



**CROATIA[®]
OSIGURANJE**

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

**CONSOLIDATED UNAUDITED
HALF-YEAR REPORT,
FOR THE PERIOD 1 January 2021 – 30 June 2021**

Zagreb, July 2021

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. HALF-YEAR MANAGEMENT REPORT.....	10
III. NOTES TO THE UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD I-VI 2021	14
MANAGEMENT BOARD STATEMENT	25

I. UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

Annex 1			
ISSUER'S GENERAL DATA			
Reporting period:	1.1.2021	to	30.6.2021
Year:	2021		
Quarter:	2		
Quarterly financial statements			
Registration number (MB):	03276147	Issuer's home Member State code:	HR
Entity's registration number (MBS):	080051022		
Personal identification number (OIB):	26187994862	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):	3510		
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 LIKVIDACIJU	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)	
Contact person:	Jelena Matijević	(name of the bookkeeping firm)	
Telephone:	072 00 1884	(only name and surname of the contact person)	
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: 1.1.2021 - 30.6.2021

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	276 079 961	1 172 022 439	1 448 102 400	323 123 097	1 237 195 690	1 560 318 787
1 Gross written premium	119	276 034 498	1 592 265 324	1 868 299 822	323 794 241	1 671 451 087	1 995 245 328
2 Value adjustment and charged premium value adjustment	120	0	-2 375 415	-2 375 415	0	9 031 070	9 031 070
3 Outward reinsurance premiums (-)	121	-85 387	-179 885 118	-179 970 505	-44 082	-209 412 415	-209 456 497
4 Change of gross provisions for unearned premiums (+/-)	122	186 548	-292 973 393	-292 786 845	-515 006	-317 975 507	-318 490 513
5 Change of provisions for unearned premiums, reinsurers' share (+/-)	123	-55 698	54 991 041	54 935 343	-112 056	84 101 455	83 989 399
II Income from investments (ADP 125 to 131)	124	110 562 243	184 291 416	294 853 659	60 710 537	192 053 248	252 763 785
1 Income from branches, associates and joint ventures.	125	363 532	6 200 885	6 564 417	958 918	25 604 446	26 563 364
2 Income from investment in land and buildings	126	36 949	44 404 018	44 440 967	88 049	51 956 816	52 044 865
3 Interest income	127	54 165 656	47 191 751	101 357 407	51 463 852	43 287 822	94 751 674
4 Unrealised gains on investments	128	1 080 004	1 121 382	2 201 386	4 710 389	21 049 638	25 760 027
5 Realised gains on investments	129	14 379 916	53 594 677	67 974 593	3 258 897	30 964 460	34 223 357
6 Net positive exchange rate differences	130	40 301 844	17 099 957	57 401 801	0	0	0
7 Other income from investments	131	234 342	14 678 746	14 913 088	230 432	19 190 066	19 420 498
III Income from commissions and fees	132	1 053 552	24 230 120	25 283 672	952 356	14 214 474	15 166 830
IV Other insurance-technical income, net amount from reinsurance	133	328 609	25 646 712	25 975 321	89 665	24 549 279	24 638 944
V Other income	134	300 973	56 120 594	56 421 567	105 837	76 159 674	76 265 511
VI Claims incurred, net (ADP 136 + 139)	135	-316 563 144	-664 748 094	-981 311 238	-261 944 440	-639 337 888	-901 282 328
1 Claims settled (ADP 137+138)	136	-304 171 549	-610 601 288	-914 772 837	-271 202 407	-675 694 270	-946 896 677
1.1 Gross amount (-)	137	-304 171 549	-634 986 852	-939 158 401	-271 202 407	-768 575 831	-1 039 778 238
1.2 Reinsurers' share (+)	138	0	24 385 564	24 385 564	0	92 881 561	92 881 561
2 Change in the provision for claims (+/-) (ADP 140+141)	139	-12 391 595	-54 146 806	-66 538 401	9 257 967	36 356 382	45 614 349
2.1 Gross amount	140	-12 391 595	-141 491 970	-153 883 565	9 257 967	111 633 168	120 891 135
2.3 Reinsurers' share	141	0	87 345 164	87 345 164	0	-75 276 786	-75 276 786
VII Change in mathematical provision and other technical provisions, net of reinsurance (ADP 143+146)	142	10 434 254	16 332 663	26 766 917	-48 180 633	-12 033 230	-60 213 863
1 Change in mathematical provisions (+/-) (ADP 144+145)	143	10 434 254	3 689 231	14 123 485	-48 180 633	2 648 500	-45 532 133
1.1 Gross amount (-)	144	10 445 045	3 689 231	14 134 276	-48 178 592	2 648 500	-45 530 092
1.2 Reinsurers' share (+)	145	-10 791	0	-10 791	-2 041	0	-2 041
2 Change in other technical provisions, net of reinsurance (+/-) (ADP 147+148)	146	0	12 643 432	12 643 432	0	-14 681 730	-14 681 730
2.1 Gross amount (-)	147	0	12 643 432	12 643 432	0	-14 808 584	-14 808 584
2.2 Reinsurers' share (+)	148	0	0	0	0	126 854	126 854
VIII Change of special provision for life assurance where policyholders bear the investment risk, net of reinsurance (+/-) (ADP 150+151)	149	10 158 961	0	10 158 961	918 940	0	918 940
1 Gross amount (-)	150	10 158 961	0	10 158 961	918 940	0	918 940
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	-5 398 961	-5 398 961	0	-5 932 527	-5 932 527
1 Performance-dependent (bonuses)	153	0	-3 302 718	-3 302 718	0	-4 134 436	-4 134 436
2 Performance-independent (rebates)	154	0	-2 096 243	-2 096 243	0	-1 798 091	-1 798 091

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
(STATEMENT OF PROFIT OR LOSS)
For the period: 1.1.2021 - 30.6.2021

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	-42.563.461	-490.211.004	-532.774.465	-35.861.609	-585.001.305	-620.862.914
1 Acquisition costs (ADP 157 to 159)	156	-20.944.669	-251.173.413	-272.118.082	-17.855.672	-300.812.128	-318.667.800
1.1 Commission	157	-8.178.666	-146.877.131	-155.055.797	-6.411.974	-166.179.040	-172.591.014
1.2 Other acquisition costs	158	-12.766.003	-117.824.182	-130.590.185	-11.443.698	-153.941.205	-165.384.903
1.3 Change in deferred acquisition costs	159	0	13.527.900	13.527.900	0	19.308.117	19.308.117
2 Administration expenses (administrative costs) (ADP 161 to 163)	160	-21.618.792	-239.037.591	-260.656.383	-18.005.937	-284.189.177	-302.195.114
2.1 Depreciation	161	-2.245.853	-39.120.929	-41.366.782	-1.761.745	-38.326.797	-40.088.542
2.2 Salaries, taxes and contributions from/on salaries	162	-8.141.425	-76.449.213	-84.590.638	-6.515.979	-93.084.685	-99.600.664
2.3 Other administration expenses	163	-11.231.514	-123.467.449	-134.698.963	-9.728.213	-152.777.695	-162.505.908
XI Investment expenses (ADP 165 to 171)	164	-18.485.218	-68.516.215	-87.001.433	-20.473.236	-37.183.627	-57.656.863
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	-755.359	-4.768.213	-5.523.572	-546.061	-5.017.767	-5.563.828
3 Impairment of investments	167	-1.013.854	-3.346.600	-4.360.454	0	-592.024	-592.024
4 Realised loss on investments	168	-7.240.112	-9.317.453	-16.557.565	-1.377.142	-3.247.515	-4.624.657
5 Unrealised loss on investments	169	-7.523.969	-30.832.330	-38.356.299	-600.228	-2.696.741	-3.296.969
6 Net negative exchange rate differences	170	0	0	0	-16.980.814	-7.539.368	-24.520.182
7 Other investment expenses	171	-1.951.924	-20.251.619	-22.203.543	-968.991	-18.090.212	-19.059.203
XII Other technical expenses, net of reinsurance (ADP 173+174)	172	-706.943	-30.798.277	-31.505.220	-1.237.010	-30.344.317	-31.581.327
1 Expenses of preventive activities	173	0	-873.796	-873.796	0	-604.052	-604.052
2 Other technical expenses of insurance	174	-706.943	-29.924.481	-30.631.424	-1.237.010	-29.740.265	-30.977.275
XIII Other activities, including value adjustments	175	-5.377	-1.405.388	-1.410.765	-5.858	-569.443	-575.301
XIV Profit or loss for the accounting period before tax (+/-) (ADP 118+124+132 to 135+142+149+152+155+164+172+175)	176	30.594.410	217.566.005	248.160.415	18.197.646	233.770.028	251.967.674
XV Profit or loss tax (ADP 178+179)	177	-4.760.211	-39.059.128	-43.819.339	-3.199.029	-39.982.215	-43.181.244
1 Current tax expense	178	-4.760.211	-39.102.134	-43.862.345	-3.199.029	-40.076.930	-43.275.959
2 Deferred tax expense (income)	179	0	43.006	43.006	0	94.715	94.715
XVI Profit or loss for the accounting period after tax (+/-) (ADP 176+177)	180	25.834.199	178.506.877	204.341.076	14.998.617	193.787.813	208.786.430
1 Attributable to owners of the parent	181	25.684.862	178.350.497	204.035.359	14.984.427	193.543.640	208.528.067
2 Attributable to non-controlling interest	182	149.337	156.380	305.717	14.190	244.173	258.363
XVII TOTAL INCOME (ADP 118+124+132+133+134+179)	183	388.325.338	1.462.354.287	1.850.679.625	384.981.492	1.544.267.080	1.929.248.572
XVIII TOTAL EXPENSES (ADP 135+142+149+152+155+164+172+175+178)	184	-362.491.139	-1.283.847.410	-1.646.338.549	-369.982.875	-1.350.479.267	-1.720.462.142
IX Other comprehensive income (ADP 186 to 193)	185	-40.433.049	-109.074.225	-149.507.274	-5.140.258	95.495.657	90.355.399
1 Gains/losses arising from translation of financial statements relating to foreign operations	186	1.325.170	2.505.602	3.830.772	-980.501	-984.988	-1.965.489
2 Gains/losses arising from the revaluation of financial assets available for sale	187	-51.249.573	-135.815.220	-187.064.793	-6.375.475	117.609.682	111.234.207
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	9.491.354	24.235.393	33.726.747	2.215.718	-21.129.037	-18.913.319
XX Total comprehensive income (ADP 180 +185)	194	-14.598.850	69.432.652	54.833.802	9.858.359	289.283.470	299.141.829
1 Attributable to owners of the parent	195	-14.758.258	69.218.279	54.460.021	9.850.146	289.053.862	298.904.008
2 Attributable to non-controlling interests	196	159.408	214.373	373.781	8.213	229.608	237.821
XXI Reclassification adjustments	197	0	0	0	0	0	0

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (BALANCE SHEET)

As at: 30.6.2021

in HRK

Item 1	ADP code 2	Last day of the preceding business year			At the reporting date of the current period		
		Life 3	Non-life 4	Total 5(3+4)	Life 6	Non-life 7	Total 8(6+7)
ASSETS							
A) INTANGIBLE ASSETS (ADP 002 +003)	001	400.575	107.472.364	107.872.939	351.689	132.613.417	132.965.106
1 Goodwill	002	0	0	0	0	0	0
2 Other intangible assets	003	400.575	107.472.364	107.872.939	351.689	132.613.417	132.965.106
B) TANGIBLE ASSETS (ADP 005 to 007)	004	19.988.408	856.977.245	876.965.653	19.387.538	809.315.747	828.703.285
1 Land and buildings occupied by an undertaking for its own activities	005	15.950.768	480.712.555	496.663.323	15.739.859	426.991.631	442.731.490
2 Equipment	006	337.421	77.673.901	78.011.322	280.331	76.183.505	76.463.836
3 Other tangible assets and inventories	007	3.700.219	298.590.789	302.291.008	3.367.348	306.140.611	309.507.959
C) INVESTMENTS (ADP 009+010+014+033)	008	3.681.060.107	5.936.144.775	9.617.204.882	3.765.101.914	6.311.587.917	10.076.689.831
I Investments in land and buildings not occupied by an undertaking for its own activities	009	1.856.338	1.011.390.353	1.013.246.691	1.238.303	1.071.440.522	1.072.678.825
II Investments in branches, associates and joint ventures (ADP 011 to 013)	010	0	76.592.895	76.592.895	0	66.460.530	66.460.530
1 Shares and holdings in branches	011	0	0	0	0	0	0
2 Shares and holdings in associates	012	0	10.091.232	10.091.232	0	4.778.344	4.778.344
3 Shares and holdings in joint ventures	013	0	66.501.663	66.501.663	0	61.682.186	61.682.186
III Financial assets (ADP 015+018+023+029)	014	3.679.203.769	4.848.161.527	8.527.365.296	3.763.863.611	5.173.686.865	8.937.550.476
1 Financial assets held to maturity (ADP 016+017)	015	1.131.858.940	1.037.923.909	2.169.782.849	1.176.436.102	1.020.536.995	2.196.973.097
1.1 Debt financial instruments	016	1.131.858.940	1.037.923.909	2.169.782.849	1.176.436.102	1.020.536.995	2.196.973.097
1.2 Other	017	0	0	0	0	0	0
2 Financial assets available for sale (ADP 019 to 022)	018	2.128.951.896	2.994.696.576	5.123.648.472	2.266.095.237	3.463.575.773	5.729.671.010
2.1 Equity financial instruments	019	29.289.284	507.409.895	536.699.179	71.624.366	685.876.349	757.500.715
2.2 Debt financial instruments	020	2.042.802.269	2.352.073.139	4.394.875.408	2.112.679.839	2.540.063.048	4.652.742.887
2.3 Units in investment funds	021	56.860.343	135.213.542	192.073.885	81.791.032	237.636.376	319.427.408
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	7.622.144	39.728.669	47.350.813	7.114.651	52.423.029	59.537.680
3.1 Equity financial instruments	024	0	17.187.511	17.187.511	0	22.055.554	22.055.554
3.2 Debt financial instruments	025	0	0	0	0	0	0
3.3 Derivative financial instruments	026	318.108	3.797.109	4.115.217	1.914.014	11.405.536	13.319.550
3.4 Units in investment funds	027	7.304.036	18.744.049	26.048.085	5.200.637	18.961.939	24.162.576
3.5 Other	028	0	0	0	0	0	0
4 Loans and receivables (ADP 030 to 032)	029	410.770.789	775.812.373	1.186.583.162	314.217.621	637.151.068	951.368.689
4.1 Deposits with credit institutions	030	350.460.991	557.971.929	908.432.920	256.791.023	444.894.326	701.685.349
4.2 Loans	031	56.843.903	44.081.419	100.925.322	57.369.237	40.496.112	97.865.349
4.3 Other	032	3.465.895	173.759.025	177.224.920	57.361	151.760.630	151.817.991
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	412.084.501	0	412.084.501	408.866.420	0	408.866.420
E) REINSURANCE AMOUNT IN TECHNICAL PROVISIONS (ADP 036 to 042)	035	124.074	488.140.677	488.264.751	10.222	496.893.204	496.903.426
1 Provisions for unearned premiums, reinsurance amount	036	111.811	64.588.462	64.700.273	0	148.599.374	148.599.374
2 Mathematical provision, reinsurance amount	037	12.263	0	12.263	10.222	0	10.222
3 Claims outstanding, reinsurance amount	038	0	423.552.215	423.552.215	0	348.167.764	348.167.764
4 Provisions for bonuses and rebates, reinsurance amount	039	0	0	0	0	126.066	126.066
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	1.777.335	74.974.491	76.751.826	1.780.151	93.657.983	95.438.134
1 Deferred tax assets	044	1.777.335	67.540.416	69.317.751	1.777.335	67.637.003	69.414.338
2 Current tax assets	045	0	7.434.075	7.434.075	2.816	26.020.980	26.023.796
G) RECEIVABLES (ADP 047+050+051)	046	17.189.750	859.948.848	877.138.598	34.463.751	1.221.486.424	1.255.950.175
1 Receivables arising from insurance business (ADP 048+049)	047	234.219	526.124.255	526.358.474	235.933	799.982.661	800.218.594
1.1 From policyholders	048	0	525.674.054	525.674.054	134	799.129.067	799.129.201
1.2 From insurance agents or insurance brokers	049	234.219	450.201	684.420	235.799	853.594	1.089.393
2 Receivables arising from reinsurance business	050	128.917	59.948.347	60.077.264	128.598	129.509.572	129.638.170
3 Other receivables (ADP 052 to 054)	051	16.826.614	273.876.246	290.702.860	34.099.220	291.994.191	326.093.411
3.1 Receivables arising from other insurance operations	052	0	166.272.633	166.272.633	0	154.699.848	154.699.848
3.2 Receivables for investment income	053	281.512	234.653	516.165	317.641	103.780	421.421
3.3 Other receivables	054	16.545.102	107.368.960	123.914.062	33.781.579	137.190.563	170.972.142
H) OTHER ASSETS (ADP 056+060+061)	055	73.823.213	588.625.771	662.448.984	53.797.943	550.093.253	603.891.196
1 Cash at bank and in hand (ADP 057 to 059)	056	73.823.213	580.540.248	654.363.461	53.797.943	540.706.158	594.504.101
1.1 Funds in the business account	057	10.877.390	580.104.610	590.982.000	13.913.973	539.434.990	553.348.963
1.2 Funds in the account of assets covering mathematical provisions	058	62.944.474	0	62.944.474	39.882.830	0	39.882.830
1.3 Cash in hand	059	1.349	435.638	436.987	1.140	1.271.168	1.272.308
2 Fixed assets held for sale and termination of business operations	060	0	1.938.705	1.938.705	0	2.336.013	2.336.013
3 Other	061	0	6.146.818	6.146.818	0	7.051.082	7.051.082
I) PREPAYMENTS AND ACCRUED INCOME (ADP 063 to 065)	062	1.247.594	309.981.881	311.229.475	1.516.489	302.733.629	304.250.118
1 Deferred interest and rent	063	0	1.103.855	1,103.855	0	737.932	737.932
2 Deferred acquisition costs	064	0	247.354.173	247.354.173	0	266.404.529	266.404.529
3 Other prepayments and accrued income	065	1,247.594	61,523,853	62,771,447	1,516,489	35,591,168	37,107,657
J) TOTAL ASSETS (ADP 001+004+008+034+035+043+046+055+062)	066	4.207.695.557	9.222.266.052	13.429.961.609	4.285.276.117	9.918.381.574	14.203.657.691
K) OFF-BALANCE SHEET ITEMS	067	371.785.133	2.737.809.222	3.109.594.355	368.050.860	3.084.553.026	3.452.603.886

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (BALANCE SHEET)

As at: 30.6.2021

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	548.823.726	3.558.528.083	4.107.351.809	571.836.897	3.833.483.874	4.405.320.771
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	181.953.464	386.496.159	568.449.623	176.819.186	481.138.791	657.957.977
3.1 Land and buildings	074	0	112.256.678	112.256.678	0	111.387.896	111.387.896
3.2 Financial assets available for sale	075	181.953.464	274.074.057	456.027.521	176.819.186	369.585.357	546.404.543
3.3 Other revaluation reserves	076	0	165.424	165.424	0	165.538	165.538
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	139.638.995	147.220.496	7.581.501	139.638.995	147.220.496
4.3 Other reserves	080	75.500.000	149.239.289	224.739.289	75.500.000	149.239.289	224.739.289
5 Retained profit or loss brought forward (ADP 082 + 083)	081	201.886.061	1.336.267.156	1.538.153.217	250.448.627	1.615.539.200	1.865.987.827
5.1 Retained profit	082	201.886.061	1.336.267.156	1.538.153.217	250.448.627	1.615.539.200	1.865.987.827
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	35.399.544	292.502.525	327.902.069	14.984.427	193.543.640	208.528.067
6.1 Profit for the current accounting period	085	35.399.544	292.502.525	327.902.069	14.984.427	193.543.640	208.528.067
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	746.627	11.907.814	12.654.441	1.092.619	9.807.315	10.899.934
D) TECHNICAL PROVISIONS (ADP 090 to 095)	089	3.118.356.079	4.505.578.686	7.623.934.765	3.154.887.885	4.720.670.101	7.875.557.986
1 Provisions for unearned premiums, gross amount	090	6.096.801	1.429.166.624	1.435.263.425	6.604.848	1.745.334.084	1.751.938.932
2 Mathematical provisions, gross amount	091	3.010.939.268	11.308.894	3.022.248.162	3.056.274.473	8.660.394	3.064.934.867
3 Claims outstanding, gross amount	092	101.320.010	3.039.211.216	3.140.531.226	92.008.564	2.926.069.323	3.018.077.887
4 Provisions for bonuses and rebates, gross amount	093	0	9.463.967	9.463.967	0	20.470.164	20.470.164
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	9.372.452	9.372.452	0	13.080.603	13.080.603
E) SPECIAL PROVISIONS FOR LIFE ASSURANCE WHERE POLICYHOLDERS BEAR THE INVESTMENT RISK, gross amount	096	412.084.501	0	412.084.501	408.866.420	0	408.866.420
F) OTHER PROVISIONS (ADP 098 + 099)	097	2.845.537	98.385.232	101.230.769	4.581.859	99.173.706	103.755.565
1 Provisions for pensions and similar obligations	098	2.608.688	95.350.774	97.959.462	3.994.470	96.572.848	100.567.318
2 Other provisions	099	236.849	3.034.458	3.271.307	587.389	2.600.858	3.188.247
G) DEFERRED AND CURRENT TAX LIABILITIES (ADP 101 + 102)	100	37.308.321	135.095.733	172.404.054	36.723.993	184.596.675	221.320.668
1 Deferred tax liability	101	35.781.836	116.639.392	152.421.228	33.530.045	138.374.341	171.904.386
2 Current tax liability	102	1.526.485	18.456.341	19.982.826	3.193.948	46.222.334	49.416.282
H) DEPOSITS HELD UNDER BUSINESS CEDED	103	0	0	0	0	0	0
I) FINANCIAL LIABILITIES (ADP 105 to 107)	104	5.112.667	318.779.203	323.891.870	5.269.603	375.343.292	380.612.895
1 Loan liabilities	105	0	0	0	0	3.064.177	3.064.177
2 Liabilities for issued financial instruments	106	0	0	0	0	0	0
3 Other financial liabilities	107	5.112.667	318.779.203	323.891.870	5.269.603	372.279.115	377.548.718
J) OTHER LIABILITIES (ADP 109 to 112)	108	55.374.068	321.566.127	376.940.195	74.215.212	393.148.620	467.363.832
1 Liabilities from direct insurance business	109	4.968.998	87.717.976	92.686.974	3.750.716	96.418.217	100.168.933
2 Liabilities from coinsurance and reinsurance business	110	242.461	96.369.663	96.612.124	21.877	145.733.175	145.755.052
3 Liabilities for disposal and discontinued operations	111	0	11.742	11.742	0	11.715	11.715
4 Other liabilities	112	50.162.609	137.466.746	187.629.355	70.442.619	150.985.513	221.428.132
K) ACCRUALS AND DEFERRED INCOME (ADP 114+115)	113	27.044.031	272.425.174	299.469.205	27.801.629	302.157.991	329.959.620
1 Deferred reinsurance commission	114	0	0	0	0	15.237.540	15.237.540
2 Other accruals and deferred income	115	27.044.031	272.425.174	299.469.205	27.801.629	286.920.451	314.722.080
J) TOTAL LIABILITIES (ADP 068+087+088+089+096+097+100+103+104+108+113)	116	4.207.695.557	9.222.266.052	13.429.961.609	4.285.276.117	9.918.381.574	14.203.657.691
M) OFF-BALANCE SHEET ITEMS	117	371.785.133	2.737.809.222	3.109.594.355	368.050.860	3.084.553.026	3.452.603.886

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the period: 1.1.2021 - 30.6.2021

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	609.339.271	402.038.575	1.198.062.132	339.392.129	3.819.640.432	12.553.358	3.832.193.790	
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	609.339.271	402.038.575	1.198.062.132	339.392.129	3.819.640.432	12.553.358	3.832.193.790	
III Comprehensive income or loss for the same period of the previous year (ADP 006 + ADP 007)	5	0	0	-38.971.168	0	0	327.902.069	288.930.901	295.386	289.226.287	
Profit or loss for the period	6	0	0	0	0	0	327.902.069	327.902.069	298.786	328.200.855	
2 Other comprehensive income or loss for the same period of the previous year (ADP 008 to ADP 11)	7	0	0	-38.971.168	0	0	0	-38.971.168	-3.400	-38.974.568	
Unrealised gains or losses on tangible assets (land and buildings)	8	0	0	-5.448.093	0	0	0	-5.448.093	-63.084	-5.511.177	
Unrealised gains or losses on financial assets available for sale	9	0	0	14.993.777	0	0	0	14.993.777	-6.590	14.987.187	
Realised gains or losses on financial assets available for sale	10	0	0	-51.498.680	0	0	0	-51.498.680	0	-51.498.680	
Other changes in equity unrelated to owners	11	0	0	2.981.828	0	0	0	2.981.828	66.274	3.048.102	
IV Transactions with owners (previous period)	12	0	0	-1.918.480	0	340.091.085	-339.392.129	-1.219.524	-194.303	-1.413.827	
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	-156.751	-156.751	
Other distribution to owners	16	0	0	-1.918.480	0	340.091.085	-339.392.129	-1.219.524	-37.552	-1.257.076	
V Balance on the last day of the previous business year reporting period	17	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	
VI Balance on the first day of the current business year	18	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	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	568.449.623	402.038.575	1.538.153.217	327.902.069	4.107.351.809	12.654.441	4.120.006.250	
VIII Comprehensive income or loss for the year	22	0	0	90.375.941	0	0	208.528.067	298.904.008	237.821	299.141.829	
Profit or loss for the period	23	0	0	0	0	0	208.528.067	208.528.067	258.363	208.786.430	
Other comprehensive income or loss for the year	24	0	0	90.375.941	0	0	0	90.375.941	-20.542	90.355.399	
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	114.885.743	0	0	0	114.885.743	-3.417	114.882.326	
Realised gains or losses on financial assets available for sale	27	0	0	-22.561.438	0	0	0	-22.561.438	0	-22.561.438	
Other changes in equity unrelated to owners	28	0	0	-1.948.364	0	0	0	-1.948.364	-17.125	-1.965.489	
Transactions with owners (current period)	29	0	0	-867.587	0	327.834.610	-327.902.069	-935.046	-1.992.328	-2.927.374	
Increase/decrease in subscribed capital	30	0	0	0	0	0	0	0	0	0	
Other contributions by owners	31	0	0	0	0	712.385	0	712.385	-1.762.317	-1.049.932	
Payment of share in profit/dividend	32	0	0	0	0	0	0	0	-134.972	-134.972	
Other transactions with owners	33	0	0	-867.587	0	327.122.225	-327.902.069	-1.647.431	-95.039	-1.742.470	
Balance on the last day of the current year reporting period	34	589.325.800	681.482.525	657.957.977	402.038.575	1.865.987.827	208.528.067	4.405.320.771	10.899.934	4.416.220.705	

CONSOLIDATED STATEMENT OF CASH FLOWS – indirect method

For the period: 1.1.2021 - 30.6.2021

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	229.103.003	-76.820.309
1 Cash flow before changes in operating assets and liabilities (ADP 003+004)	002	227.868.872	140.991.855
1.1 Profit/loss before tax	003	248.160.415	251.967.674
1.2 Adjustments: (ADP 005 to 012)	004	-20.291.543	-110.975.819
1.2.1 Depreciation of property and equipment	005	30.806.719	27.301.806
1.2.2 Amortization of intangible assets	006	10.560.063	12.786.736
1.2.3 Impairment and gains/losses on fair valuation	007	35.745.065	-33.727.256
1.2.4 Interest expenses	008	5.523.572	5.563.828
1.2.5 Interest income	009	-101.357.407	-94.751.674
1.2.6 Share in profit of associates	010	-4.932.224	-5.505.684
1.2.7 Profit/loss from the sale of tangible assets (including land and buildings)	011	536.765	-590.991
1.2.8 Other adjustments	012	2.825.904	-22.052.584
2 Increase/decrease in operating assets and liabilities (ADP 014 to 030)	013	38.680.917	-189.242.867
2.1 Increase/decrease in financial assets available for sale	014	-58.643.757	-462.011.739
2.2 Increase/decrease in financial assets at fair value through statement of profit or loss	015	-7.054.262	10.592.436
2.3 Increase/decrease in loans and receivables	016	-24.357.143	220.642.368
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	10.022.208	3.218.081
2.6 Increase/decrease in reinsurance amount in technical provisions	019	-142.583.780	-8.638.675
2.7 Increase/decrease in tax assets	020	-17.769.717	-18.587.757
2.8 Increase/decrease in receivables	021	-228.934.704	-372.497.759
2.9 Increase/decrease in other assets	022	0	0
2.10 Increase/decrease in prepayments and accrued income	023	-22.994.716	6.979.168
2.11 Increase/decrease in technical provisions	024	433.913.319	251.629.441
2.12 Increase/decrease in special provisions for life assurance where policyholders bear the investment risk	025	-10.022.208	-3.218.081
2.13 Increase/decrease in tax liabilities	026	15.915.255	15.487.102
2.14 Increase/decrease in deposits held under reinsurance business ceded	027	0	0
2.15 Increase/decrease in financial liabilities	028	89.117.483	43.780.844
2.16 Increase/decrease in other liabilities	029	1.670.161	92.891.286
2.17 Increase/decrease in accruals and deferred income	030	402.778	30.490.418
3 Income tax paid	031	-37.446.786	-28.569.297
II CASH FLOW FROM INVESTING ACTIVITIES (ADP 033 to 046)	032	258.044.511	9.163.704
1 Cash receipts from the sale of tangible assets	033	3.299.651	304.465
2 Cash payments for the purchase of tangible assets	034	-20.079.654	-11.826.140
3 Cash receipts from the sale of intangible assets	035	0	0
4 Cash payments for the purchase of intangible assets	036	-25.286.703	-34.367.453
5 Cash receipts from the sale of land and buildings not occupied by an undertaking for its own activities	037	80.056.554	2.156.942
6 Cash payments for the purchase of land and buildings not occupied by an undertaking for its own activities	038	-23.690.605	-2.562.116
7 Increase/decrease of investments in branches, associates and joint ventures.	039	-77.987.290	8.106.958
8 Cash receipts from financial assets held to maturity	040	407.023.898	60.905.399
9 Cash payments for financial assets held to maturity	041	-110.488.319	-60.578.265
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	1.632.192	18.968.359
13 Cash receipts from repayments of short-term and long-term loans given	045	38.908.661	45.105.602
14 Cash payments for short-term and long-term loans	046	-15.343.874	-17.050.047
III CASH FLOW FROM FINANCING ACTIVITIES (ADP 048 to 052)	047	-11.865.455	-15.421.365
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	-11.708.704	-15.286.393
4 Cash payments for the redemption of treasury shares	051	0	0
5 Cash payments of share in profit (dividend)	052	-156.751	-134.972
NET CASH FLOW (ADP 001 + 032 + 047)	053	475.282.059	-83.077.970
IV EFFECT OF EXCHANGE RATE FLUCTUATIONS ON CASH AND CASH EQUIVALENTS	054	-57.401.793	24.520.182
V NET INCREASE/DECREASE IN CASH AND CASH EQUIVALENTS (053+054)	055	417.880.266	-58.557.788
Cash and cash equivalents at the beginning of period	056	220.351.390	662.448.984
Cash and cash equivalents at the end of period (ADP 055 + 056)	057	638.231.656	603.891.196

II. HALF-YEAR 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 208.5m, which represents an increase of 2.2 percent compared to the comparative period of the previous year.

Gross written premium for the reporting period amounted to HRK 1,995.2m, which represents an increase of 6.8 percent compared to the comparative period of the previous year. Gross written premium of non-life insurance amounted to HRK 1,671.4m which represents an increase by 5 percent, while gross written premium of life insurance increased by 17.3 percent and amounted to HRK 323.8m.

Earned premium for the reporting period amounted to HRK 1,560.3m, which represents 80.9 percent of total income and an increase of 7.7 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 252.8m, which represents a decrease of 14.3 percent compared to the comparative period of the previous year. Income from investments represents 13.1 percent of total income. Investment expenses amounted to HRK 57.7m, which represents a decrease of 33.7 percent compared to the comparative period of the previous year. Investment expenses represent 3.4 percent of total expenses.

Net claims incurred for the reporting period represent 53.7 percent of total expenses and amounted to HRK 901.3m, which represents a decrease of 8.2 percent compared to the same period of the previous year, while claims settled amounted to HRK 947m, representing an increase of 3.5 percent compared to the same period of the previous year primarily due to a number of natural disasters in Republic of Croatia.

Acquisition and administration costs amounted to HRK 620.9m, representing 37 percent of total expenses of the Group. Acquisition and administration costs increased by 16.5 percent compared to the comparative period of the previous year.

Total assets of the Group as at 30 June 2021 amounted to HRK 14.2 billion, representing an increase of 5.8 percent compared to 31 December 2020.

Technical reserves as at 30 June 2021 amounted to HRK 7.9 billion, representing an increase of 3.3 percent compared to 31 December 2020.

Unaudited consolidated financial statements for the first half-year of 2021 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

General Assembly of CROATIA osiguranje d.d. passed the Decision on the use of the profit of CROATIA osiguranje d.d. achieved in 2020 on 18 June 2021. A dividend was voted for 8,750 preferred shares in the amount of HRK 112.00 per share for 2020 and HRK 112.00 per share for 2019, ie in the amount of HRK 980,000.00 for the year ended 31 December 2020 and in the amount of HRK 980,000.00 for the year ended 31 December 2019. The dividend was paid on 16 July 2021.

Regarding the impact of COVID-19 on operations, due to the further course of the COVID-19 pandemic, the Group continues to closely monitor the situation and possible impacts on operations, with no significant negative impacts on the Group's operations, as evidenced by the high Group's solvency ratio of 228% as of 31 December 2020.

The longer-term financial difficulties caused by the COVID-19 pandemic could be reflected in the deteriorating credit quality of non-financial companies and households as well as weakened repayment capacity of existing loans, which could have negative effects on banking institutions and the wider economy. The results for the financial year 2020 mainly show an increase in bad loans with most banks and a decrease in profit.

The effects of the pandemic in this regard can be expected in 2021, where the ability of companies and households to repay existing loans and the ability of banks to absorb emerging risks will be demonstrated.

Therefore, in the coming period, the Group will place special emphasis on monitoring the financial results and public announcements of companies to which it has identified credit exposure.

Significant events after the end of the reporting date

The Management Board of the Croatian Financial Services Supervisory Agency (HANFA) held a session on July 14, 2021 and issued a decision approving Željko Lovrinčević from Zagreb, Hrvatsko proljeća 24, OIB: 64391917734, to perform the function of a member of the Supervisory Board of CROATIA osiguranje dd, Vatroslava Jagića 33, Zagreb, OIB: 26187994862, for a term starting from September 20, 2021 to September 20, 2025.

Expected development in the future

Economic growth for 2021 will strongly depend on the speed of COVID-19 pandemic suppression in the country (speed of population vaccination) and abroad (speed of border opening and abolition of measures, especially in EU countries) as well as the moment of abolition of all measures. If the tourist season is at the level of expectations, then the insurance market will recover more strongly, otherwise the market is expected to stagnate with tighter competition.

Numerous transformation initiatives launched in 2019 and 2020 have led to the optimization of business processes and increased business efficiency. The preparation phase of the new transformation cycle started at the beginning of this year has been completed, the implementation of which should lead to further premium growth and more efficient cost management in the second part of the year.

In accordance with the above, the Group will in the coming period improve and refine digital communication channels:

- development of a new company website
- new functionalities of the mobile application Moja Croatia
- remote damage reporting
- additional emphasis on digital communication (delivery of IDD documentation by e-mail, digital signatures, delivery of invoices by e-mail, „pay-by-link“...)

Furthermore, the earthquakes in city of Zagreb and Banija county left long-term consequences on people's lives and property, but also opened the door to raising awareness of the need to insure property. In the coming period, the Group will try to raise awareness of the need for insurance through various campaigns and will simplify the conditions for accepting certain insurance conditions.

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 Group that underlie research activities and new product development. The aim is to provide fast and quality service and increasing client satisfaction.

In the first half-year of 2021, strong support for the introduction of Laqo insurance continued, both in marketing and functional terms. The LaqoPrevent program is part of the offer of Croatia's LAQO insurance, the first fully digital insurance solution in this area. LaqoPrevent promotes safe driving and responsible traffic behavior by using an advanced telematics technology solution, available as part of the LAQO application.

In cooperation with Swiss RE, one of the largest reinsurers in the world, Croatia osiguranje also launched the first crop insurance product against lack of soil moisture (drought). This technologically highly sophisticated product is the most modern product of its kind on the market that uses advanced satellite soil moisture measurement technology, which provides accurate data for secured agricultural land and represents another step in the digitalization of the insurance industry to meet future challenges.

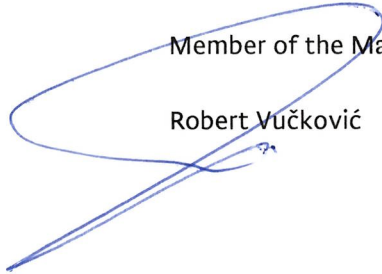
The specialist postgraduate study *Products, Digital Innovations and Technologies in Insurance (Insurtech)* developed in cooperation with the Faculty of Electrical Engineering and Computing in Zagreb continues with work. The aim of the study is to further improve the insurance profession through the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

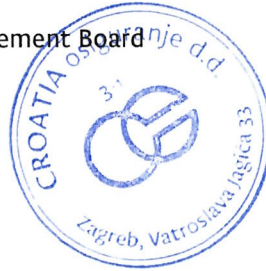
Education of employees in the field of artificial intelligence has begun. More than 200 employees enrolled in the "Elements of AI" training. The goal is to use new knowledge and ideas to improve various business processes and services to ensure and increase the satisfaction of both customers and employees of the company.

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 2020, 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 note *Significant business events in the reporting period*.

Zagreb, 29 July 2021


Member of the Management Board
Robert Vučković




President of the Management Board
Davor Tomašković

III. NOTES TO THE UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD I-VI 2021

1. GENERAL INFORMATION

The Group consolidated the following entities as at 30 June 2021:

Group	Activity	30 June 2021		
		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>Ponte d.o.o., Mostar</i>	<i>Insurance agency</i>	-	<i>100.00</i>	-
- <i>Skadunca 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	96.25	96.25	3.75
- <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 7.66% 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 2020
	in HRK'000
Financial assets	102,892
Other assets	34,225
Total assets	137,117
Liabilities	6,877
Capital and reserves	130,240
Total equity and liabilities	137,117
Summary statement of comprehensive income	
Income	67,007
Expenses	(42,813)
Profit before tax	24,194
Income tax	(4,358)
Profit for the year	19,836
Share in profit of joint venture @ 50%	9,918
Summary financial information	31 December 2020
	in HRK'000
Opening balance of net assets at 1 January	133,304
Profit for the period	19,836
Dividends	(22,900)
Closing balance of net assets	130,240
Share in profit of joint venture @ 50%	65,120
 Carrying amount	 65,120

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") o80o51o22 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.

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

The average number of employees of the Group during the current period is 3,446.

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
Vítomir Palinec	Member
Hrvoje Patajac	Member
Vlasta Pavličević	Member

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 Company's Act (Official Gazette 65/18, 17/20), 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.

Half-year financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Group's annual financial statements as at 31 December 2020. 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 2020, for the purpose of understanding the information published in the notes to the financial statements prepared for the first half-year of 2021, 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.

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 first half-year of the 2021 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 2020.

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 2020, have not changed. There were no significant intersegmental revenues and expenses in the period observed.

Earnings per share

	1 January-30 June 2020	1 January-30 June 2021
	in HRK	in HRK
Profit for the year attributable to the Company's shareholders	204,035,359	208,528,067
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	484.7	495.4

Fair value

Fair value is the amount that should be received for an asset sold or paid to settle a liability in an arm's length transaction between market participants at the value measurement date. Fair value is based on quoted market prices, where available. If market prices are not available, fair value is estimated by using discounted cash flow models or other appropriate pricing techniques. Changes in assumptions on which the estimates are based, including discount rates and estimated future cash flows, significantly affect the estimates. Therefore, at this point the estimated fair value cannot be certainly achieved from the sale of a financial instrument. The fair value of investments at amortised cost is presented below:

	30 June 2021			31 December 2020		
	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	2,196,973,097	2,423,619,862	226,646,765	2,169,782,849	2,434,029,051	264,246,202
Loans	249,383,340	249,614,227	230,887	263,179,015	264,053,447	874,432
Deposits	701,985,349	703,323,147	1,337,798	923,404,147	924,807,760	1,403,613
	3,148,341,786	3,376,557,236	228,215,450	3,356,366,011	3,622,890,258	266,524,247

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 June 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>	-	-	442,731,490	442,731,490
<i>Investment property</i>	-	-	1,072,678,825	1,072,678,825
Equity securities	663,277,090	-	94,223,625	757,500,715
Debt securities	2,686,069,848	1,964,759,701	1,913,338	4,652,742,887
Investment funds	161,545,068	157,751,365	130,975	319,427,408
Available-for-sale financial assets	3,510,892,006	2,122,511,066	96,267,938	5,729,671,010
Equity securities	22,055,554	-	-	22,055,554
Debt securities	-	-	-	-
Investment funds	433,028,996	-	-	433,028,996
Foreign currency forward contracts	-	13,319,550	-	13,319,550
<i>Financial assets at fair value through profit or loss</i>	455,084,550	13,319,550	-	468,404,100
Total assets at fair value	3,965,976,556	2,135,830,616	1,611,678,253	7,713,485,425

The Group'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>	-	-	496,663,323	496,663,323
<i>Investment property</i>	-	-	1,013,246,691	1,013,246,691
Equity securities	506,400,695	-	30,298,484	536,699,179
Debt securities	3,270,975,672	1,121,770,063	2,129,673	4,394,875,408
Investment funds	60,338,215	128,706,694	3,028,976	192,073,885
Available-for-sale financial assets	3,837,714,582	1,250,476,757	35,457,133	5,123,648,472
Equity securities	17,187,511	-	-	17,187,511
Debt securities	-	-	-	-
Investment funds	438,132,586	-	-	438,132,586
Foreign currency forward contracts	-	4,115,217	-	4,115,217
<i>Financial assets at fair value through profit or loss</i>	455,320,097	4,115,217	-	459,435,314
Total assets at fair value	4,293,034,679	1,254,591,974	1,545,367,147	7,092,993,800

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 receivable.

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 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 2020.

Intangible assets

In the period observed, intangible assets increased by HRK 25.1m, primarily due to additional investments in the new Core IT system. The Group capitalized the costs of net salaries in the amount of HRK 3.9m, 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 0.8m, the costs of contributions to salaries in in the amount of HRK 0.9m and other employee costs in the amount of HRK 0.3m.

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

In the period observed Group's investments in land and buildings not occupied by an undertaking for its own activities have increased in the amount of HRK 59.4m 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 structure of financial assets as at 30 June 2021 and 31 December 2020 was as follows:

	30 June 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	-	756,090,515	22,055,554	-	778,146,069
Shares, not listed	-	1,410,200	-	-	1,410,200
	-	757,500,715	22,055,554	-	779,556,269
Debt securities					
Government bonds	2,153,016,573	4,403,605,197	-	-	6,556,621,770
Corporate bonds	43,956,524	249,137,690	-	-	293,094,214
	2,196,973,097	4,652,742,887	-	-	6,849,715,984
Derivative financial instruments					
Foreign currency forward contracts	-	-	13,319,550	-	13,319,550
	-	-	13,319,550	-	13,319,550
Investment funds					
Open-ended investment funds	-	319,427,408	24,162,576	-	343,589,984
Open-ended investment funds - assets for coverage of unit-linked products	-	-	408,866,420	-	408,866,420
	-	319,427,408	433,028,996	-	752,456,404
Loans and receivables					
Deposits with credit institutions	-	-	-	701,985,349	701,985,349
Loans	-	-	-	249,383,340	249,383,340
	-	-	-	951,368,689	951,368,689
	2,196,973,097	5,729,671,010	468,404,100	951,368,689	9,346,416,896

31 December
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	-	534,724,501	17,187,511	-	551,912,012
Shares, not listed	-	1,974,678	-	-	1,974,678
	-	536,699,179	17,187,511	-	553,886,690
Debt securities					
Government bonds	2,125,846,022	4,225,370,460	-	-	6,351,216,482
Corporate bonds	43,936,827	169,504,948	-	-	213,441,775
	2,169,782,849	4,394,875,408	-	-	6,564,658,257
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	26,048,085	-	218,121,970
Open-ended investment funds - assets for coverage of unit-linked products	-	-	412,084,501	-	412,084,501
	-	192,073,885	438,132,586	-	630,206,471
Loans and receivables					
Deposits with credit institutions	-	-	-	923,404,147	923,404,147
Loans	-	-	-	263,179,015	263,179,015
	-	-	-	1,186,583,162	1,186,583,162
	2,169,782,849	5,123,648,472	459,435,314	1,186,583,162	8,939,449,797

The structure of financial liabilities as at 30 June 2021 and 31 December 2020 was as follows:

	30 June 2021	31 December 2020
	in HRK	in HRK
Lease liabilities	310,140,971	301,613,489
Liabilities for repo transactions	24,852,612	-
Loan liabilities	3,064,177	-
Derivative financial instruments	2,537,192	7,425,656
Preference shares	12,250,000	12,250,000
Other financial liabilities	27,767,943	2,602,725
	380,612,895	323,891,870

Share capital and shares

The Company's share capital with a nominal value of 601,575,800 as at 30 June 2021 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 June 2021 and 31 December 2020 was as follows:

	30 June 2021			
	No later than 1 year	1-5 years	More than 5 years	Total
Other provisions	16,916,401	62,362,347	24,476,817	103,755,565
Financial liabilities	74,139,278	75,856,255	230,617,362	380,612,895
Liabilities arising from insurance contracts, other liabilities and deferred income	748,630,615	30,980,667	17,712,170	797,323,452
Total	839,686,294	169,199,269	272,806,349	1,281,691,912

	31 December 2020			
	No later than 1 year	1-5 years	More than 5 years	Total
Other provisions	10,282,711	65,760,274	25,187,784	101,230,769
Financial liabilities	24,533,855	76,502,749	222,855,266	323,891,870
Liabilities arising from insurance contracts, other liabilities and deferred income	629,178,365	32,864,461	14,366,574	676,409,400
Total	663,994,931	175,127,484	262,409,624	1,101,532,039

Deferred taxes

The Group has recognized deferred tax assets and liabilities as at 30 June 2021. There were no significant changes in deferred tax assets compared to 31 December 2020 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
1 January 2021	23,523,624	32,298,123	96,114,191	485,290	152,421,228
Utilization through retained earning	(188,017)	-	-	-	(188,017)
Recognized deferred tax liabilities in profit or loss	-	793,928	-	-	793,928
Change in fair value of available-for-sale investments through other comprehensive income	-	-	18,913,332	-	18,913,332
Foreign exchange differences	-	-	(36,085)	-	(36,085)
30 June 2021	23,335,607	33,092,051	114,991,438	485,290	171,904,386

Commitments

As at 30 June 2021, the Group's contractual obligations for future investments amount to HRK 515m based on binding bids for investments in venture capital funds.

MANAGEMENT BOARD STATEMENT

Pursuant to article 20 of the Articles of Association of the Company from 26 February 2020 and article 465 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 half-year consolidated unaudited financial statements of the issuer for the period 1 January – 30 June 2021, 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, 29 July 2021

Member of the Management Board

Robert Vučković



President of the Management Board

Davor Tomašković