to-maturity investments would be classified as Level 1.

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 from Level 1 and Level 2 to Level 3 and vice versa of financial assets at fair value through profit or loss 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 for was carried out primarily by applying the income method.

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

Investments in land and buildings not occupied by an undertaking for its own activities

In the period observed Company's investments in land and buildings not occupied by an undertaking for its own activities have increased in the amount of HRK 89.1 m which is mostly due to reclassification of assets from the position of Land and buildings occupied by an undertaking for its own activities to the mentioned position due to a change in the purpose of specific property.

Financial assets and financial liabilities

The Company's structure of financial assets as at 31 December 2020 and 31 December 2019 was as follows:

	31.12.2020				
	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	-	534,217,547	17,187,511	-	551,405,058
Shares, not listed	-	1,916,491	-	-	1,916,491
	-	536,134,038	17,187,511	-	553,321,549
Debt securities					
Government bonds	2,038,397,745	3,638,449,387	-	-	5,676,847,132
Corporate bonds	43,936,828	169,504,949	-	-	213,441,777
	2,082,334,573	3,807,954,336	-	-	5,890,288,909
Derivative financial instruments					
Foreign currency forward contracts	-	-	4,115,217	-	4,115,217
	-	-	4,115,217	-	4,115,217
Investment funds					
Open-ended investment funds	-	192,073,885	-	-	192,073,885
Open-ended investment funds - assets for coverage of unit-linked products	-	-	400,250,132	-	400,250,132
	-	192,073,885	400,250,132	-	592,324,017
Loans and receivables					
Deposits with credit institutions	-	-	-	508,031,241	508,031,241
Loans	-	-	-	510,903,668	510,903,668
	-	-	-	1,018,934,909	1,018,934,909
	2,082,334,573	4,536,162,259	421,552,860	1,018,934,909	8,058,984,601

	31.12.2019				
	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	-	520,596,133	17,070,930	-	537,667,063
Shares, not listed	-	1,983,891	-	-	1,983,891
	-	522,580,024	17,070,930	-	539,650,954
Debt securities					
Government bonds	2,128,550,522	3,756,780,529	-	-	5,885,331,051
Corporate bonds	43,836,764	80,625,803	-	-	124,462,567
	2,172,387,286	3,837,406,332	-	-	6,009,793,618
Derivative financial instruments					
Foreign currency forward contracts	-	-	3,670,479	-	3,670,479
	-	-	3,670,479	-	3,670,479
Investment funds					
Open-ended investment funds	-	86,792,167	27,509,631	-	114,301,798
Open-ended investment funds - assets for coverage of unit-linked products	-	-	445,325,559	-	445,325,559
	-	86,792,167	472,835,190	-	559,627,357
Loans and receivables					
Deposits with credit institutions	-	-	-	686,296,274	686,296,274
Loans	-	-	-	519,033,891	519,033,891
	-	-	-	1,205,330,165	1,205,330,165
	2,172,387,286	4,446,778,523	493,576,599	1,205,330,165	8,318,072,573

The structure of financial liabilities as at 31 December 2020 and 31 December 2019 was as follows:

	31.12.2020	31.12.2019
	in HRK	in HRK
Lease liabilities	261,999,244	253,791,836
Derivative financial instruments	7,425,656	5,624,931
Preference shares	12,250,000	12,250,000
Other financial liabilities	2,602,725	-
	284,277,625	271,666,767

Share capital and shares

The Company's share capital with a nominal value of 601,575,800 as at 31 December 2020 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/CROS ₂	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.

MANAGEMENT BOARD STATEMENT

Pursuant to article 20 of the Articles of Association of the Company from 26 February 2020 and article 468 of the Capital Market Law (Official Gazette 65/18, 17/20), the Management Board provides this

STATEMENT

That to the best of our knowledge:

- the set of quarterly unaudited unconsolidated financial statements of the issuer for the period 1.1. – 31.12.2020, 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, 26 February 2021

Member of the Management Board



Luka Babić



Member of the Management Board



Vančo Balen

