



**CROATIA<sup>®</sup>  
OSIGURANJE**

CROATIA osiguranje d.d.  
Vatroslava Jagića 33, 10 000 Zagreb  
[www.crosig.hr](http://www.crosig.hr)

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

Zagreb, February 2021

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# I. UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

Annex 1		
ISSUER'S GENERAL DATA		
Reporting period:	1.1.2020	to 31.12.2020
Year:	2020	
Quarter:	4	
Quarterly financial statements		
Registration number (MB):	03276147	Issuer's home Member State code: HR
Entity's registration number (MBS):	080051022	
Personal identification number (OIB):	26187994862	LEI: 7478000M0GHQ1VXJU20
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):	3413	
Consolidated report:	KD	(KN-not consolidated/KD-consolidated)
Audited:	RN	(RN-not audited/RD-audited)
Names of subsidiaries (according to IFRS):	Registered office:	MB:
CROATIA PREMIUM d.o.o.	ZAGREB	01885880
HISTRIA CONSTRUCT d.o.o.	ZAGREB	02066378
CORE 1 d.o.o.	ZAGREB	04570243
AUTO MAKSIMIR VOZILA d.o.o.	ZAGREB	01804812
AK POLICA d.o.o.	ZAGREB	02258960
CROATIA OSIGURANJE DD	MOSTAR	20097647
MILENJUM OSIGURANJE A.D.	BEOGRAD	7810318
CROATIA OSIGURANJE A.D. - ZA ŽIVOTNA OSIG.	SKOPJE	05920922
CROATIA OSIGURANJE A.D. - ZA NEŽIVOTNA OSIG.	SKOPJE	06479570
CROATIA OSIGURANJE MIROVINSKO DRUŠTVO D.O.O.	ZAGREB	01731742
RAZNE USLUGE D.O.O. - U LIKVIDACIJI	ZAGREB	01892037
CROATIA - TEHNIČKI PREGLEDI D.O.O.	ZAGREB	01450930
PBZ CROATIA OSIGURANJE DD	ZAGREB	01583999
GO ZDRAVLJE D.O.O.	ZAGREB	04837550
STRMEC PROJEKT d.o.o.	ZAGREB	02586649
AGROSERVIS STP d.o.o.	VIROVITICA	01233033
ASTORIA d.o.o.	ZAGREB	80339352
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:	zjavatelji@crosig.hr	
Audit firm:	(name of the audit firm)	
Certified auditor:	(name and surname)	

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

in HRK

Item	ADP code	Same period of the previous year			Current year		
		Life	Non-life	Total	Life	Non-life	Total
1	2	3	4	5(3+4)	6	7	8(6+7)
<b>I Earned premiums (ADP 119 to 123)</b>	<b>118</b>	645.113.174	2.357.542.519	3.002.655.693	550.593.781	2.428.943.426	2.979.537.207
1 Gross written premium	119	645.821.466	2.659.153.749	3.304.975.215	551.053.061	2.689.177.414	3.240.230.475
2 Value adjustment and charged premium value adjustment	120	0	-1.816.753	-1.816.753	0	-2.832.769	-2.832.769
3 Outward reinsurance premiums (-)	121	-195.724	-273.529.164	-273.724.888	-334.900	-277.525.967	-277.860.867
4 Change of gross provisions for unearned premiums (+/-)	122	-536.305	-10.531.954	-11.068.259	-177.798	3.944.452	3.766.654
5 Change of provisions for unearned premiums, reinsurers' share (+/-)	123	23.737	-15.733.359	-15.709.622	53.418	16.180.296	16.233.714
<b>II Income from investments (ADP 125 to 131)</b>	<b>124</b>	148.493.960	375.471.435	523.965.395	161.665.763	326.039.789	487.705.552
1 Income from branches, associates and joint ventures.	125	1.229.923	36.307.864	37.537.787	2.103.298	17.645.743	19.749.041
2 Income from investment in land and buildings	126	118.209	122.590.004	122.708.213	73.948	110.762.708	110.836.656
3 Interest income	127	121.579.598	107.960.928	229.540.526	105.700.578	89.883.190	195.583.768
4 Unrealised gains on investments	128	1.088.812	7.777.884	8.866.696	2.009.774	3.920.526	5.930.300
5 Realised gains on investments	129	15.291.944	45.629.700	60.921.644	20.138.618	69.738.961	89.877.579
6 Net positive exchange rate differences	130	8.725.227	4.669.020	13.394.247	31.170.680	6.835.220	38.005.900
7 Other income from investments	131	460.247	50.536.035	50.996.282	468.867	27.253.441	27.722.308
<b>III Income from commissions and fees</b>	<b>132</b>	2.154.864	35.390.442	37.545.306	2.100.261	41.067.267	43.167.528
<b>IV Other insurance-technical income, net amount from reinsurance</b>	<b>133</b>	219.029	36.652.458	36.871.487	441.577	44.648.093	45.089.670
<b>V Other income</b>	<b>134</b>	106.224	126.277.090	126.383.314	623.748	123.644.686	124.268.434
<b>VI Claims incurred, net (ADP 136 + 139)</b>	<b>135</b>	-404.930.653	-1.286.537.680	-1.691.468.333	-536.993.740	-1.383.264.676	-1.920.258.416
1 Claims settled (ADP 137+138)	136	-410.298.893	-1.300.487.652	-1.710.786.545	-501.729.864	-1.336.935.303	-1.838.665.167
1.1 Gross amount (-)	137	-410.298.893	-1.422.805.316	-1.833.104.209	-501.858.465	-1.444.613.813	-1.946.472.278
1.2 Reinsurers' share (+)	138	0	122.317.664	122.317.664	128.601	107.678.510	107.807.111
2 Change in the provision for claims (+/-) (ADP 140+141)	139	5.368.240	13.949.972	19.318.212	-35.263.876	-46.329.373	-81.593.249
2.1 Gross amount	140	5.368.240	6.288.634	11.656.874	-35.263.876	-291.817.132	-327.081.008
2.3 Reinsurers' share	141	0	7.661.338	7.661.338	0	245.487.759	245.487.759
<b>VII Change in mathematical provision and other technical provisions, net of reinsurance (ADP 143+146)</b>	<b>142</b>	-229.184.315	18.540.852	-210.643.463	-69.385.592	23.300.703	-46.084.889
1 Change in mathematical provisions (+/-) (ADP 144+145)	143	-229.184.315	11.342.252	-217.842.063	-69.385.592	6.599.519	-62.786.073
1.1 Gross amount (-)	144	-229.194.586	11.342.252	-217.852.334	-69.375.825	6.599.519	-62.776.306
1.2 Reinsurers' share (+)	145	10.271	0	10.271	-9.767	0	-9.767
2 Change in other technical provisions, net of reinsurance (+/-) (ADP 147+148)	146	0	7.198.600	7.198.600	0	16.701.184	16.701.184
2.1 Gross amount (-)	147	0	7.198.600	7.198.600	0	16.701.184	16.701.184
2.2 Reinsurers' share (+)	148	0	0	0	0	0	0
<b>VIII Change of special provision for life assurance where policyholders bear the investment risk, net of reinsurance (+/-) (ADP 150+151)</b>	<b>149</b>	8.859.975	0	8.859.975	38.124.519	0	38.124.519
1 Gross amount (-)	150	8.859.975	0	8.859.975	38.124.519	0	38.124.519
3 Reinsurers' share (+)	151	0	0	0	0	0	0
<b>IX Cash payments for bonuses and rebates, net of reinsurance (ADP 153+154)</b>	<b>152</b>	0	-11.186.693	-11.186.693	0	-8.421.708	-8.421.708
1 Performance-dependent (bonuses)	153	0	-8.119.251	-8.119.251	0	-5.277.788	-5.277.788
2 Performance-independent (rebates)	154	0	-3.067.442	-3.067.442	0	-3.143.920	-3.143.920

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

in HRK

Item	ADP code	Same period of the previous year			Current year		Total
		Life	Non-life	Total	Life	Non-life	
1	2	3	4	5(3+4)	6	7	8(6+7)
<b>X Operating expenses (business expenditures), net (ADP 156+160)</b>	<b>155</b>	-117.613.900	-1.089.532.718	-1.207.146.618	-85.059.638	-1.070.602.948	-1.155.662.586
1 Acquisition costs (ADP 157 to 159)	156	-62.329.869	-558.418.527	-620.748.396	-41.583.462	-536.132.467	-577.715.929
1.1 Commission	157	-31.100.648	-296.122.090	-327.222.738	-14.965.878	-266.672.201	-281.638.079
1.2 Other acquisition costs	158	-31.229.221	-242.427.261	-273.656.482	-26.617.584	-247.302.551	-273.920.135
1.3 Change in deferred acquisition costs	159	0	-19.869.176	-19.869.176	0	-22.157.715	-22.157.715
2 Administration expenses (administrative costs) (ADP 161 to 163)	160	-55.284.031	-531.114.191	-586.398.222	-43.476.176	-534.470.481	-577.946.657
2.1 Depreciation	161	-4.915.380	-73.255.859	-78.171.239	-4.530.040	-77.452.048	-81.982.088
2.2 Salaries, taxes and contributions from/on salaries	162	-21.543.631	-192.985.575	-214.529.206	-17.667.821	-191.017.335	-208.685.156
2.3 Other administration expenses	163	-28.825.020	-264.872.757	-293.697.777	-21.278.315	-266.001.098	-287.279.413
<b>XI Investment expenses (ADP 165 to 171)</b>	<b>164</b>	-5.283.299	-127.037.705	-132.321.004	-18.673.547	-108.422.268	-127.095.815
1 Depreciation of land and buildings not occupied by an undertaking for its own activities	165	0	0	0	0	0	0
2 Interest	166	-1.497.672	-10.208.393	-11.706.065	-1.436.726	-10.707.963	-12.144.689
3 Impairment of investments	167	0	-6.207.261	-6.207.261	-1.159.548	-6.280.048	-7.439.596
4 Realised loss on investments	168	-864.282	-16.181.820	-17.046.102	-9.667.064	-24.903.404	-34.570.468
5 Unrealised loss on investments	169	-333.394	-5.386.094	-5.719.488	-3.442.073	-8.693.886	-12.135.959
6 Net negative exchange rate differences	170	0	0	0	0	0	0
7 Other investment expenses	171	-2.587.951	-89.054.137	-91.642.088	-2.968.136	-57.836.967	-60.805.103
<b>XII Other technical expenses, net of reinsurance (ADP 173+174)</b>	<b>172</b>	-1.005.705	-59.000.492	-60.006.197	-1.482.507	-60.622.778	-62.105.285
1 Expenses of preventive activities	173	0	-960.874	-960.874	0	-1.342.950	-1.342.950
2 Other technical expenses of insurance	174	-1.005.705	-58.039.618	-59.045.323	-1.482.507	-59.279.828	-60.762.335
<b>XIII Other activities, including value adjustments</b>	<b>175</b>	-989	-11.874.464	-11.875.453	-15.422	-6.660.003	-6.675.425
<b>XIV Profit or loss for the accounting period before tax (+/-) (ADP 118+124+132 to 135+142+149+152+155+164+172+175)</b>	<b>176</b>	46.928.365	364.705.044	411.633.409	41.939.203	349.649.583	391.588.786
<b>XV Profit or loss tax (ADP 178+179)</b>	<b>177</b>	-9.530.319	-62.363.599	-71.893.918	-6.431.326	-56.956.605	-63.387.931
1 Current tax expense	178	-9.446.469	-50.445.094	-59.891.563	-6.180.005	-56.390.321	-62.570.326
2 Deferred tax expense (income)	179	-83.850	-11.918.505	-12.002.355	-251.321	-566.284	-817.605
<b>XVI Profit or loss for the accounting period after tax (+/-) (ADP 176+177)</b>	<b>180</b>	37.398.046	302.341.445	339.739.491	35.507.877	292.692.978	328.200.855
1 Attributable to owners of the parent	181	37.864.623	301.527.506	339.392.129	35.399.544	292.502.525	327.902.069
2 Attributable to non-controlling interest	182	-466.577	813.939	347.362	108.333	190.453	298.786
<b>XVII TOTAL INCOME (ADP 118+124+132+133+134+179)</b>	<b>183</b>	796.003.401	2.919.415.439	3.715.418.840	715.173.809	2.963.776.977	3.678.950.786
<b>XVIII TOTAL EXPENSES (ADP 135+142+149+152+155+164+172+175+178)</b>	<b>184</b>	-758.605.355	-2.617.073.994	-3.375.679.349	-679.665.932	-2.671.083.999	-3.350.749.931
<b>IX Other comprehensive income (ADP 186 to 193)</b>	<b>185</b>	85.280.343	185.551.146	270.831.489	5.335.699	-44.310.267	-38.974.568
1 Gains/losses arising from translation of financial statements relating to foreign operations	186	388.887	769.314	1.158.201	980.379	2.067.723	3.048.102
2 Gains/losses arising from the revaluation of financial assets available for sale	187	103.105.740	200.907.706	304.013.446	4.427.101	-49.754.967	-45.327.866
3 Gains/losses arising from the revaluation of land and buildings occupied by an undertaking for its own activities	188	0	23.762.189	23.762.189	0	-6.360.768	-6.360.768
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	-18.214.284	-39.888.063	-58.102.347	-71.781	9.737.745	9.665.964
<b>XX Total comprehensive income (ADP 180 +185)</b>	<b>194</b>	122.678.389	487.892.591	610.570.980	40.843.576	248.382.711	289.226.287
1 Attributable to owners of the parent	195	123.143.177	486.978.576	610.121.753	40.727.515	248.203.385	288.930.900
2 Attributable to non-controlling interests	196	-464.788	914.015	449.227	116.061	179.326	295.387
<b>XXI Reclassification adjustments</b>	<b>197</b>	0	0	0	0	0	0



# CONSOLIDATED STATEMENT OF FINANCIAL POSITION (BALANCE SHEET)

As at: 31.12.2020

in HRK

Item	ADP code	Last day of the preceding business year			At the reporting date of the current period		
		Life	Non-life	Total	Life	Non-life	Total
1	2	3	4	5(3+4)	6	7	8(6+7)
<b>ASSETS</b>							
<b>A) INTANGIBLE ASSETS (ADP 002 +003)</b>	<b>001</b>	407.778	48.318.959	48.726.737	400.575	107.472.364	107.872.939
1 Goodwill	002	0	0	0	0	0	0
2 Other intangible assets	003	407.778	48.318.959	48.726.737	400.575	107.472.364	107.872.939
<b>B) TANGIBLE ASSETS (ADP 005 to 007)</b>	<b>004</b>	21.127.013	888.164.071	909.291.084	19.988.408	856.977.245	876.965.653
1 Land and buildings occupied by an undertaking for its own activities	005	16.259.682	536.376.413	552.636.095	15.950.768	480.712.555	496.663.323
2 Equipment	006	602.616	55.612.530	56.215.146	337.421	77.673.901	78.011.322
3 Other tangible assets and inventories	007	4.264.715	296.175.128	300.439.843	3.700.219	298.590.789	302.291.008
<b>C) INVESTMENTS (ADP 009+010+014+033)</b>	<b>008</b>	3.566.682.133	6.034.361.455	9.601.043.588	3.681.060.107	5.936.144.775	9.617.204.882
<b>I Investments in land and buildings not occupied by an undertaking for its own activities</b>	<b>009</b>	1.629.143	872.023.596	873.652.739	1.856.338	1.011.390.353	1.013.246.691
<b>II Investments in branches, associates and joint ventures (ADP 011 to 013)</b>	<b>010</b>	0	77.589.581	77.589.581	0	76.592.895	76.592.895
1 Shares and holdings in branches	011	0	0	0	0	0	0
2 Shares and holdings in associates	012	0	9.628.386	9.628.386	0	10.091.232	10.091.232
3 Shares and holdings in joint ventures	013	0	67.961.195	67.961.195	0	66.501.663	66.501.663
<b>III Financial assets (ADP 015+018+023+029)</b>	<b>014</b>	3.565.052.990	5.084.748.278	8.649.801.268	3.679.203.769	4.848.161.527	8.527.365.296
1 Financial assets held to maturity (ADP 016+017)	015	1.277.694.188	1.037.566.857	2.315.261.045	1.131.858.940	1.037.923.909	2.169.782.849
1.1 Debt financial instruments	016	1.277.694.188	1.037.566.857	2.315.261.045	1.131.858.940	1.037.923.909	2.169.782.849
1.2 Other	017	0	0	0	0	0	0
2 Financial assets available for sale (ADP 019 to 022)	018	1.921.629.783	2.990.714.858	4.912.344.641	2.128.951.896	2.994.696.576	5.123.648.472
2.1 Equity financial instruments	019	24.590.609	498.588.974	523.179.583	29.289.284	507.409.895	536.699.179
2.2 Debt financial instruments	020	1.874.911.679	2.427.461.212	4.302.372.891	2.042.802.269	2.352.073.139	4.394.875.408
2.3 Units in investment funds	021	22.127.495	64.664.672	86.792.167	56.860.343	135.213.542	192.073.885
2.4 Other	022	0	0	0	0	0	0
3 Financial assets at fair value through statement of profit or loss (ADP 024 to 028)	023	5.242.699	62.444.827	67.687.526	7.622.144	39.728.669	47.350.813
3.1 Equity financial instruments	024	0	17.070.930	17.070.930	0	17.187.511	17.187.511
3.2 Debt financial instruments	025	0	0	0	0	0	0
3.3 Derivative financial instruments	026	589.945	3.080.534	3.670.479	318.108	3.797.109	4.115.217
3.4 Units in investment funds	027	4.652.754	42.293.363	46.946.117	7.304.036	18.744.049	26.048.085
3.5 Other	028	0	0	0	0	0	0
4 Loans and receivables (ADP 030 to 032)	029	360.486.320	994.021.736	1.354.508.056	410.770.789	775.812.373	1.186.583.162
4.1 Deposits with credit institutions	030	299.097.268	782.258.687	1.081.355.955	350.460.991	557.971.929	908.432.920
4.2 Loans	031	61.389.052	55.788.485	117.177.537	56.843.903	44.081.419	100.925.322
4.3 Other	032	0	155.974.564	155.974.564	3.465.895	173.759.025	177.224.920
<b>IV Deposits with cedants</b>	<b>033</b>	0	0	0	0	0	0
<b>DEFERRED TAX ASSETS (ADP 034)</b>	<b>034</b>	450.937.458	0	450.937.458	412.084.501	0	412.084.501
<b>E) REINSURANCE AMOUNT IN TECHNICAL PROVISIONS (ADP 036 to 042)</b>	<b>035</b>	79.965	226.299.397	226.379.362	124.074	488.140.677	488.264.751
1 Provisions for unearned premiums, reinsurance amount	036	57.935	48.326.106	48.384.041	111.811	64.588.462	64.700.273
2 Mathematical provision, reinsurance amount	037	22.030	0	22.030	12.263	0	12.263
3 Claims outstanding, reinsurance amount	038	0	177.973.291	177.973.291	0	423.552.215	423.552.215
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
<b>F) DEFERRED AND CURRENT TAX ASSETS (ADP 044 +045)</b>	<b>043</b>	2.028.656	75.768.736	77.797.392	1.777.335	74.974.491	76.751.826
1 Deferred tax assets	044	2.028.656	68.047.649	70.076.305	1.777.335	67.540.416	69.317.751
2 Current tax assets	045	0	7.721.087	7.721.087	0	7.434.075	7.434.075
<b>G) RECEIVABLES (ADP 047+050+051)</b>	<b>046</b>	22.010.878	979.166.004	1.001.176.882	17.189.750	859.948.848	877.138.598
<b>1 Receivables arising from insurance business (ADP 048+049)</b>	<b>047</b>	235.763	503.377.921	503.613.684	234.219	526.124.255	526.358.474
1.1 From policyholders	048	0	502.590.925	502.590.925	0	525.674.054	525.674.054
1.2 From insurance agents or insurance brokers	049	235.763	786.996	1.022.759	234.219	450.201	684.420
<b>2 Receivables arising from reinsurance business</b>	<b>050</b>	879	47.249.357	47.250.236	128.917	59.948.347	60.077.264
<b>3 Other receivables (ADP 052 to 054)</b>	<b>051</b>	21.774.236	428.538.726	450.312.962	16.826.614	273.876.246	290.702.860
3.1 Receivables arising from other insurance operations	052	0	202.997.642	202.997.642	0	166.272.633	166.272.633
3.2 Receivables for investment income	053	268.543	578.032	846.575	281.512	234.653	516.165
3.3 Other receivables	054	21.505.693	224.963.052	246.468.745	16.545.102	107.368.960	123.914.062
<b>H) OTHER ASSETS (ADP 056+060+061)</b>	<b>055</b>	39.381.104	180.970.286	220.351.390	73.823.213	588.625.771	662.448.984
<b>1 Cash at bank and in hand (ADP 057 to 059)</b>	<b>056</b>	39.381.104	175.637.699	215.018.803	73.823.213	580.540.248	654.363.461
1.1 Funds in the business account	057	13.915.217	175.060.566	188.975.783	10.877.390	580.104.610	590.982.000
1.2 Funds in the account of assets covering mathematical provisions	058	25.462.256	0	25.462.256	62.944.474	0	62.944.474
1.3 Cash in hand	059	3.631	577.133	580.764	1.349	435.638	436.987
<b>2 Fixed assets held for sale and termination of business operations</b>	<b>060</b>	0	1.963.217	1.963.217	0	1.938.705	1.938.705
<b>3 Other</b>	<b>061</b>	0	3.369.370	3.369.370	0	6.146.818	6.146.818
<b>I) PREPAYMENTS AND ACCRUED INCOME (ADP 063 to 065)</b>	<b>062</b>	1.425.135	286.222.521	287.647.656	1.247.594	309.981.881	311.229.475
1 Deferred interest and rent	063	0	1.454.551	1,454.551	0	1.103.855	1.103.855
2 Deferred acquisition costs	064	0	268.986.430	268.986.430	0	247.354.173	247.354.173
3 Other prepayments and accrued income	065	1.425.135	15.781.540	17.206.675	1,247.594	61.523.853	62.771.447
<b>J) TOTAL ASSETS (ADP 001+004+008+034+035+043+046+055+062)</b>	<b>066</b>	4.104.080.120	8.719.271.429	12.823.351.549	4.207.695.557	9.222.266.052	13.429.961.609
<b>K) OFF-BALANCE SHEET ITEMS</b>	<b>067</b>	269.163.441	2.573.102.420	2.842.265.861	371.785.133	2.737.809.222	3.109.594.355

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION (BALANCE SHEET)

As at: 31.12.2020

in HRK

Item	ADP code	Last day of the preceding business year			At the reporting date of the current period		
		Life	Non-life	Total	Life	Non-life	Total
1	2	3	4	5(3+4)	6	7	8(6+7)
<b>LIABILITIES</b>							
<b>A) CAPITAL AND RESERVES (ADP 069+072+073+077+081+084)</b>	<b>068</b>	508.083.314	3.311.557.118	3.819.640.432	548.823.726	3.558.528.083	4.107.351.809
<b>1 Subscribed capital (ADP 070 to 071)</b>	<b>069</b>	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
<b>2 Premium on shares issued (capital reserves)</b>	<b>072</b>	0	681.482.525	681.482.525	0	681.482.525	681.482.525
<b>3 Revaluation reserves (ADP 074 to 076)</b>	<b>073</b>	176.625.491	432.713.780	609.339.271	181.953.464	386.496.159	568.449.623
3.1 Land and buildings	074	0	119.622.869	119.622.869	0	112.256.678	112.256.678
3.2 Financial assets available for sale	075	176.625.491	312.925.487	489.550.978	181.953.464	274.074.057	456.027.521
3.3 Other revaluation reserves	076	0	165.424	165.424	0	165.424	165.424
<b>4 Reserves (ADP 078 to 080)</b>	<b>077</b>	85.295.937	316.742.638	402.038.575	85.295.937	316.742.638	402.038.575
4.1 Legal reserves	078	2.214.436	27.864.354	30.078.790	2.214.436	27.864.354	30.078.790
4.2 Statutory reserve	079	7.581.501	139.638.995	147.220.496	7.581.501	139.638.995	147.220.496
4.3 Other reserves	080	75.500.000	149.239.289	224.739.289	75.500.000	149.239.289	224.739.289
<b>5 Retained profit or loss brought forward (ADP 082 + 083)</b>	<b>081</b>	164.008.543	1.034.053.589	1.198.062.132	201.886.061	1.336.267.156	1.538.153.217
5.1 Retained profit	082	164.008.543	1.034.053.589	1.198.062.132	201.886.061	1.336.267.156	1.538.153.217
5.2 Loss brought forward (-)	083	0	0	0	0	0	0
<b>6 Profit or loss for the current accounting period (ADP 085+086)</b>	<b>084</b>	37.864.623	301.527.506	339.392.129	35.399.544	292.502.525	327.902.069
6.1 Profit for the current accounting period	085	37.864.623	301.527.506	339.392.129	35.399.544	292.502.525	327.902.069
6.2 Loss for the current accounting period(-)	086	0	0	0	0	0	0
<b>B) SUBORDINATE LIABILITIES</b>	<b>087</b>	0	0	0	0	0	0
<b>C) MINORITY INTEREST</b>	<b>088</b>	630.567	11.922.791	12.553.358	746.627	11.907.814	12.654.441
<b>D) TECHNICAL PROVISIONS (ADP 090 to 095)</b>	<b>089</b>	3.009.126.063	4.233.604.886	7.242.730.949	3.118.356.079	4.505.578.686	7.623.934.765
1 Provisions for unearned premiums, gross amount	090	5.909.255	1.429.409.694	1.435.318.949	6.096.801	1.429.166.624	1.435.263.425
2 Mathematical provisions, gross amount	091	2.937.212.325	17.908.413	2.955.120.738	3.010.939.268	11.308.894	3.022.248.162
3 Claims outstanding, gross amount	092	66.004.483	2.743.831.653	2.809.836.136	101.320.010	3.039.211.216	3.140.531.226
4 Provisions for bonuses and rebates, gross amount	093	0	8.770.594	8.770.594	0	9.463.967	9.463.967
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	26.628.999	26.628.999	0	9.372.452	9.372.452
<b>E) SPECIAL PROVISIONS FOR LIFE ASSURANCE WHERE POLICYHOLDERS BEAR THE INVESTMENT RISK, gross amount</b>	<b>096</b>	450.937.458	0	450.937.458	412.084.501	0	412.084.501
<b>F) OTHER PROVISIONS (ADP 098 + 099)</b>	<b>097</b>	3.076.787	115.844.923	118.921.710	2.845.537	98.385.232	101.230.769
1 Provisions for pensions and similar obligations	098	2.957.741	111.329.174	114.286.915	2.608.688	95.350.774	97.959.462
2 Other provisions	099	119.046	4.515.749	4.634.795	236.849	3.034.458	3.271.307
<b>G) DEFERRED AND CURRENT TAX LIABILITIES (ADP 101 + 102)</b>	<b>100</b>	36.401.392	141.425.157	177.826.549	37.308.321	135.095.733	172.404.054
1 Deferred tax liability	101	35.681.180	113.553.295	149.234.475	35.781.836	116.639.392	152.421.228
2 Current tax liability	102	720.212	27.871.862	28.592.074	1.526.485	18.456.341	19.982.826
<b>H) DEPOSITS HELD UNDER BUSINESS CEDED</b>	<b>103</b>	0	0	0	0	0	0
<b>I) FINANCIAL LIABILITIES (ADP 105 to 107)</b>	<b>104</b>	4.320.559	297.695.442	302.016.001	5.112.667	318.779.203	323.891.870
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	4.320.559	297.695.442	302.016.001	5.112.667	318.779.203	323.891.870
<b>J) OTHER LIABILITIES (ADP 109 to 112)</b>	<b>108</b>	68.558.512	284.395.259	352.953.771	55.374.068	321.566.127	376.940.195
1 Liabilities from direct insurance business	109	6.788.834	91.501.162	98.289.996	4.968.998	87.717.976	92.686.974
2 Liabilities from coinsurance and reinsurance business	110	21.961	46.608.944	46.630.905	242.461	96.369.663	96.612.124
3 Liabilities for disposal and discontinued operations	111	0	11.832	11.832	0	11.742	11.742
4 Other liabilities	112	61.747.717	146.273.321	208.021.038	50.162.609	137.466.746	187.629.355
<b>K) ACCRUALS AND DEFERRED INCOME (ADP 114+115)</b>	<b>113</b>	22.945.468	322.825.853	345.771.321	27.044.031	272.425.174	299.469.205
1 Deferred reinsurance commission	114	0	0	0	0	0	0
2 Other accruals and deferred income	115	22.945.468	322.825.853	345.771.321	27.044.031	272.425.174	299.469.205
<b>J) TOTAL LIABILITIES (ADP 068+087+088+089+096+097+100+103+104+108+113)</b>	<b>116</b>	4.104.080.120	8.719.271.429	12.823.351.549	4.207.695.557	9.222.266.052	13.429.961.609
<b>M) OFF-BALANCE SHEET ITEMS</b>	<b>117</b>	269.163.441	2.573.102.420	2.842.265.861	371.785.133	2.737.809.222	3.109.594.355

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the period: 1.1.2020 - 31.12.2020

in HRK

Item	ADP code	Attributable to owners of the parent							Total capital and reserves (3 to 8)	Attributable to non-controlling interest	Total capital and reserves (9+10)
		Paid in capital (ordinary and preference shares)	Premium on shares issued	Revaluation reserves	Reserves (legal, statutory, other)	Retained profit or loss brought forward	Profit/loss for the year				
1	2	3	4	5	6	7	8	9	10	11	
<b>I Balance on the first day of the previous business year</b>	<b>1</b>	589.325.800	681.482.525	340.283.451	402.038.575	858.901.275	337.079.883	3.209.111.509	12.213.767	3.221.325.276	
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	
<b>II Balance on the first day of the previous business year (restated)</b>	<b>4</b>	589.325.800	681.482.525	340.283.451	402.038.575	858.901.275	337.079.883	3.209.111.509	12.213.767	3.221.325.276	
<b>III Comprehensive income or loss for the same period of the previous year (ADP 006 + ADP 007)</b>	<b>5</b>	0	0	270.729.624	0	0	339.392.129	610.121.753	449.227	610.570.980	
Profit or loss for the period	6	0	0	0	0	0	339.392.129	339.392.129	347.362	339.739.491	
2 Other comprehensive income or loss for the same period of the previous year (ADP 008 to ADP 11)	7	0	0	270.729.624	0	0	0	270.729.624	101.865	270.831.489	
Unrealised gains or losses on tangible assets (land and buildings)	8	0	0	19.583.202	0	0	0	19.583.202	25.970	19.609.172	
Unrealised gains or losses on financial assets available for sale	9	0	0	277.011.573	0	0	0	277.011.573	58.287	277.069.860	
Realised gains or losses on financial assets available for sale	10	0	0	-27.005.744	0	0	0	-27.005.744	0	-27.005.744	
Other changes in equity unrelated to owners	11	0	0	1.140.593	0	0	0	1.140.593	17.608	1.158.201	
<b>IV Transactions with owners (previous period)</b>	<b>12</b>	0	0	-1.673.804	0	339.160.857	-337.079.883	407.170	-109.636	297.534	
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	-112.563	-112.563	
Other distribution to owners	16	0	0	-1.673.804	0	339.160.857	-337.079.883	407.170	2.927	410.097	
<b>V Balance on the last day of the previous business year reporting period</b>	<b>17</b>	589.325.800	681.482.525	609.339.271	402.038.575	1.198.062.132	339.392.129	3.819.640.432	12.553.358	3.832.193.790	
<b>VI Balance on the first day of the current business year</b>	<b>18</b>	589.325.800	681.482.525	609.339.271	402.038.575	1.198.062.132	339.392.129	3.819.640.432	12.553.358	3.832.193.790	
Change in accounting policies	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	
<b>VII Balance on the first day of the current business year (restated)</b>	<b>21</b>	589.325.800	681.482.525	609.339.271	402.038.575	1.198.062.132	339.392.129	3.819.640.432	12.553.358	3.832.193.790	
<b>VIII Comprehensive income or loss for the year</b>	<b>22</b>	0	0	-38.971.169	0	0	327.902.069	288.930.900	295.387	289.226.287	
Profit or loss for the period	23	0	0	0	0	0	327.902.069	327.902.069	298.786	328.200.855	
Other comprehensive income or loss for the year	24	0	0	-38.971.169	0	0	0	-38.971.169	-3.399	-38.974.568	
Unrealised gains or losses on tangible assets (land and buildings)	25	0	0	-5.448.094	0	0	0	-5.448.094	-63.082	-5.511.176	
Unrealised gains or losses on financial assets available for sale	26	0	0	14.993.777	0	0	0	14.993.777	-6.591	14.987.186	
Realised gains or losses on financial assets available for sale	27	0	0	-51.498.680	0	0	0	-51.498.680	0	-51.498.680	
Other changes in equity unrelated to owners	28	0	0	2.981.828	0	0	0	2.981.828	66.274	3.048.102	
<b>Transactions with owners (current period)</b>	<b>29</b>	0	0	-1.918.479	0	340.091.085	-339.392.129	-1.219.523	-194.304	-1.413.827	
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	-156.751	-156.751	
Other transactions with owners	33	0	0	-1.918.479	0	340.091.085	-339.392.129	-1.219.523	-37.553	-1.257.076	
<b>Balance on the last day of the current year reporting period</b>	<b>34</b>	589.325.800	681.482.525	568.449.623	402.038.575	1.538.153.217	327.902.069	4.107.351.809	12.654.441	4.120.006.250	



# CONSOLIDATED STATEMENT OF CASH FLOWS – indirect method

For the period: 1.1.2020 - 31.12.2020

in HRK

Item	ADP code	Same period of the previous year	Current business period
1	2	3	4
<b>I Cash flow from operating activities (ADP 002+013+031)</b>	<b>001</b>	<b>-187.946.464</b>	<b>345.452.951</b>
<b>1 Cash flow before changes in operating assets and liabilities (ADP 003+004)</b>	<b>002</b>	<b>239.689.953</b>	<b>265.874.114</b>
1.1 Profit/loss before tax	003	411.633.409	391.588.786
1.2 Adjustments: (ADP 005 to 012)	004	-171.943.456	-125.714.672
1.2.1 Depreciation of property and equipment	005	58.677.524	61.279.076
1.2.2 Amortization of intangible assets	006	19.493.715	20.703.012
1.2.3 Impairment and gains/losses on fair valuation	007	4.752.902	-190.713
1.2.4 Interest expenses	008	11.706.065	12.144.689
1.2.5 Interest income	009	-229.540.526	-195.583.768
1.2.6 Share in profit of associates	010	-11.947.061	-10.338.927
1.2.7 Profit/loss from the sale of tangible assets (including land and buildings)	011	-1.033.698	76.333
1.2.8 Other adjustments	012	-24.052.377	-13.804.374
<b>2 Increase/decrease in operating assets and liabilities (ADP 014 to 030)</b>	<b>013</b>	<b>-368.233.585</b>	<b>148.295.051</b>
2.1 Increase/decrease in financial assets available for sale	014	-477.769.731	-154.535.490
2.2 Increase/decrease in financial assets at fair value through statement of profit or loss	015	139.985.599	14.945.210
2.3 Increase/decrease in loans and receivables	016	-265.050.427	165.641.811
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	-12.964.129	38.852.956
2.6 Increase/decrease in reinsurance amount in technical provisions	019	8.001.418	-261.885.390
2.7 Increase/decrease in tax assets	020	-3.838.004	227.960
2.8 Increase/decrease in receivables	021	21.623.953	63.157.156
2.9 Increase/decrease in other assets	022	0	0
2.10 Increase/decrease in prepayments and accrued income	023	15.090.608	-23.534.522
2.11 Increase/decrease in technical provisions	024	215.200.543	380.443.682
2.12 Increase/decrease in special provisions for life assurance where policyholders bear the investment risk	025	12.964.129	-38.852.956
2.13 Increase/decrease in tax liabilities	026	571.297	-2.170.246
2.14 Increase/decrease in deposits held under reinsurance business ceded	027	0	0
2.15 Increase/decrease in financial liabilities	028	-925.746	8.117.538
2.16 Increase/decrease in other liabilities	029	-1.830.259	4.240.687
2.17 Increase/decrease in accruals and deferred income	030	-19.292.836	-46.353.345
<b>3 Income tax paid</b>	<b>031</b>	<b>-59.402.832</b>	<b>-68.716.214</b>
<b>II CASH FLOW FROM INVESTING ACTIVITIES (ADP 033 to 046)</b>	<b>032</b>	<b>2.346.287</b>	<b>163.760.406</b>
1 Cash receipts from the sale of tangible assets	033	17.912.181	2.177.887
2 Cash payments for the purchase of tangible assets	034	-57.523.511	-46.375.848
3 Cash receipts from the sale of intangible assets	035	628.124	69.895
4 Cash payments for the purchase of intangible assets	036	-29.714.695	-79.808.256
5 Cash receipts from the sale of land and buildings not occupied by an undertaking for its own activities	037	16.750.126	81.330.444
6 Cash payments for the purchase of land and buildings not occupied by an undertaking for its own activities	038	-7.031.848	-28.239.135
7 Increase/decrease of investments in branches, associates and joint ventures.	039	13.500.000	-66.537.290
8 Cash receipts from financial assets held to maturity	040	385.857.840	450.695.373
9 Cash payments for financial assets held to maturity	041	-387.959.348	-207.436.962
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	24.523.707	9.155.896
13 Cash receipts from repayments of short-term and long-term loans given	045	60.731.843	77.870.911
14 Cash payments for short-term and long-term loans	046	-35.328.132	-29.142.509
<b>III CASH FLOW FROM FINANCING ACTIVITIES (ADP 048 to 052)</b>	<b>047</b>	<b>-26.862.157</b>	<b>-29.109.863</b>
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	-25.769.594	-28.953.112
4 Cash payments for the redemption of treasury shares	051	0	0
5 Cash payments of share in profit (dividend)	052	-1.092.563	-156.751
<b>NET CASH FLOW (ADP 001 + 032 + 047)</b>	<b>053</b>	<b>-212.462.334</b>	<b>480.103.494</b>
<b>IV EFFECT OF EXCHANGE RATE FLUCTUATIONS ON CASH AND CASH EQUIVALENTS</b>	<b>054</b>	<b>-13.394.247</b>	<b>-38.005.900</b>
<b>V NET INCREASE/DECREASE IN CASH AND CASH EQUIVALENTS (053+054)</b>	<b>055</b>	<b>-225.856.581</b>	<b>442.097.594</b>
Cash and cash equivalents at the beginning of period	056	446.207.971	220.351.390
Cash and cash equivalents at the end of period (ADP 055 + 056)	057	220.351.390	662.448.984

## II. QUARTERLY MANAGEMENT REPORT

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

In the period observed, the CROATIA osiguranje Group, operating in Croatia and the markets of the region (BiH, North Macedonia, Serbia and Slovenia), achieved consolidated profit after tax and non-controlling interest in the amount of HRK 327.9m, which represents a decrease of 3.4 percent compared to the comparative period of the previous year.

Gross written premium for the reporting period amounted to HRK 3,240.2m, which represents a decrease of 2 percent compared to the comparative period of the previous year. Gross written premium of non-life insurance amounted to HRK 2,689.2m which represents an increase by 1.1 percent, while gross written premium of life insurance decreased by 14.7 percent and amounted to HRK 551.1m.

Earned premium for the reporting period amounted to HRK 2,979.5m, which represents 81 percent of total income and a decrease of 0.8 percent compared to the comparative period of the previous year.

In the non-life and life insurance business, the Group has achieved income from investments in the amount of HRK 487.7m, which represents a decrease of 6.9 percent compared to the comparative period of the previous year. Income from investments represents 13.3 percent of total income. Investment expenses amounted to HRK 127.1m, which represents a decrease of 3.9 percent compared to the comparative period of the previous year. Investment expenses represent 3.9 percent of total expenses.

Net claims incurred for the reporting period represent 58.4 percent of total expenses and amounted to HRK 1,920.3m, which represents an increase of 13.5 percent compared to the same period of the previous year. An increase of net claims incurred is primary caused by one-time expenses in the amount of HRK 100m, such as claims caused by earthquake and decision of the Supreme Court of the Republic of Croatia on increase of orientation criteria and amounts for immaterial claims.

Acquisition and administration costs amounted to HRK 1,155.7m, representing 35.1 percent of total expenses of the Group. Acquisition and administration costs decreased by 4.3 percent compared to the comparative period of the previous year.

Total assets of the Group as at 31.12.2020 amounted to HRK 13.4 billion, representing an increase of 4.7 percent compared to 31.12.2019.

Technical reserves as at 31.12.2020 amounted to HRK 7.6 billion, representing an increase of 5.3 percent compared to 31.12.2019.

Unaudited consolidated financial statements at the end of the fourth quarter of 2020 will be available on the web sites of CROATIA osiguranje d.d., Zagreb Stock Exchange and Officially appointed mechanism for the central storage of regulated information.

## Significant business events in the reporting period

### *Approvals from the Croatian Financial Services Supervisory Agency to perform the functions of members of the Management Board*

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

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

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

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

### *Impact of the COVID-19 outbreak on the Group's operations*

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

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

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

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

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

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

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

As part of the own risk and solvency assessment process (ORSA), a scenario of prolonged impact of the COVID-19 pandemic was created, which includes a graded analysis of the possible impact of the pandemic on business, results and solvency ratio of the Group, taking into consideration current knowledge about the impact of the pandemic, and also the measures which can be taken to minimize negative impacts as much as possible. The results of the scenario imply a certain decrease in the solvency ratio, but it should remain at levels significantly higher than the regulatory ones, and the Group's solvency should not be questioned in any way. Also, last solvency calculation which was performed as at 30.9.2020. showed that despite the negative effects of COVID-19, the Group is still operating with a very high solvency ratio of 227% (as at 31.12.2019. 239%). In regard to liquidity, the Group still has the satisfactory amounts of liquid resources that are sufficient for discharging all obligations that have become due and also has at its disposal instruments available for obtaining additional liquidity if necessary.

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

#### *Earthquake in the Republic of Croatia*

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

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

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

### *HANFA's Decision regarding prohibition of dividend payment*

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

Such a decision was made for insurance companies in the Republic of Croatia due to exceptional market circumstances, with the aim of ensuring stable operations of insurance companies and maintaining the stability of the financial system. Also, the regulator's intention is to strengthen the liquidity of insurance companies in the context of the coronavirus pandemic, but also in light of the recent earthquake in the capital city of the Republic of Croatia.

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

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

### **Significant events after the end of the reporting date**

No events occurring after the reporting date were material to the financial statements for the reporting period.

### **Expected development in the future**

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

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

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

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



### Research and development activities

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

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

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

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

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

### Description of the most significant risks and uncertainties

In relation to the most significant risks and uncertainties which were described in the audited financial statements for the year 2019, in the period observed there were no significant changes in relation to the risks to which the Group is exposed in the course of its business, except as described in the note *Significant business events in the reporting period*.

Zagreb, 26 February 2021

  
Member of the Management Board  
Luka Babić

  
Member of the Management Board  
Vančo Balen



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

#### 1. GENERAL INFORMATION

The Group consolidated the following entities as at 31 December 2020:

Group	Activity	31 December 2020		
		Shares directly held by parent (%)	Shares held by the Group (%)	Shares held by non-controlling interests (%)
<b>Subsidiaries registered in Croatia which are consolidated:</b>				
Croatia premium d.o.o., Zagreb	Real estate business	100.00	100.00	-
Histria Construct d.o.o., Zagreb	Real estate business	100.00	100.00	-
Core 1 d.o.o., Zagreb	Real estate business	100.00	100.00	-
Razne usluge d.o.o. (u likvidaciji)	-	100.00	100.00	-
AUTO MAKSIMIR VOZILA d.o.o.	Insurance agency	100.00	100.00	-
AK POLICA d.o.o.	Insurance agency	100.00	100.00	-
CO Zdravlje d.o.o.	Consulting and services	100.00	100.00	-
- CROATIA Poliklinika, Zagreb	Healthcare	-	100.00	-
Croatia-Tehnički pregledi d.o.o., Zagreb	MOT*	100.00	100.00	-
- Herz d.d., Požega	MOT	-	100.00	-
- Slavonijatrans-Tehnički pregledi d.o.o., Sl. Brod	MOT	-	76.00	24.00
- STP Pitomača, Pitomača	MOT	-	100.00	-
- STP Blato	MOT	-	100.00	-
- Autoprijevoz d.d.	MOT	-	79.12	20.88
- Crotehna d.o.o., Ljubuški	MOT	-	100.00	-
- Ponte d.o.o., Mostar	Insurance agency	-	100.00	-
Croatia osiguranje mirovinsko društvo d.o.o., Zagreb	Fund management	100.00	100.00	-
ASTORIA d.o.o.	Real estate business	100.00	100.00	-
<b>Subsidiaries registered abroad which are consolidated</b>				
Milenijum osiguranje a.d.o., Beograd	Insurance	100.00	100.00	-
Croatia osiguranje d.d., Mostar	Insurance	95.02	95.02	4.98
- Croatia remont d.d., Čapljin*****	MOT	-	69.79	30.21
- Croauto d.o.o., Mostar	MOT	-	66.79	33.21
- Hotel Hum d.o.o., Ljubuški**	Hospitality	-	80.00	20.00
Croatia osiguranje d.d., non-life insurance company, Skopje	Insurance	100.00	100.00	-
Croatia osiguranje d.d., life insurance company, Skopje	Insurance	95.00	100.00	-

\*MOT – Motor vehicle examination stations

\*\* Croatia osiguranje d.d. Mostar hold 80%, while CROTEHNA d.o.o. Ljubuški hold 20%

\*\*\* Crotehna d.o.o. additionally holds 0.87% in Croatia remont d.d.

In consolidation, the equity method is used for the valuation of investments in associates Agroservis (37%) and Strmec projekt d.o.o. (49.76%) and joint venture PBZ CROATIA osiguranje d.d. (50.0%).

CROATIA osiguranje d.d. (parent company) is registered in the Court Register of the Commercial Court in Zagreb 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.

### **Supervisory Board and Management Board**

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

#### **Members of the Supervisory Board are:**

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

#### **Members of the Management Board are:**

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

### **Basis for preparation and consolidation**

Financial statements are prepared in accordance with the Company's Act (Official Gazette 65/18, 17/20), International Accounting Standard 34 – *Interim Financial Reporting*, Rules of the Zagreb Stock Exchange and the Ordinance on the structure and content of periodic financial reports for issuers during the year, which is issued by the Croatian Financial Services Supervisory Agency.

Quarterly financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Group's annual financial statements as at 31 December 2019. The Group's annual financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union.

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

statements for the period in which they occurred by using the underlying accounting principle of going concern.

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

Financial statements at the end of the fourth quarter of the 2020 have not been audited.

### **Presentation currency**

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

### **Use of estimates and judgements**

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

### **Accounting policies**

Accounting policies and measurement methods which are used in the preparation of financial statements for the reporting period are the same as those which are used for preparation of the audited financial statements for the year 2019.

### **Related party transactions**

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

### **Seasonality of business activities**

Group's operations are not seasonal. However, in the first part of the year, gross written premium and receivables for written premiums are higher than in the rest of the year due to dynamics of conclusion of insurance contracts.

## Segment reporting

The Group's reporting segments comprise the life insurance segment and the non-life insurance segment. The description of segments as well as allocation of costs between segment of life insurance and non-life insurance, capital and reserves and assets described in the annual financial statements for 2019, have not changed. There were no significant intersegmental revenues and expenses in the period observed.

## Earnings per share

	<b>1.1. - 31.12.2019</b>	<b>1.1. - 31.12.2020</b>
	in HRK	in HRK
Profit for the year attributable to the Company's shareholders	339,392,129	327,902,069
Weighted average of ordinary shares	420,947	420,947
<b>Earnings per share attributable to the Company's shareholders</b>		
Basic and diluted earnings per share in HRK	<b>806.3</b>	<b>779.0</b>

## 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:

	<b>31.12.2020</b>			<b>31.12.2019</b>		
	<b>Net book value</b>	<b>Fair value</b>	<b>Difference</b>	<b>Net book value</b>	<b>Fair value</b>	<b>Difference</b>
	in HRK	in HRK	in HRK	in HRK	in HRK	in HRK
Debt securities	2,169,782,849	2,434,029,051	264,246,202	2,315,261,045	2,620,028,273	304,767,228
Loans	263,179,015	264,053,447	874,432	271,152,100	271,374,420	222,320
Deposits	923,404,147	924,807,760	1,403,613	1,083,355,956	1,089,992,711	6,636,755
	<b>3,356,366,011</b>	<b>3,622,890,258</b>	<b>266,524,247</b>	<b>3,669,769,101</b>	<b>3,981,395,404</b>	<b>311,626,303</b>



*Methods of assessment or assumptions in determining fair value*

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

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

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

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

The Group's assets measured at fair value as at 31 December 2019 are presented as follows:

	Level 1 in HRK	Level 2 in HRK	Level 3 in HRK	Total in HRK
<i>Property for own use</i>	-	-	<b>552,636,095</b>	<b>552,636,095</b>
<i>Investment property</i>	-	-	<b>873,652,739</b>	<b>873,652,739</b>
Equity securities	497,717,952	-	25,461,631	<b>523,179,583</b>
Debt securities	2,219,977,701	2,065,656,763	16,738,427	<b>4,302,372,891</b>
Investment funds	59,171,866	20,878,908	6,741,393	<b>86,792,167</b>
<i>Available-for-sale financial assets</i>	<b>2,776,867,519</b>	<b>2,086,535,671</b>	<b>48,941,451</b>	<b>4,912,344,641</b>
Equity securities	17,070,930	-	-	<b>17,070,930</b>
Debt securities	-	-	-	-
Investment funds	497,883,575	-	-	<b>497,883,575</b>
Foreign currency forward contracts	-	3,670,479	-	<b>3,670,479</b>
<i>Financial assets at fair value through profit or loss</i>	<b>514,954,505</b>	<b>3,670,479</b>	-	<b>518,624,984</b>
<b>Total assets at fair value</b>	<b>3,291,822,024</b>	<b>2,090,206,150</b>	<b>1,475,230,285</b>	<b>6,857,258,459</b>

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

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

The fair value of deposits, loans and financial liabilities are estimated on the basis of inputs that are not commercially available rates and would therefore be classified as Level 2 or Level 3 in the fair value hierarchy. Investments with available market prices that are classified in the portfolio of held-to-maturity investments would be classified as Level 1.

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

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

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

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

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

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

In the period observed Group's investments in land and buildings not occupied by an undertaking for its own activities have increased in the amount of HRK 139.6m 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, and due to the acquisition of ASTORIA d.o.o.

## Financial assets and financial liabilities

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

	31.12.2020				
	Held-to- maturity investments	Available- for-sale financial assets	Financial assets at fair value through profit or loss - for trading	Loans and receivables	Total
	in HRK	in HRK	in HRK	in HRK	in HRK
<b>Shares</b>					
Shares, listed	-	534,724,501	17,187,511	-	551,912,012
Shares, not listed	-	1,974,678	-	-	1,974,678
	-	<b>536,699,179</b>	<b>17,187,511</b>	-	<b>553,886,690</b>
<b>Debt securities</b>					
Government bonds	2,125,846,022	4,225,370,460	-	-	6,351,216,482
Corporate bonds	43,936,827	169,504,948	-	-	213,441,775
	<b>2,169,782,849</b>	<b>4,394,875,408</b>	-	-	<b>6,564,658,257</b>
<b>Derivative financial instruments</b>					
Foreign currency forward contracts	-	-	4,115,217	-	4,115,217
	-	-	<b>4,115,217</b>	-	<b>4,115,217</b>
<b>Investment funds</b>					
Open-ended investment funds	-	192,073,885	26,048,085	-	218,121,970
Open-ended investment funds - assets for coverage of unit-linked products	-	-	412,084,501	-	412,084,501
	-	<b>192,073,885</b>	<b>438,132,586</b>	-	<b>630,206,471</b>
<b>Loans and receivables</b>					
Deposits with credit institutions	-	-	-	923,404,147	923,404,147
Loans	-	-	-	263,179,015	263,179,015
	-	-	-	<b>1,186,583,162</b>	<b>1,186,583,162</b>
	<b>2,169,782,849</b>	<b>5,123,648,472</b>	<b>459,435,314</b>	<b>1,186,583,162</b>	<b>8,939,449,797</b>

	31.12.2019				
	Held-to- maturity investments	Available- for-sale financial assets	Financial assets at fair value through profit or loss - for trading	Loans and receivables	Total
	in HRK	in HRK	in HRK	in HRK	in HRK
<b>Shares</b>					
Shares, listed	-	521,138,611	17,070,930	-	538,209,541
Shares, not listed	-	2,040,972	-	-	2,040,972
	-	<b>523,179,583</b>	<b>17,070,930</b>	-	<b>540,250,513</b>
<b>Debt securities</b>					
Government bonds	2,263,706,006	4,216,636,042	-	-	6,480,342,048
Corporate bonds	51,555,039	85,736,849	-	-	137,291,888
	<b>2,315,261,045</b>	<b>4,302,372,891</b>	-	-	<b>6,617,633,936</b>
<b>Derivative financial instruments</b>					
Foreign currency forward contracts	-	-	3,670,479	-	3,670,479
	-	-	<b>3,670,479</b>	-	<b>3,670,479</b>
<b>Investment funds</b>					
Open-ended investment funds	-	86,792,167	46,946,117	-	133,738,284
Open-ended investment funds - assets for coverage of unit-linked products	-	-	450,937,458	-	450,937,458
	-	<b>86,792,167</b>	<b>497,883,575</b>	-	<b>584,675,742</b>
<b>Loans and receivables</b>					
Deposits with credit institutions	-	-	-	1,083,355,956	1,083,355,956
Loans	-	-	-	271,152,100	271,152,100
	-	-	-	<b>1,354,508,056</b>	<b>1,354,508,056</b>
	<b>2,315,261,045</b>	<b>4,912,344,641</b>	<b>518,624,984</b>	<b>1,354,508,056</b>	<b>9,100,738,726</b>

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

	31.12.2020	31.12.2019
	in HRK	in HRK
Lease liabilities	301,613,489	284,141,070
Derivative financial instruments	7,425,656	5,624,931
Preference shares	12,250,000	12,250,000
Other financial liabilities	2,602,725	-
	<b>323,891,870</b>	<b>302,016,001</b>

## Share capital and shares

The Company's share capital with a nominal value of 601,575,800 as at 31 December 2020 is divided among 429.697 shares with a nominal value of HRK 1,400. The shares are marked as follows:

Number of shares	Nominal amount:
307.598 ordinary shares I. emission with ticker CROS-R-A/CROS	430,637,200
113.349 ordinary shares II. emission with ticker CROS-R-A/CROS	158,688,600
<b>TOTAL OF ORDINARY SHARES</b>	<b>589,325,800</b>
8.750 preference shares I. emission with ticker CROS-P-A/CROS2	12,250,000
<b>TOTAL OF PREFERENCE SHARES</b>	<b>12,250,000</b>

Each share, ordinary and preference, provides the right to 1 (one) vote at the Company's General Assembly. Due to the guaranteed dividend payment, preference shares are classified as financial liabilities. All shares are paid in full, issued in dematerialized form, are transferable and are managed at the central depository of the Central Depository & Clearing Company. CROATIA osiguranje d.d. has no treasury shares.



## MANAGEMENT BOARD STATEMENT

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

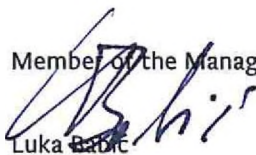
### STATEMENT

That to the best of our knowledge:

- the set of quarterly consolidated unaudited financial statements of the issuer for the period 1.1. – 31.12.2020, prepared by using applicable financial reporting standards, gives a true and fair view of assets and liabilities, the financial position, profit or loss of the issuer and the entities included in consolidation,
- the management report presents an objective view of the development and business results and position of the issuer and entities included in consolidation, with description of significant risks and uncertainties to which they are exposed.


Zagreb, 26 February 2021

Member of the Management Board

  
Luka Babić



Member of the Management Board

  
Vančo Balen

