



**CROATIA[®]
OSIGURANJE**

CROATIA osiguranje d.d.
Vatroslava Jagića 33, 10 000 Zagreb
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**UNCONSOLIDATED UNAUDITED
HALF-YEAR REPORT,
FOR THE PERIOD 1 January 2021 – 30 June 2021**

Zagreb, July 2021

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I. UNAUDITED FINANCIAL STATEMENTS

Annex 1		
ISSUER'S GENERAL DATA		
Reporting period:	1.1.2021	to 30.6.2021
Year:	2021	
Quarter:	2	
Quarterly financial statements		
Registration number (MB):	03276147	Issuer's home Member State code: HR
Entity's registration number (MBS):	080051022	
Personal identification number (OIB):	26187994862	LEI: 74780000M0GHQ1VXJU20
Institution code:	199	
Name of the issuer:	Croatia osiguranje d.d.	
Postcode and town:	10000	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):	2304	
Consolidated report:	KN	(KN-not consolidated/KD-consolidated)
Audited:	RN	(RN-not audited/RD-audited)
Names of subsidiaries (according to IFRS):	Registered office:	MB:
Bookkeeping firm:	No	(Yes/No)
Contact person:	Jelena Matijević	
Telephone:	072 00 1884	
E-mail address:	izdavatelj@crosig.hr	
Audit firm:		
Certified auditor:		

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

in HRK

Item	ADP code	Same period of the previous year			Current year		
		Life	Non-life	Total	Life	Non-life	Total
1	2	3	4	5(3+4)	6	7	8(6+7)
I Earned premiums (ADP 119 to 123)	118	227.946.054	978.235.711	1.206.181.765	278.083.108	1.044.674.649	1.322.757.757
1 Gross written premium	119	227.976.568	1.379.479.927	1.607.456.495	278.588.796	1.455.833.783	1.734.422.579
2 Value adjustment and charged premium value adjustment	120	0	1.778.861	1.778.861	0	8.973.843	8.973.843
3 Outward reinsurance premiums (-)	121	-49.255	-164.185.788	-164.235.043	-44.082	-190.206.870	-190.250.952
4 Change of gross provisions for unearned premiums (+/-)	122	22.465	-290.697.916	-290.675.451	-461.606	-308.504.120	-308.965.726
5 Change of provisions for unearned premiums, reinsurers' share (+/-)	123	-3.724	51.860.627	51.856.903	0	78.578.013	78.578.013
II Income from investments (ADP 125 to 131)	124	100.195.331	151.700.890	251.896.221	50.208.390	181.773.511	231.981.901
1 Income from branches, associates and joint ventures.	125	363.532	6.180.888	6.544.420	958.918	52.472.461	53.431.379
2 Income from investment in land and buildings	126	0	11.506.634	11.506.634	0	16.882.215	16.882.215
3 Interest income	127	45.638.596	48.037.231	93.675.827	42.730.677	43.232.198	85.962.875
4 Unrealised gains on investments	128	377.461	1.012.977	1.390.438	3.299.784	20.983.353	24.283.137
5 Realised gains on investments	129	14.361.817	53.594.677	67.956.494	3.217.481	30.069.017	33.286.498
6 Net positive exchange rate differences	130	39.447.199	17.122.589	56.569.788	0	0	0
7 Other income from investments	131	6.726	14.245.894	14.252.620	1.530	18.134.267	18.135.797
III Income from commissions and fees	132	1.053.552	23.394.368	24.447.920	952.356	13.261.170	14.213.526
IV Other insurance-technical income, net amount from reinsurance	133	328.589	16.982.349	17.310.938	89.629	15.091.136	15.180.765
V Other income	134	846	3.240.947	3.241.793	1	3.514.710	3.514.711
VI Claims incurred, net (ADP 136 + 139)	135	-289.759.008	-574.789.280	-864.548.288	-232.074.303	-535.066.115	-767.140.418
1 Claims settled (ADP 137+138)	136	-277.263.272	-527.780.456	-805.043.728	-243.075.012	-582.948.425	-826.023.437
1.1 Gross amount (-)	137	-277.263.272	-550.193.738	-827.457.010	-243.075.012	-673.068.134	-916.143.146
1.2 Reinsurers' share (+)	138	0	22.413.282	22.413.282	0	90.119.709	90.119.709
2 Change in the provision for claims (+/-) (ADP 140+141)	139	-12.495.736	-47.008.824	-59.504.560	11.000.709	47.882.310	58.883.019
2.1 Gross amount	140	-12.495.736	-133.425.194	-145.920.930	11.000.709	125.351.303	136.352.012
2.2 Reinsurers' share	141	0	86.416.370	86.416.370	0	-77.468.993	-77.468.993
VII Change in mathematical provision and other technical provisions, net of reinsurance (ADP 143+146)	142	19.404.677	16.404.841	35.809.518	-39.878.764	-10.652.292	-50.531.056
1 Change in mathematical provisions (+/-) (ADP 144+145)	143	19.404.677	3.689.231	23.093.908	-39.878.764	2.648.500	-37.230.264
1.1 Gross amount (-)	144	19.415.468	3.689.231	23.104.699	-39.876.723	2.648.500	-37.228.223
1.2 Reinsurers' share (+)	145	-10.791	0	-10.791	-2.041	0	-2.041
2 Change in other technical provisions, net of reinsurance (+/-) (ADP 147+148)	146	0	12.715.610	12.715.610	0	-13.300.792	-13.300.792
2.1 Gross amount (-)	147	0	12.715.610	12.715.610	0	-13.300.792	-13.300.792
2.2 Reinsurers' share (+)	148	0	0	0	0	0	0
VIII Change of special provision for life assurance where policyholders bear the investment risk, net of reinsurance (+/-) (ADP 150+151)	149	12.519.624	0	12.519.624	5.988.609	0	5.988.609
1 Gross amount (-)	150	12.519.624	0	12.519.624	5.988.609	0	5.988.609
3 Reinsurers' share (+)	151	0	0	0	0	0	0
IX Cash payments for bonuses and rebates, net of reinsurance (ADP 153+154)	152	0	-3.302.718	-3.302.718	0	-3.819.577	-3.819.577
1 Performance-dependent (bonuses)	153	0	-3.302.718	-3.302.718	0	-3.819.577	-3.819.577
2 Performance-independent (rebates)	154	0	0	0	0	0	0

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

in HRK

Item	ADP code	Same period of the previous year			Current year		
		Life	Non-life	Total	Life	Non-life	Total
1	2	3	4	5(3+4)	6	7	8(6+7)
X Operating expenses (business expenditures), net (ADP 156+160)	155	-32.424.178	-365.963.718	-398.387.896	-27.062.673	-431.996.458	-459.059.131
1 Acquisition costs (ADP 157 to 159)	156	-14.350.059	-198.227.353	-212.577.412	-12.115.733	-248.083.479	-260.199.212
1.1 Commission	157	-3.889.497	-138.758.465	-142.647.962	-3.536.743	-154.921.541	-158.458.284
1.2 Other acquisition costs	158	-10.460.562	-76.209.756	-86.670.318	-8.578.990	-112.463.076	-121.042.066
1.3 Change in deferred acquisition costs	159	0	16.740.868	16.740.868	0	19.301.138	19.301.138
2 Administration expenses (administrative costs) (ADP 161 to 163)	160	-18.074.119	-167.736.365	-185.810.484	-14.946.940	-183.912.979	-198.859.919
2.1 Depreciation	161	-1.607.998	-27.705.142	-29.313.140	-1.182.249	-26.765.921	-27.948.170
2.2 Salaries, taxes and contributions from/on salaries	162	-7.106.680	-54.013.571	-61.120.251	-5.336.239	-53.402.496	-58.738.735
2.3 Other administration expenses	163	-9.359.441	-86.017.652	-95.377.093	-8.428.452	-103.744.562	-112.173.014
XI Investment expenses (ADP 165 to 171)	164	-17.288.756	-64.715.740	-82.004.496	-20.184.692	-32.910.620	-53.095.312
1 Depreciation of land and buildings not occupied by an undertaking for its own activities	165	0	0	0	0	0	0
2 Interest	166	-674.593	-4.110.119	-4.784.712	-475.479	-4.213.843	-4.689.322
3 Impairment of investments	167	-1.013.854	-3.346.586	-4.360.440	0	-591.969	-591.969
4 Realised loss on investments	168	-7.240.112	-9.317.453	-16.557.565	-1.377.142	-3.247.515	-4.624.657
5 Unrealised loss on investments	169	-6.485.126	-30.832.330	-37.317.456	-546.540	-2.695.314	-3.241.854
6 Net negative exchange rate differences	170	0	0	0	-16.919.892	-7.457.565	-24.377.457
7 Other investment expenses	171	-1.875.071	-17.109.252	-18.984.323	-865.639	-14.704.414	-15.570.053
XII Other technical expenses, net of reinsurance (ADP 173+174)	172	-329.844	-18.934.723	-19.264.567	-842.340	-19.964.852	-20.807.192
1 Expenses of preventive activities	173	0	0	0	0	0	0
2 Other technical expenses of insurance	174	-329.844	-18.934.723	-19.264.567	-842.340	-19.964.852	-20.807.192
XIII Other activities, including value adjustments	175	-5.377	-1.037.212	-1.042.589	-5.861	-280.717	-286.578
XIV Profit or loss for the accounting period before tax (+/-) (ADP 118+124+132 to 135+142+149+152+155+164+172+175)	176	21.641.510	161.215.715	182.857.225	15.273.460	223.624.545	238.898.005
XV Profit or loss tax (ADP 178+179)	177	-4.012.530	-28.508.654	-32.521.184	-2.576.618	-31.008.719	-33.585.337
1 Current tax expense	178	-4.012.530	-28.508.654	-32.521.184	-2.576.618	-31.008.719	-33.585.337
2 Deferred tax expense (income)	179	0	0	0	0	0	0
XVI Profit or loss for the accounting period after tax (+/-) (ADP 176+177)	180	17.628.980	132.707.061	150.336.041	12.696.842	192.615.826	205.312.668
1 Attributable to owners of the parent	181	0	0	0	0	0	0
2 Attributable to non-controlling interest	182	0	0	0	0	0	0
XVII TOTAL INCOME (ADP 118+124+132+133+134+179)	183	329.524.372	1.173.554.265	1.503.078.637	329.333.484	1.258.315.176	1.587.648.660
XVIII TOTAL EXPENSES (ADP 135+142+149+152+155+164+172+175+178)	184	-311.895.392	-1.040.847.204	-1.352.742.596	-316.836.642	-1.065.699.350	-1.382.335.992
IX Other comprehensive income (ADP 186 to 193)	185	-44.755.563	-110.230.858	-154.986.421	-16.176.127	96.413.330	80.237.203
1 Gains/losses arising from translation of financial statements relating to foreign operations	186	0	-137.215	-137.215	0	122.073	122.073
2 Gains/losses arising from the revaluation of financial assets available for sale	187	-54.579.955	-134.260.540	-188.840.495	-19.726.984	117.428.362	97.701.378
3 Gains/losses arising from the revaluation of land and buildings occupied by an undertaking for its own activities	188	0	0	0	0	0	0
4 Gains/losses arising from the revaluation of other tangible (other than land and property) and intangible assets	189	0	0	0	0	0	0
5 Effects of cash flow hedging instruments	190	0	0	0	0	0	0
6 Actuarial gains/losses on pension plans with defined pensions	191	0	0	0	0	0	0
7 Share in other comprehensive income of associates	192	0	0	0	0	0	0
8 Income tax on other comprehensive income	193	9.824.392	24.166.897	33.991.289	3.550.857	-21.137.105	-17.586.248
XX Total comprehensive income (ADP 180 +185)	194	-27.126.583	22.476.203	-4.650.380	-3.479.285	289.029.156	285.549.871
1 Attributable to owners of the parent	195	0	0	0	0	0	0
2 Attributable to non-controlling interests	196	0	0	0	0	0	0
XXI Reclassification adjustments	197	0	0	0	0	0	0

STATEMENT OF FINANCIAL POSITION (BALANCE SHEET)

As at: 30.6.2021

in HRK

Item 1	ADP code 2	Last day of the preceding business year			At the reporting date of the current period		
		Life 3	Non-life 4	Total 5(3+4)	Life 6	Non-life 7	Total 8(6+7)
ASSETS							
A) INTANGIBLE ASSETS (ADP 002 +003)							
1 Goodwill	002	0	96.858.015	96.858.015	0	122.590.109	122.590.109
2 Other intangible assets	003	0	96.858.015	96.858.015	0	122.590.109	122.590.109
B) TANGIBLE ASSETS (ADP 005 to 007)							
1 Land and buildings occupied by an undertaking for its own activities	005	0	264.388.018	264.388.018	0	196.826.531	196.826.531
2 Equipment	006	14.051	26.833.703	26.847.754	14.051	27.611.925	27.625.976
3 Other tangible assets and inventories	007	82	261.998.952	261.999.034	82	270.647.793	270.647.875
C) INVESTMENTS (ADP 009+010+014+033)							
I Investments in land and buildings not occupied by an undertaking for its own activities							
009	009	0	456.652.567	456.652.567	0	518.377.870	518.377.870
II Investments in branches, associates and joint ventures (ADP 011 to 013)							
010	010	0	376.515.932	376.515.932	0	377.990.631	377.990.631
1 Shares and holdings in branches	011	0	342.827.639	342.827.639	0	349.990.631	349.990.631
2 Shares and holdings in associates	012	0	5.688.293	5.688.293	0	0	0
3 Shares and holdings in joint ventures	013	0	28.000.000	28.000.000	0	28.000.000	28.000.000
III Financial assets (ADP 015+018+023+029)							
1 Financial assets held to maturity (ADP 016+017)							
014	014	3.114.967.354	4.543.767.115	7.658.734.469	3.183.983.001	4.868.562.195	8.052.545.196
015	015	1.083.787.700	998.546.873	2.082.334.573	1.129.313.028	994.005.602	2.123.318.630
1.1 Debt financial instruments	016	1.083.787.700	998.546.873	2.082.334.573	1.129.313.028	994.005.602	2.123.318.630
1.2 Other	017	0	0	0	0	0	0
2 Financial assets available for sale (ADP 019 to 022)							
018	018	1.804.243.754	2.731.918.505	4.536.162.259	1.889.012.915	3.183.036.551	5.072.049.466
2.1 Equity financial instruments	019	29.250.178	506.883.860	536.134.038	71.585.497	685.845.964	757.431.461
2.2 Debt financial instruments	020	1.718.133.233	2.089.821.103	3.807.954.336	1.735.636.386	2.259.554.211	3.995.190.597
2.3 Units in investment funds	021	56.860.343	135.213.542	192.073.885	81.791.032	237.636.376	319.427.408
2.4 Other	022	0	0	0	0	0	0
3 Financial assets at fair value through statement of profit or loss (ADP 024 to 028)							
023	023	318.108	20.984.620	21.302.728	1.914.014	33.461.090	35.375.104
3.1 Equity financial instruments	024	0	17.187.511	17.187.511	0	22.055.554	22.055.554
3.2 Debt financial instruments	025	0	0	0	0	0	0
3.3 Derivative financial instruments	026	318.108	3.797.109	4.115.217	1.914.014	11.405.536	13.319.550
3.4 Units in investment funds	027	0	0	0	0	0	0
3.5 Other	028	0	0	0	0	0	0
4 Loans and receivables (ADP 030 to 032)							
029	029	226.617.792	792.317.117	1.018.934.909	163.743.044	658.058.952	821.801.996
4.1 Deposits with credit institutions	030	175.737.297	317.322.719	493.060.016	115.154.221	220.202.845	335.357.066
4.2 Loans	031	47.414.600	301.235.373	348.649.973	48.531.462	286.095.477	334.626.939
4.3 Other	032	3.465.895	173.759.025	177.224.920	57.361	151.760.630	151.817.991
IV Deposits with cedants							
033	033	0	0	0	0	0	0
D) INVESTMENTS FOR THE ACCOUNT OF LIFE ASSURANCE POLICYHOLDERS WHO BEAR THE INVESTMENT RISK							
E) REINSURANCE AMOUNT IN TECHNICAL PROVISIONS (ADP 036 to 042)							
034	034	12.263	474.856.240	474.868.503	10.222	475.963.626	475.973.848
1 Provisions for unearned premiums, reinsurance amount	036	0	58.699.359	58.699.359	0	137.275.738	137.275.738
2 Mathematical provision, reinsurance amount	037	12.263	0	12.263	10.222	0	10.222
3 Claims outstanding, reinsurance amount	038	0	416.156.881	416.156.881	0	338.687.888	338.687.888
4 Provisions for bonuses and rebates, reinsurance amount	039	0	0	0	0	0	0
5 Equalization provision, reinsurance amount	040	0	0	0	0	0	0
6 Other technical provisions, reinsurance amount	041	0	0	0	0	0	0
7 Special provisions for life assurance where policyholders bear the investment risk, reinsurance amount	042	0	0	0	0	0	0
F) DEFERRED AND CURRENT TAX ASSETS (ADP 044 +045)							
043	043	1.777.335	65.691.032	67.468.367	1.780.151	87.581.202	89.361.353
1 Deferred tax assets	044	1.777.335	65.691.032	67.468.367	1.777.335	65.691.032	67.468.367
2 Current tax assets	045	0	0	0	2.816	21.890.170	21.892.986
G) RECEIVABLES (ADP 047+050+051)							
1 Receivables arising from insurance business (ADP 048+049)							
046	046	622.575	741.344.470	741.967.045	1.421.431	1.100.719.018	1.102.140.449
1.1 From policyholders	048	0	485.689.766	485.689.766	0	742.525.846	742.525.846
1.2 From insurance agents or insurance brokers	049	234.219	450.201	684.420	235.799	853.594	1.089.393
2 Receivables arising from reinsurance business							
050	050	415	59.037.982	59.038.397	875	127.763.633	127.764.508
3 Other receivables (ADP 052 to 054)							
051	051	387.941	196.166.521	196.554.462	1.184.757	229.575.945	230.760.702
3.1 Receivables arising from other insurance operations	052	0	164.158.334	164.158.334	0	150.208.327	150.208.327
3.2 Receivables for investment income	053	277.389	756.947	1.034.336	313.760	375.871	689.631
3.3 Other receivables	054	110.552	31.251.240	31.361.792	870.997	78.991.747	79.862.744
H) OTHER ASSETS (ADP 056+060+061)							
1 Cash at bank and in hand (ADP 057 to 059)							
055	055	62.420.478	450.515.970	512.936.448	39.764.493	385.001.711	424.766.204
1.1 Funds in the business account	057	0	450.515.458	450.515.458	0	385.001.199	385.001.199
1.2 Funds in the account of assets covering mathematical provisions	058	62.420.478	0	62.420.478	39.764.493	0	39.764.493
1.3 Cash in hand	059	0	0	0	0	0	0
2 Fixed assets held for sale and termination of business operations							
060	060	0	0	0	0	0	0
3 Other	061	0	512	512	0	512	512
I) PREPAYMENTS AND ACCRUED INCOME (ADP 063 to 065)							
062	062	0	260.751.069	260.751.069	0	250.102.644	250.102.644
1 Deferred interest and rent	063	0	10.000	10.000	0	0	0
2 Deferred acquisition costs	064	0	208.349.670	208.349.670	0	227.650.808	227.650.808
3 Other prepayments and accrued income	065	0	52.391.399	52.391.399	0	22.451.836	22.451.836
J) TOTAL ASSETS (ADP 001+004+008+034+035+043+046+055+062)							
066	066	3.580.064.270	8.020.173.083	11.600.237.353	3.618.992.892	8.681.975.255	12.300.968.147
K) OFF-BALANCE SHEET ITEMS							
067	067	368.537.309	2.681.501.745	3.050.039.054	364.822.710	3.036.123.823	3.400.946.533

STATEMENT OF FINANCIAL POSITION (BALANCE SHEET)

As at: 30.6.2021

in HRK

Item	ADP code	Last day of the preceding business year			At the reporting date of the current period		
		Life	Non-life	Total	Life	Non-life	Total
1	2	3	4	5(3+4)	6	7	8(6+7)
LIABILITIES							
A) CAPITAL AND RESERVES (ADP 069+072+073+077+081+084)	068	453.763.909	3.080.075.801	3.533.839.710	450.284.622	3.369.152.635	3.819.437.257
1 Subscribed capital (ADP 070 to 071)	069	44.288.720	545.037.080	589.325.800	44.288.720	545.037.080	589.325.800
1.1 Paid in capital - ordinary shares	070	44.288.720	545.037.080	589.325.800	44.288.720	545.037.080	589.325.800
1.2 Paid in capital - preference shares	071	0	0	0	0	0	0
2 Premium on shares issued (capital reserves)	072	0	681.482.525	681.482.525	0	681.482.525	681.482.525
3 Revaluation reserves (ADP 074 to 076)	073	144.192.801	326.931.603	471.124.404	128.016.673	423.127.731	551.144.404
3.1 Land and buildings	074	0	49.173.638	49.173.638	0	48.956.436	48.956.436
3.2 Financial assets available for sale	075	144.192.801	277.757.965	421.950.766	128.016.673	374.171.295	502.187.968
3.3 Other revaluation reserves	076	0	0	0	0	0	0
4 Reserves (ADP 078 to 080)	077	85.295.937	316.742.639	402.038.576	85.295.937	316.742.639	402.038.576
4.1 Legal reserves	078	2.214.436	27.864.354	30.078.790	2.214.436	27.864.354	30.078.790
4.2 Statutory reserve	079	7.581.501	139.638.995	147.220.496	7.581.501	139.638.995	147.220.496
4.3 Other reserves	080	75.500.000	149.239.290	224.739.290	75.500.000	149.239.290	224.739.290
5 Retained profit or loss brought forward (ADP 082 + 083)	081	157.219.337	1.003.059.796	1.160.279.133	179.986.450	1.210.146.834	1.390.133.284
5.1 Retained profit	082	157.219.337	1.003.059.796	1.160.279.133	179.986.450	1.210.146.834	1.390.133.284
5.2 Loss brought forward (-)	083	0	0	0	0	0	0
6 Profit or loss for the current accounting period (ADP 085+086)	084	22.767.114	206.822.158	229.589.272	12.696.842	192.615.826	205.312.668
6.1 Profit for the current accounting period	085	22.767.114	206.822.158	229.589.272	12.696.842	192.615.826	205.312.668
6.2 Loss for the current accounting period(-)	086	0	0	0	0	0	0
B) SUBORDINATE LIABILITIES	087	0	0	0	0	0	0
C) MINORITY INTEREST	088	0	0	0	0	0	0
D) TECHNICAL PROVISIONS (ADP 090 to 095)	089	2.654.028.927	3.980.977.359	6.635.006.286	2.683.366.547	4.174.782.468	6.858.149.015
1 Provisions for unearned premiums, gross amount	090	5.022.484	1.143.856.246	1.148.878.730	5.484.089	1.452.360.366	1.457.844.455
2 Mathematical provisions, gross amount	091	2.554.176.172	11.308.894	2.565.485.066	2.594.052.895	8.660.394	2.602.713.289
3 Claims outstanding, gross amount	092	94.830.271	2.810.611.741	2.905.442.012	83.829.563	2.685.260.438	2.769.090.001
4 Provisions for bonuses and rebates, gross amount	093	0	7.213.900	7.213.900	0	18.217.290	18.217.290
5 Equalization provision, gross amount	094	0	7.055.533	7.055.533	0	7.055.533	7.055.533
6 Other technical provisions, gross amount	095	0	931.045	931.045	0	3.228.447	3.228.447
E) SPECIAL PROVISIONS FOR LIFE ASSURANCE WHERE POLICYHOLDERS BEAR THE INVESTMENT RISK, gross amount	096	400.250.132	0	400.250.132	392.019.461	0	392.019.461
F) OTHER PROVISIONS (ADP 098 + 099)	097	2.570.940	87.002.391	89.573.331	4.365.510	88.860.581	93.228.091
1 Provisions for pensions and similar obligations	098	2.570.940	83.967.933	86.538.873	3.956.951	86.259.723	90.216.674
2 Other provisions	099	0	3.034.458	3.034.458	408.559	2.600.858	3.009.417
G) DEFERRED AND CURRENT TAX LIABILITIES (ADP 101 + 102)	100	31.652.078	76.140.059	107.792.137	30.677.839	127.451.570	158.129.409
1 Deferred tax liability	101	31.652.078	71.795.993	103.448.071	28.101.221	92.885.420	120.986.641
2 Current tax liability	102	0	4.344.066	4.344.066	2.576.618	34.566.150	37.142.768
H) DEPOSITS HELD UNDER BUSINESS CEDED	103	0	0	0	0	0	0
I) FINANCIAL LIABILITIES (ADP 105 to 107)	104	1.528.948	282.748.677	284.277.625	1.950.816	336.820.234	338.771.050
1 Loan liabilities	105	0	0	0	0	0	0
2 Liabilities for issued financial instruments	106	0	0	0	0	0	0
3 Other financial liabilities	107	1.528.948	282.748.677	284.277.625	1.950.816	336.820.234	338.771.050
J) OTHER LIABILITIES (ADP 109 to 112)	108	9.389.826	253.803.410	262.993.236	28.682.263	304.215.110	332.897.373
1 Liabilities from direct insurance business	109	3.266.164	76.576.333	79.842.497	2.011.787	86.712.838	88.724.625
2 Liabilities from coinsurance and reinsurance business	110	10.330	90.279.328	90.289.658	21.877	138.571.718	138.593.595
3 Liabilities for disposal and discontinued operations	111	0	0	0	0	0	0
4 Other liabilities	112	6.113.332	86.747.749	92.861.081	26.648.599	78.930.554	105.579.153
K) ACCRUALS AND DEFERRED INCOME (ADP 114+115)	113	26.879.510	259.625.386	286.504.896	27.645.834	280.692.657	308.338.491
1 Deferred reinsurance commission	114	0	0	0	0	15.237.540	15.237.540
2 Other accruals and deferred income	115	26.879.510	259.625.386	286.504.896	27.645.834	265.455.117	293.100.951
J) TOTAL LIABILITIES (ADP 068+087+088+089+096+097+100+103+104+108+113)	116	3.580.064.270	8.020.173.083	11.600.237.353	3.618.992.892	8.681.975.255	12.300.968.147
M) OFF-BALANCE SHEET ITEMS	117	368.537.309	2.681.501.745	3.050.039.054	364.822.710	3.036.123.823	3.400.946.533

STATEMENT OF CHANGES IN EQUITY

For the period: 1.1.2021 - 30.6.2021

in HRK

Item	ADP code	Attributable to owners of the parent						Total capital and reserves (3 to 8)	Attributable to non-controlling interest	Total capital and reserves (3+10)
		Paid in capital (ordinary and preference shares)	Premium on shares issued	Revaluation reserves	Reserves (legal, statutory, other)	Retained profit or loss brought forward	Profits/loss for the year			
1	2	3	4	5	6	7	8	9	10	11
I Balance on the first day of the previous business year	1	589 325 800	681 482 525	516 655 694	402 038 576	865 830 400	293 130 713	3 348 463 708	0	3 348 463 708
Change in accounting policies	2	0	0	0	0	0	0	0	0	0
Correction of errors from prior periods	3	0	0	0	0	0	0	0	0	0
II Balance on the first day of the previous business year (restated)	4	589 325 800	681 482 525	516 655 694	402 038 576	865 830 400	293 130 713	3 348 463 708	0	3 348 463 708
III Comprehensive income or loss for the same period of the previous year (ADP 006 + ADP 007)	5	0	0	-44 450 514	0	0	229 589 272	185 138 758	0	185 138 758
Profit or loss for the period	6	0	0	0	0	0	229 589 272	229 589 272	0	229 589 272
2 Other comprehensive income or loss for the same period of the previous year (ADP 008 to ADP 11)	7	0	0	-44 450 514	0	0	0	-44 450 514	0	-44 450 514
Unrealised gains or losses on tangible assets (land and buildings)	8	0	0	-216 511	0	0	0	-216 511	0	-216 511
Unrealised gains or losses on financial assets available for sale	9	0	0	7 374 940	0	0	0	7 374 940	0	7 374 940
Realised gains or losses on financial assets available for sale	10	0	0	-51 501 622	0	0	0	-51 501 622	0	-51 501 622
Other changes in equity unrelated to owners	11	0	0	-107 321	0	0	0	-107 321	0	-107 321
IV Transactions with owners (previous period)	12	0	0	-1 080 776	0	294 448 733	-293 130 713	237 244	0	237 244
Increase/decrease in subscribed capital	13	0	0	0	0	0	0	0	0	0
Other contributions by owners	14	0	0	0	0	0	0	0	0	0
Payment of share in profit/dividend	15	0	0	0	0	0	0	0	0	0
Other distribution to owners	16	0	0	-1 080 776	0	294 448 733	-293 130 713	237 244	0	237 244
V Balance on the last day of the previous business year reporting period	17	589 325 800	681 482 525	471 124 404	402 038 576	1 160 279 133	229 589 272	3 533 839 710	0	3 533 839 710
VI Balance on the first day of the current business year	18	589 325 800	681 482 525	471 124 404	402 038 576	1 160 279 133	229 589 272	3 533 839 710	0	3 533 839 710
Change in accounting policies	19	0	0	0	0	0	0	0	0	0
Correction of errors from prior periods	20	0	0	0	0	0	0	0	0	0
VII Balance on the first day of the current business year (restated)	21	589 325 800	681 482 525	471 124 404	402 038 576	1 160 279 133	229 589 272	3 533 839 710	0	3 533 839 710
VIII Comprehensive income or loss for the year	22	0	0	80 237 203	0	0	205 312 668	285 549 871	0	285 549 871
Profit or loss for the period	23	0	0	0	0	0	205 312 668	205 312 668	0	205 312 668
Other comprehensive income or loss for the year	24	0	0	80 237 203	0	0	0	80 237 203	0	80 237 203
Unrealised gains or losses on tangible assets (land and buildings)	25	0	0	0	0	0	0	0	0	0
Unrealised gains or losses on financial assets available for sale	26	0	0	102 386 642	0	0	0	102 386 642	0	102 386 642
Realised gains or losses on financial assets available for sale	27	0	0	-22 271 512	0	0	0	-22 271 512	0	-22 271 512
Other changes in equity unrelated to owners	28	0	0	122 073	0	0	0	122 073	0	122 073
Transactions with owners (current period)	29	0	0	-217 203	0	229 854 151	-229 589 272	47 676	0	47 676
Increase/decrease in subscribed capital	30	0	0	0	0	0	0	0	0	0
Other contributions by owners	31	0	0	0	0	0	0	0	0	0
Payment of share in profit/dividend	32	0	0	0	0	0	0	0	0	0
Other transactions with owners	33	0	0	-217 203	0	229 854 151	-229 589 272	47 676	0	47 676
Balance on the last day of the current year reporting period	34	589 325 800	681 482 525	551 144 404	402 038 576	1 390 133 284	205 312 668	3 819 437 257	0	3 819 437 257

STATEMENT OF CASH FLOWS – indirect method

For the period: 1.1.2021 - 30.6.2021

in HRK

Item	ADP code	Same period of the previous year	Current business period
1	2	3	4
I Cash flow from operating activities (ADP 002+013+031)	001	250.513.420	-122.200.625
1 Cash flow before changes in operating assets and liabilities (ADP 003+004)	002	159.315.046	101.019.374
1.1 Profit/loss before tax	003	182.857.225	238.898.005
1.2 Adjustments: (ADP 005 to 012)	004	-23.542.179	-137.878.631
1.2.1 Depreciation of property and equipment	005	19.953.759	16.381.871
1.2.2 Amortization of intangible assets	006	9.359.381	11.566.299
1.2.3 Impairment and gains/losses on fair valuation	007	35.803.023	-32.202.143
1.2.4 Interest expenses	008	4.784.712	4.689.322
1.2.5 Interest income	009	-93.675.827	-85.962.875
1.2.6 Share in profit of associates	010	0	0
1.2.7 Profit/loss from the sale of tangible assets (including land and buildings)	011	513.806	-298.896
1.2.8 Other adjustments	012	-281.033	-52.052.209
2 Increase/decrease in operating assets and liabilities (ADP 014 to 030)	013	120.585.802	-201.231.901
2.1 Increase/decrease in financial assets available for sale	014	14.299.979	-414.501.952
2.2 Increase/decrease in financial assets at fair value through statement of profit or loss	015	-4.587.648	7.286.616
2.3 Increase/decrease in loans and receivables	016	-9.304.683	171.658.369
2.4 Increase/decrease in deposits with cedants	017	0	0
2.5 Increase/decrease in investments for the account of life assurance policyholders who bear the investment risk	018	11.039.640	8.230.671
2.6 Increase/decrease in reinsurance amount in technical provisions	019	-138.262.483	-1.105.346
2.7 Increase/decrease in tax assets	020	-21.049.450	-21.892.986
2.8 Increase/decrease in receivables	021	-215.908.745	-335.311.848
2.9 Increase/decrease in other assets	022	0	0
2.10 Increase/decrease in prepayments and accrued income	023	-18.180.426	10.648.425
2.11 Increase/decrease in technical provisions	024	400.776.072	223.142.728
2.12 Increase/decrease in special provisions for life assurance where policyholders bear the investment risk	025	-11.039.640	-8.230.671
2.13 Increase/decrease in tax liabilities	026	20.021.692	21.201.464
2.14 Increase/decrease in deposits held under reinsurance business ceded	027	0	0
2.15 Increase/decrease in financial liabilities	028	94.910.684	42.252.101
2.16 Increase/decrease in other liabilities	029	632.004	73.556.934
2.17 Increase/decrease in accruals and deferred income	030	-2.761.194	21.833.594
3 Income tax paid	031	-29.387.428	-21.988.098
II CASH FLOW FROM INVESTING ACTIVITIES (ADP 033 to 046)	032	170.645.466	19.829.647
1 Cash receipts from the sale of tangible assets	033	58.715	31.754
2 Cash payments for the purchase of tangible assets	034	-1.669.042	-7.800.079
3 Cash receipts from the sale of intangible assets	035	0	0
4 Cash payments for the purchase of intangible assets	036	-24.812.622	-33.771.037
5 Cash receipts from the sale of land and buildings not occupied by an undertaking for its own	037	80.056.554	4.313.270
6 Cash payments for the purchase of land and buildings not occupied by an undertaking for its own	038	-23.330.012	-2.118.915
7 Increase/decrease of investments in branches, associates and joint ventures.	039	-97.029.427	-1.465.985
8 Cash receipts from financial assets held to maturity	040	338.535.966	38.832.527
9 Cash payments for financial assets held to maturity	041	-102.751.198	-52.602.801
10 Cash receipts from the sale of financial instruments	042	0	0
11 Cash payments for investments in financial instruments	043	0	0
12 Cash receipts from dividends and share in profit	044	1.517.980	29.786.661
13 Cash receipts from repayments of short-term and long-term loans given	045	36.298.540	57.359.392
14 Cash payments for short-term and long-term loans	046	-36.229.988	-12.735.140
III CASH FLOW FROM FINANCING ACTIVITIES (ADP 048 to 052)	047	-9.654.001	-10.176.723
1 Cash receipts resulting from the increase of initial capital	048	0	0
2 Cash receipts from short-term and long-term loans received	049	0	0
3 Cash payments for the repayment of short-term and long-term loans received	050	-9.654.001	-10.176.723
4 Cash payments for the redemption of treasury shares	051	0	0
5 Cash payments of share in profit (dividend)	052	0	0
NET CASH FLOW (ADP 001 + 032 + 047)	053	411.504.885	-112.547.701
IV EFFECT OF EXCHANGE RATE FLUCTUATIONS ON CASH AND CASH EQUIVALENTS	054	-56.569.788	24.377.457
V NET INCREASE/DECREASE IN CASH AND CASH EQUIVALENTS (053+054)	055	354.935.097	-88.170.244
Cash and cash equivalents at the beginning of period	056	125.320.335	512.936.448
Cash and cash equivalents at the end of period (ADP 055 + 056)	057	480.255.432	424.766.204

II. HALF-YEAR MANAGEMENT REPORT

CROATIA osiguranje d.d. is still the leading company on the market of the Republic of CROATIA with a total market share of 28 percent.

In the period observed, CROATIA osiguranje d.d. reported profit before tax in the amount of HRK 238.9m and profit after tax in the amount of HRK 205.3m which represents an increase of 30.6 percent and 36.6 percent, respectively, compared to the same period of the previous year.

Earned premium, which represents 83.3 percent of total revenues, amounted to HRK 1,322.8m and increased by 9.7 percent compared to the same period of the previous year. Total gross written premium increased by 7.9 percent and amounted to HRK 1,734.4m. Gross written premium of non-life insurance amounted to HRK 1,455.8m and increased by 5.5 percent compared to the same period of the previous year. Gross written premium of the life insurance amounted to HRK 278.6m representing an increase of 22.2 percent.

Investments recorded income in the amount of HRK 232m, representing a decrease of 7.9 percent compared to the same period of the previous year. Income from investments represents 14.6 percent of total revenues. Expenses from investments amounted to HRK 53.1m, representing a decrease of 35.3 percent compared to the same period of the previous year. Expenses from investments represent 3.9 percent of total expenses.

Net claims incurred represent 56.9 percent of total expenses and amounted to HRK 767.1m, representing a decrease of 11.3 percent compared to the same period of the previous year, while claims settled amounted to HRK 826m, representing an increase of 2.6 percent compared to the same period of the previous year primarily due to a number of natural disasters in Republic of Croatia.

Acquisition and administration expenses amounted to HRK 459.1m, increasing by 15.2 percent compared to the same period of the previous year.

Total assets of the Company as at 30 June 2021 amounted to HRK 12.3 billion, which represents an increase of 6 percent compared to 31 December 2020.

Technical reserves as at 30 June 2021 amounted to HRK 6.9 billion, representing an increase of 3.4 percent compared to 31 December 2020.

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

Key performance indicators	30 June 2020	30 June 2021	Change in percentage points (p.p.)
Claims ratio (non-life) *	55.2%	51.8%	-3.4%
Cost ratio (non-life) **	37.4%	41.4%	4.0%
Combined ratio (non-life)	92.6%	93.2%	0.6%

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

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

The combined ratio represents the sum of the claims ratio and the cost ratio and is the most important indicator of operational success in the non-life insurance segment. It is usually expressed as a percentage and a ratio below 100% means that the insurance result is profitable, and above 100% that it is not profitable. The combined ratio amounted to 93.2 percent for the observed period, which is 0.6 percentage points higher compared to the same period of 2020.

Unaudited unconsolidated financial statements for the first half-year of the 2021 will be available on the web sites of CROATIA osiguranje d.d., Zagreb Stock Exchange and Officially appointed mechanism for the central storage of regulated information.

Significant business events in the reporting period

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

Regarding the impact of COVID-19 on operations, due to the further course of the COVID-19 pandemic, the Company continues to closely monitor the situation and possible impacts on operations, with no significant negative impacts on the Company's operations, as evidenced by the high of the Company's solvency ratio of 268% as of 31 December 2020.

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

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

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

Significant events after the end of the reporting date

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

Company branch

As at 30 June 2021 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

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

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

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

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

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

In the forthcoming period, the goal is to continue the best practice of transferring operational excellence from the parent to subsidiaries in the region. New sources of growth in the future are combinations of organic and acquisition activities. New acquisitions are aimed at strengthening the insurance business and further development of healthcare offering in addition to using the synergies arising from the insurance offer.

Research and development activities

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

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

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

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

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

Description of the most significant risks and uncertainties

In relation to the most significant risks and uncertainties which were described in the audited financial statements for the year 2020, in the period observed there were no significant changes in relation to the risks to which the Company is exposed in the course of its business, except as described in the note *Significant business events in the reporting period*.

Zagreb, 29 July 2021


Member of the Management Board
Robert Vučković




President of the Management Board
Davor Tomašković

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

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 also performs the following activities, which are directly or indirectly related to insurance business, as follows:

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

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

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

The average number of employees of the Company during the current period is 2,282.

Supervisory Board and Management Board

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

Members of the Supervisory Board are:

Roberto Škopac	President
Željko Lovrinčević, PhD	Vice President
Vitomir Palinec	Member
Hrvoje Patajac	Member
Vlasta Pavličević	Member

Members of the Management Board are:

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

Basis of preparation of financial statements

Financial statements are prepared in accordance with the Company's Act (Official Gazette 65/18, 17/20), International Accounting Standard 34 – *Interim Financial Reporting*, the Rules of Zagreb Stock Exchange and the Ordinance on the 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 2020. 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 2020, for the purpose of understanding the information published in the notes to the financial statements prepared for the half-year of 2021, is available on the company's official website, the official website of the Zagreb Stock Exchange and the Croatian Financial Services Supervisory Agency's Official Register.

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

Financial statements at the end of the half-year of the 2021 have not been audited.

Presentation currency

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

Use of estimates and judgements

Preparation of financial statements in conformity with IFRS requires the Management Board to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, and information available at the date of preparation of financial statements, the results of which form the basis of making the judgements about carrying value of assets and liabilities that are

not readily apparent from other sources. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Changes of accounting estimates are recognised from the period in which an estimate is revised and in future periods, if the change also affects them.

Accounting policies

Accounting policies and measurement methods which are used in the preparation of financial statements for the reporting period are the same as those which are used for preparation of the audited financial statements for the year 2020.

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. However, in the first part of the year, gross written premium and receivables for written premiums are higher than in the rest of the year due to dynamics of conclusion of insurance contracts.

Segment reporting

The Company's reporting segments comprise the life insurance segment and the non-life insurance segment. The description of segments as well as allocation of costs between segment of life insurance and non-life insurance, capital and reserves and assets described in the annual financial statements for 2020, 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 2021			31 December 2020		
	Net book value	Fair value	Difference	Net book value	Fair value	Difference
	in HRK	in HRK	in HRK	in HRK	in HRK	in HRK
Debt securities	2,123,318,630	2,349,002,314	225,683,684	2,082,334,573	2,339,164,612	256,830,039
Loans	486,144,930	500,077,305	13,932,375	510,903,668	525,898,879	14,995,211
Deposits	335,657,066	336,994,866	1,337,800	508,031,241	509,434,854	1,403,613
	2,945,120,626	3,186,074,485	240,953,859	3,101,269,482	3,374,498,345	273,228,863

Methods of assessment or assumptions in determining fair value

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

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

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

The Company's assets measured at fair value as at 30 June 2021 are presented as follows:

	Level 1 in HRK	Level 2 in HRK	Level 3 in HRK	Total in HRK
<i>Property for own use</i>	-	-	196,826,531	196,826,531
<i>Investment property</i>	-	-	518,377,870	518,377,870
Equity securities	663,265,672	-	94,165,789	757,431,461
Debt securities	2,433,313,572	1,559,963,686	1,913,339	3,995,190,597
Investment funds	161,545,068	157,751,365	130,975	319,427,408
<i>Available-for-sale financial assets</i>	3,258,124,312	1,717,715,051	96,210,103	5,072,049,466
Equity securities	22,055,554	-	-	22,055,554
Debt securities	-	-	-	-
Investment funds	392,019,461	-	-	392,019,461
Foreign currency forward contracts	-	13,319,550	-	13,319,550
<i>Financial assets at fair value through profit or loss</i>	414,075,015	13,319,550	-	427,394,565
Total assets at fair value	3,672,199,327	1,731,034,601	811,414,504	6,214,648,432

The Company's assets measured at fair value as at 31 December 2020 are presented as follows:

	Level 1 in HRK	Level 2 in HRK	Level 3 in HRK	Total in HRK
<i>Property for own use</i>	-	-	264,388,018	264,388,018
<i>Investment property</i>	-	-	456,652,567	456,652,567
Equity securities	505,893,358	-	30,240,680	536,134,038
Debt securities	3,028,770,077	777,054,585	2,129,674	3,807,954,336
Investment funds	60,338,215	128,706,694	3,028,976	192,073,885
<i>Available-for-sale financial assets</i>	3,595,001,650	905,761,279	35,399,330	4,536,162,259
Equity securities	17,187,511	-	-	17,187,511
Debt securities	-	-	-	-
Investment funds	400,250,132	-	-	400,250,132
Foreign currency forward contracts	-	4,115,217	-	4,115,217
<i>Financial assets at fair value through profit or loss</i>	417,437,643	4,115,217	-	421,552,860
Total assets at fair value	4,012,439,293	909,876,496	756,439,915	5,678,755,704

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

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

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

The fair values of cash and cash equivalents and insurance receivables and other receivables do not differ significantly from their carrying amounts due to the short-term nature of these financial instruments. Fair value is determined based on Level 2 inputs for cash and cash equivalents and based on Level 3 inputs for insurance receivables and other receivable.

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

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

The fair value of investment property is derived primarily by applying a sales comparison and income approach, and sometimes lacking information on market parameters by applying the cost method, depending on a particular property.

The fair value of the property for own use was carried out primarily by applying the income method.

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

Information on measurements of the fair value of investment property using significant inputs that are not available on the market (Level 3) is published in the financial statements for 2020.

Intangible assets

In the period observed, intangible assets increased by HRK 25.7m, primarily due to additional investments in the new Core IT system. The Company capitalized the costs of net salaries in the amount of HRK 3.9m, the costs of contributions from salaries in the amount of HRK 1.1m, the costs of taxes and surcharges from salaries in the amount of HRK 0.8m, the costs of contributions to salaries in the amount of HRK 0.9m and other employee costs in the amount of HRK 0.3m.

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

In the period observed Company's investments in land and buildings not occupied by an undertaking for its own activities have increased in the amount of HRK 61.7 m which is mostly due to reclassification of assets from the position of Land and buildings occupied by an undertaking for its own activities to the mentioned position due to a change in the purpose of specific property.

Financial assets and financial liabilities

The Company's structure of financial assets as at 30 June 2021 and 31 December 2020 was as follows:

	30 June 2021				
	Held-to- maturity investments	Available- for-sale financial assets	Financial assets at fair value through profit or loss - for trading	Loans and receivables	Total
	in HRK	in HRK	in HRK	in HRK	in HRK
Shares					
Shares, listed	-	756,079,097	22,055,554	-	778,134,651
Shares, not listed	-	1,352,364	-	-	1,352,364
	-	757,431,461	22,055,554	-	779,487,015
Debt securities					
Government bonds	2,079,362,106	3,746,052,907	-	-	5,825,415,013
Corporate bonds	43,956,524	249,137,690	-	-	293,094,214
	2,123,318,630	3,995,190,597	-	-	6,118,509,227
Derivative financial instruments					
Foreign currency forward contracts	-	-	13,319,550	-	13,319,550
	-	-	13,319,550	-	13,319,550
Investment funds					
Open-ended investment funds	-	319,427,408	-	-	319,427,408
Open-ended investment funds - assets for coverage of unit-linked products	-	-	392,019,461	-	392,019,461
	-	319,427,408	392,019,461	-	711,446,869
Loans and receivables					
Deposits with credit institutions	-	-	-	335,657,066	335,657,066
Loans	-	-	-	486,144,930	486,144,930
	-	-	-	821,801,996	821,801,996
	2,123,318,630	5,072,049,466	427,394,565	821,801,996	8,444,564,657

31 December
2020

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

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

	30 June 2021	31 December 2020
	in HRK	in HRK
Lease liabilities	271,363,303	261,999,244
Liabilities for repo transactions	24,852,612	-
Derivative financial instruments	2,537,192	7,425,656
Preference shares	12,250,000	12,250,000
Other financial liabilities	27,767,943	2,602,725
	338,771,050	284,277,625

Share capital and shares

The Company's share capital with a nominal value of 601,575,800 as at 30 June 2021 is divided among 429,697 shares with a nominal value of HRK 1,400, The shares are marked as follows:

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

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

Liabilities

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

	30 June 2021			Total
	No later than 1 year	1-5 years	More than 5 years	
Other provisions	15,970,117	56,373,379	20,882,595	93,226,091
Financial liabilities	69,045,243	53,337,438	216,388,369	338,771,050
Liabilities arising from insurance contracts, other liabilities and deferred income	598,428,397	28,157,482	14,649,985	641,235,864
Total	683,443,757	137,868,299	251,920,949	1,073,233,005
	31 December 2020			Total
	No later than 1 year	1-5 years	More than 5 years	
Other provisions	8,993,146	59,672,549	20,907,636	89,573,331
Financial liabilities	16,398,657	52,902,823	214,976,145	284,277,625
Liabilities arising from insurance contracts, other liabilities and deferred income	507,654,960	29,519,175	12,323,997	549,498,132
Total	533,046,763	142,094,547	248,207,778	923,349,088

Deferred taxes

The company has recognized deferred tax assets and liabilities as at 30 June 2021. There were no significant changes in deferred tax assets compared to 31 December 2020 while the movement of deferred tax liability is shown in the note below:

	Land and buildings occupied by an undertaking for its own activities	Financial assets available for sale	Total
	in HRK	in HRK	in HRK
1 January 2021	10,794,213	92,653,858	103,448,071
Utilization through retained earnings	(47,678)	-	(47,678)
Change in fair value of available-for-sale investments through other comprehensive income	-	17,586,248	17,586,248
30 June 2021	10,746,535	110,240,106	120,986,641

Commitments

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

MANAGEMENT BOARD STATEMENT

Pursuant to article 20 of the Articles of Association of the Company from 26 February 2020 and article 465 of the Capital Market Law (Official Gazette 65/18, 17/20), the Management Board provides this

STATEMENT

That to the best of our knowledge:

- the set of half-year unaudited unconsolidated financial statements of the issuer for the period 1 January – 30 June 2021 prepared by using applicable financial reporting standards, gives a true and fair view of assets and liabilities, the financial position 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, 29 July 2021

Member of the Management Board

Robert Vučković

President of the Management Board

Davor Tomašković

