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

UNCONSOLIDATED UNAUDITED HALF-YEAR REPORT, FOR THE PERIOD 1 January 2023 – 30 June 2023

Zagreb, July 2023

This document is a translation of the original Croatian version and is intended to be used for informational purposes only. While every effort has been made to ensure the accuracy and completeness of the translation, please note that the Croatian original is binding.

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ISSUER'S GENERAL DATA

Reporting period:	**1.1.2023**	to	**30.6.2023**
Year:	**2023**		
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):	**2433**		
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:	izdavatelji@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: 1.1.2023 - 30.6.2023

in EUR

Item number	Sum elements	Identifier	Item	Cumulative						Quarter					
				Previous accounting period			Current accounting period			Previous accounting period			Current accounting period		
				Life	Non-life	Total	Life	Non-life	Total	Life	Non-life	Total	Life	Non-life	Total
001	002 + 003 + 004	**I**	**Income from insurance contracts**	**3.029.373**	**162.667.545**	**165.696.918**	**2.947.595**	**180.201.467**	**183.149.062**	**1.406.318**	**86.293.134**	**87.699.452**	**1.452.835**	**95.657.918**	**97.110.753**
002		1	General measurement model	2.889.596	1.554.706	**4.444.302**	2.865.350	1.460.604	**4.325.954**	1.330.407	787.869	**2.118.276**	1.430.993	732.339	**2.163.332**
003		2	Variable fee approach	139.777	0	**139.777**	82.245	0	**82.245**	75.911	0	**75.911**	21.842	0	**21.842**
004		3	Premium allocation approach	0	161.112.839	**161.112.839**	0	178.740.863	**178.740.863**	0	85.505.265	**85.505.265**	0	94.925.579	**94.925.579**
005	006+007+....+012	**II**	**Expenditure from insurance contracts**	**-3.403.715**	**-152.381.914**	**-155.785.629**	**-519.859**	**-160.681.904**	**-161.201.763**	**-2.477.991**	**-88.624.632**	**-91.102.623**	**-756.404**	**-89.243.526**	**-89.999.930**
006		1	Claims incurred	-648.641	-103.591.885	**-104.240.526**	-527.959	-105.457.347	**-105.985.306**	-208.395	-61.364.154	**-61.572.549**	92.158	-55.585.985	**-55.493.827**
007		2	Commissions	-53.666	-16.701.704	**-16.755.370**	-131.770	-17.874.813	**-18.006.583**	-50.859	-9.113.827	**-9.164.686**	-72.924	-9.418.778	**-9.491.702**
008		3	Other expenses related to the sale of insurance	0	-17.089.802	**-17.089.802**	0	-18.526.977	**-18.526.977**	0	-9.102.516	**-9.102.516**	0	-10.710.536	**-10.710.536**
009		4	Other insurance service expenses	-1.415.220	-26.370.280	**-27.785.500**	-1.087.250	-29.580.184	**-30.667.434**	-746.204	-13.665.423	**-14.411.627**	-542.123	-14.720.320	**-15.262.443**
010		5	Depreciation of insurance acquisition costs	0	0	**0**	0	0	**0**	0	0	**0**	0	0	**0**
011		6	Losses and reversal of losses on onerous contracts	-1.078.478	-778.289	**-1.856.767**	1.699.682	-397.960	**1.301.722**	-1.078.478	133.594	**-944.884**	-50.782	-249.530	**-300.312**
012		7	Change in liabilities for claims incurred	-207.710	12.150.046	**11.942.336**	-472.562	11.155.377	**10.682.815**	-394.055	4.487.694	**4.093.639**	-182.733	1.441.623	**1.258.890**
013	014 + 015	**III**	**Net result of (passive) reinsurance contracts**	**-1.134**	**-6.198.508**	**-6.199.642**	**-586**	**-14.165.985**	**-14.166.571**	**-1.134**	**-1.274.825**	**-1.275.959**	**-219**	**-7.931.046**	**-7.931.265**
014		1	Income from (passive) reinsurance contracts	-1.134	13.332.003	**13.330.869**	-586	8.505.651	**8.505.065**	-1.134	8.875.406	**8.874.272**	-219	4.062.247	**4.062.028**
015		2	Expenditure from (passive) reinsurance contracts	0	-19.530.511	**-19.530.511**	0	-22.671.636	**-22.671.636**	0	-10.150.231	**-10.150.231**	0	-11.993.293	**-11.993.293**
016	001 + 005 + 013	**IV**	**Result from insurance contracts**	**-375.476**	**4.087.123**	**3.711.647**	**2.427.150**	**5.353.578**	**7.780.728**	**-1.072.807**	**-3.606.323**	**-4.679.130**	**696.212**	**-1.516.654**	**-820.442**
017	018 + 023 + 024 + 025 + 026 + 027 + 031 + 032 + 033 +034	**V**	**Net investment result**	**7.163.152**	**21.298.400**	**28.461.552**	**6.007.024**	**23.074.254**	**29.081.278**	**1.131.280**	**13.120.205**	**14.251.485**	**2.861.220**	**15.907.997**	**18.769.217**
018	019 + 020 + 021 + 022	1	Net result from investment in land and buildings	0	1.869.199	**1.869.199**	0	2.005.328	**2.005.328**	0	916.050	**916.050**	0	899.094	**899.094**
019		1.1.	Rental gains/losses (net)	0	1.782.391	**1.782.391**	0	1.835.818	**1.835.818**	0	903.434	**903.434**	0	910.014	**910.014**
020		1.2.	Realised gains/losses (net) from property not for own use	0	101.673	**101.673**	0	169.510	**169.510**	0	27.481	**27.481**	0	-10.920	**-10.920**
021		1.3.	Unrealised gains/losses (net) from property not for own use	0	-14.865	**-14.865**	0	0	**0**	0	-14.865	**-14.865**	0	0	**0**
022		1.4.	Depreciation of land and buildings not occupied by an undertaking for its own activities	0	0	**0**	0	0	**0**	0	0	**0**	0	0	**0**
023		2	Interest revenue calculated using the effective interest rate method	5.735.556	5.494.711	**11.230.267**	5.010.504	7.372.083	**12.382.587**	2.892.638	2.776.561	**5.669.199**	2.457.948	3.559.798	**6.017.746**
024		3	Other interest income	0	0	**0**	67.481	567.095	**634.576**	0	0	**0**	67.481	567.095	**634.576**
025		4	Dividend income	209.497	9.862.302	**10.071.799**	233.985	11.521.862	**11.755.847**	144.050	8.279.625	**8.423.675**	163.124	10.111.614	**10.274.738**
026		5	Unrealised gains/losses (net) from financial assets at fair value through profit or loss	222.068	-240.686	**-18.618**	392.801	2.213.403	**2.606.204**	430.276	1.328.918	**1.759.194**	196.512	1.106.198	**1.302.710**
027	028 + 029 + 030	6	Realised gains/losses	702.740	3.329.608	**4.032.348**	151.767	416.248	**568.015**	229.326	576.931	**806.257**	35.987	289.231	**325.218**
028		6.1.	Realised gains/losses (net) from financial assets at fair value through profit or loss	-6.728	95.294	**88.566**	28.116	218.759	**246.875**	-6.671	146.644	**139.973**	14.840	187.674	**202.514**
029		6.2.	Realised gains/losses (net) from financial assets at fair value through other comprehensive income	709.468	3.234.314	**3.943.782**	123.651	197.489	**321.140**	235.997	430.287	**666.284**	21.147	101.557	**122.704**
030		6.3.	Other realised gains/losses (net)	0	0	**0**	0	0	**0**	0	0	**0**	0	0	**0**
031		7	Net impairment / reversal of impairment of investments	-137.038	759.999	**622.961**	292.494	606.208	**898.702**	-137.038	278.978	**141.940**	-9.778	197.191	**187.413**
032		8	Net exchange rate differences	497.598	1.119.575	**1.617.173**	-93.531	-640.938	**-734.469**	-2.410.629	-839.054	**-3.249.683**	-25.649	-90.737	**-116.386**
033		9	Other income from investments	1.005	109.371	**110.376**	2.034	18.280	**20.314**	886	56.674	**57.560**	1.987	-46.518	**-44.531**
034		10	Other expenditure from investments	-68.274	-1.005.679	**-1.073.953**	-50.511	-1.005.315	**-1.055.826**	-18.229	-254.478	**-272.707**	-26.392	-684.969	**-711.361**

STATEMENT OF COMPREHENSIVE INCOME
(STATEMENT OF PROFIT OR LOSS)
For the period: 1.1.2023 - 30.6.2023

in EUR

Item number	Sum elements	Identifier	Item	Cumulative						Quarter					
				Previous accounting period			Current accounting period			Previous accounting period			Current accounting period		
				Life	Non-life	Total	Life	Non-life	Total	Life	Non-life	Total	Life	Non-life	Total
035	036 + 037 + 038	**VI**	**Net financial expenditure from insurance and (passive) reinsurance contracts**	**459.360**	**640.920**	**1.100.280**	**-476.083**	**-1.308.436**	**-1.784.519**	**61.270**	**125.797**	**187.067**	**-14.967**	**-686.613**	**-701.580**
036		1	Net financial income/expenditure from insurance contracts	459.360	637.889	**1.097.249**	-476.084	-1.425.541	**-1.901.625**	61.270	193.193	**254.463**	-14.967	-722.207	**-737.174**
037		2	Net financial income/expenditure from (passive) reinsurance contracts	0	3.031	**3.031**	1	117.105	**117.106**	0	-67.396	**-67.396**	0	35.594	**35.594**
038		3	Change of liability for investment contracts	0	0	**0**	0	0	**0**	0	0	**0**	0	0	**0**
039		**VII**	**Other income**	113.773	4.212.344	**4.326.117**	8.385	3.859.430	**3.867.815**	57.310	3.119.241	**3.176.551**	-27.462	2.526.392	**2.498.930**
040		**VIII**	**Other operating expenses**	-157.962	-5.085.815	**-5.243.777**	-127.812	-6.213.691	**-6.341.503**	-80.617	-2.223.580	**-2.304.197**	-96.865	-4.133.006	**-4.229.871**
041		**IX**	**Other financial expenses**	-31.161	-629.703	**-660.864**	-17.649	-602.596	**-620.245**	-15.461	-309.383	**-324.844**	-8.946	-301.749	**-310.695**
042		**X**	**Share of profit of companies consolidated using equity method, net of tax**	0	0	**0**	0	0	**0**	0	0	**0**	0	0	**0**
043	001+005+013+016+017+035+039+040+041+042	**XI**	**Profit or loss of the accounting period before tax (+/-)**	**7.171.686**	**24.523.269**	**31.694.955**	**7.821.015**	**24.162.539**	**31.983.554**	**80.975**	**10.225.957**	**10.306.932**	**3.409.192**	**11.796.367**	**15.205.559**
044	045 + 046	**XII**	**Tax on profit or loss**	-1.277.179	-2.666.063	**-3.943.242**	-1.395.283	-2.285.933	**-3.681.216**	-851	-374.545	**-375.396**	-601.155	-316.610	**-917.765**
045		1	Current tax expense	-908.148	-3.264.748	**-4.172.896**	-1.395.283	-2.291.524	**-3.686.807**	368.180	-973.230	**-605.050**	-601.155	-319.458	**-920.613**
046		2	Deferred tax expense/ income	-369.031	598.685	**229.654**	0	5.591	**5.591**	-369.031	598.685	**229.654**	0	2.848	**2.848**
047	043+ 044	**XIII**	**Profit or loss of the accounting period after tax (+/-)**	**5.894.507**	**21.857.206**	**27.751.713**	**6.425.732**	**21.876.606**	**28.302.338**	**80.124**	**9.851.412**	**9.931.536**	**2.808.037**	**11.479.757**	**14.287.794**
048		1	Attributable to owners of the parent	0	0	**0**			**0**	0	0	**0**	0	0	**0**
049		2	Attributable to non-controlling interest	0	0	**0**	0	0	**0**	0	0	**0**	0	0	**0**
050	051 + 056	**XIV**	**Other comprehensive income**	**20.907.781**	**-2.251.521**	**18.656.260**	**-7.507.012**	**1.201.163**	**-6.305.849**	**6.723.575**	**-9.388.155**	**-2.664.580**	**-746.852**	**176.266**	**-570.586**
051	052 + 053 + 054 + 055	1	Items that will not be reclassified to statement of profit or loss	**0**	**0**	**0**	**777.104**	**7.456.190**	**8.233.294**	**0**	**0**	**0**	**417.215**	**4.535**	**421.750**
052		1.1.	Net change in fair value of equity securities (OCI)	0	0	**0**	947.688	9.092.915	**10.040.603**	0	0	**0**	508.799	-4.402	**504.397**
053		1.2.	Actuarial gains/losses on defined benefit pension plans	0	0	**0**	0	0	**0**	0	0	**0**	0	0	**0**
054		1.3.	Other	0	0	**0**	0	0	**0**	0	0	**0**	0	0	**0**
055		1.4.	Tax	0	0	**0**	-170.584	-1.636.725	**-1.807.309**	0	0	**0**	-91.584	8.937	**-82.647**
056	057 + 058 + ...+ 063	2	Items that are, or may be, reclassified to statement of profit or loss	20.907.781	-2.251.521	**18.656.260**	-8.284.116	-6.255.027	**-14.539.143**	6.723.575	-9.388.155	**-2.664.580**	-1.164.067	171.731	**-992.336**
057		2.1.	Net change in fair value of debt securities (OCI)	-25.609.074	-36.780.179	**-62.389.253**	761.374	959.007	**1.720.381**	-13.215.208	-21.984.524	**-35.199.732**	929.377	2.108.720	**3.038.097**
058		2.2.	Exchange rate differences from translation of foreign operations	0	-3.609	**-3.609**	0	0	**0**	0	27.459	**27.459**	0	0	**0**
059		2.3.	Effects of hedging instruments	0	0	**0**	0	0	**0**	0	0	**0**	0	0	**0**
060		2.4.	Net financial income/expenditure from insurance contracts	51.106.374	36.520.397	**87.626.771**	-10.863.965	-8.980.141	**-19.844.106**	20.594.550	13.178.741	**33.773.291**	-2.348.973	-2.078.472	**-4.427.445**
061		2.5.	Net financial income/expenditure from (passive) reinsurance contracts	-6	-2.486.571	**-2.486.577**	10	392.691	**392.701**	-6	-1.021.389	**-1.021.395**	2	176.725	**176.727**
062		2.6.	Other	0	0	**0**	0	0	**0**	820.146	-1.656.792	**-836.646**	0	0	**0**
063		2.7.	Tax	-4.589.513	498.441	**-4.091.072**	1.818.465	1.373.416	**3.191.881**	-1.475.907	2.068.350	**592.443**	255.527	-35.242	**220.285**
064	047+ 050	**XV**	**Total comprehensive income**	**26.802.288**	**19.605.685**	**46.407.973**	**-1.081.280**	**23.077.769**	**21.996.489**	**6.803.699**	**463.257**	**7.266.956**	**2.061.185**	**11.656.023**	**13.717.208**
065		1	Attributable to owners of the parent	0	0	**0**			**0**	0	0	**0**	0	0	**0**
066		2	Attributable to non-controlling interest	0	0	**0**	0	0	**0**	0	0	**0**	0	0	**0**
067		**XVI**	**Reclassification adjustments**	0	0	**0**	0	0	**0**	0	0	**0**	0	0	**0**

STATEMENT OF FINANCIAL POSITION (BALANCE SHEET)

As at: 30.6.2023

in EUR

Item number	Sum elements	Identifier	Item	Last day of the preceding business year			At the reporting date of the current period		
				Life	Non-life	Total	Life	Non-life	Total
001	002+003	**I**	**INTANGIBLE ASSETS**	**0**	**15.417.577**	**15.417.577**	**0**	**15.987.225**	**15.987.225**
002		1	Goodwill	0	0	**0**	0	0	**0**
003		2	Other intangible assets	0	15.417.577	**15.417.577**	0	15.987.225	**15.987.225**
004	005+006+0 07	**II**	**TANGIBLE ASSETS**	**1.876**	**64.214.569**	**64.216.445**	**1.874**	**63.811.669**	**63.813.543**
005		1	Land and buildings occupied by an undertaking for its own activities	0	25.156.343	**25.156.343**	0	25.363.264	**25.363.264**
006		2	Equipment	1.865	3.336.148	**3.338.013**	1.865	3.748.007	**3.749.872**
007		3	Other tangible assets and inventories	11	35.722.078	**35.722.089**	9	34.700.398	**34.700.407**
008	009+010+0 14	**III**	**INVESTMENTS**	**425.331.013**	**741.341.747**	**1.166.672.760**	**422.346.121**	**885.259.733**	**1.307.605.854**
009		**A**	**Investments in land and buildings not occupied by an undertaking for its own activities**	**0**	**69.394.239**	**69.394.239**	**0**	**67.567.457**	**67.567.457**
010	011+012+0 13	**B**	**Investments in subsidiaries, associates and joint ventures**	**0**	**51.511.754**	**51.511.754**	**0**	**54.011.754**	**54.011.754**
011		1	Shares and holdings in subsidiaries	0	47.795.515	**47.795.515**	0	50.295.515	**50.295.515**
012		2	Shares and holdings in associates	0	0	**0**	0	0	**0**
013		3	Shares and holdings in joint ventures	0	3.716.239	**3.716.239**	0	3.716.239	**3.716.239**
014	015+020+0 25	**C**	**Financial assets**	**425.331.013**	**620.435.754**	**1.045.766.767**	**422.346.121**	**763.680.522**	**1.186.026.643**
015	016 + 017 + 018 + 019	**1**	**Financial assets at amortised cost**	**168.835.029**	**198.485.282**	**367.320.311**	**166.994.745**	**202.202.245**	**369.196.990**
016		1.1	Debt financial instruments	152.507.760	139.120.115	**291.627.875**	149.635.984	135.389.114	**285.025.098**
017		1.2	Deposits with credit institutions	12.968.343	4.500.651	**17.468.994**	14.002.642	15.245.200	**29.247.842**
018		1.3.	Loans	3.358.926	38.360.372	**41.719.298**	3.356.119	37.545.820	**40.901.939**
019		1.4.	Other	0	16.504.144	**16.504.144**	0	14.022.111	**14.022.111**
020	021 + 022 + 023 + 024	**2**	**Financial assets at fair value through other comprehensive income**	**230.474.667**	**417.459.533**	**647.934.200**	**199.180.782**	**457.818.316**	**656.999.098**
021		*2.1*	Equity financial instruments	11.158.812	91.588.426	**102.747.238**	13.101.921	109.602.102	**122.704.023**
022		*2.2*	Debt financial instruments	202.595.938	290.496.489	**493.092.427**	186.078.861	348.216.214	**534.295.075**
023		*2.3.*	Units in investment funds	16.719.917	35.374.618	**52.094.535**	0	0	**0**
024		*2.4.*	Other	0	0	**0**	0	0	**0**
025	026 + 027+…. +030	**3**	**Financial assets at fair value through profit and loss account**	**26.021.317**	**4.490.939**	**30.512.256**	**56.170.594**	**103.659.961**	**159.830.555**
026		*3.1*	Equity financial instruments	0	2.973.816	**2.973.816**	0	0	**0**
027		*3.2*	Debt financial instruments	0	0	**0**	10.538.066	57.997.272	**68.535.338**
028		*3.3.*	Units in investment funds	25.732.534	0	**25.732.534**	45.518.578	45.120.112	**90.638.690**
029		*3.4.*	Derivative financial instruments	288.783	1.517.123	**1.805.906**	113.950	542.577	**656.527**
030		*3.5*	Other	0	0	**0**	0	0	**0**
031	032 + 036 +040	**IV**	**ASSETS FROM INSURANCE CONTRACTS**	**0**	**22.914.623**	**22.914.623**	**0**	**14.122.318**	**14.122.318**
032	034+035+0 36	1	General measurement model	0	14.678.731	**14.678.731**	0	14.111.972	**14.111.972**
033		1.1.	- Assets for remaining coverage	0	-1.754.363	**-1.754.363**	0	-1.678.037	**-1.678.037**
034		1.2.	- Assets for insurance acquisition cash flows	0	0	**0**	0	0	**0**
035		1.3.	- Assets from claims incurred	0	16.433.094	**16.433.094**	0	15.790.009	**15.790.009**
036	037+038+0 39	2	Variable fee approach	0	0	**0**	0	0	**0**
037		2.1.	- Assets for remaining coverage	0	0	**0**	0	0	**0**
038		2.2.	- Assets for insurance acquisition cash flows	0	0	**0**	0	0	**0**
039		2.3.	- Assets from claims incurred	0	0	**0**	0	0	**0**
040	041 +042 +043	3	Premium allocation approach	0	8.235.892	**8.235.892**	0	10.346	**10.346**
041		3.1.	- Assets for remaining coverage	0	13.187.713	**13.187.713**	0	10.346	**10.346**
042		3.2.	- Assets for insurance acquisition cash flows	0	0	**0**	0	0	**0**
043		3.3.	- Assets from claims incurred	0	-4.951.821	**-4.951.821**	0	0	**0**
044		**V**	**ASSETS FROM REINSURANCE CONTRACTS**	**8.518**	**41.196.418**	**41.204.936**	**88**	**37.635.215**	**37.635.303**
045	046 +047	**VI**	**DEFERRED AND CURRENT TAX ASSETS**	**3.610.424**	**9.377.929**	**12.988.353**	**3.136.672**	**13.452.485**	**16.589.157**
046		1	Deferred tax assets	3.610.424	9.326.572	**12.936.996**	3.136.672	9.512.359	**12.649.031**
047		2	Current tax assets	0	51.357	**51.357**	0	3.940.126	**3.940.126**
048		**VII**	**OTHER ASSETS**	14.472.776	119.733.334	**134.206.110**	218.833	25.361.695	**25.580.528**
049	050 +051 +052	**1**	**CASH AT BANK AND IN HAND**	**13.754.375**	**92.411.991**	**106.166.366**	**184.148**	**3.490.982**	**3.675.130**
050		*1.1*	Funds in the business account	0	92.411.991	**92.411.991**	0	3.490.982	**3.490.982**
051		*1.2*	Funds in the account of assets covering liabilities from life insurance contracts	13.754.375	0	**13.754.375**	184.148	0	**184.148**
052		*1.3*	Cash in hand	0	0	**0**	0	0	**0**
053		**2**	**Fixed assets held for sale and discontinued operations**	0	0	**0**	0	0	**0**
054		**3**	**Other**	718.401	27.321.343	**28.039.744**	34.685	21.870.713	**21.905.398**
055	001+004+0 08+031+04	**VIII**	**TOTAL ASSETS**	**443.424.607**	**1.014.196.197**	**1.457.620.804**	**425.703.588**	**1.055.630.340**	**1.481.333.928**
056		**IX**	**OFF-BALANCE SHEET ITEMS**	**12.991.875**	**98.037.303**	**111.029.178**	**14.450.252**	**93.330.787**	**107.781.039**

STATEMENT OF FINANCIAL POSITION (BALANCE SHEET)

As at: 30.6.2023

in EUR

Item number	Sum elements	Identifier	Item	Last day of the preceding business year			At the reporting date of the current period		
				Life	Non-life	Total	Life	Non-life	Total
057	058+061+062+066+067+071+07	**X**	**CAPITAL AND RESERVES**	**69.351.309**	**553.616.483**	**622.967.792**	**67.919.344**	**576.097.340**	**644.016.684**
058	059 +060	**1**	**Subscribed capital**	**5.878.123**	**72.338.852**	**78.216.975**	**5.878.123**	**72.338.852**	**78.216.975**
059		*1.1*	*Paid in capital - ordinary shares*	5.878.123	72.338.852	**78.216.975**	5.878.123	72.338.852	**78.216.975**
060		*1.2*	*Paid in capital - preference shares*	0	0	**0**	0	0	**0**
061		**2**	**Premium on shares issued (capital reserves)**	**0**	**90.448.275**	**90.448.275**	**0**	**90.448.275**	**90.448.275**
062	063 +064 +065	**3**	**Revaluation reserves**	**-8.834.521**	**26.257.657**	**17.423.136**	**-7.805.678**	**31.477.338**	**23.671.660**
063		*3.1*	*Land and buildings*	0	6.238.962	**6.238.962**	0	6.213.491	**6.213.491**
064		*3.2*	*Financial assets*	-8.834.521	20.018.695	**11.184.174**	-7.805.678	25.263.847	**17.458.169**
065		*3.3*	*Other revaluation reserves*	0	0	**0**	0	0	**0**
066		**4**	**Financial reserves from insurance contracts**	**40.500.822**	**29.216.899**	**69.717.721**	**31.592.378**	**22.175.486**	**53.767.864**
067	068+069+070	**5**	**Reserves**	**11.320.716**	**42.038.973**	**53.359.689**	**11.320.716**	**42.038.973**	**53.359.689**
068		*5.1.*	*Legal reserves*	293.906	3.698.235	**3.992.141**	293.906	3.698.235	**3.992.141**
069		*5.2.*	*Statutory reserve*	1.006.238	18.533.214	**19.539.452**	1.006.238	18.533.214	**19.539.452**
070		*5.3.*	*Other reserves*	10.020.572	19.807.524	**29.828.096**	10.020.572	19.807.524	**29.828.096**
071	072+073	**6**	**Retained profit or loss brought forward**	**10.088.440**	**257.996.104**	**268.084.544**	**20.508.072**	**295.741.807**	**316.249.879**
072		*6.1.*	*Retained profit*	10.088.440	257.996.104	**268.084.544**	20.508.072	295.741.807	**316.249.879**
073		*6.2.*	*Loss brought forward (-)*	0	0	**0**	0	0	**0**
074	075+076	**7**	**Profit or loss for the current accounting period**	**10.397.729**	**35.319.723**	**45.717.452**	**6.425.733**	**21.876.609**	**28.302.342**
075		*7.1.*	*Profit for the current accounting period*	10.397.729	35.319.723	**45.717.452**	6.425.733	21.876.609	**28.302.342**
076		*7.2.*	*Loss for the current accounting period (-)*	0	0	**0**	0	0	**0**
077		**XI**	**SUBORDINATE LIABILITIES**	0	0	**0**	**0**	**0**	**0**
078		**XII**	**MINORITY INTEREST**	0	0	**0**	**0**	**0**	**0**
079	080+084+088	**XIII**	**LIABILITIES FROM INSURANCE CONTRACTS**	**360.817.810**	**342.501.232**	**703.319.042**	**347.908.186**	**369.699.471**	**717.607.657**
080	081+082+083	1	General measurement model	330.870.677	9.723.030	**340.593.707**	321.254.502	9.245.385	**330.499.887**
081		1.1.	- Liabilities for remaining coverage	320.769.292	9.253.013	**330.022.305**	311.733.451	8.789.932	**320.523.383**
082		1.2.	- Assets for insurance acquisition cash flows	0	0	**0**	0	0	**0**
083		1.3.	- Liabilities for claims incurred	10.101.385	470.017	**10.571.402**	9.521.051	455.453	**9.976.504**
084	085+086+087	2	Variable fee approach	29.947.133	0	**29.947.133**	26.653.684	0	**26.653.684**
085		2.1.	- Liabilities for remaining coverage	25.223.254	0	**25.223.254**	23.824.596	0	**23.824.596**
086		2.2.	- Assets for insurance acquisition cash flows	0	0	**0**	0	0	**0**
087		2.3.	- Liabilities for claims incurred	4.723.879	0	**4.723.879**	2.829.088	0	**2.829.088**
088	089 +090 +091	3	Premium allocation approach	0	332.778.202	**332.778.202**	0	360.454.086	**360.454.086**
089		3.1.	- Liabilities for remaining coverage	0	73.518.824	**73.518.824**	0	85.592.793	**85.592.793**
090		3.2.	- Assets for insurance acquisition cash flows	0	0	**0**	0	0	**0**
091		3.3.	- Liabilities for claims incurred	0	259.259.378	**259.259.378**	0	274.861.293	**274.861.293**
092		**XIV**	**LIABILITIES FROM REINSURANCE**	0	1.961.479	**1.961.479**	**0**	**1.662.488**	**1.662.488**
093		**XV**	**LIABILITY FOR INVESTMENT CONTRACTS**	0	0	**0**	**0**	**0**	**0**
094	095+096	**XVI**	**OTHER PROVISIONS**	**397.164**	**6.488.254**	**6.885.418**	**430.904**	**7.427.158**	**7.858.062**
095		1	Provisions for pensions and similar obligations	397.164	6.139.886	**6.537.050**	430.904	7.080.529	**7.511.433**
096		2	Other provisions	0	348.368	**348.368**	0	346.629	**346.629**
097	098+099	**XVII**	**DEFERRED AND CURRENT TAX**	**7.569.362**	**25.768.008**	**33.337.370**	**6.766.257**	**27.769.211**	**34.535.468**
098		1	Deferred tax liability	7.569.362	24.389.847	**31.959.209**	5.370.974	24.853.392	**30.224.366**
099		2	Current tax liability	0	1.378.161	**1.378.161**	1.395.283	2.915.819	**4.311.102**
100	101+102+…+105	**XVIII**	**FINANCIAL LIABILITIES**	**3.695**	**48.403.393**	**48.407.088**	**49.861**	**38.161.720**	**38.211.581**
101		1	Loan liabilities	0	0	**0**	0	0	**0**
102		2	Liabilities for issued financial instruments	0	0	**0**	0	0	**0**
103		3	Liabilities for derivative financial instruments	3.277	78.954	**82.231**	0	16.310	**16.310**
104		4	Liability for unpaid dividend	0	208.571	**208.571**	0	78.480	**78.480**
105		5	Other financial liabilities	418	48.115.868	**48.116.286**	49.861	38.066.930	**38.116.791**
106	107+108+109	**XIX**	**OTHER LIABILITIES**	**5.285.267**	**35.457.348**	**40.742.615**	**2.629.036**	**34.812.952**	**37.441.988**
107		1	Liabilities for disposal and discontinued operations	0	0	**0**	0	0	**0**
108		2	Accruals and deferred income	1.760.499	12.076.264	**13.836.763**	1.766.658	13.294.314	**15.060.972**
109		3	Other liabilities	3.524.768	23.381.084	**26.905.852**	862.378	21.518.638	**22.381.016**
110	057+077+078+079+092+093+094+097+100+106	**XX**	**TOTAL LIABILITIES**	**443.424.607**	**1.014.196.197**	**1.457.620.804**	**425.703.588**	**1.055.630.340**	**1.481.333.928**
111		**XXI**	**OFF-BALANCE SHEET ITEMS**	**12.991.875**	**98.037.303**	**111.029.178**	**14.450.252**	**93.330.787**	**107.781.039**

STATEMENT OF CHANGES IN EQUITY
For the period: 1.1.2023 - 30.6.2023

in EUR

Item number	Item	Attributable to owners of the parent: Paid in capital (ordinary and preference shares)	Premium on shares issued	Revaluation reserves	Financial reserves from insurance contracts	Capital reserves (legal, statutory, other)	Retained profit or loss brought forward	Profit/loss for the year	**Total capital and reserves**	**Attributable to non-controlling interests***	**Total capital and reserves**
I.	**Balance as at 1 January of the previous year**	78.216.975	90.448.275	82.048.316	0	53.359.689	184.570.564	44.344.453	**532.988.272**	0	**532.988.272**
1.	Change in accounting policies	0	0	0	2.173.020	0	39.081.535	0	41.254.555	0	41.254.555
2.	Correction of errors from prior periods	0	0	0	0	0	0	0	0	0	0
II.	**Balance as at 1 January of the previous year (restated)**	**78.216.975**	**90.448.275**	**82.048.316**	**2.173.020**	**53.359.689**	**223.652.099**	**44.344.453**	**574.242.827**	**0**	**574.242.827**
III.	**Comprehensive income or loss for the previous year**	**0**	**0**	**-64.553.026**	**67.544.701**	**0**	**0**	**45.717.452**	**48.709.127**	**0**	**48.709.127**
1.	Profit or loss for the period	0	0	0	0	0	0	45.717.452	45.717.452	0	45.717.452
2.	**Other comprehensive income or loss for the previous year**	**0**	**0**	**-64.553.026**	**67.544.701**	**0**	**0**	**0**	**2.991.675**	**0**	**2.991.675**
2.1.	Unrealised gains or losses on tangible assets (land and buildings)	0	0	-127.891	0	0	0	0	-127.891	0	-127.891
2.2.	Unrealised gains or losses on financial assets at fair value through other comprehensive income	0	0	-60.765.666	0	0	0	0	-60.765.666	0	-60.765.666
2.3.	Realised gains or losses on financial assets at fair value through other comprehensive income	0	0	-3.650.475	0	0	0	0	-3.650.475	0	-3.650.475
2.4.	Net financial income/expenditure from insurance contracts	0	0	0	69.758.971	0	0	0	69.758.971	0	69.758.971
2.5.	Net financial income/expenditure from (passive) reinsurance contracts	0	0	0	-2.214.270	0	0	0	-2.214.270	0	-2.214.270
2.6.	Other changes in equity unrelated to owners	0	0	-8.994	0	0	0	0	-8.994		-8.994
IV.	**Transactions with owners (previous period)**	**0**	**0**	**-72.154**	**0**	**0**	**44.432.445**	**-44.344.453**	**15.838**	**0**	**15.838**
1.	Increase/decrease in subscribed capital	0	0	0	0	0	0	0	0	0	0
2.	Other contributions by owners	0	0	0	0	0	0	0	0	0	0
3.	Payment of share in profit/dividend	0	0	0	0	0	0	0	0	0	0
4.	Other distribution to owners	0	0	-72.154	0	0	44.432.445	-44.344.453	15.838	0	15.838
V.	**Balance on the last day of the previous year reporting period**	**78.216.975**	**90.448.275**	**17.423.136**	**69.717.721**	**53.359.689**	**268.084.544**	**45.717.452**	**622.967.792**	**0**	**622.967.792**
VI.	**Balance as at 1 January of the current year**	**78.216.975**	**90.448.275**	**17.423.136**	**69.717.721**	**53.359.689**	**268.084.544**	**45.717.452**	**622.967.792**	**0**	**622.967.792**
1.	Change in accounting policies	0	0	-3.333.388	0	0	2.489.732	0	-843.656	0	-843.656
2.	Correction of errors from prior periods	0	0	0	0	0	0	0	0	0	0
VII.	**Balance as at 1 January of the current year (restated)**	**78.216.975**	**90.448.275**	**14.089.748**	**69.717.721**	**53.359.689**	**270.574.276**	**45.717.452**	**622.124.136**	**0**	**622.124.136**
VIII.	**Comprehensive income or loss for the year**	**0**	**0**	**9.644.008**	**-15.949.857**	**0**	**0**	**28.302.338**	**21.996.489**	**0**	**21.996.489**
1.	Profit or loss for the period	0	0	0	0	0	0	28.302.338	28.302.338	0	28.302.338
2.	**Other comprehensive income or loss for the year**	**0**	**0**	**9.644.008**	**-15.949.857**	**0**	**0**	**0**	**-6.305.849**	**0**	**-6.305.849**
2.1.	Unrealised gains or losses on tangible assets (land and buildings)	0	0	0	0	0	0	0	0	0	0
2.2.	Unrealised gains or losses on financial assets at fair value through other comprehensive income	0	0	9.907.341	0	0	0	0	9.907.341	0	9.907.341
2.3.	Realised gains or losses on financial assets at fair value through other comprehensive income	0	0	-263.333	0	0	0	0	-263.333	0	-263.333
2.4.	Net financial income/expenditure from insurance contracts	0	0	0	-16.271.871	0	0	0	-16.271.871	0	-16.271.871
2.5.	Net financial income/expenditure from (passive) reinsurance contracts	0	0	0	322.014	0	0	0	322.014	0	322.014
2.6.	Other changes in equity unrelated to owners	0	0	0	0	0	0	0	0	0	0
IX.	**Transactions with owners (current period)**	**0**	**0**	**-62.096**	**0**	**0**	**45.675.603**	**-45.717.448**	**-103.941**	**0**	**-103.941**
1.	Increase/decrease in subscribed capital	0	0	0	0	0	0	0	0	0	0
2.	Other contributions by owners	0	0	0	0	0	0	0	0	0	0
3.	Payment of share in profit/dividend	0	0	0	0	0	0	0	0	0	0
4.	Other transactions with owners	0	0	-62.096	0	0	45.675.603	-45.717.448	-103.941	0	-103.941
X.	**Balance on the last day of the current year reporting period**	**78.216.975**	**90.448.275**	**23.671.660**	**53.767.864**	**53.359.689**	**316.249.879**	**28.302.342**	**644.016.684**	**0**	**644.016.684**

STATEMENT OF CASH FLOWS – indirect method

For the period: 1.1.2023 - 30.6.2023

in EUR

Item number	Sum elements	Identifier	Item	Current business period	Same period of the previous year
001	002+018+035 + 036 + 037	**I**	**CASH FLOW FROM OPERATING ACTIVITIES**	**-96.699.215**	**11.952.570**
002	003+004	**1**	**Cash flow before changes in operating assets and liabilities**	**7.654.421**	**13.607.799**
003		1.1	Profit/loss of the accounting period	28.302.338	27.751.712
004	005+006+.....+017	1.2	Adjustments:	-20.647.917	-14.143.913
005		*1.2.1*	*Depreciation of property and equipment*	2.447.113	2.376.326
006		*1.2.2*	*Amortization of intangible assets*	1.832.634	1.665.562
007		*1.2.3*	*Loss from impairment of intangible assets*	0	0
008		*1.2.4*	*Other financial cost*	0	0
009		*1.2.5*	*Impairment and gains/losses on fair valuation*	-2.855.065	-1.965.581
010		*1.2.6*	*Interest expenses*	620.245	660.865
011		*1.2.7*	*Interest income*	-13.017.163	-11.230.266
012		*1.2.8*	*Profit from the sale of branch*	0	0
013		*1.2.9*	*Share in profit of associates*	0	0
014		*1.2.10*	*Equity-settled share-based payment transactions*	0	0
015		*1.2.11*	*Cost of income tax*	3.681.216	3.943.243
016		*1.2.12*	*Profit/loss from the sale of tangible assets (including land and buildings)*	-487.748	-3.605
017		*1.2.13*	*Other adjustments*	-12.869.149	-9.590.457
018	019+020+...+034	**2**	**Increase/decrease in operating assets and liabilities**	**-124.254.870**	**-14.211.964**
019		2.1	Increase/decrease in financial assets at fair value through other comprehensive income	-1.138	-35.174.237
020		2.2	Increase/decrease in financial assets at fair value through statement of profit or loss	-127.586.087	10.142.352
021		2.3	Increase/decrease in financial assets at amortised cost	-3.344.109	3.071.415
022		2.4	*Increase/decrease in assets/liabilities from insurance contracts*	3.629.515	-5.604.408
023		2.5	*Increase/decrease in assets/liabilities from reinsurance contracts*	3.270.640	-798.857
024		2.6	Increase/decrease in tax assets	-3.271.803	-3.668.389
025		2.7	Increase/decrease in receivables	0	0
026		2.8	Increase/decrease in investments in real estate	1.826.781	614.497
027		2.9	Increase/decrease in property for own use	0	0
028		2.10	Increase/decrease in other assets	10.693.566	8.970.789
029		2.11	*Increase/decrease in liabilities from investment contracts*	0	0
030		2.12	*Increase/decrease in other provisions*	972.644	-1.765.265
031		2.13	Increase/decrease in tax liabilities	2.840.351	18.814.185
032		2.14	Increase/decrease in financial liabilities	-10.114.674	-9.684.592
033		2.15	Increase/decrease in other liabilities	-4.394.765	2.873.948
034		2.16	Increase/decrease in accruals and deferred income	1.224.209	-2.003.402
035		**3**	**Income tax paid**	-4.085.581	-5.798.737
036		**4**	**Interest received**	15.843.483	16.032.888
037		**5**	**Dividend received**	8.143.332	2.322.584
038	039+040+...+045	**II**	**CASH FLOW FROM INVESTING ACTIVITIES**	**-4.931.899**	**-3.314.379**
039		1	Cash receipts from the sale of tangible assets	927.957	50.750
040		2	Cash payments for the purchase of tangible assets	-1.148.868	-959.426
041		3	Cash receipts from the sale of intangible assets	0	0
042		4	Cash payments for the purchase of intangible assets	-2.210.988	-2.405.703
043		5	Cash receipts from the sale of branches, associates and joint ventures	0	0
044		6	Cash payments for the purchase of branches, associates and joint ventures	0	0
045		7	Cash receipts and payments based on other investing activities	-2.500.000	0
046	047+048+...+057	**III**	**CASH FLOW FROM FINANCING ACTIVITIES**	**-1.594.592**	**-1.582.013**
047		1	Cash receipts resulting from the increase of initial capital	0	0
048		2	Cash receipts from issuing redeemable preference shares	0	0
049		3	Cash receipts from short-term and long-term loans received	0	0
050		4	Cash receipts from sales of own shares	0	0
051		5	Cash receipts from exercise of share options	0	0
052		6	Cash payments relating to redeemable preference shares	0	0
053		7	Cash payments for the repayment of short-term and long-term loans received	0	0
054		8	Cash payments for the redemption of own shares	0	0
055		9	Cash payments for interest	0	0
056		10	Cash payments for dividend	-130.068	-130.068
057		11	Cash payments for rental obligations	-1.464.524	-1.451.945
058	001+038+046	**IV**	**NET CASH FLOW**	**-103.225.706**	**7.056.178**
059		**V**	**EFFECT OF EXCHANGE RATE FLUCTUATIONS ON CASH AND CASH EQUIVALENTS**	734.470	-1.617.173
060	058+059	**VI**	**NET INCREASE/DECREASE OF CASH AND CASH EQUIVALENTS**	**-102.491.236**	**5.439.005**
061		1	Cash and cash equivalents at the beginning of period	106.166.366	76.850.864
062	**060+061**	**2**	**Cash and cash equivalents at the end of period**	**3.675.130**	**82.289.869**

II. HALF-YEAR MANAGEMENT REPORT

From the 1 January 2023, the new international financial reporting standard IFRS 17 is applied, which affects a different way of calculating key business indicators such as revenue, combined ratio, and net profit. The introduction of the standard is new for the entire insurance industry in the Republic of Croatia, consequently the calculation of the market size and market share according to the new standard is not available for now.

In the period observed, total income from insurance contracts amounted to EUR 183.1m and increased by 10.5 percent compared to the same period of the previous year. The total non-life insurance income amounted to EUR 180m and increased by 10.8 percent. Total life insurance income decreased by 2.7 percent and amounted to EUR 2.9m.

Total expenditure from insurance contracts amounted to EUR 161.2m in the period observed and increased by 3.5 percent compared to the same period of the previous year. The total non-life insurance expenditure amounted to EUR 160.7m and increased by 5.5 percent. Total life insurance expenditure decreased by 84.7 percent and amounted to EUR 0.5m.

Total result from insurance contracts amounted to EUR 7.8m and represents an increase of 109.6 percent compared to the same period of the previous year.

Total assets of the Company as at 30 June 2023 amounted to EUR 1.5 billion, which represents an increase of 1.6 percent compared to 31 December 2022.

Liabilities from insurance contracts as at 30 June 2023 amounted to EUR 717.6m, representing an increase of 2.03 percent compared to 31 December 2022.

Considering the application of the new accounting standards (IFRS 17 and IFRS 9), the Company, in accordance with the requirements of IFRS 17, restated the comparative periods and recognized the one-time restitution of the initial balances in capital and reserves on 1 January 2022, while in accordance with IFRS 9, it used the possibility of selecting a simplified method based on which it is not necessary to change comparative data, but to recognize adjustments to the book value of financial assets in the initial retained earnings from the date of the first application of the standard, i.e. from 1 January 2023.

Due to the above, the reported net profit for Q2 2022 is not fully comparable with the profit reported in Q2 2023. Below are presented the comparable net profits of the Company, whereby the profit of the previous period was adjusted for the effects of IFRS 9 as if it had been applied in 2022 year.

Net profit of the Company (in millions of EUR):

I-VI 2022 reported	***IFRS 9 impact***	***I-VI 2022 adjusted for IFRS 9 impact***	***I-VI 2023 reported***
27.75	***(3.26)***	***24.49***	***28.30***

Unaudited unconsolidated financial statements for the half-year of the 2023 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

Croatia osiguranje continues with the process of raising operational excellence and expanding the network of polyclinics at the national level

In May CROATIA osiguranje d.d. launched Spektar, a unique package offer on the insurance market that enables savings and additional benefits for all household members by combining insurance policies within the household. The market recognized and quickly accepted this innovation, so in less than three months after its launch, over 30,000 households joined Spektar. CROATIA osiguranje d.d. hereby confirms its position as a leader in innovations on the insurance market.

Strong development of digital business continues. The realized premium from total digital business in the second quarter of 2023 increased by 17 percent compared to the same period last year, while the number of clients using the Moja Croatia mobile application increased by 51 percent. LAQO, Croatia's digital brand, achieved growth of 43 percent in the second quarter of 2023 compared to the same period last year. Cumulative growth in the first six months of the year is 50 percent. LAQO insurance was expanded in May with travel insurance, and in cooperation with Infobip, a global cloud communication platform and the leading IT company in the region, LAQO became the first insurance brand in Europe that uses artificial intelligence in customer support, i.e. the OpenAI GPT platform.

Investments in the development of existing and new sales channels also continued. In addition to the new SME sales channel, the life insurance sales channel was also revitalized and cooperation with banks was established to provide a new credit mediation service.

CROATIA osiguranje d.d. continuously invests in private healthcare, and the value of investments in the healthcare segment in the last three years amounts to around EUR 20m. In the second quarter of 2023, Croatia Poliklinika recorded an increase in revenue from its core business by 49 percent compared to the same period in 2022. After the opening of the new Croatia Polyclinic in Osijek, in 2023 it is planned to open three more new Polyclinics in Split, Zadar and Varaždin. In the independent measurement of brand strength by Brand Treker, Croatia Poliklinika recorded an increase from 19 to 25 points, making it the second strongest brand among private healthcare institutions on the Croatian market. The brand strength index takes into account the parameters of familiarity in the market, the frequency of considering the use of services and the positive values associated with the name.

As part of the measures to mitigate inflationary pressures, the company implemented cost restructuring, among which was a reduction in the number of employees in non-sales functions. The rationalization of the number of employees, mainly in administration and non-market services, was carried out in cooperation with all social partners and the employees themselves, with severance pay and other provisions on the rights of employees in accordance with the current Collective Agreement.

Management of CROATIA osiguranje d.d. and the Branch Union of Insurance Employees of Croatia signed a new Collective Agreement at the end of June 2023, which extended the labor and material rights of employees until 30 June 2025, with some of them being significantly increased. Working conditions for employees of CROATIA osiguranje d.d. are above industry standards, and in the past six months alone, an additional 2.8 million euros were invested in improving material conditions for employees.

At the Communications Days in April 2023, CROATIA osiguranje d.d. and LAQO won four gold awards in the categories of finance and insurance, corporate communications, technology and innovation, and social media communications. Croatia's Brigometar was presented at the prestigious Venice Architecture Biennale in May. Brigometer was invited among the world's best solutions that thematize today's burning issues, including mental health. The Brigometar project confirms the continuity of CROATIA osiguranje d.d.'s efforts for risk prevention and raising the level of safety in society.

In May 2023, CROATIA osiguranje d.d. attended the annual CX.hr portal awards for 2022 and LAQO won the first prize in the "best user experience" category. The annual award of the CX.hr portal recognizes and rewards the best contact centers and their employees who show excellent results.

Decision on the election of the member of Supervisory Board

On 14 March 2023, the General Assembly of CROATIA osiguranje d.d. was held at which the Decision was made on the election of Vitomir Palinec as a member of the Supervisory Board for a period of 4 years, with the beginning of the mandate on 20 June 2023, subject to the approval of HANFA.
At the session held on 31 March 2023, the Administrative Council of HANFA passed resolution authorizing Vitomir Palinec to perform the function of member of the Supervisory Board of CROATIA osiguranje d.d., for a term of 20 June 2023 to 20 June 2027.

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

Due to the significantly improved epidemiological situation related to the COVID-19 pandemic, in May 2023 the Government of the Republic of Croatia declared the end of the coronavirus epidemic. In addition, in 2023, there were no recorded closures or stoppages in the development of certain activities, as well as stoppages in the flow of goods and services in most countries of the world. In accordance with such positive outcomes, in 2023 the Company did not determine any significant negative impacts of the pandemic on its business, and this is confirmed by the Company's business results and the Company's very high solvency ratio of 333% as at 31 March 2023, which increased further thanks to the entry of the Republic of Croatia into the Eurozone.

Considering all of the above, the Company will no longer consider the COVID-19 pandemic a significant business event, unless the situation worsens again and an epidemic is declared.

The Russian-Ukrainian crisis

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

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

Banking crisis

In March 2023, certain banks in the USA and Switzerland found themselves in financial difficulties. The Company has no direct exposure to the mentioned banks, but despite of this, it continuously monitors and analyzes the situation and prepares measures to mitigate possible negative consequences on its operations in case there is a wider spillover of financial difficulties to the banking sector and the capital market in general.

Significant events after the end of the reporting date

Weather disasters on the territory of continental Croatia

During July, the areas of Zagreb and its surroundings, as well as central and eastern Croatia, were affected by weather events that caused multi-million material damage. As of the date of publication of this report, applications and assessments of the amount of all damages caused by this event are still in progress, and the final effects are still unknown. The Company has adequate reinsurance protection and will compensate a significant part of the claims through concluded reinsurance contracts, therefore the effect on the Company's financial result and financial position will be significantly less than the total amount of claims that will be determined.

Company branch

As at 30 June 2023 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

According to the analysis of the HNB, inflation in 2022 was slightly below 11 percent, with the main generator of inflation being the growth of the company's unit profit by ~5 percent, labour costs participating in inflation with only 1.5 percent, and taxes with slightly over 2 percent. The rest of the inflation was "imported".

Current inflation estimates for 2023 have been increased in comparison to the Q1 2023 estimates due to faster GDP growth, but remain in single-digit range.

Although both monthly and annual inflation are slowing down, the European Central Bank emphasizes concern about high and persistent core inflation, so despite the already increased interest rates by both the American Federal Reserve and the European Central Bank, additional corrections are announced until the end of the year.

From 1 January 2023 there were also regulatory changes related to the introduction of the euro as the official currency of the Republic of Croatia and changes related to accounting standards (IFRS 17 and IFRS 9). During 2023, the Company will also have certain post-production IT adaptations due to regulatory requirement (example: during 2023, it is necessary to have dual display of prices, which will be abolished from 1 January 2024).

Research and development activities

The Group continuously monitors environmental events and invests in market research, directs and supports the activities of affiliated companies that are in the function of organic growth and recognition of business opportunities and realization of new acquisitions.

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 2022, in the period observed there were no significant changes in relation to the risks to which the Company is exposed in the course of its business, except as described in the chapter *Significant business events in the reporting period*.

Zagreb, 31 July 2023

Member of the Management Board	President of the Management Board
Luka Babić	Davor Tomašković
Member of the Management Board	Member of the Management Board
Vančo Balen	Robert Vučković

III. NOTES TO THE UNAUDITED FINANCIAL STATEMENTS FOR THE PERIOD I-VI 2023

1. GENERAL INFORMATION ON THE COMPANY

CROATIA osiguranje d.d., Zagreb, Vatroslava Jagića 33 (the 'Company') is registered in the Court Register of the Commercial Court in Zagreb, Republic of Croatia, under the Company's Court Reg. No. ("MBS") 080051022 and PIN ("OIB") 26187994862. The Company's principal activity is non-life and life insurance business and reinsurance business in the non-life insurance group.

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

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

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

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

The average number of employees of the Company during the current period is 2,482.

Supervisory Board and Management Board

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

Members of the Supervisory Board are:

Roberto Škopac	President
Dr.sc. Željko Lovrinčević	Vice President
Vitomir Palinec	Member
Hrvoje Patajac	Member
Dr. sc. Zoran Barac	Member
Pero Kovačić	Member
Hrvoje Šimović	Member

Members of the Management Board are:

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

Basis of preparation of financial statements

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

Half-year financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Company's annual financial statements as at 31 December 2022. The annual financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union. The Annual Financial Report for 2022, for the purpose of understanding the information published in the notes to the financial statements prepared for the half-year of the 2023, 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. Changes in accounting policies from 1 January 2023 are listed in the section *Accounting policies*.

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

Financial statements for the half-year of the 2023 have not been audited.

Presentation currency

Company's financial statements are prepared in the euros as the functional and presentation currency. On 1 January 2023, the euro became the official monetary unit and legal tender in the Republic of Croatia. The fixed conversion rate is set at HRK 7.53450 for one euro. The introduction of the euro as the official currency in the Republic of Croatia represents a change in the functional currency that is calculated prospectively. Comparative periods and balances in the financial statements have been recalculated using the conversion rate.

Use of estimates and judgements

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

Accounting policies

Accounting policies and measurement methods which are used in the preparation of financial statements for the reporting period are the same as those which are used for preparation of the audited financial statements for the year 2022 except for the changes listed below.

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

IFRS 17 was issued in May 2017 as a replacement for IFRS 4 Insurance Contracts. Until reporting date, various supplements have been issued to IFRS 17 and IFRS 4 containing a number of clarifications for the purpose to facilitate the implementation of IFRS 17, to simplify certain requirements of the standard, and to extend the temporary exemption from IFRS 9 for annual periods starting on or after 1 January 2023. IFRS 17 establishes principles for the recognition, measurement, presentation and disclosure of insurance contracts, reinsurance contracts and investment contracts with discretionary participation characteristics.

i. Identifying contracts in the scope of IFRS 17

An insurance contract is contract on the basis of which one party (issuer) assumes a significant insurance risk from the other party (the policyholder) and agrees to pay the policyholder compensation if the policyholder suffers damage due to an uncertain future event (insured event). When identifying contracts in the scope of IFRS 17, in some cases the Company will have to assess whether a set or series of contracts should be treated as a single contract and whether embedded derivatives, investment components and goods and services components have to be separated and calculated according to a different standard.

ii. Level of aggregation

In accordance with IFRS 17, insurance contracts are aggregated into groups for measurement purposes. Groups of contracts are determined firstly by identifying portfolios of contracts, each comprising contracts subject to similar risks which are managed together. Contracts in different product lines are expected to be in different portfolios. Each portfolio is then divided into groups of contracts for which the recognition and measurement requirements under IFRS 17 apply. Each portfolio is then divided into annual cohorts (i.e. by year of issue) and each annual cohort is classified into one of the following groups:

- a group of contracts that are onerous upon initial recognition;
- a group of contracts for which, upon initial recognition, there is no significant possibility of becoming onerous subsequently;

When a contract is recognized, it is added to an existing group of contracts. Groups of reinsurance contracts are established such that each group comprises a single contract.

The level of aggregation requirements of IFRS 17 limit the offsetting of gains on groups of profitable contracts, through deferred recognition of contractual service margin ("CSM"), against losses on groups of onerous contracts, which are recognized immediately.

iii. Contract boundaries

According to IFRS 17, the measurement of a group of contracts includes all of the future cash flows within the boundary of each contract in that group, what will change the scope of cash flows to be included in the measurement of existing recognized contracts. The period covered represents the contract boundary which is relevant when applying IFRS 17 requirements.

Insurance contracts

Cash flows are within the contract boundary if they arise from substantive rights and obligations that exist during the reporting period in which the Company can compel the policyholder to pay premiums or in which the Company has a substantive obligation to provide the policyholder with the insurance contract services. A substantive obligation to provide services ends when:

- the Company has the practical ability to reassess the risks of the particular policyholder and as a result, can set a price or level of benefits that fully reflects those reassessed risks; or
- the Company has the practical ability to reassess the risks of the portfolio that contains the contract and can set a price or level of benefits that fully reflects the risks of that portfolio, and the pricing of the premiums up to the reassessment date does not take into account risks that relate to periods after the reassessment date.

Reinsurance contracts

For reinsurance contracts, cash flows are within the contract boundary if they arise from substantive rights and obligations that exist during the reporting period in which the Company is compelled to pay amounts to the reinsurer or has a substantive right to receive services from the reinsurer. A substantive right to receive services from the reinsurer ends when the reinsurer:

- has the practical ability to reassess the risks transferred to it and can set a price or level of benefits that fully reflects those reassessed risks; or
- has a substantive right to terminate the coverage.

Some of the quota share reinsurance contracts cover underlying contracts issued within the annual term on a risk-attaching basis and provide unilateral rights to both the Company and the reinsurer to terminate the attachment of new underlying contracts at any time by giving three months' notice to the other party. According to the IFRS 4, the measurement of these reinsurance contracts was generally aligned with that of the underlying contracts and only underlying contracts already ceded at the measurement date were considered. However, under IFRS 17 cash flows arising from underlying contracts expected to be issued and ceded after the measurement date, in addition to those arising from underlying contracts already ceded, may be within the boundaries of the reinsurance contracts and may have to be considered and estimated in their measurement.

iv. Measurement

Insurance contracts are subject to different requirements depending on how they are classified. Below are more detailed individual models.

Life insurance contracts

At initial recognition, the Company measures the contract group with a general model. The general model measures the group of insurance contracts at the level of:

(a) total cash flows from the performance of the contract, which include:

(i) estimates of future cash flows;

(ii) adjustments to reflect the time value of money and the financial risks associated with future cash flows where financial risks are not included in future cash flow estimates; and

(iii) adjustment of value for non-financial risk.

(b) the total margin for the service contracted.

The fulfillment cash flows from the group of contracts do not reflect the risk of non-performance of Company's obligations. The estimate of future cash flows is measured as the present value of future gross expenditure (fees and expenses) reduced by the present value of future gross income (gross written premium of future periods) taking into account the estimated probabilities of possible outcomes. All cash flows are discounted using risk-free yield curves adjusted to reflect the characteristics of the cash flows and the liquidity characteristics of the contracts. Cash flows that vary based on the returns on any underlying items are adjusted for the effect of that variability using risk-neutral measurement techniques and discounted using the liquidity adjusted risk-free rates.

The risk adjustment for non-financial risk for a group of contracts, determined separately from the other estimates, is the compensation required for uncertainty regarding the amount and timing of the cash flows arising from non-financial risk.

The CSM of a group of contracts represents the unearned profit that the Company will recognize as it provides services under those insurance contracts.

Upon initial recognition of a group of contracts, the group is not onerous if the total of the following is a net inflow:

(a) cashflows from the fulfillment of contract;

(b) any cash flows arising from related group of contracts at that date; and

(c) any amount arising from the derecognition of any assets or liabilities previously recognized for cash flows related to a group of contracts.

In the case of net outflows, the group of contracts constitutes onerous contracts and the net outflow is recognized as a loss in the profit and loss account. Also, the loss component is recognized in order to display the amount of net outflow of money, which determines the amounts that are subsequently displayed in the profit and loss account as the reversal of losses under onerous contracts and are excluded from income from insurance contracts.

Subsequently, the carrying amount of a group of contracts at each reporting date is the sum of the liability for remaining coverage and the liability for claims incurred. The liability for remaining coverage comprises the fulfilment cash flows that relate to services that will be provided under the contracts in future periods and any remaining CSM at that date. The liability for claims incurred includes the fulfilment cash flows for claims incurred and expenses that have not yet been paid, including claims that have been incurred but not yet reported.

The fulfilment cash flows of groups of contracts are measured at the reporting date using current estimates of future cash flows, current discount rates and current estimates of the risk adjustment for non-financial risk. Changes in fulfilment cash flows are recognized as follows:

Changes related to future services	*Adjusted against the CSM (or recognized in the insurance service result in profit or loss if the group is onerous)*
Changes related to current or past services	*Recognized in the insurance service result in profit or loss*
Effects of time value of money, financial risk and changes on estimated future cash flows	*Recognized as part of net financial income or expense from the insurance contract*

The CSM is adjusted subsequently only for changes in fulfilment cash flows that relate to future services and other specified amounts and is recognized in profit or loss account as services are provided. The CSM at each reporting date represents the profit in the group of contracts that has not yet been recognized in profit or loss account because it relates to future service.
Regarding life insurance reinsurance contracts, the Company applies the same accounting policies as for the measurement of a group of insurance contracts.
Cash flows from acquisition costs arise from the activities of sales and underwriting of a group of contracts that are directly attributable to the portfolio of contracts to which the group belongs. According to IFRS 17, for life contracts, cash flows from insurance acquisition are allocated to groups of contracts using systematic and rational methods.
A variation of the general measurement model, called the "variable fee approach", is also envisaged, which shall be applied to certain life insurance contracts in which the owners of insurance policies participate in the change in the fair value of the specific items defined by the relevant insurance contracts. Consequently, the results of insurers using this model are likely to be less volatile than by applying a general measurement model.

Non-life insurance contracts
The Premium allocation approach (PAA) is a simplified measurement model in IFRS 17 that is available for insurance and reinsurance contracts that meet certain criteria.
The Company applies PAA to all contracts in the non-life insurance segment, except loan insurance to which the general measurement model as described in the life insurance section is applied, as the following criteria are expected to be met at initial recognition:
o Insurance contracts and disproportionate reinsurance contracts: the coverage of each contract in the group of contracts is one year or less.
o Reinsurance contracts containing related risks: the result of measuring assets for the remaining cover age does not differ significantly from the results of the application of the general measurement model.

Upon initial recognition of each group of non-life insurance contracts, the carrying amount of the liability for remaining coverage is measured on the premiums incurred upon initial recognition. The Company recognizes the cash flows from the acquisition of insurance as an expense when they arise,

except for commission costs, which are accrued for the duration of the insurance contract and recognized based on the passage of time.
Subsequently, the carrying amount of the liability for remaining coverage is increased by any further premiums received and decreased by the amount recognized as insurance revenue for services provided and decreases by the paid commission and increased by the amortized part of the commission. The time between providing each part of the services and the related premium due date will not exceed one year. Accordingly, as permitted by IFRS 17, the Company does not adjust the liability for remaining coverage to reflect the time value of money and the effect of financial risk.
If at any time before and during the coverage period, facts and circumstances indicate that a group of contracts is onerous, then the Company recognizes a loss in profit or loss account and increases the liability for remaining coverage to the extent that the current estimates of the fulfilment cash flows that relate to remaining coverage exceed the carrying amount of the liability for remaining coverage. The fulfilment cash flows are discounted.
The Company recognizes the liability for incurred claims of a group of contracts at the amount of the fulfilment cash flows relating to incurred claims and the future cash flows are discounted.
The Company applies the same accounting policies to measure a group of reinsurance contracts, adapted where necessary to reflect features that differ from those of insurance contracts.

v. Measurement - significant judgments and estimates

Estimates of future cash flows
In estimating future cash flows, the Company includes in an unbiased manner all reasonable and reliable data available without undue cost and effort regarding the amount, timing and uncertainty of those future cash flows at the reporting date. This information includes both internal and external historical data about claims and other experiential data, updated to reflect current expectations of future events.
The estimates of future cash flows reflect the Company's view of current conditions at the reporting date, as long as the estimates of any relevant market variables are consistent with observable market prices.
When estimating future cash flows, the Company takes into account current expectations of future events that might affect those cash flows. However, expectations of future changes in legislation that would change or annul a present obligation or create new obligations under existing contracts are not taken into account until the change in legislation is substantively enacted.
Cash flows within the contract boundary are those that relate directly to the fulfilment of the contract, including those for which the Company has discretion over the amount or timing. This includes premiums (including policyholders' premium adjustments and installment premiums and any additional cash flows resulting from these premiums), payments to (or on behalf of) the policyholder, cash flows from the acquisition of insurance and other costs incurred in performing the contract. Insurance acquisition cash flows and other costs that are incurred in fulfilling contracts comprise both direct costs and an allocation of fixed and variable overheads which can be directly attributed to the execution of the insurance contract (i.e. attributable costs).
Cost cash flows are distributed into groups of contracts using systematic and meaningful methods that are consistently applied to all costs with similar characteristics. A significant part of direct administrative costs are directly allocated to life and non-life insurance segments. Administrative costs that cannot be directly allocated to life or non-life insurance are allocated by the Company on the basis of an analysis of the time spent of administrative employees on activities related to life and

non-life insurance. The allocation of these costs within a particular segment to the associated insurance groups is carried out on the basis of a share of the insurance income of the respective insurance group.

Other non-attributable expenses are not allocated to groups of insurance contracts and are reported in the financial statements separately from the technical result items, i.e. results from the insurance contract.

Discount rates

According to the requirements of IFRS 17, the Company sets discount rates with the so-called bottom-up approach, creating a risk-free interest curve using market yields of government bonds with the application of credit risk correction and EIOPA methodology for extrapolation. To reflect the liquidity characteristics of insurance contracts, risk-free interest curves are further adjusted by illiquidity adjustment. Illiquidity adjustments are generally determined based on estimates of differences in the liquidity characteristics of insurance contract groups and assets on the basis of which risk-free interest curves is assessed.

According to the requirements of IFRS 17, the Company measures life insurance obligations by discounting future cash flows (cash flows from the execution of life insurance group contracts) with the application of current discount rates at the appropriate measurement date.

According to the requirements of IFRS 17, the Company discounts cash flows of non-life insurance contracts measured in accordance with the general measurement model (loan insurance). For all other contracts, for which the premium distribution model – PAA applies, cash flows from the performance of contracts relating to claims incurred are discounted. Applicable discount rates are determined in accordance with the methodology described earlier.

Adjustment of value for non-financial risk

Risk adjustments for non-financial risk is determined to reflect the compensation that the Company requires for bearing non-financial risk and its level of risk aversion. They are determined separately for the life and non-life contracts.

The adjustment of value for non-financial risk is determined using the following techniques:

- for measurement of the correction of values for non-financial risk in non-life insurances two methods are used: the quantum method and the cost of capital method, where the choice of the method depends on the availability of data and the stability of the results of statistical calculations of a particular portfolio;
- for life insurance contracts: The calculation of the value correction for non-financial risk for life insurance is based on shock scenarios with explicit margins. These margins are derived on the basis of the corresponding shocks from the life insurance risk submodules defined in Solvency II. The shocks calibrated by EIOPA in Solvency II were adjusted to the requirements of IFRS 17 and the target confidence interval.

CSM

The CSM of a group of contracts is recognized in profit or loss account to reflect the services provided under the group of insurance contracts in that period. This amount is determined by identifying the coverage units in the group of contracts, evenly distributing the CSM at the end of the period (before any allocation) to each coverage unit insured in the current period and expected to be insured in the future, and recognized in the profit and loss account the amount of the units allocated to the coverage units insured in that period.

The number of coverage units is the quantity of services provided by a group of contracts, taking into account for each contract the quantity of benefits provided and the expected coverage period. Coverage units will be reviewed and updated at each reporting date.

For insurance contracts that provide both insurance coverage and investment services, the assessment of the quantity of benefits entails determining the relative weighting of the benefits provided to the policyholder by these services, determining how the benefits provided by each service change over the coverage period and aggregating those different benefits.

To determine the relative weighting of the benefits provided by insurance coverage and investment services, the Company generally considers the selling prices for the similar services had they been offered on a stand-alone basis and adjusts the quantity of benefits for each service in proportion to those stand- alone selling prices. The stand-alone selling price for a service may be evidenced by observable prices when the Company sells that service separately to policyholders with similar characteristics.

vi. Presentation and disclosure

In accordance with IFRS 17, the amounts recognized in the profit or loss statement are disaggregated into:

- o an insurance service result, comprising insurance revenue and insurance service expenses; and
- o net financial income or expense from insurance contracts.

The amounts from the reinsurance contract are reported separately.

Insurance service result

For contracts that are not measured using PAA, the revenue from the insurance contract for each year represents changes in liabilities for the remaining coverage relating to the services the Company expects to receive compensation from. For contracts measured using PAA, the income from the insurance contract is recognized on the basis of the passage of time or based on the expected dynamics of service provided.

Expenses that relate directly to the fulfilment of contracts are recognized in profit or loss account as insurance service expenses, when they are incurred. Expenses that do not relate directly to the fulfilment of contracts are presented outside the insurance service result.

Investment components are not included in insurance revenue and insurance service expenses according to IFRS 17. The Company identifies the investment component of a contract by determining the amount required to repay to the policyholder in all scenarios with commercial substance. These include circumstances in which an insured event occurs or the contract matures or is terminated without an insured event occurring. The Company determined that its life insurance contracts that have a redemption value contain an investment component.

The Company does not disaggregate changes in the risk adjustment for non-financial risk between the insurance service result and net insurance finance income or expenses. All changes in the risk adjustment for non-financial risk recognized in profit or loss account are included in the insurance service result.

Net financial income and expenses

According to IFRS 17, changes in the carrying amounts of groups of contracts arising from the effects of the time value of money, financial risk and changes therein are generally presented as insurance finance income or expenses. They include changes in the measurement of groups of contracts caused by changes in the value of underlying items.

For most insurance and reinsurance contracts, the Company is using the option of recognizing a change in the current discount rate in relation to the initial (so-called "locked-in") discount rate in other comprehensive income and accordingly separates net financial income or expenses from the insurance contract to the aforementioned part to be recognized in other comprehensive income and the part that is recognized through profit and loss account as release of the discount effect.

vii. Transition

In accordance with IAS 8 “Accounting Policies, Changes in Accounting estimates and Errors", IFRS 17 requires the Company to apply IFRS 17 retroactively, unless this is not practically feasible. This implies that the effective transition date is 1 January 2022, whereby adjustments to the initial balances are recognized as one-off in equity and reserves.

The Company applied the full retroactive approach for groups of contracts measured using a premium-based approach. According to the full retrospective approach, at 1 January 2022 the Company:

- identified, recognized and measured each group of insurance contracts as if it had always applied IFRS 17;
- stop recognizing previously recognized amounts that would not have existed if IFRS 17 had always been applied
- recognized all the resulting net effects in equity

Where retroactive application for a group of insurance contracts is impractical, the Company used two alternative transition methods - modified retroactive approach and fair value approach.

The modified retroactive approach allows certain simplifications and modifications over full retroactive application. This approach allows insurers who lack certain information to calculate initial balances as close as possible to the conditions that would be obtained by applying full retroactive approach, using information that is available, verifiable and appropriate to the insurer. The Company applies this approach to specific groups of insurance contracts relating to credit insurance against inability to repay and include contracts issued with a difference of more than one year.

Under the fair value approach, the CSM (or the loss component) as at 1 January 2022 is determined as the difference between the fair value of a group of contracts at that date and the fulfilment cash flows at that date. The Company measures the fair value of the contracts as the sum of the present value of the net cash flows expected to be generated by the contracts, determined using a discounted cash flow technique; and an additional margin, determined using a confidence level technique.

The cash flows considered in the fair value measurement are consistent with those that are within the contract boundary. For all contracts measured by fair value access, the Company used reasonable and reliable information available on 1 January 2022 to determine how to identify groups of contracts.

Some groups of contracts measured under the fair value approach contain contracts issued more than one year apart. Discount rates on initial recognition are determined at 1 January 2022 instead of at the date of initial recognition, regardless of the specific time interval length.
For all contracts measured under the fair value approach, the net amount of insurance financial income or expenses accumulated in the insurance contract financial reserve as at 1 January 2022 is determined to be zero.
The Company applied a fair value approach to life insurance contracts and for the specific groups of insurance contracts relating to loan beneficiaries' insurance against the inability to repay the loan.

- *IFRS 9 Financial instruments and related annexes to various other standards (effective for annual periods beginning on or after 1 January 2023)*

IFRS 9 replaced *IAS 39 Financial Instruments: Recognition and Measurement* regulates the classification, measurement and derecognition of financial assets and financial liabilities, introduces new rules for hedging accounting and a new model of impairment of financial assets and other categories in accordance with IFRS 9. IFRS 9 is effective for annual periods starting on or after 1 January 2018, with early application permitted. However, the Company has met the relevant criteria and has applied the temporary exemption from IFRS 9 for annual periods before 1 January 2023. Consequently, the Company applied IFRS 9 for the first time on 1 January 2023.

i. Financial assets - classification

Financial assets are distributed in the following categories with respect to the valuation method: valuation according to the amortised cost method, valuation at fair value through profit and loss, and valuation at fair value through other comprehensive income. The classification of financial assets depends on the business model used to manage financial assets and contracted cash flows.
A financial asset is measured at amortised cost if it meets both of the following conditions:

- o is held within a business model aimed at holding assets in order to collect contracted cash flows ("Holding for collection"); and
- o contracted cashflows relate exclusively to principal and interest payments based on the assessment of the characteristics of contractual cash flows ('SPPI test').

Financial assets are measured at fair value through other comprehensive income if they meet both of the following conditions:

- o is held within a business model aimed at holding assets in order to collect contracted cash flows and sell financial assets ('Holdings for collection and sale'); and
- o contracted cashflows relate exclusively to principal and interest payments based on the assessment of the characteristics of contractual cash flows ('SPPI test').

All financial assets that are not classified as measured at amortised cost or at fair value through other comprehensive income as described above (the "Other" business model), are measured at fair value through profit and loss. Furthermore, at initial recognition, the Company may irrevocably designate financial assets, which otherwise meet the requirements to be measured at amortised cost or at fair value through other comprehensive income, measured at fair value through profit and loss if this eliminates or significantly reduces the accounting mismatch that would otherwise arise.
Also, at initial recognition of equity instruments that are not held for trading purposes, the Company may irrevocably decide to show subsequent changes in fair value through other comprehensive income. The choice is carried out on instrument-by-instrument basis.

ii. Financial assets - impairment

In accordance with IFRS 9, the impairment model required the recognition of impairment provisions based on expected credit losses (so-called 'ECL'), not just on the basis of incurred credit losses as is the case with IAS 39 and applies to financial assets classified at amortised cost and debt instruments measured in other comprehensive income.

Any change in the fair value of a debt instrument includes the effect of a change in the credit risk of the issuer of financial instrument. For all debt instruments measured at fair value through other comprehensive income, it is necessary to estimate and report value adjustment, i.e. provisions for expected credit losses. All changes in the amount of provisions for expected credit losses are recognized in the profit and loss account, while the amount of adjustments to the expected credit losses is already included in the cumulative amount of the change in fair value reported in other comprehensive income. Value adjustments are recognized through other comprehensive income, as part of the overall change in fair value, and shall not further reduce the carrying amount of financial assets measured at fair value through other comprehensive income in the statement of financial position. Changes in fair value previously recognized in other comprehensive income are recycled in full in the profit and loss after the derecognition of debt instrument.

For short-term receivables without significant financial components (real estate and business premises lease receivables, claims on employees, etc.), the Company applies a simplified approach in accordance with the requirements of IFRS 9 and assesses the correction of the value for the expected life of credit losses from the initial recognition of receivables.

Expected credit losses related to a particular instrument are estimated on the basis of expected future cash flows (based on principal, interest, fees and commissions) related to the contract, including the amounts that may arise from the realization of the relevant collateral. All expected cash flows are reduced to present value by discounting at the relevant effective interest rate.

In simplified terms, expected credit losses are calculated as the product of the probability of default ("PD "), loss given default ("LGD ") and exposure at default ("EaD"). Default status is considered to have occurred when one or both circumstances have occurred: the improbability of payment by the debtor, when the Company considers that the payment of existing loan obligations in full by the debtor is unlikely to be without the realization of collateral and when there has been a materially significant delay in payment, i.e. the debtor is late with the payment of due obligations towards the Company for more than 90 days.

Probability-weighted scenarios- expected credit losses are modeled by several forward-looking scenarios, which take into account the probability of occurrence of "stressful" and favorable economic conditions, so that the resulting value of the ECL represents a probable-weighted number based on the results of several analyzed economic scenarios within which credit risk parameters are modeled.

The appropriate selection of a set of representative economic scenarios based on the impartial and objective information available to the Company, as well as the probability of a particular (representative) economic scenario, is determined by the relevant organizational units of the Company by the expert method.

Expected credit losses for a twelve month period relate to part of the expected credit losses over the entire duration of the instrument that represent the expected credit losses as a result of default over a period of twelve months from the reporting period. Lifetime expected credit losses refer to the expected credit losses over the entire life of the instrument that represent the expected credit losses as a result of the occurrence of all possible default statuses during the life of the financial instrument.

For financial instruments to which this impairment model applies, the Company always recognizes, on initial recognition, in profit and loss account, at least the amount of expected credit losses for the twelve month period. The expected credit losses over the life of a financial instrument are recognized if there is a significant increase in credit risk compared to initial recognition or the instrument is credit impaired. For financial assets that are credit impaired at initial recognition (POCI assets), estimated expected credit losses are included in the initial fair value of the asset and the Company determines a credit adjusted effective interest rate for it. For POCI assets, the Company recognizes only a cumulative change in the expected credit losses over the entire life of the financial asset in the reporting period compared to initial recognition. If there is a positive change in the expected credit losses compared to the initially determined the expected credit losses, the change is carried out through the adjustment of the gross book value of the asset, while with negative changes in the expected credit losses compared to the initially determined expected credit losses, impairment reservations are formed.

iii. Financial liabilities

IFRS 9 largely retains the requirements of IAS 39 for the classification and measurement of financial liabilities.

Financial liabilities are initially recognised at fair value reduced for transaction costs and are subsequently valued at amortised cost using the effective interest rate method, except for the following:

- financial liabilities determined at fair value through profit and loss. Such liabilities, including derivative instruments that are liabilities, are subsequently measured at fair value;
- financial liabilities arising if the transfer of financial assets does not meet condition for derecognition or if a follow-up approach is applied. The assets transferred and the related liability are measured on a basis that reflects the rights and obligations retained by the entity. The related liability is measured in such a way that the net carrying amount of the transferred assets and the related liability is equal to the following: the amortised cost of rights and liabilities retained if the transferred assets are measured at amortised cost, or the fair value of the rights and liabilities retained when measured on a stand-alone basis if the transferred assets are measured at fair value.
- financial guarantee agreement. After initial recognition, such contract is subsequently measured at more than the following two amounts: the amount of provision for expected credit losses and initially recognised amount at fair value;
- the obligation to provide a loan at interest rates lower than market interest rates. Such an obligation shall subsequently be measured at more than the following two amounts: the amount of provision for expected credit losses and initially recognised amount at fair value;
- unpredicted amounts recognised by the customer in the context of the business merger to which IFRS 3 applies. Such unpredicted amounts are subsequently measured at fair value, and changes are recognised in the profit and loss account.

The adoption of IFRS 9 did not have an effect on financial liabilities.

iv. Transition

For the purposes of the first application of IFRS 9, the Company decided on a simplified method based on which it will not change comparative data and will recognize adjustments to the carrying amount of financial assets in initial retained earnings from the date of the first application of the standard, i.e. from 1 January 2023.

The following tables present the reconciliation of the present values of each category of financial assets previously measured in accordance with IAS 39 and the new amounts determined according to IFRS 9 for the Company. Also, below are explanations related to the reclassification of financial assets listed in the tables below:

a) Equity financial instruments (shares) that were previously classified at fair value through the profit and loss according to IAS 39 and are part of the portfolio related to asset and liability management activities, are reclassified into the category of fair value through other comprehensive income according to IFRS 9, i.e. the option of valuation through other comprehensive income was chosen for them since they are not held for trading.

b) Debt financial instruments (bonds) that were previously classified at amortised cost or as available for sale (fair value through other comprehensive income) according to IAS 39, are reclassified into the category of fair value through the profit and loss according to IFRS 9 due to the business model of holding assets for the purpose of sale.

c) Equity financial instruments (investment funds) are reclassified from the category of assets available for sale (fair value through other comprehensive income) according to IAS 39 to the category of assets that are mandatorily fair value through the profit and loss according to IFRS 9 since they refer to financial assets whose cash flows do not contain only principal and interest.

The items of financial assets and liabilities and the related items of the statement of comprehensive income for the comparative period of 2022 are presented applying IAS 39.

in 000 EUR	Original classification in accordance with IAS 39	Revised classification in accordance with IFRS 9	Company Net book value in accordance with IAS 39 as of 31 December 2022	Company Net book value in accordance with IFRS 9 as of 1 January 2023
Financial investments				
Financial assets				
Debt financial instruments				
Government bonds	Held-to-maturity investments	Amortised cost	283,141	282,625
Government bonds	Available-for-sale financial assets	Fair value through profit and loss account	45,385	45,385
Government bonds	Available-for-sale financial assets	Fair value through other comprehensive income	386,808	386,808
Corporate bonds	Held-to-maturity investments	Fair value through profit and loss account	5,842	5,742
Corporate bonds	Held-to-maturity investments	Amortised cost	2,645	2,636
Corporate bonds	Available-for-sale financial assets	Fair value through profit and loss account	21,315	21,315
Corporate bonds	Available-for-sale financial assets	Amortised cost	236	236
Corporate bonds	Available-for-sale financial assets	Fair value through other comprehensive income	39,349	39,349
Deposits	Loans and receivables	Amortised cost	17,469	17,388
Loans	Loans and receivables	Amortised cost	58,223	58,059
Equity financial instruments and units in investment funds				
Shares	Available-for-sale financial assets	Fair value through other comprehensive income	102,747	102,747
Shares	Financial assets at fair value through profit or loss	Fair value through other comprehensive income	2,973	2,973
Open-ended investment funds	Available-for-sale financial assets	Fair value through profit and loss account	52,095	52,095
Open-ended investment funds - assets for coverage of unit-linked products	Financial assets at fair value through profit or loss	Fair value through profit and loss account	25,733	25,733
Derivative financial instruments				
Foreign currency forward contracts	Financial assets at fair value through profit or loss	Fair value through profit and loss account	1,806	1,806
Receivables (other assets)	**Loans and receivables**	**Amortised cost**	28,040	28,040
Cash and cash equivalents	**Loans and receivables**	**Amortised cost**	106,166	106,011

Total financial investments			**1,179,972**	**1,178,947**
Financial liabilities				
Financial liabilities at amortized cost, except lease liabilities	Amortised cost	Amortised cost	12,123	12,123
Financial liabilities at fair value through profit or loss account	Financial liabilities at fair value through profit or loss	Fair value through profit and loss account	82	82
Total financial liabilities			**12,205**	**12,205**

Company

in 000 EUR	Note	Net book value in accordance with IAS 39 as of 31 December 2022	Reclassification	Valuation impact		Net book value in accordance with IFRS 9 as of 1 January 2023	Impact on retained earnings (before tax)	Impact on revaluation reserve (before tax)
				ECL impact (expected credit loss)	Reassessment due to reclassification			
Fair value through profit and loss account								
Transfer from Financial assets at fair value through profit and loss in accordance with IAS 39								
Shares	a)	**2,973**	(2,973)			**-**		
Open-ended investment funds - assets for coverage of unit-linked products		**25,733**				**25,733**		
Foreign currency forward contracts		**1,806**				**1,806**		
Reclassification from Available-for-sale financial assets in accordance with IAS 39								
Government bonds	b)		45,385			**45,385**		
Corporate bonds	b)		21,315			**21,315**		
Open-ended investment funds	c)		52,095			**52,095**		
Reclassification from Held-to-maturity investments in accordance with IAS 39								
Corporate bonds	b)		5,842		(100)	**5,742**	(100)	
Reclassification from Loans and receivables in accordance with IAS 39								
Total fair value through profit and loss account		**30,512**	**121,664**	**-**	**(100)**	**152,076**	**(100)**	**-**
Fair value through other comprehensive income								
Transfer from Available-for-sale financial assets in accordance with IAS 39								
Government bonds	b)	**45,385**	(45,385)			**-**	(428)	428
Government bonds		**386,808**	-			**386,808**	(741)	741
Corporate bonds	b)	**21,315**	(21,315)			**-**	(1,307)	1,307
Corporate bonds		**236**	(236)			**-**	(24)	24
Corporate bonds		**39,349**	-			**39,349**	(74)	74
Shares		**102,747**	-			**102,747**	-	-

Open-ended investment funds	c)	52,095	(52,095)			-	6,639	(6,639)
Reclassification from Financial assets at fair value through profit and loss account in accordance with IAS 39								
Shares	a)		2,974			2,974	-	-
Total fair value through other comprehensive income		**647,935**	**(116,057)**	**-**	**-**	**531,878**	**4,065**	**(4,065)**
Amortised cost								
Transfer from Held-to-maturity investments in accordance with IAS 39								
Government bonds		283,141		(516)		282,625	(516)	
Corporate bonds	b)	5,842	(5,842)			-	-	
Corporate bonds		2,645	-	(8)		2,637	(8)	
Reclassification from Available-for-sale financial assets in accordance with IAS 39								
Corporate bonds		-	236	-		236	-	
Transfer from Loans and receivables in accordance with IAS 39		-	-	-		-	-	
Deposits		17,469	-	(81)		17,388	(81)	
Loans		58,223	-	(164)		58,059	(164)	
Receivables		28,040	-	-		28,040	-	
Cash and cash equivalents		106,166	-	(156)		106,010	(156)	
Total amortised cost		**501,526**	**(5,606)**	**(925)**	**-**	**494,995**	**(925)**	**-**

Deferred tax effects after transition to IFRS 9:

	Net book value in accordance with IAS 39 as of 31 December 2022	Valuation impact		Net book value in accordance with IFRS 9 as of 1 January 2023	Impact on retained earnings	Impact on revaluation reserve
		ECL impact (expected credit loss)	Reassessment due to reclassification			
Deferred tax assets	12,937	311	18	13,266	329	
Deferred tax liability	31,959	147		32,106	(878)	732

Related party transactions

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

Seasonality of business activities

Company's operations are not seasonal.

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 2022, have not changed. There were no significant intersegmental revenues and expenses in the period observed.

Fair value

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

	30 June 2023			31 December 2022		
	Net book value	Fair value	Difference	Net book value	Fair value	Difference
	in EUR	in EUR	in EUR	in EUR	in EUR	in EUR
Debt securities	285,025,098	260,939,790	(24,085,308)	291,627,875	266,780,447	(24,847,428)
Loans	54,924,050	54,469,168	(454,882)	58,223,442	59,308,462	1,085,020
Deposits	29,247,842	29,247,842	-	17,468,994	17,468,994	-
	369,196,990	**344,656,800**	**(24,540,190)**	**367,320,311**	**343,557,903**	**(23,762,408)**

Methods of assessment or assumptions in determining fair value

For measuring the fair value, the Company takes into account the IFRS fair value hierarchy rules that reflect the significance of inputs used in the assessment process. Each instrument is assessed individually and in detail. The levels of the fair value hierarchy are determined on the basis of the lowest level and the input data that are important for determining the fair value of the instrument.

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

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

The Company's assets measured at fair value as at 30 June 2023 are presented as follows:

	Level 1 in EUR	**Level 2** in EUR	**Level 3** in EUR	**Total** in EUR
Property for own use	-	-	*25,363,264*	*25,363,264*
Investment property	-	-	*67,567,457*	*67,567,457*
Equity securities	93,652,231	-	29,051,792	**122,704,023**
Debt securities	425,086,892	109,208,183	-	**534,295,075**
Investment funds	-	-	-	-
Financial assets at fair value through other comprehensive income	*518,739,123*	*109,208,183*	*29,051,792*	*656,999,098*
Equity securities	-	-	-	-
Debt securities	53,924,778	14,610,560	-	**68,535,338**
Investment funds	24,193,126	66,445,564	-	**90,638,690**
Foreign currency forward contracts	-	656,527	-	**656,527**
Financial assets at fair value through profit or loss	*78,117,904*	*81,712,651*	-	*159,830,555*
Total assets at fair value	**596,857,027**	**190,920,834**	**121,982,513**	**909,760,374**

The Company's assets measured at fair value as at 31 December 2022 are presented as follows:

	Level 1 in EUR	**Level 2** in EUR	**Level 3** in EUR	**Total** in EUR
Property for own use	-	-	*25,156,343*	*25,156,343*
Investment property	-	-	*69,394,239*	*69,394,239*
Equity securities	80,278,946	12,697,830	9,770,462	**102,747,238**
Debt securities	377,737,441	115,118,574	236,412	**493,092,427**
Investment funds	382,374	51,712,161	-	**52,094,535**
Financial assets at fair value through other comprehensive income	*458,398,761*	*179,528,565*	*10,006,874*	*647,934,200*
Equity securities	2,973,816	-	-	**2,973,816**
Debt securities	-	-	-	-
Investment funds	25,732,534	-	-	**25,732,534**
Foreign currency forward contracts	-	1,805,906	-	**1,805,906**
Financial assets at fair value through profit or loss	*28,706,350*	*1,805,906*	-	*30,512,256*
Total assets at fair value	**487,105,111**	**181,334,471**	**104,557,456**	**772,997,038**

The Company has adopted IFRS 13, pursuant to which it is required to disclose the fair value hierarchy of financial assets that are not measured at fair value as well as a description of valuation techniques and inputs used.

Financial liabilities are recorded at amortised cost. The Management Board believes that, due to fact that interest rate of these instruments is in line with market rates, the carrying value of these instruments is not significantly different from their fair value.

The fair value of deposits, loans and financial liabilities are estimated on the basis of inputs that are not commercially available rates, and are therefore classified as Level 3, or by using publicly available rates published by the Croatian national bank (for the Company's loans) and would therefore be classified as Level 2 in the fair value hierarchy. Investments with available market prices that are classified in the portfolio of held-to-maturity investments are classified as Level 1.

The fair values of cash and cash equivalents and other receivables, i.e. other assets 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 other receivables i.e. other assets.

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2. The fair value of financial instruments that are classified as Level 3 is determined by using discontinued cash flow techniques or other valuation techniques by using relevant observable market data, information about current business and estimation of issuer's future business of the financial asset in question. There was no significant increase or decrease in the value of the parameters that would affect the change in the fair value of financial assets classified in Level 3 fair value.

In the reporting period, the Company has reclassified one equity security from Level 2 to Level 3 in the amount of EUR 19.1m.

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 2022.

Intangible assets

In the period observed, intangible assets increased by EUR 570 thousand, and this represents the net effect of increasing intangible assets due to additional investments in the observed period and reduction of intangible assets due to amortization. The Company capitalized the costs of net salaries in the amount of EUR 166.3 thousand, the costs of contributions from salaries in the amount of EUR 48.2 thousand, the costs of taxes and surcharges from salaries in the amount of EUR 37.5 thousand, the costs of contributions to salaries in in the amount of EUR 37.9 thousand and other employee costs in the amount of EUR 20.9 thousand.

Financial assets and financial liabilities

The Company's structure of financial assets as at 30 June 2023 and 31 December 2022 was as follows:

30 June 2023

	Financial assets at amortised cost	Financial assets at fair value through other comprehensive income	Financial assets at fair value through profit and loss account	Total
	in EUR	in EUR	in EUR	in EUR
Shares				
Shares, listed	-	122,491,311	-	**122,491,311**
Shares, not listed	-	212,712	-	**212,712**
	-	**122,704,023**	**-**	**122,704,023**
Debt securities				
Government bonds	282,178,645	449,620,800	40,768,603	**772,568,048**
Corporate bonds	2,846,453	50,157,175	27,766,735	**80,770,363**
Treasury bills	-	34,517,100	-	**34,517,100**
	285,025,098	**534,295,075**	**68,535,338**	**887,855,511**
Derivative financial instruments				
Foreign currency forward contracts	-	-	656,527	**656,527**
	-	**-**	**656,527**	**656,527**
Investment funds				
Open-ended investment funds	-	-	66,853,012	**66,853,012**
Open-ended investment funds - assets for coverage of unit-linked products	-	-	23,785,678	**23,785,678**
	-	**-**	**90,638,690**	**90,638,690**
Loans and receivables				
Deposits with credit institutions	29,247,842	-	-	**29,247,842**
Loans	54,924,050	-	-	**54,924,050**
	84,171,892	**-**	**-**	**84,171,892**
	369,196,990	**656,999,098**	**159,830,555**	**1,186,026,643**

	Financial assets at amortised cost	Financial assets at fair value through other comprehensive income	Financial assets at fair value through profit and loss account	Total
				31 December 2022
	in EUR	in EUR	in EUR	in EUR
Shares				
Shares, listed	-	102,482,087	2,973,816	**105,455,903**
Shares, not listed	-	265,151	-	**265,151**
	-	**102,747,238**	**2,973,816**	**105,721,054**
Debt securities				
Government bonds	283,141,065	432,192,950	-	**715,334,015**
Corporate bonds	8,486,810	60,899,477	-	**69,386,287**
	291,627,875	**493,092,427**	**-**	**784,720,302**
Derivative financial instruments				
Foreign currency forward contracts	-	-	1,805,906	**1,805,906**
	-	**-**	**1,805,906**	**1,805,906**
Investment funds				
Open-ended investment funds	-	52,094,535	-	**52,094,535**
Open-ended investment funds - assets for coverage of unit-linked products	-	-	25,732,534	**25,732,534**
	-	**52,094,535**	**25,732,534**	**77,827,069**
Loans and receivables				
Deposits with credit institutions	17,468,994	-	-	**17,468,994**
Loans	58,223,442	-	-	**58,223,442**
	75,692,436	**-**	**-**	**75,692,436**
	367,320,311	**647,934,200**	**30,512,256**	**1,045,766,767**

The structure of financial liabilities as at 30 June 2023 and 31 December 2022 was as follows:

	30 June 2023	31 December 2022
	in EUR	in EUR
Lease liabilities	36,070,937	36,201,587
Liabilities for repo transactions	-	10,008,845
Derivative financial instruments	16,310	82,231
Preference shares	1,625,854	1,625,854
Liability for unpaid dividend	78,480	208,571
Other financial liabilities	420,000	280,000
	38,211,581	**48,407,088**

Share capital and shares

The Company's share capital with a nominal value of EUR 79,843 thousand as at 30 June 2023, calculated using a fixed conversion rate, is divided among 429,697 shares with a nominal value of EUR 185.81. The shares are marked as follows:

Number of shares	Nominal amount (in 000 EUR):
307,598 ordinary shares I, emission with ticker CROS-R-A/CROS	57,155
113,349 ordinary shares II, emission with ticker CROS-R-A/CROS	21,062
TOTAL OF ORDINARY SHARES	78,217
8,750 preference shares I, emission with ticker CROS-P-A/CROS2	1,626
TOTAL PREFERENCE SHARES	1,626
TOTAL OF ORDINARY AND PREFERENCE SHARES	79,843

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.

Based on the provisions of the Act on the introduction of the euro as the official currency in the Republic of Croatia and the provisions of the Companies Act, the Company proposed at the General assembly a decision on the adjustment of the share capital and the nominal amount of the Company's shares in such a way as to increase the amount of the nominal value of the share from 185.81 EUR, calculated by conversion into euros using a fixed conversion rate with rounding to the nearest cent, to the amount of EUR 186.00. The aforementioned increase in the nominal amount of the share is carried out in order to round the nominal amount of the shares to a whole number, as prescribed by Article 163, paragraph 4 of the Companies Act.

With the purpose of aligning the share capital with the provisions of the Companies Act, the share capital would be increased by the amount of EUR 80,812.35, whereby the total share capital of the Company after recalculation and adjustment would amount to EUR 79,923,642.00. This adjustment will be made after changes in the court register.

Liabilities

The structure of Company's liabilities was as follows:

	30 June 2023			
	No later than 1 year in EUR	1-5 years in EUR	More than 5years in EUR	Total in EUR
Other provisions	1,964,573	4,947,467	946,022	**7,858,062**
Financial liabilities	2,720,661	7,001,512	28,489,408	**38,211,581**
Other liabilities	32,933,867	1,334,233	3,173,888	**37,441,988**
Total	**37,619,101**	**13,283,212**	**32,609,318**	**83,511,631**

	31 December 2022			
	No later than 1 year in EUR	1-5 years in EUR	More than 5years in EUR	Total in EUR
Other provisions	945,653	4,996,883	942,882	**6,885,418**
Financial liabilities	12,705,922	6,438,572	29,262,594	**48,407,088**
Other liabilities	34,635,096	1,807,593	4,299,926	**40,742,615**
Total	**48,286,671**	**13,243,048**	**34,505,402**	**96,035,121**

Deferred taxes

The movement of deferred tax assets is shown in the note below:

in EUR

	Impairment of investments in subsidiaries and associates	Financial assets at fair value through profit or loss	Impairment of financial assets at fair value through other comprehensive income	Impairment of investment at amortised cost	Impairment of loans and deposits	Fair valuation losses on investment property	Impact of IFRS 17 application	Other	TOTAL
31 December 2021	**85,214**	**757,945**	**1,763,235**	**-**	**2,146,796**	**3,739,203**	**-**	**962,335**	**9,454,728**
Impact of the first application of IFRS 17	-	-	-	-	-	-	3,285,532	-	**3,285,532**
Utilised deferred tax assets through profit or loss	(3,993)	(443,621)	(381,878)	-	(40,773)	(349,470)	-	(794,517)	**(2,014,252)**
Deferred tax assets recognised in profit or loss	-	40,973	77,450	-	29,149	52,648	-	2,010,768	**2,210,988**
31 December 2022	**81,221**	**355,297**	**1,458,807**	**-**	**2,135,172**	**3,442,381**	**3,285,532**	**2,178,586**	**12,936,996**
Impact of the first application of IFRS 9	-	-	146,684	112,476	43,479	-	-	26,362	**329,001**
Reclassification	-	-	-	-	-	-	(616,966)	-	**(616,966)**
Utilised deferred tax assets through profit or loss	-	-	-	-	-	-	-	-	**-**
Deferred tax assets recognised in profit or loss	-	-	-	-	-	-	-	-	**-**
30 June 2023	**81,221**	**355,297**	**1,605,491**	**112,476**	**2,178,651**	**3,442,381**	**2,668,566**	**2,204,948**	**12,649,031**

The movement of deferred tax liability is shown in the note below:

	Land and buildings occupied by an undertaking for its own activities	Financial assets at fair value through other comprehensive income	Impact of IFRS 17 application	Financial reserves from insurance contracts	Total
					in EUR
	in EUR	in EUR	in EUR	in EUR	in EUR
31 December 2021	**1,413,441**	**16,599,682**	**-**	**-**	**18,013,123**
Impact of the first application of IFRS 17	-	-	11,919,238	478,000	12,397,238
Utilization through profit and loss account	-	-	917,016	-	917,016
Utilization through retained earnings	(15,839)	-	-	-	(15,839)
Utilization through other comprehensive income	(28,074)	(14,140,128)		14,815,873	647,671
31 December 2022	**1,369,528**	**2,459,554**	**12,836,254**	**15,293,873**	**31,959,209**
Impact of the first application of IFRS 9	-	146,684	-	-	146,684
Reclassification	-	-	(616,966)	-	(616,966)
Utilization through retained earnings	(5,591)	(8,039)	133,641	-	120,011
Utilization through other comprehensive income	-	2,116,977	-	(3,501,549)	(1,384,572)
30 June 2023	**1,363,937**	**4,715,176**	**12,352,929**	**11,792,324**	**30,224,366**

Commitments

As at 30 June 2023, the Company's contractual obligations for future investments amount to EUR 44m based on binding bids for investments in alternative investment funds.

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

MANAGEMENT BOARD STATEMENT

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

STATEMENT

That to the best of our knowledge:

- the set of half-year unaudited unconsolidated financial statements of the issuer for the period 1 January – 30 June 2023 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, 31 July 2023

Member of the Management Board	President of the Management Board
Luka Babić	Davor Tomašković
Member of the Management Board	Member of the Management Board
Vančo Balen	Robert Vučković