



**CROATIA[®]
OSIGURANJE**

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

**CONSOLIDATED UNAUDITED
QUARTERLY REPORT,
FOR THE PERIOD
1 January 2021 – 30 September 2021**

Zagreb, October 2021

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I. UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

| Annex 1 | | | |
|----------------------------------------------------|------------------------------------------------------------------|---------------------------------------|---------------------|
| ISSUER'S GENERAL DATA | | | |
| Reporting period: | 1.1.2021 | to | 30.9.2021 |
| Year: | 2021 | | |
| Quarter: | 3 | | |
| 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): | 3550 | | |
| Consolidated report: | KD | (KN-not consolidated/KD-consolidated) | |
| Audited: | RN | (RN-not audited/RD-audited) | |
| Names of subsidiaries (according to IFRS): | | Registered office: | MB: |
| | CROATIA PREMIUM d.o.o. | ZAGREB | 01885880 |
| | CORE 1 d.o.o. | ZAGREB | 04570243 |
| | AUTO MAKSIMIR VOZILA d.o.o. | ZAGREB | 01804812 |
| | CROATIA OSIGURANJE DD | MOSTAR | 20097647 |
| | 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 |
| | CO ZDRAVLJE D.O.O. | ZAGREB | 04837550 |
| | STRMEC PROJEKT d.o.o. | ZAGREB | 02586649 |
| | AGROSERVIS STP d.o.o. | VIROVITICA | 01233033 |
| | ASTORIA d.o.o. | ZAGREB | 080339352 |
| | CO LOGISTIKA d.o.o. | ZAGREB | 081353961 |
| Bookkeeping firm: | No | (Yes/No) | |
| Contact person: | Jelena Matjević (only name and surname of the contact person) | | |
| Telephone: | 072 00 1884 | | |
| E-mail address: | izdavatelj@crosig.hr | | |
| Audit firm: | | | |
| Certified auditor: | | | |

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
(STATEMENT OF PROFIT OR LOSS)
For the period: 1.1.2021 - 30.9.2021

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 | 422.578.292 | 1.806.901.132 | 2.229.479.424 | 424.717.233 | 1.896.023.121 | 2.320.740.354 |
| 1 Gross written premium | 119 | 422.539.834 | 2.172.238.579 | 2.594.778.413 | 425.111.021 | 2.309.935.005 | 2.735.046.026 |
| 2 Value adjustment and charged premium value adjustment | 120 | 0 | -7.583.112 | -7.583.112 | 0 | 10.842.198 | 10.842.198 |
| 3 Outward reinsurance premiums (-) | 121 | -318.125 | -217.035.443 | -217.353.568 | -343.619 | -263.717.142 | -264.060.761 |
| 4 Change of gross provisions for unearned premiums (+/-) | 122 | 233.186 | -171.549.774 | -171.316.588 | -166.263 | -223.275.447 | -223.441.710 |
| 5 Change of provisions for unearned premiums, reinsurers' share (+/-) | 123 | 123.397 | 30.830.882 | 30.954.279 | 116.094 | 62.238.507 | 62.354.601 |
| II Income from investments (ADP 125 to 131) | 124 | 136.642.649 | 246.341.645 | 382.984.294 | 90.815.305 | 262.977.513 | 353.792.818 |
| 1 Income from branches, associates and joint ventures. | 125 | 1.939.687 | 13.999.576 | 15.939.263 | 2.783.512 | 34.668.383 | 37.451.895 |
| 2 Income from investment in land and buildings | 126 | 55.408 | 68.618.526 | 68.673.934 | 124.590 | 76.464.889 | 76.589.479 |
| 3 Interest income | 127 | 79.882.985 | 68.472.591 | 148.355.576 | 77.320.213 | 63.665.704 | 140.985.917 |
| 4 Unrealised gains on investments | 128 | 869.423 | 353.312 | 1.222.735 | 4.266.109 | 17.855.129 | 22.121.238 |
| 5 Realised gains on investments | 129 | 19.225.335 | 64.666.111 | 83.891.446 | 5.953.365 | 47.643.839 | 53.597.204 |
| 6 Net positive exchange rate differences | 130 | 34.319.166 | 12.063.953 | 46.383.119 | 0 | 0 | 0 |
| 7 Other income from investments | 131 | 350.645 | 18.167.576 | 18.518.221 | 367.516 | 22.679.569 | 23.047.085 |
| III Income from commissions and fees | 132 | 1.573.887 | 30.590.339 | 32.164.226 | 1.427.808 | 24.199.683 | 25.627.491 |
| IV Other insurance-technical income, net amount from reinsurance | 133 | 384.888 | 35.862.534 | 36.247.422 | 118.313 | 33.580.598 | 33.698.911 |
| V Other income | 134 | 558.180 | 86.939.411 | 87.497.591 | 243.891 | 124.433.901 | 124.677.792 |
| VI Claims incurred, net (ADP 136 + 139) | 135 | -408.146.056 | -1.029.453.160 | -1.437.599.216 | -332.088.988 | -985.717.263 | -1.317.806.251 |
| 1 Claims settled (ADP 137+138) | 136 | -400.491.757 | -960.492.835 | -1.360.984.592 | -343.794.455 | -983.040.770 | -1.326.835.225 |
| 1.1 Gross amount (-) | 137 | -400.491.757 | -1.008.539.984 | -1.409.031.741 | -343.794.455 | -1.131.776.178 | -1.475.570.633 |
| 1.2 Reinsurers' share (+) | 138 | 0 | 48.047.149 | 48.047.149 | 0 | 148.735.408 | 148.735.408 |
| 2 Change in the provision for claims (+/-) (ADP 140+141) | 139 | -7.654.299 | -68.960.325 | -76.614.624 | 11.705.467 | -2.676.493 | 9.028.974 |
| 2.1 Gross amount | 140 | -7.654.299 | -157.088.213 | -164.742.512 | 11.705.467 | 89.690.179 | 101.395.646 |
| 2.3 Reinsurers' share | 141 | 0 | 88.127.888 | 88.127.888 | 0 | -92.366.672 | -92.366.672 |
| VII Change in mathematical provision and other technical provisions, net of reinsurance (ADP 143+146) | 142 | -33.200.626 | 20.602.526 | -12.598.100 | -82.447.277 | -14.022.169 | -96.469.446 |
| 1 Change in mathematical provisions (+/-) (ADP 144+145) | 143 | -33.200.626 | 5.206.372 | -27.994.254 | -82.447.277 | 3.803.012 | -78.644.265 |
| 1.1 Gross amount (-) | 144 | -33.195.208 | 5.206.372 | -27.988.836 | -82.462.922 | 3.803.012 | -78.659.910 |
| 1.2 Reinsurers' share (+) | 145 | -5.418 | 0 | -5.418 | 15.645 | 0 | 15.645 |
| 2 Change in other technical provisions, net of reinsurance (+/-) (ADP 147+148) | 146 | 0 | 15.396.154 | 15.396.154 | 0 | -17.825.181 | -17.825.181 |
| 2.1 Gross amount (-) | 147 | 0 | 15.396.154 | 15.396.154 | 0 | -17.949.192 | -17.949.192 |
| 2.2 Reinsurers' share (+) | 148 | 0 | 0 | 0 | 0 | 124.011 | 124.011 |
| VIII Change of special provision for life assurance where policyholders bear the investment risk, net of reinsurance (+/-) (ADP 150+151) | 149 | 8.931.962 | 0 | 8.931.962 | 4.836.946 | 0 | 4.836.946 |
| 1 Gross amount (-) | 150 | 8.931.962 | 0 | 8.931.962 | 4.836.946 | 0 | 4.836.946 |
| 3 Reinsurers' share (+) | 151 | 0 | 0 | 0 | 0 | 0 | 0 |
| IX Cash payments for bonuses and rebates, net of reinsurance (ADP 153+154) | 152 | 0 | -7.887.388 | -7.887.388 | 0 | -7.616.415 | -7.616.415 |
| 1 Performance-dependent (bonuses) | 153 | 0 | -5.200.416 | -5.200.416 | 0 | -5.284.314 | -5.284.314 |
| 2 Performance-independent (rebates) | 154 | 0 | -2.686.972 | -2.686.972 | 0 | -2.332.101 | -2.332.101 |

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
(STATEMENT OF PROFIT OR LOSS)
For the period: 1.1.2021 - 30.9.2021

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 | -62.956.927 | -765.082.749 | -828.039.676 | -54.727.068 | -875.200.984 | -929.928.052 |
| 1 Acquisition costs (ADP 157 to 159) | 156 | -30.540.678 | -399.618.115 | -430.158.793 | -26.894.781 | -460.181.052 | -487.075.833 |
| 1.1 Commission | 157 | -11.570.834 | -209.370.032 | -220.940.866 | -9.262.041 | -237.632.113 | -246.894.154 |
| 1.2 Other acquisition costs | 158 | -18.969.844 | -189.680.966 | -208.650.810 | -17.632.740 | -230.514.727 | -248.147.467 |
| 1.3 Change in deferred acquisition costs | 159 | 0 | -567.117 | -567.117 | 0 | 7.965.788 | 7.965.788 |
| 2 Administration expenses (administrative costs) (ADP 161 to 163) | 160 | -32.416.249 | -365.464.634 | -397.880.883 | -27.832.287 | -415.019.932 | -442.852.219 |
| 2.1 Depreciation | 161 | -3.398.332 | -57.506.299 | -60.904.631 | -2.663.054 | -57.477.980 | -60.141.034 |
| 2.2 Salaries, taxes and contributions from/on salaries | 162 | -13.325.828 | -118.963.778 | -132.289.606 | -10.901.564 | -147.469.837 | -158.371.401 |
| 2.3 Other administration expenses | 163 | -15.692.089 | -188.994.557 | -204.686.646 | -14.267.669 | -210.072.115 | -224.339.784 |
| XI Investment expenses (ADP 165 to 171) | 164 | -17.754.505 | -71.690.415 | -89.444.920 | -21.218.812 | -58.702.739 | -79.921.551 |
| 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 | -1.098.725 | -6.977.978 | -8.076.703 | -819.635 | -7.642.106 | -8.461.741 |
| 3 Impairment of investments | 167 | -1.159.412 | -4.705.821 | -5.865.233 | 0 | -2.402.624 | -2.402.624 |
| 4 Realised loss on investments | 168 | -9.139.608 | -18.719.785 | -27.859.393 | -3.018.634 | -9.557.996 | -12.576.630 |
| 5 Unrealised loss on investments | 169 | -3.805.209 | -13.837.805 | -17.643.014 | -278.147 | -3.890.722 | -4.168.869 |
| 6 Net negative exchange rate differences | 170 | 0 | 0 | 0 | -15.685.922 | -9.987.388 | -25.673.310 |
| 7 Other investment expenses | 171 | -2.551.551 | -27.449.026 | -30.000.577 | -1.416.474 | -25.221.903 | -26.638.377 |
| XII Other technical expenses, net of reinsurance (ADP 173+174) | 172 | -1.398.576 | -44.072.332 | -45.470.908 | -1.354.419 | -45.768.042 | -47.122.461 |
| 1 Expenses of preventive activities | 173 | 0 | -1.140.586 | -1.140.586 | 0 | -804.841 | -804.841 |
| 2 Other technical expenses of insurance | 174 | -1.398.576 | -42.931.746 | -44.330.322 | -1.354.419 | -44.963.201 | -46.317.620 |
| XIII Other activities, including value adjustments | 175 | -17.212 | -2.170.747 | -2.187.959 | -7.632 | -973.377 | -981.009 |
| XIV Profit or loss for the accounting period before tax (+/-) (ADP 118+124+132 to 135+142+149+152+155+164+172+175) | 176 | 47.195.956 | 306.880.796 | 354.076.752 | 30.315.300 | 353.213.827 | 383.529.127 |
| XV Profit or loss tax (ADP 178+179) | 177 | -7.861.108 | -54.121.774 | -61.982.882 | -5.275.917 | -58.716.654 | -63.992.571 |
| 1 Current tax expense | 178 | -7.861.108 | -54.186.283 | -62.047.391 | -5.275.917 | -58.843.690 | -64.119.607 |
| 2 Deferred tax expense (income) | 179 | 0 | 64.509 | 64.509 | 0 | 127.036 | 127.036 |
| XVI Profit or loss for the accounting period after tax (+/-) (ADP 176+177) | 180 | 39.334.848 | 252.759.022 | 292.093.870 | 25.039.383 | 294.497.173 | 319.536.556 |
| 1 Attributable to owners of the parent | 181 | 39.200.738 | 252.461.267 | 291.662.005 | 25.074.271 | 294.093.506 | 319.167.777 |
| 2 Attributable to non-controlling interest | 182 | 134.110 | 297.755 | 431.865 | -34.888 | 403.667 | 368.779 |
| XVII TOTAL INCOME (ADP 118+124+132+133+134+179) | 183 | 561.737.896 | 2.206.699.570 | 2.768.437.466 | 517.322.550 | 2.341.341.852 | 2.858.664.402 |
| XVIII TOTAL EXPENSES (ADP 135+142+149+152+155+164+172+175+178) | 184 | -522.403.048 | -1.953.940.548 | -2.476.343.596 | -492.283.167 | -2.046.844.679 | -2.539.127.846 |
| IX Other comprehensive income (ADP 186 to 193) | 185 | -20.918.286 | -91.456.213 | -112.374.499 | -6.995.314 | 133.304.788 | 126.309.474 |
| 1 Gains/losses arising from translation of financial statements relating to foreign operations | 186 | 1.109.201 | 2.172.356 | 3.281.557 | -823.064 | -995.743 | -1.818.807 |
| 2 Gains/losses arising from the revaluation of financial assets available for sale | 187 | -27.072.480 | -111.620.306 | -138.692.786 | -8.706.404 | 164.136.590 | 155.430.186 |
| 3 Gains/losses arising from the revaluation of land and buildings occupied by an undertaking for its own activities | 188 | 0 | -1.892.105 | -1.892.105 | 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 | 5.044.993 | 19.883.842 | 24.928.835 | 2.534.154 | -29.836.059 | -27.301.905 |
| XX Total comprehensive income (ADP 180 +185) | 194 | 18.416.562 | 161.302.809 | 179.719.371 | 18.044.069 | 427.801.961 | 445.846.030 |
| 1 Attributable to owners of the parent | 195 | 18.273.857 | 161.051.547 | 179.325.404 | 18.080.951 | 427.408.250 | 445.489.201 |
| 2 Attributable to non-controlling interests | 196 | 142.705 | 251.262 | 393.967 | -36.882 | 393.711 | 356.829 |
| XXI Reclassification adjustments | 197 | 0 | 0 | 0 | 0 | 0 | 0 |

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (BALANCE SHEET)

As at: 30.9.2021

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) |
| ASSETS | | | | | | | |
| A) INTANGIBLE ASSETS (ADP 002 +003) | 001 | 400.575 | 107.472.364 | 107.872.939 | 403.201 | 133.703.775 | 134.106.976 |
| 1 Goodwill | 002 | 0 | 0 | 0 | 0 | 0 | 0 |
| 2 Other intangible assets | 003 | 400.575 | 107.472.364 | 107.872.939 | 403.201 | 133.703.775 | 134.106.976 |
| B) TANGIBLE ASSETS (ADP 005 to 007) | 004 | 19.988.408 | 856.977.245 | 876.965.653 | 19.175.722 | 789.684.428 | 808.850.150 |
| 1 Land and buildings occupied by an undertaking for its own activities | 005 | 15.950.768 | 480.712.555 | 496.663.323 | 15.692.587 | 408.383.550 | 424.076.147 |
| 2 Equipment | 006 | 337.421 | 77.679.901 | 78.011.322 | 266.883 | 77.965.496 | 78.232.379 |
| 3 Other tangible assets and inventories | 007 | 3.700.219 | 298.590.789 | 302.291.008 | 3.216.252 | 303.335.372 | 306.551.624 |
| C) INVESTMENTS (ADP 009+010+014+033) | 008 | 3.681.060.107 | 5.936.144.775 | 9.617.204.882 | 3.725.990.268 | 6.348.591.687 | 10.074.581.955 |
| I Investments in land and buildings not occupied by an undertaking for its own activities | 009 | 1.856.338 | 1.011.390.353 | 1.013.246.691 | 1.239.082 | 1.087.642.681 | 1.088.881.763 |
| II Investments in branches, associates and joint ventures (ADP 011 to 013) | 010 | 0 | 76.592.895 | 76.592.895 | 0 | 68.978.307 | 68.978.307 |
| 1 Shares and holdings in branches | 011 | 0 | 0 | 0 | 0 | 0 | 0 |
| 2 Shares and holdings in associates | 012 | 0 | 10.091.232 | 10.091.232 | 0 | 4.782.590 | 4.782.590 |
| 3 Shares and holdings in joint ventures | 013 | 0 | 66.501.663 | 66.501.663 | 0 | 64.195.717 | 64.195.717 |
| III Financial assets (ADP 015+018+023+029) | 014 | 3.679.203.769 | 4.848.161.527 | 8.527.365.296 | 3.724.751.186 | 5.191.970.699 | 8.916.721.885 |
| 1 Financial assets held to maturity (ADP 016+017) | 015 | 1.131.858.940 | 1.037.923.909 | 2.169.782.849 | 1.166.830.664 | 1.010.265.052 | 2.177.095.716 |
| 1.1 Debt financial instruments | 016 | 1.131.858.940 | 1.037.923.909 | 2.169.782.849 | 1.166.830.664 | 1.010.265.052 | 2.177.095.716 |
| 1.2 Other | 017 | 0 | 0 | 0 | 0 | 0 | 0 |
| 2 Financial assets available for sale (ADP 019 to 022) | 018 | 2.128.951.866 | 2.994.696.576 | 5.123.648.472 | 2.267.015.592 | 3.495.876.883 | 5.762.892.475 |
| 2.1 Equity financial instruments | 019 | 29.289.284 | 507.409.895 | 536.699.179 | 74.574.487 | 748.172.657 | 822.747.144 |
| 2.2 Debt financial instruments | 020 | 2.042.802.266 | 2.352.073.139 | 4.394.875.408 | 2.107.952.952 | 2.494.653.825 | 4.602.616.777 |
| 2.3 Units in investment funds | 021 | 56.860.343 | 135.213.542 | 192.073.885 | 84.488.153 | 253.040.401 | 337.528.554 |
| 2.4 Other | 022 | 0 | 0 | 0 | 0 | 0 | 0 |
| 3 Financial assets at fair value through statement of profit or loss (ADP 024 to 028) | 023 | 7.622.144 | 39.728.669 | 47.350.813 | 10.635.574 | 49.910.443 | 60.545.017 |
| 3.1 Equity financial instruments | 024 | 0 | 17.187.511 | 17.187.511 | 0 | 23.985.336 | 23.985.336 |
| 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 | 1.258.418 | 6.540.276 | 7.798.694 |
| 3.4 Units in investment funds | 027 | 7.304.036 | 18.744.049 | 26.048.085 | 9.377.156 | 19.384.831 | 28.761.987 |
| 3.5 Other | 028 | 0 | 0 | 0 | 0 | 0 | 0 |
| 4 Loans and receivables (ADP 030 to 032) | 029 | 410.770.789 | 775.812.373 | 1.186.583.162 | 280.259.356 | 635.918.321 | 916.187.677 |
| 4.1 Deposits with credit institutions | 030 | 350.460.991 | 557.971.929 | 908.432.920 | 231.345.914 | 451.083.329 | 682.429.243 |
| 4.2 Loans | 031 | 56.843.903 | 44.081.419 | 100.925.322 | 48.866.081 | 37.031.755 | 85.897.836 |
| 4.3 Other | 032 | 3.465.895 | 173.759.025 | 177.224.920 | 57.361 | 147.803.237 | 147.860.598 |
| IV Deposits with cedants | 033 | 0 | 0 | 0 | 0 | 0 | 0 |
| D) INVESTMENTS FOR THE ACCOUNT OF LIFE ASSURANCE POLICYHOLDERS WHO BEAR THE INVESTMENT RISK | 034 | 412.084.501 | 0 | 412.084.501 | 405.632.896 | 0 | 405.632.896 |
| E) REINSURANCE AMOUNT IN TECHNICAL PROVISIONS (ADP 036 to 042) | 035 | 124.074 | 488.140.677 | 488.264.751 | 254.629 | 458.008.507 | 458.263.136 |
| 1 Provisions for unearned premiums, reinsurance amount | 036 | 111.811 | 54.588.462 | 64.700.273 | 226.721 | 126.776.237 | 127.002.958 |
| 2 Mathematical provision, reinsurance amount | 037 | 12.263 | 0 | 12.263 | 27.908 | 0 | 27.908 |
| 3 Claims outstanding, reinsurance amount | 038 | 0 | 423.552.215 | 423.552.215 | 0 | 331.108.676 | 331.108.676 |
| 4 Provisions for bonuses and rebates, reinsurance amount | 039 | 0 | 0 | 0 | 0 | 123.594 | 123.594 |
| 5 Equalization provision, reinsurance amount | 040 | 0 | 0 | 0 | 0 | 0 | 0 |
| 6 Other technical provisions, reinsurance amount | 041 | 0 | 0 | 0 | 0 | 0 | 0 |
| 7 Special provisions for life assurance where policyholders bear the investment risk, reinsurance amount | 042 | 0 | 0 | 0 | 0 | 0 | 0 |
| F) DEFERRED AND CURRENT TAX ASSETS (ADP 044 +045) | 043 | 1.777.335 | 74.974.491 | 76.751.826 | 1.777.335 | 110.748.282 | 112.525.617 |
| 1 Deferred tax assets | 044 | 1.777.335 | 67.540.416 | 69.317.751 | 1.777.335 | 67.669.571 | 69.446.906 |
| 2 Current tax assets | 045 | 0 | 7.434.075 | 7.434.075 | 0 | 43.078.711 | 43.078.711 |
| G) RECEIVABLES (ADP 047+050+051) | 046 | 17.189.750 | 859.948.848 | 877.138.598 | 34.544.183 | 1.094.860.320 | 1.129.404.503 |
| 1 Receivables arising from insurance business (ADP 048+049) | 047 | 234.219 | 526.124.255 | 526.358.474 | 233.896 | 733.454.082 | 733.687.978 |
| 1.1 From policyholders | 048 | 0 | 525.674.054 | 525.674.054 | 0 | 732.895.105 | 732.895.105 |
| 1.2 From insurance agents or insurance brokers | 049 | 234.219 | 450.201 | 684.420 | 233.896 | 568.977 | 802.873 |
| 2 Receivables arising from reinsurance business | 050 | 128.917 | 59.948.347 | 60.077.264 | 128.918 | 116.529.953 | 116.658.871 |
| 3 Other receivables (ADP 052 to 054) | 051 | 16.826.614 | 273.876.246 | 290.702.860 | 34.181.359 | 244.866.285 | 279.047.654 |
| 3.1 Receivables arising from other insurance operations | 052 | 0 | 166.272.633 | 166.272.633 | 0 | 136.676.790 | 136.676.790 |
| 3.2 Receivables for investment income | 053 | 281.512 | 234.653 | 516.165 | 338.837 | 104.350 | 443.187 |
| 3.3 Other receivables | 054 | 16.545.102 | 107.368.960 | 123.914.062 | 33.842.532 | 108.085.145 | 141.927.677 |
| H) OTHER ASSETS (ADP 056+060+061) | 055 | 73.823.213 | 588.625.771 | 662.448.984 | 118.344.893 | 692.515.582 | 810.860.465 |
| 1 Cash at bank and in hand (ADP 057 to 059) | 056 | 73.823.213 | 580.540.248 | 654.363.461 | 118.344.893 | 683.492.765 | 801.837.648 |
| 1.1 Funds in the business account | 057 | 10.877.390 | 580.104.610 | 590.982.000 | 6.339.159 | 682.596.912 | 688.936.071 |
| 1.2 Funds in the account of assets covering mathematical provisions | 058 | 62.944.474 | 0 | 62.944.474 | 112.005.418 | 0 | 112.005.418 |
| 1.3 Cash in hand | 059 | 1.349 | 435.638 | 436.987 | 306 | 895.853 | 896.159 |
| 2 Fixed assets held for sale and termination of business operations | 060 | 0 | 1.938.705 | 1.938.705 | 0 | 1.883.393 | 1.883.393 |
| 3 Other | 061 | 0 | 6.146.818 | 6.146.818 | 0 | 7.139.424 | 7.139.424 |
| I) PREPAYMENTS AND ACCRUED INCOME (ADP 063 to 065) | 062 | 1.247.594 | 309.981.881 | 311.229.475 | 1.635.082 | 303.346.555 | 304.981.737 |
| 1 Deferred interest and rent | 063 | 0 | 1.103.855 | 1.103.855 | 0 | 569.300 | 569.300 |
| 2 Deferred acquisition costs | 064 | 0 | 247.354.173 | 247.354.173 | 0 | 255.082.799 | 255.082.799 |
| 3 Other prepayments and accrued income | 065 | 1.247.594 | 61.523.853 | 62.771.447 | 1.635.082 | 47.694.556 | 49.329.638 |
| J) TOTAL ASSETS (ADP 001+004+008+034+035+043+046+055+062) | 066 | 4.207.695.557 | 9.222.266.052 | 13.429.961.609 | 4.307.758.199 | 9.931.459.236 | 14.239.217.435 |
| K) OFF-BALANCE SHEET ITEMS | 067 | 371.785.133 | 2.737.809.222 | 3.109.594.355 | 204.007.631 | 2.765.022.699 | 2.969.030.330 |

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (BALANCE SHEET)

As at: 30.9.2021

in HRK

| Item | ADP code | Last day of the preceding business year | | | At the reporting date of the current period | | |
|------------------------------------------------------------------------------------------------------------|------------|-----------------------------------------|---------------|----------------|---------------------------------------------|---------------|----------------|
| | | Life | Non-life | Total | Life | Non-life | Total |
| 1 | 2 | 3 | 4 | 5(3+4) | 6 | 7 | 8(6+7) |
| LIABILITIES | | | | | | | |
| A) CAPITAL AND RESERVES (ADP 069+072+073+077+081+084) | 068 | 548.823.726 | 3.558.528.083 | 4.107.351.809 | 581.915.754 | 3.972.269.823 | 4.554.185.577 |
| 1 Subscribed capital (ADP 070 to 071) | 069 | 44.288.720 | 545.037.080 | 589.325.800 | 44.288.720 | 545.037.080 | 589.325.800 |
| 1.1 Paid in capital - ordinary shares | 070 | 44.288.720 | 545.037.080 | 589.325.800 | 44.288.720 | 545.037.080 | 589.325.800 |
| 1.2 Paid in capital - preference shares | 071 | 0 | 0 | 0 | 0 | 0 | 0 |
| 2 Premium on shares issued (capital reserves) | 072 | 0 | 681.482.525 | 681.482.525 | 0 | 681.482.525 | 681.482.525 |
| 3 Revaluation reserves (ADP 074 to 076) | 073 | 181.953.464 | 386.496.159 | 568.449.623 | 174.960.147 | 518.516.115 | 693.476.262 |
| 3.1 Land and buildings | 074 | 0 | 112.256.678 | 112.256.678 | 0 | 110.959.988 | 110.959.988 |
| 3.2 Financial assets available for sale | 075 | 181.953.464 | 274.074.057 | 456.027.521 | 174.960.147 | 407.390.527 | 582.350.674 |
| 3.3 Other revaluation reserves | 076 | 0 | 165.424 | 165.424 | 0 | 165.600 | 165.600 |
| 4 Reserves (ADP 078 to 080) | 077 | 85.295.937 | 316.742.638 | 402.038.575 | 85.295.937 | 316.742.638 | 402.038.575 |
| 4.1 Legal reserves | 078 | 2.214.436 | 27.864.354 | 30.078.790 | 2.214.436 | 27.864.354 | 30.078.790 |
| 4.2 Statutory reserve | 079 | 7.581.501 | 139.638.995 | 147.220.496 | 7.581.501 | 139.638.499 | 147.220.000 |
| 4.3 Other reserves | 080 | 75.500.000 | 149.239.289 | 224.739.289 | 75.500.000 | 149.239.785 | 224.739.785 |
| 5 Retained profit or loss brought forward (ADP 082 + 083) | 081 | 201.886.061 | 1.336.267.156 | 1.538.153.217 | 252.296.679 | 1.616.397.959 | 1.868.694.638 |
| 5.1 Retained profit | 082 | 201.886.061 | 1.336.267.156 | 1.538.153.217 | 252.296.679 | 1.616.397.959 | 1.868.694.638 |
| 5.2 Loss brought forward (-) | 083 | 0 | 0 | 0 | 0 | 0 | 0 |
| 6 Profit or loss for the current accounting period (ADP 085+086) | 084 | 35.399.544 | 292.502.525 | 327.902.069 | 25.074.271 | 294.093.506 | 319.167.777 |
| 6.1 Profit for the current accounting period | 085 | 35.399.544 | 292.502.525 | 327.902.069 | 25.074.271 | 294.093.506 | 319.167.777 |
| 6.2 Loss for the current accounting period(-) | 086 | 0 | 0 | 0 | 0 | 0 | 0 |
| B) SUBORDINATE LIABILITIES | 087 | 0 | 0 | 0 | 0 | 0 | 0 |
| C) MINORITY INTEREST | 088 | 746.627 | 11.907.814 | 12.654.441 | 885.770 | 9.373.860 | 10.259.630 |
| D) TECHNICAL PROVISIONS (ADP 090 to 095) | 089 | 3.118.356.079 | 4.505.578.686 | 7.623.934.765 | 3.186.660.237 | 4.650.313.623 | 7.836.973.860 |
| 1 Provisions for unearned premiums, gross amount | 090 | 6.096.801 | 1.429.166.624 | 1.435.263.425 | 6.256.759 | 1.650.893.603 | 1.657.090.362 |
| 2 Mathematical provisions, gross amount | 091 | 3.010.939.268 | 11.308.894 | 3.022.248.162 | 3.090.830.878 | 7.505.882 | 3.098.336.760 |
| 3 Claims outstanding, gross amount | 092 | 101.320.010 | 3.039.211.216 | 3.140.531.226 | 89.572.600 | 2.948.220.997 | 3.037.793.597 |
| 4 Provisions for bonuses and rebates, gross amount | 093 | 0 | 9.463.967 | 9.463.967 | 0 | 21.215.860 | 21.215.860 |
| 5 Equalization provision, gross amount | 094 | 0 | 7.055.533 | 7.055.533 | 0 | 7.055.533 | 7.055.533 |
| 6 Other technical provisions, gross amount | 095 | 0 | 9.372.452 | 9.372.452 | 0 | 15.481.748 | 15.481.748 |
| E) SPECIAL PROVISIONS FOR LIFE ASSURANCE WHERE POLICYHOLDERS BEAR THE INVESTMENT RISK, gross amount | 096 | 412.084.501 | 0 | 412.084.501 | 405.632.896 | 0 | 405.632.896 |
| F) OTHER PROVISIONS (ADP 098 + 099) | 097 | 2.845.537 | 98.385.232 | 101.230.769 | 4.280.156 | 89.595.616 | 93.875.772 |
| 1 Provisions for pensions and similar obligations | 098 | 2.608.688 | 95.350.774 | 97.959.462 | 3.975.003 | 87.007.599 | 90.982.602 |
| 2 Other provisions | 099 | 236.849 | 3.034.458 | 3.271.307 | 305.153 | 2.588.017 | 2.893.170 |
| G) DEFERRED AND CURRENT TAX LIABILITIES (ADP 101 + 102) | 100 | 37.308.321 | 135.095.733 | 172.404.054 | 38.489.017 | 211.371.738 | 249.860.755 |
| 1 Deferred tax liability | 101 | 35.781.836 | 116.639.392 | 152.421.228 | 33.218.613 | 147.385.865 | 180.604.478 |
| 2 Current tax liability | 102 | 1.526.485 | 18.456.341 | 19.982.826 | 5.270.404 | 63.985.873 | 69.256.277 |
| H) DEPOSITS HELD UNDER BUSINESS CEDED | 103 | 0 | 0 | 0 | 0 | 0 | 0 |
| I) FINANCIAL LIABILITIES (ADP 105 to 107) | 104 | 5.112.667 | 318.779.203 | 323.891.870 | 3.917.010 | 372.684.687 | 376.601.697 |
| 1 Loan liabilities | 105 | 0 | 0 | 0 | 0 | 2.810.607 | 2.810.607 |
| 2 Liabilities for issued financial instruments | 106 | 0 | 0 | 0 | 0 | 0 | 0 |
| 3 Other financial liabilities | 107 | 5.112.667 | 318.779.203 | 323.891.870 | 3.917.010 | 369.874.080 | 373.791.090 |
| J) OTHER LIABILITIES (ADP 109 to 112) | 108 | 55.374.068 | 321.566.127 | 376.940.195 | 57.270.373 | 346.738.768 | 404.009.141 |
| 1 Liabilities from direct insurance business | 109 | 4.968.998 | 87.717.976 | 92.686.974 | 4.486.356 | 97.423.798 | 101.910.154 |
| 2 Liabilities from coinsurance and reinsurance business | 110 | 242.461 | 96.369.663 | 96.612.124 | 318.947 | 113.038.869 | 113.357.816 |
| 3 Liabilities for disposal and discontinued operations | 111 | 0 | 11.742 | 11.742 | 0 | 14.277 | 14.277 |
| 4 Other liabilities | 112 | 50.162.609 | 137.466.746 | 187.629.355 | 52.465.070 | 136.261.824 | 188.726.894 |
| K) ACCRUALS AND DEFERRED INCOME (ADP 114+115) | 113 | 27.044.031 | 272.425.174 | 299.469.205 | 28.706.986 | 279.111.121 | 307.818.107 |
| 1 Deferred reinsurance commission | 114 | 0 | 0 | 0 | 0 | 13.673.978 | 13.673.978 |
| 2 Other accruals and deferred income | 115 | 27.044.031 | 272.425.174 | 299.469.205 | 28.706.986 | 265.437.143 | 294.144.129 |
| J) TOTAL LIABILITIES (ADP 068+087+088+089+096+097+100+103+104+108+113) | 116 | 4.207.695.557 | 9.222.266.052 | 13.429.961.609 | 4.307.758.199 | 9.931.459.236 | 14.239.217.435 |
| M) OFF-BALANCE SHEET ITEMS | 117 | 371.785.133 | 2.737.809.222 | 3.109.594.355 | 204.007.631 | 2.765.022.699 | 2.969.030.330 |

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the period: 1.1.2021 - 30.9.2021

| 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 | Profit/loss for the year | | | |
| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | |
| I Balance on the first day of the previous business year | 1 | 589.325.800 | 681.482.525 | 609.339.271 | 402.038.575 | 1.198.062.132 | 339.392.129 | 3.819.640.432 | 12.553.358 | 3.832.193.790 | |
| Change in accounting policies | 2 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| Correction of errors from prior periods | 3 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| II Balance on the first day of the previous business year (restated) | 4 | 589.325.800 | 681.482.525 | 609.339.271 | 402.038.575 | 1.198.062.132 | 339.392.129 | 3.819.640.432 | 12.553.358 | 3.832.193.790 | |
| III Comprehensive income or loss for the same period of the previous year (ADP 006 + ADP 007) | 5 | 0 | 0 | -38.971.168 | 0 | 0 | 327.902.069 | 288.930.901 | 295.386 | 289.226.287 | |
| Profit or loss for the period | 6 | 0 | 0 | 0 | 0 | 0 | 327.902.069 | 327.902.069 | 299.796 | 328.200.855 | |
| Other comprehensive income or loss for the same period of the previous year (ADP 008 to ADP 11) | 7 | 0 | 0 | -38.971.168 | 0 | 0 | 0 | -38.971.168 | -3.400 | -38.974.568 | |
| Unrealised gains or losses on tangible assets (land and buildings) | 8 | 0 | 0 | -5.448.093 | 0 | 0 | 0 | -5.448.093 | -63.084 | -5.511.177 | |
| Unrealised gains or losses on financial assets available for sale | 9 | 0 | 0 | 14.993.777 | 0 | 0 | 0 | 14.993.777 | -6.590 | 14.987.187 | |
| Realised gains or losses on financial assets available for sale | 10 | 0 | 0 | -51.498.680 | 0 | 0 | 0 | -51.498.680 | 0 | -51.498.680 | |
| Other changes in equity unrelated to owners | 11 | 0 | 0 | 2.981.828 | 0 | 0 | 0 | 2.981.828 | 66.274 | 3.048.102 | |
| IV Transactions with owners (previous period) | 12 | 0 | 0 | -1.918.480 | 0 | 340.091.085 | -339.392.129 | -1.219.524 | -194.303 | -1.413.827 | |
| Increase/decrease in subscribed capital | 13 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| Other contributions by owners | 14 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| Payment of share in profit/dividend | 15 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | -156.751 | -156.751 | |
| Other distribution to owners | 16 | 0 | 0 | -1.918.480 | 0 | 340.091.085 | -339.392.129 | -1.219.524 | -37.552 | -1.257.076 | |
| V Balance on the last day of the previous business year reporting period | 17 | 589.325.800 | 681.482.525 | 568.449.623 | 402.038.575 | 1.538.153.217 | 327.902.069 | 4.107.351.809 | 12.654.441 | 4.120.006.250 | |
| VI Balance on the first day of the current business year | 18 | 589.325.800 | 681.482.525 | 568.449.623 | 402.038.575 | 1.538.153.217 | 327.902.069 | 4.107.351.809 | 12.654.441 | 4.120.006.250 | |
| Change in accounting policies | 19 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| Correction of errors from prior periods | 20 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| VII Balance on the first day of the current business year (restated) | 21 | 589.325.800 | 681.482.525 | 568.449.623 | 402.038.575 | 1.538.153.217 | 327.902.069 | 4.107.351.809 | 12.654.441 | 4.120.006.250 | |
| VIII Comprehensive income or loss for the year | 22 | 0 | 0 | 126.321.424 | 0 | 0 | 319.167.777 | 445.489.201 | 356.829 | 445.846.030 | |
| Profit or loss for the period | 23 | 0 | 0 | 0 | 0 | 0 | 319.167.777 | 319.167.777 | 369.779 | 319.536.556 | |
| Other comprehensive income or loss for the year | 24 | 0 | 0 | 126.321.424 | 0 | 0 | 0 | 126.321.424 | -11.950 | 126.309.474 | |
| 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 | 151.213.094 | 0 | 0 | 0 | 151.213.094 | -5.270 | 151.207.824 | |
| Realised gains or losses on financial assets available for sale | 27 | 0 | 0 | -23.079.543 | 0 | 0 | 0 | -23.079.543 | 0 | -23.079.543 | |
| Other changes in equity unrelated to owners | 28 | 0 | 0 | -1.812.127 | 0 | 0 | 0 | -1.812.127 | -6.680 | -1.818.807 | |
| Transactions with owners (current period) | 29 | 0 | 0 | -1.294.785 | 0 | 330.541.421 | -327.902.069 | 1.344.567 | -2.751.640 | -1.407.073 | |
| Increase/decrease in subscribed capital | 30 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| Other contributions by owners | 31 | 0 | 0 | 0 | 0 | 1.092.012 | 0 | 1.092.012 | -2.647.572 | -1.555.560 | |
| Payment of share in profit/dividend | 32 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | -134.972 | -134.972 | |
| Other transactions with owners | 33 | 0 | 0 | -1.294.785 | 0 | 329.449.409 | -327.902.069 | 252.555 | 30.904 | 283.459 | |
| Balance on the last day of the current year reporting period | 34 | 589.325.800 | 681.482.525 | 693.476.262 | 402.038.575 | 1.868.694.638 | 319.167.777 | 4.554.185.577 | 10.259.630 | 4.564.445.207 | |

CONSOLIDATED STATEMENT OF CASH FLOWS – indirect method

For the period: 1.1.2021 - 30.9.2021

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 | 260.078.577 | 86.775.184 |
| 1 Cash flow before changes in operating assets and liabilities (ADP 003+004) | 002 | 272.499.058 | 238.732.560 |
| 1.1 Profit/loss before tax | 003 | 354.076.752 | 383.529.127 |
| 1.2 Adjustments: (ADP 005 to 012) | 004 | -81.577.694 | -144.796.567 |
| 1.2.1 Depreciation of property and equipment | 005 | 45.737.082 | 40.683.762 |
| 1.2.2 Amortization of intangible assets | 006 | 15.167.549 | 19.457.272 |
| 1.2.3 Impairment and gains/losses on fair valuation | 007 | 11.270.541 | -30.593.687 |
| 1.2.4 Interest expenses | 008 | 8.076.703 | 8.461.741 |
| 1.2.5 Interest income | 009 | -148.355.576 | -140.985.917 |
| 1.2.6 Share in profit of associates | 010 | -7.438.215 | -8.018.343 |
| 1.2.7 Profit/loss from the sale of tangible assets (including land and buildings) | 011 | 444.780 | -558.163 |
| 1.2.8 Other adjustments | 012 | -6.480.558 | -33.243.232 |
| 2 Increase/decrease in operating assets and liabilities (ADP 014 to 030) | 013 | 38.916.000 | -110.812.482 |
| 2.1 Increase/decrease in financial assets available for sale | 014 | -153.152.288 | -425.773.158 |
| 2.2 Increase/decrease in financial assets at fair value through statement of profit or loss | 015 | 11.238.364 | 4.189.669 |
| 2.3 Increase/decrease in loans and receivables | 016 | 52.460.574 | 239.957.002 |
| 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 | 7.961.961 | 6.451.605 |
| 2.6 Increase/decrease in reinsurance amount in technical provisions | 019 | -119.819.127 | 30.001.614 |
| 2.7 Increase/decrease in tax assets | 020 | -31.384.380 | -35.642.919 |
| 2.8 Increase/decrease in receivables | 021 | -112.881.450 | -242.818.173 |
| 2.9 Increase/decrease in other assets | 022 | 0 | 0 |
| 2.10 Increase/decrease in prepayments and accrued income | 023 | -13.303.531 | 6.247.547 |
| 2.11 Increase/decrease in technical provisions | 024 | 361.258.163 | 213.045.314 |
| 2.12 Increase/decrease in special provisions for life assurance where policyholders bear the investment risk | 025 | -7.861.961 | -6.451.605 |
| 2.13 Increase/decrease in tax liabilities | 026 | 29.697.307 | 27.464.370 |
| 2.14 Increase/decrease in deposits held under reinsurance business ceded | 027 | 0 | 0 |
| 2.15 Increase/decrease in financial liabilities | 028 | 65.599.892 | 42.517.530 |
| 2.16 Increase/decrease in other liabilities | 029 | -37.020.751 | 21.649.818 |
| 2.17 Increase/decrease in accruals and deferred income | 030 | -13.776.773 | 8.348.904 |
| 3 Income tax paid | 031 | -51.336.481 | -41.144.894 |
| II CASH FLOW FROM INVESTING ACTIVITIES (ADP 033 to 046) | 032 | 275.298.193 | 59.901.741 |
| 1 Cash receipts from the sale of tangible assets | 033 | 223.756 | 313.770 |
| 2 Cash payments for the purchase of tangible assets | 034 | -26.536.334 | -20.681.171 |
| 3 Cash receipts from the sale of intangible assets | 035 | 0 | 0 |
| 4 Cash payments for the purchase of intangible assets | 036 | -49.762.250 | -42.209.344 |
| 5 Cash receipts from the sale of land and buildings not occupied by an undertaking for its own activities | 037 | 80.614.594 | 2.550.908 |
| 6 Cash payments for the purchase of land and buildings not occupied by an undertaking for its own activities | 038 | -27.790.521 | -3.382.562 |
| 7 Increase/decrease of investments in branches, associates and joint ventures. | 039 | -77.987.290 | 7.862.249 |
| 8 Cash receipts from financial assets held to maturity | 040 | 440.249.407 | 155.378.689 |
| 9 Cash payments for financial assets held to maturity | 041 | -118.182.031 | -114.873.198 |
| 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 | 8.317.086 | 27.158.406 |
| 13 Cash receipts from repayments of short-term and long-term loans given | 045 | 67.996.568 | 67.864.182 |
| 14 Cash payments for short-term and long-term loans | 046 | -21.944.792 | -20.080.188 |
| III CASH FLOW FROM FINANCING ACTIVITIES (ADP 048 to 052) | 047 | -19.056.162 | -23.938.754 |
| 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 | -18.899.411 | -21.843.782 |
| 4 Cash payments for the redemption of treasury shares | 051 | 0 | 0 |
| 5 Cash payments of share in profit (dividend) | 052 | -156.751 | -2.094.972 |
| NET CASH FLOW (ADP 001 + 032 + 047) | 053 | 516.320.608 | 122.738.171 |
| IV EFFECT OF EXCHANGE RATE FLUCTUATIONS ON CASH AND CASH EQUIVALENTS | 054 | -46.383.119 | 25.673.310 |
| V NET INCREASE/DECREASE IN CASH AND CASH EQUIVALENTS (053+054) | 055 | 469.937.489 | 148.411.481 |
| Cash and cash equivalents at the beginning of period | 056 | 220.351.390 | 662.448.984 |
| Cash and cash equivalents at the end of period (ADP 055 + 056) | 057 | 690.288.879 | 810.860.465 |

II. QUARTERLY MANAGEMENT REPORT

In the period observed, the CROATIA osiguranje Group, operating in Croatia and the markets of the region (BiH, North Macedonia, Serbia and Slovenia), achieved consolidated profit after tax and non-controlling interest in the amount of HRK 319.2m, which represents an increase of 9.4 percent compared to the comparative period of the previous year.

Gross written premium for the reporting period amounted to HRK 2,735m, which represents an increase of 5.4 percent compared to the comparative period of the previous year. Gross written premium of non-life insurance amounted to HRK 2,309.9m which represents an increase by 6.3 percent, while gross written premium of life insurance increased by 0.6 percent and amounted to HRK 425.1m.

Earned premium for the reporting period amounted to HRK 2,320.7m, which represents 81.2 percent of total income and an increase of 4.1 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 353.8m, which represents a decrease of 7.6 percent compared to the comparative period of the previous year. Income from investments represents 12.4 percent of total income. Investment expenses amounted to HRK 79.9m, which represents a decrease of 10.6 percent compared to the comparative period of the previous year. Investment expenses represent 3.2 percent of total expenses.

Net claims incurred for the reporting period represent 53.2 percent of total expenses and amounted to HRK 1,317.8m, which represents a decrease of 8.3 percent compared to the same period of the previous year, while claims settled amounted to HRK 1,326.8m, representing a decrease of 2.5 percent compared to the same period of the previous year primarily due to the absence of claims arising from earthquake insurance risks that were recorded in the comparable period.

Acquisition and administration costs amounted to HRK 929.9m, representing 37.6 percent of total expenses of the Group. Acquisition and administration costs increased by 12.3 percent compared to the comparative period of the previous year.

Total assets of the Group as at 30 September 2021 amounted to HRK 14.2 billion, representing an increase of 6 percent compared to 31 December 2020.

Technical reserves as at 30 September 2021 amounted to HRK 7.8 billion, representing an increase of 2.8 percent compared to 31 December 2020.

Unaudited consolidated financial statements for the third quarter of 2021 will be available on the web sites of CROATIA osiguranje d.d., Zagreb Stock Exchange and Officially appointed mechanism for the central storage of regulated information.

Significant business events in the reporting period

On 18 June 2021, General Assembly of CROATIA osiguranje d.d. passed the Decision on the use of the profit of CROATIA osiguranje d.d. achieved in 2020. 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.

The Governing Board of the Croatian Financial Services Supervisory Agency (HANFA) held a session on July 14, 2021 and issued a decision approving Željko Lovrinčević to perform the function of a member of the Supervisory Board of CROATIA osiguranje dd for a term starting from September 20, 2021 to September 20, 2025.

Regarding the impact of COVID-19 on operations, due to the further course of the COVID-19 pandemic, the Group continues to closely monitor the situation and possible impacts on operations, with no significant negative impacts on the Group's operations.

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 of non-performing loans in most banks and a decrease in profit.

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

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

Significant events after the end of the reporting date

The Croatian Financial Services Supervisory Agency (HANFA), at its meeting of the Governing Board held on 7 October 2021, issued a resolution authorising Zoran Barac to act as a member of the Supervisory Board of CROATIA osiguranje d.d. for a term of 4 years, with the beginning of the term from the date of receipt of the decision of HANFA, ie from 11 October 2021.

Expected development in the future

Given the very good tourist season, which shows signs that it could outperform a record 2019, the insurance market is experiencing strong growth of 9% compared to the previous year. Rising real estate prices and low interest rates, as well as penalties for holding higher amounts of cash in banks, contribute to the further growth of insurance products that rely on the bank channel (credit insurance and life insurance). Currently, the only negative effects relate to the delay in deliveries of new vehicles, due to a global problem in supply chains, which will begin to negatively affect the sale of insurance related to motor vehicles.

Numerous transformation initiatives launched in 2019 and 2020 have led to the optimization of business processes and increased business efficiency. The preparation phase of the new transformation cycle

started at the beginning of this year has been completed, the implementation of which should lead to further premium growth and more efficient cost management in the second part of the year.

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

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

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

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

Research and development activities

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

During 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). Thanks to this high-tech product, Croatia osiguranje has so far paid HRK 12.6m in compensation for drought damage. Index moisture protection in the soil is the most modern product of its kind on the market, which uses advanced technology for measuring soil moisture via satellite, and the payment of damages takes place automatically, without the need for an appraiser to go to the field. So far, more than 1,000 farmers have received the payment, and 90% of the compensation has been paid in just two weeks. According to estimates, Croatia osiguranje will pay out a total of HRK 13.7m to insured farmers.

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

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

Description of the most significant risks and uncertainties

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

Zagreb, 28 October 2021

Member of the Management Board

Luka Babić 



President of the Management Board

Davor Tomašković 

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

1. GENERAL INFORMATION

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

| Group | Activity | 30 September 2021 | | |
|-------------------------------------------------------------------|-------------------------|------------------------------------|------------------------------|----------------------------------------------|
| | | Shares directly held by parent (%) | Shares held by the Group (%) | Shares held by non-controlling interests (%) |
| Subsidiaries registered in Croatia which are consolidated: | | | | |
| Croatia premium d.o.o., Zagreb | Real estate business | 100.00 | 100.00 | - |
| - <i>M teh d.o.o.</i> | <i>Equipment rental</i> | <i>100.00</i> | <i>100.00</i> | - |
| Core 1 d.o.o., Zagreb | Real estate business | 100.00 | 100.00 | - |
| Razne usluge d.o.o. (u likvidaciji) | - | 100.00 | 100.00 | - |
| AUTO MAKSIMIR VOZILA d.o.o. | Insurance agency | 100.00 | 100.00 | - |
| CO LOGISTIKA d.o.o. | Real estate business | 100.00 | 100.00 | - |
| Strmec projekt d.o.o. | Real estate business | 100.00 | 100.00 | - |
| CO Zdravlje d.o.o. | Consulting and services | 100.00 | 100.00 | - |
| - <i>CROATIA Poliklinika, Zagreb</i> | <i>Healthcare</i> | - | <i>100.00</i> | - |
| Croatia-Tehnički pregledi d.o.o., Zagreb | MOT* | 100.00 | 100.00 | - |
| - <i>Herz d.d., Požega</i> | <i>MOT</i> | - | <i>100.00</i> | - |
| - <i>Slavonijatrans-Tehnički pregledi d.o.o., Sl. Brod</i> | <i>MOT</i> | - | <i>76.00</i> | <i>24.00</i> |
| - <i>STP Pitomača, Pitomača</i> | <i>MOT</i> | - | <i>100.00</i> | - |
| - <i>STP Blato</i> | <i>MOT</i> | - | <i>100.00</i> | - |
| - <i>Autoprijevoz d.d.</i> | <i>MOT</i> | - | <i>79.12</i> | <i>20.88</i> |
| - <i>Crotehna d.o.o., Ljubuški</i> | <i>MOT</i> | - | <i>100.00</i> | - |
| - <i>Ponte d.o.o., Mostar</i> | <i>Insurance agency</i> | - | <i>100.00</i> | - |
| - <i>Skadenca d.o.o.,</i> | <i>Insurance agency</i> | - | <i>100.00</i> | - |
| Croatia osiguranje mirovinsko društvo d.o.o., Zagreb | Fund management | 100.00 | 100.00 | - |
| ASTORIA d.o.o. | Real estate business | 100.00 | 100.00 | - |
| Subsidiaries registered abroad which are consolidated | | | | |
| Milenijum osiguranje a.d.o., Beograd | Insurance | 100.00 | 100.00 | - |
| Croatia osiguranje d.d., Mostar | Insurance | 97.01 | 97.01 | 2.99 |
| - <i>Croatia remont d.d., Čapljina**</i> | <i>MOT</i> | - | <i>69.79</i> | <i>30.21</i> |
| - <i>Croauto d.o.o., Mostar</i> | <i>MOT</i> | - | <i>66.79</i> | <i>33.21</i> |
| - <i>Hotel Hum d.o.o., Ljubuški</i> | <i>Hospitality</i> | - | <i>100.00</i> | - |
| Croatia osiguranje d.d., non-life insurance company, Skopje | Insurance | 91.75 | 100.00 | - |
| Croatia osiguranje d.d., life insurance company, Skopje | Insurance | 95.00 | 100.00 | - |

*MOT – Motor vehicle examination stations

** Crotehna d.o.o. additionally holds 8.69% in Croatia remont d.d.

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

The following is a summary of financial information for PBZ Croatia osiguranje d.d. for the last year for which the annual financial statements have been adopted and which have been presented for the Group using the equity method.

| Summary statement of financial position | 31 December 2020 |
|---------------------------------------------------|-------------------------|
| | in HRK'000 |
| Financial assets | 102,892 |
| Other assets | 34,225 |
| Total assets | 137,117 |
| Liabilities | 6,877 |
| Capital and reserves | 130,240 |
| Total equity and liabilities | 137,117 |
| | |
| Summary statement of comprehensive income | |
| Income | 67,007 |
| Expenses | (42,813) |
| Profit before tax | 24,194 |
| Income tax | (4,358) |
| Profit for the year | 19,836 |
| Share in profit of joint venture @ 50% | 9,918 |
| | |
| Summary financial information | 31 December 2020 |
| | in HRK'000 |
| Opening balance of net assets at 1 January | 133,304 |
| Profit for the period | 19,836 |
| Dividends | (22,900) |
| Closing balance of net assets | 130,240 |
| Share in profit of joint venture @ 50% | 65,120 |
| Carrying amount | 65,120 |

CROATIA osiguranje d.d., Zagreb, Vatroslava Jagića 33 (parent company) is registered in the Court Register of the Commercial Court in Zagreb, Republic of Croatia, under the Company's Court Reg. No. ("MBS") o80051022 and PIN ("OIB") 26187994862. The Company's principal activity is non-life and life insurance business together with activities that are related to insurance activities and reinsurance business in the non-life insurance segment. Among other important activities, the Group also carries out activities of pension fund management, technical examinations and providing medical services of clinics within the segment of non-life.

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

The average number of employees of the Group during the current period is 3,472.

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 for preparation and consolidation

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

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 2020. The Group's annual financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union. The Annual Financial Report for 2020, for the purpose of understanding the information published in the notes to

the financial statements prepared for the third quarter of the 2021, is available on the company's official website, the official website of the Zagreb Stock Exchange and the Croatian Financial Services Supervisory Agency's Official Register.

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

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

Financial statements for the third quarter of the 2021 have not been audited.

Presentation currency

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

Use of estimates and judgements

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

Accounting policies

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

Related party transactions

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

Seasonality of business activities

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

Segment reporting

The Group's reporting segments comprise the life insurance segment and the non-life insurance segment. The description of segments as well as allocation of costs between segment of life insurance and non-life insurance, capital and reserves and assets described in the annual financial statements for 2020, have not changed. There were no significant intersegmental revenues and expenses in the period observed.

Earnings per share

| | 1 January-30 September 2020 | 1 January-30 September 2021 |
|----------------------------------------------------------------------|--------------------------------|--------------------------------|
| | in HRK | in HRK |
| Profit for the year attributable to the Company's shareholders | 291,662,005 | 319,167,777 |
| Weighted average of ordinary shares | 420,947 | 420,947 |
| Earnings per share attributable to the Company's shareholders | | |
| Basic and diluted earnings per share in HRK | 692.9 | 758.2 |

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 September 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 | 2,177,095,716 | 2,395,269,519 | 218,173,803 | 2,169,782,849 | 2,434,029,051 | 264,246,202 |
| Loans | 233,458,434 | 233,783,855 | 325,421 | 263,179,015 | 264,053,447 | 874,432 |
| Deposits | 682,729,243 | 683,931,589 | 1,202,346 | 923,404,147 | 924,807,760 | 1,403,613 |
| | 3,093,283,393 | 3,312,984,963 | 219,701,570 | 3,356,366,011 | 3,622,890,258 | 266,524,247 |

Methods of assessment or assumptions in determining fair value

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

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

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

The Group's assets measured at fair value as at 30 September 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> | - | - | 424,076,147 | 424,076,147 |
| <i>Investment property</i> | - | - | 1,088,881,763 | 1,088,881,763 |
| Equity securities | 792,835,269 | - | 29,911,875 | 822,747,144 |
| Debt securities | 2,385,585,058 | 2,215,189,067 | 1,842,652 | 4,602,616,777 |
| Investment funds | 153,231,323 | 184,166,258 | 130,973 | 337,528,554 |
| <i>Available-for-sale financial assets</i> | 3,331,651,650 | 2,399,355,325 | 31,885,500 | 5,762,892,475 |
| Equity securities | 23,985,336 | - | - | 23,985,336 |
| Debt securities | - | - | - | - |
| Investment funds | 434,394,883 | - | - | 434,394,883 |
| Foreign currency forward contracts | - | 7,798,694 | - | 7,798,694 |
| <i>Financial assets at fair value through profit or loss</i> | 458,380,219 | 7,798,694 | - | 466,178,913 |
| Total assets at fair value | 3,790,031,869 | 2,407,154,019 | 1,544,843,410 | 7,742,029,298 |

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

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

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

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

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

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

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

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

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

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

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

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

Intangible assets

In the period observed, intangible assets increased by HRK 26.2m, primarily due to additional investments in the new Core IT system. The Group capitalized the costs of net salaries in the amount of HRK 3.9m, the costs of contributions from salaries in the amount of HRK 1.1m, the costs of taxes and surcharges from salaries in the amount of HRK 0.8m, the costs of contributions to salaries in the amount of HRK 0.9m and other employee costs in the amount of HRK 0.8m.

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 75.6m 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.

Financial assets and financial liabilities

The structure of financial assets as at 30 September 2021 and 31 December 2020 was as follows:

| | 30 September 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 | - | 756,448,908 | 23,985,336 | - | 780,434,244 |
| Shares, not listed | - | 66,298,236 | - | - | 66,298,236 |
| | - | 822,747,144 | 23,985,336 | - | 846,732,480 |
| Debt securities | | | | | |
| Government bonds | 2,132,963,692 | 4,209,896,219 | - | - | 6,342,859,911 |
| Corporate bonds | 44,132,024 | 392,720,558 | - | - | 436,852,582 |
| | 2,177,095,716 | 4,602,616,777 | - | - | 6,779,712,493 |
| Derivative financial instruments | | | | | |
| Foreign currency forward contracts | - | - | 7,798,694 | - | 7,798,694 |
| | - | - | 7,798,694 | - | 7,798,694 |
| Investment funds | | | | | |
| Open-ended investment funds | - | 337,528,554 | 28,761,987 | - | 366,290,541 |
| Open-ended investment funds - assets for coverage of unit-linked products | - | - | 405,632,896 | - | 405,632,896 |
| | - | 337,528,554 | 434,394,883 | - | 771,923,437 |
| Loans and receivables | | | | | |
| Deposits with credit institutions | - | - | - | 682,729,243 | 682,729,243 |
| Loans | - | - | - | 233,458,434 | 233,458,434 |
| | - | - | - | 916,187,677 | 916,187,677 |
| | 2,177,095,716 | 5,762,892,475 | 466,178,913 | 916,187,677 | 9,322,354,781 |

| | 31 December 2020 | | | | |
|------------------------------------------------------------------------------|-------------------------------------|-----------------------------------------------|------------------------------------------------------------------------------------|--------------------------|---------------|
| | Held-to- maturity investments | Available- for-sale financial assets | Financial assets at fair value through profit or loss - for trading | Loans and receivables | Total |
| | in HRK | in HRK | in HRK | in HRK | in HRK |
| Shares | | | | | |
| Shares, listed | - | 534,724,501 | 17,187,511 | - | 551,912,012 |
| Shares, not listed | - | 1,974,678 | - | - | 1,974,678 |
| | - | 536,699,179 | 17,187,511 | - | 553,886,690 |
| Debt securities | | | | | |
| Government bonds | 2,125,846,022 | 4,225,370,460 | - | - | 6,351,216,482 |
| Corporate bonds | 43,936,827 | 169,504,948 | - | - | 213,441,775 |
| | 2,169,782,849 | 4,394,875,408 | - | - | 6,564,658,257 |
| Derivative financial instruments | | | | | |
| Foreign currency forward contracts | - | - | 4,115,217 | - | 4,115,217 |
| | - | - | 4,115,217 | - | 4,115,217 |
| Investment funds | | | | | |
| Open-ended investment funds | - | 192,073,885 | 26,048,085 | - | 218,121,970 |
| Open-ended investment funds - assets for coverage of unit-linked products | - | - | 412,084,501 | - | 412,084,501 |
| | - | 192,073,885 | 438,132,586 | - | 630,206,471 |
| Loans and receivables | | | | | |
| Deposits with credit institutions | - | - | - | 923,404,147 | 923,404,147 |
| Loans | - | - | - | 263,179,015 | 263,179,015 |
| | - | - | - | 1,186,583,162 | 1,186,583,162 |
| | 2,169,782,849 | 5,123,648,472 | 459,435,314 | 1,186,583,162 | 8,939,449,797 |

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

| | 30 September 2021 | 31 December 2020 |
|-----------------------------------|-------------------|------------------|
| | in HRK | in HRK |
| Lease liabilities | 307,332,970 | 301,613,489 |
| Liabilities for repo transactions | 47,574,658 | - |
| Loan liabilities | 2,810,607 | - |
| Derivative financial instruments | 2,518,561 | 7,425,656 |
| Preference shares | 12,250,000 | 12,250,000 |
| Other financial liabilities | 4,114,901 | 2,602,725 |
| | 376,601,697 | 323,891,870 |

Share capital and shares

The Company's share capital with a nominal value of 601,575,800 as at 30 September 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/CROS ₂ | 12,250,000 |
| TOTAL OF PREFERENCE SHARES | 12,250,000 |

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

Liabilities

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

| | 30 September 2021 | | | |
|-------------------------------------------------------------------------------------|----------------------|--------------------|--------------------|----------------------|
| | No later than 1 year | 1-5 years | More than 5 years | Total |
| Other provisions | 15,081,844 | 54,404,269 | 24,389,659 | 93,875,772 |
| Financial liabilities | 71,387,645 | 77,863,038 | 227,351,014 | 376,601,697 |
| Liabilities arising from insurance contracts, other liabilities and deferred income | 666,001,130 | 29,559,064 | 16,267,054 | 711,827,248 |
| Total | 752,470,619 | 161,826,371 | 268,007,727 | 1,182,304,717 |

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

Deferred taxes

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

| | Land and buildings occupied by an undertaking for its own activities | land and buildings not occupied by an undertaking for its own activities | Financial assets available for sale | Other | Total |
|-------------------------------------------------------------------------------------------|----------------------------------------------------------------------|--------------------------------------------------------------------------|-------------------------------------|----------------|--------------------|
| | in HRK | in HRK | in HRK | in HRK | in HRK |
| 1 January 2021 | 23,523,624 | 32,298,123 | 96,114,191 | 485,290 | 152,421,228 |
| Utilization through retained earning | (280,610) | - | - | - | (280,610) |
| Recognized deferred tax liabilities in profit or loss | - | 1,191,024 | - | - | 1,191,024 |
| Change in fair value of available-for-sale investments through other comprehensive income | - | - | 27,301,905 | - | 27,301,905 |
| Foreign exchange differences | - | - | (29,069) | - | (29,069) |
| 30 September 2021 | 23,243,014 | 33,489,147 | 123,387,027 | 485,290 | 180,604,478 |

Commitments

As at 30 September 2021, the Group's contractual obligations for future investments amount to HRK 519m based on binding bids for investments in alternative investment funds.

MANAGEMENT BOARD STATEMENT

Pursuant to article 20 of the Articles of Association of the Company from 9 September 2021 and article 468 of the Capital Market Law (Official Gazette 65/18, 17/20, 83/21), the Management Board provides this

STATEMENT

That to the best of our knowledge:

- the set of quarterly consolidated unaudited financial statements of the issuer for the period 1 January – 30 September 2021, prepared by using applicable financial reporting standards, gives a true and fair view of assets and liabilities, the financial position, profit or loss of the issuer and the entities included in consolidation,
- the management report presents an objective view of the development and business results and position of the issuer and entities included in consolidation, with description of significant risks and uncertainties to which they are exposed,

Zagreb, 28 October 2021

Member of the Management Board


Luka Babić

President of the Management Board


Davor Tomašković



