

# UNAUDITED UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE SECOND QUARTER AND THE FIRST HALF OF 2014

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## I UNAUDITED FINANCIAL STATEMENTS

Reporting period:

01.01.

to

30.06.2014.

# Quarterly financial statement for insurance and reinsurance companies - TFI-OSIG

Tax number(MB)	03276147				
Company registration number (MBS):	080051022				
Personal identification number (OIB):	26187994862				1
Issuing company:	CROATIA osiguranje d.d				
Postal code and place	10000	ZAGREE	3		
Street and house number:	MIRAMARSKA 22				
E-mail address:					
Internet address	www.crosig.hr				
Municipality/city code and name	133 ZAGREB				
County code and name	21 GRAD ZAGRE	В		Number of employees: [ (quarter end)	2.653
Consolidated report:	NO			NKD code:	6512
Companies of the consolida	ation subject (according		Seat:		MB:
;					
-					
	1				
Bookkeeping service:					
Contact person:	(UZMANOVIĆ KATICA				
Telephone:	01/6333-117			Telefaks: 01/6332-073	
E-mail address:	zdavatelj@crosig.hr				
Family name and name:					
(	person authorized to rep	resent the compa	ny)		

# Documents to be published:

- Financial statements (balance sheet, profit and loss statement, cash flow statement, statement of changes in equity, and notes to financial statements)
- 2. Statement of persons responsible for the drawing-up of financial statements
- 3. Report of the Management Board on the Company Status

Member of the Board

Nikola Misetić

Sanel Velarić

(signature of the person authorized to represent the company)

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# COMPREHENSIVE PROFIT REPORT (PROFIT & LOSS ACCOUNT) for the period 01.01.2014.-30.06.2014

in HRK

	AOP	F	revious period			Current period	
Position		Life	Non-life	Total	Life	Non-life	Total
· · · · · · · · · · · · · · · · · · ·	2	3	4	5(3+4)	6	7	8(6+7)
I. Earned premiums (AOP 125 to 132)	124	170.253.352	880.255.325	1.050.508.677	173.930.851	816.868.236	990.799.08
1. Gross written premiums	125	169,771,798	1.441.357.471	1.611.129.269	173.745.373	1.249.696.727	1.423.442.10
Coinsurance premium		109.771.790	1.441.357.471		1/3./45,3/3	1.249.090.727	1.423,442,10
	126			0			
Value adjustment and collected insurance/coinsurance premium value adjustment	127		-42.726.118	-42.726.118		-45.626.310	-45.626.31
Premiums ceded to reinsurance	128	-113.273	-236.829.250	-236.942.523	-230.904	-210.361.433	-210.592.33
5. Premiums ceded to coinsurance	129			0			
Change in gross unearned premium provision	130	552.649	-321.728.533	-321.175.883	369.431	-217.759.609	-217.390.17
7. Change in unearned premium provision, reinsurer's share	131	42.178	40.181.756	40.223.934	46.951	40.918.861	40.965.812
Change in unearned premium provision, coinsurer's share	132			0			
II. Income from investments (AOP 134 + 135 + 139 + 140 + 141 +							
145 + 146)	133	52,333,100	119.405.413	171.738.512	57.673.124	96.511.947	154.185.071
Income from branch-offices, associated companies and joint ventures	134		45.311.237	45.311.237		22.199.746	22.199.746
2. Income from investments into land an buildings (136 to 138)	135	0	11.473.341	11.473.341	0	13.163.765	13.163.765
2.1, Income from rental fees	136		11.467.552	11.467.552		13.163.765	13.163.765
2.2. Income from increased value of land and buildings	137			0			(
2.3. Income from real estate sale	138		5.789	5.789			(
3. Interest income	139	50.662.758	52.722.923	103.385.680	53.523.105	49.107.456	102.630.562
4. Unrealized profits from investment at fair value	140	835.918	1.225.939	2.061.857	2.933.256	7.282.030	10.215.286
5. Gain on sale (realization) of financial investments (142 to 145)	141	547.578	1.640.738	2.188.316	1,056,096	2.108.926	3,165,022
5.1. Investment at fair value through profit and loss acount	142	547.578	1.276.804	1.824.382	1.056.096	1.719.634	2.775.730
5.2. Investment available for sale	143	547.570	363.934	363.934	1.000,000	389.292	389.292
5.3. Other gains on sale of financial investments	144	<del></del>	303.334	0		303.232	305.252
Other gams on sale of final livestricits     Net positive exchange rate differences				- 15			
7. Other investment income	145			0			(
	146	286.846	7.031.235	7.318.080	160.667	2.650.023	2.810.690
III. Income from commissions and fees	147	10.337	15.179.239	15.189.577	4.722	14.475.886	14.480.609
IV. Other insurance-tehnical income, net of reinsurance	148	22.808	3.983.690	4.006.497	302.876	19.688.096	19.990.971
V. Other income	149	1.948.420	34.425.962	36.374.382	3.132.532	41.654.600	44.787.131
VI. Expenses for insured events, net of reinsurance (AOP 151 + 155)	160	-185,188,525	-485.359.600	-670.548.125	-131.975.730	-475.914.798	-607.890.527
1. Paid claims (AOP 152 to 154)	151	-196.249.497	-506,508,549	-702.758.046	-136.390.488	-476.457.399	-612.847.887
1.1. Gross amount	162	-196.249.497	-621.422.948	-817.672.444	-136.390.488	-570.486.857	-706.877.345
1.2. Coinsurer's share	153			0			C
1.3. Reinsurer's share	154		114.914.399	114.914.399	1	94.029.458	94.029.458
2. Change in claims provision (AOP 156 to 158)	155	11.060.972	21.148.949	32.209.920	4.414.758	542.601	4.957.359
2.1. Gross amount	156	11.060.972	31.133.521	42.194.492	4.414.758	2.132.896	6.547.654
2.2. Coinsurer's share	157	-		0			0
2.3. Reinsurer's share	158		-9.984.572	-9.984.572		-1.590.295	-1.590.295
VII. Change in mathematical reserve and other technical reserves (AOP 160 + 163)	159	24.256.885		24.256.885	-47.987.385	-41.100.000	-89.087.385
Change in mathematical insurance provision (AOP 161 + 162)	160	24.256.885	0	24.256.885	-47.987.385	0	-47.987.385
1.1. Gross amount	161	24.294.816		24.294.816	-47.946.387		-47.946.387
1.2. Reinsurer's share		-37.931		27.004	-40.998		-40.998
Change in other technical provision, net of reinsurance (AOP 164)	162	0	0	-37.931	0	-41.100.000	-41.100.000
do 166)	3772.0						
2.1. Gross amount	164			0		-41.100.000	-41.100.000
2.2. Coinsurer's share	166			0			0
2.3. Reinsurer's share	166			0			
VIII. Changes in special reserves for insurance concerning the life insurance group where the policyholder assumes the investment risk, net of reinsurance (AOP 168 to 170)	167	2.146.559	0	2.146.559	2.572.573	0	2.572.573
1. Gross amount	168	2.146.559		2.146.559	2.572.573		2.572.573
2. Coinsurer's share	169	2.170.000	-	0	2.572.575		
3. Reinsurer's share	170			0			
	1/0			0			
IX. Outlays for premium returns (bonuses and discounts), net of reinsurance (AOP 172 + 173)	171	o	0	0	0	0	C
Depending on results (bonuses)	172			0			0
				0			

		and the same of th					
X. Business expenditures(AOP 175+179)	174	-39.680,906	-413.278.980	-452.959.887	-43.048.729	-416.616.310	-459.665.039
1. Sales expenses (AOP 176 to 178)	175	-10.630.342	-107.805.488	-118.435.830	-8.396,109	-100.884.652	-109.280.762
1.1. Commision	176	-7.075.943	-81.050.430	-88.126.373	-6.315.927	-84.487.355	-90.803.282
1.2. Other sales expenses	177	-3.554.399	-26.755.058	-30.309.457	-2.080.182	-16.397.298	-18.477.480
1.3. Change in split sales expenses	178			0			0
2. Management expenses (AOP 180 to 182)	179	-29.050,564	-305.473.492	-334.524.056	-34.652.620	-315.731,658	-350.384.277
2.1. Depreciation of tangible assets	180	-830.129	-22.154.160	-22.984.289	-907.952	-20.395.017	-21,302,968
2.2. Salaries, taxes and salary contributions (from and on salary)	181	-22.072.033	-164.768.752	-186.840.785	-21.581.678	-161.668.536	-183,250,215
2.3. Other management expenses	182	-6.148.403	-118.550.581	-124.698.983	-12.162.990	-133.668.104	-145.831.094
XI. Investment expenses (AOP 184 to 189)	183	-20.848.643	-58,085,495	-78.934.138	-13.624.503	-86,400,364	-100.024.867
Depreciation (buildings not intended for business activities of the company)	184			0			0
2. Interest	185		-75.756	-75.756		-477.068	-477.068
3. Investment impairments	186		-22.197.633	-22.197.633	-1.180.566	-68.202.593	-69,383,159
4. Losses from sale (realizations) of investment	187		-217.869	-217.869	-146.697	-184.486	-331.183
5. Adjustment of financial assets at fair value through P&L	188	-6.413.474	-5.086.987	-11.500.461	-492.518	-2.793.259	-3.285.777
6. Net foreign exchange losses	189	-14.169.376	-6.004.513	-20.173.889	-11.561.981	-4.910.849	-16.472.830
7. Other investment costs	190	-265,793	-24.502.737	-24.768.530	-242.741	-9.832.108	-10.074.849
XII. Other tehnical expenses, net of reinsurance (AOP 192 + 193)	191	-125,071	-30.119.621	-30.244.692	-116.175	-33.319.020	-33.435.195
Prevention activities expenses	192	120.071	00.110.021	0			0
Other technical expenses	192	-125,071	-30.119.621	-30.244.692	-116.175	-33.319.020	-33.435.195
XIII. Other expenses, including value adjustment	194	125.071	-406.150	-406.150	-110.110	-3.200.143	-3.200.143
XIV. Profit or loss before taxes (124+133+147+148+149+150+159+167+171+174+183+191+194)	195	5.128.315	65.999.782	71.128.097	864.156	-67.351.870	-66.487.714
XV. Taxation (AOP 197+198)	196	-1.025.663	-13,199,956	-14.225.619	0	0	0
1. Current tax expenses	197	-1.025.663	-13.199.956	-14.225.619			0
2. Deferred tax expenses	198		2000	0			0
XVI. Net profit or loss for the period(AOP 195-196)	199	4.102.652	52,799,826	56.902.478	864.156	-67.351.870	-66.487.714
1. Attributable to majority owners	200			0			0
2. Attributable to minority interests	201			0			0
XVII. TOTAL INCOME	202	224.568.017	1.053.249.629	1.277.817.646	235.044.105	989.198.764	1.224.242.869
XVIII. TOTAL EXPENSES	203	-220.465.365	-1.000.449.803	-1.220.915.168	-234.179.948	-1.056.550.635	-1.290,730.583
IX. Other comprehensive profit (205 to 211 - 212)	204	9.065.620	-2.905.439	6.160.180	6.673.255	59.591.124	66.264.380
Profit / loss from translation of financial statements	205			0			0
2. Profit / loss from revaluation of financial assets available for sale	206	9.065.620	-3.179.165	5.886.454	6.673.255	59.319.772	65.993.027
3. Profit / loss from revaluation of operational land and buildings	207		273.726	273.726		271.353	271.353
Profit / loss from revaluation of other tangible (except land and buildings) and intangible assets	208			0			0
5. Effects of cash flow hedging instruments	209			0			0
Actuarial profit / loss on pension plans with defined pensions	210			0			0
7. Share of other comprehensive profit of associates	211			0			0
Profit tax on other comprehensive profit	212			0			0
XX. Total comprehensive profit (199+204)	213	13.168.272	49.894.386	63.062.658	7.537.412	-7.760.746	-223.334
1. Attributable to majority owners	214			0			0
2. Attributable to minority interests	215			0			C
XXI. Reclassification adjustments	216	0	0	0	0	0	0

Note: Data under AOP 200,201,214 and 215 are to be filled up by insurance companies that compose consolidated annual financial statements

# REPORT ON FINANCIAL POSITION (BALANCE SHEET) AS AT 30.06.2014.

Position		747425	Previous period		1.00	Current period	
1	2	Life 3	Non-life 4	Total 5(3+4)	Life 6	Non-life 7	Total 8(6+7)
ASSETS				0(314)			0(077)
A. RECEIVABLE FOR SUBSCRIBED NOT PAID CAPITAL (002+003)	001	0	0	0	0	0	
Capital invited to be paid	002			0			
Capital that is not invited to be paid	003	1		0	38040.00		
B. INTANGIBLE ASSETS (005+006)	004	0	14,770.503	14.770.503	0	13.362,816	13.362.
1. Goodw ill	005			0			
2. Other intangible assets	006		14.770.503	14.770.503		13.362.816	13,362.
C. TANGIBLE ASSETS (008 to 010)  1. Land and buildings used for insurance activities	007	0	925.569.387 894.713.567	925.569.387 894.713.567	0		928.284.
Equipment	009	-	25.380.438	25.380.438		901.262.149 21.263.111	901.262. 21.263.
3. Other tangible assets and reserves	010	-	5.475.381	5.475.381		5.758.979	5.758.
D. INVESTMENTS (012+013+017+036)	011	2.121.439.942	3.577.858.430	5.699.298.372	2.157.804.655	3.676.234.310	5.834.038.
I. Investments in land and buildings not intended for businsess							
activities of the company  II. Investments in branch-offices, associated companies and	012		656.118.194	656.118.194		665.435.046	665.435.
participating in joint investments (014 to 016)	013	0	395.148.028	395.148.028	0	446.318.128	446.318.
Shares and stakes in branch-offices	014		390.888.328	390.888.328		414.058.428	414.058.
2. Shares and stakes in associate companies	015		4.259.700	4.259.700		32.259.700	32.259.
3. Participating in joint investments	016			0			
III. Other financial investments (018 + 021 + 026 + 032)	017	2.121.439.942	2.526.592.208	4.648.032.150	2.157.804.655		4.722.285.
1. Investments kept till maturity date (019 + 020)	018	1.574.485.381	1.064.379.005	2.638.864.386	1.442.870.812	870.860.132	2.313.730.
1.1. Debt securities and other securities with fixed income	019	1.574.485.381	1.064.379.005	2.638.864.386	1,442.870.812	870.860.132	2.313.730.
1.2. Other investmentskept till maturity date     2. Investments available for sale (022 to 025)	020	20 445 400	240 400 551	070 547 700	200 004 400	501.453.261	740 447
2.1. Stocks, shares and other securities with variable income	021	36.445.189 34.232.695	240.102.551 215.343.482	276.547.739 249.576.177	208.694.483	501.453.261 475.157.704	710.147. 683.852.
2.2. Debt securities and other securities with fixed income	022	34.232.095	210.343,482	249.570.177	200.094.483	+15.157.704	003.052.
2.3. Stakes in investment funds	023	2.212.494	24.759,069	26.971.563		26.295.556	26.295.
2.4. Other investments available for sale	024	2.212,494	24.759.069	20.9/1,503		26.295.556	20.295,
3. Investments at fair value through the profit and loss account (027 to 031)	026	98.613.451	430,616,858	529.230.308	122.835.848	561.682.531	684.518.
3.1. Stocks, shares and other securities with variable income	027	50.010.401	9.685.686	9.685.686	122.000.040	12.939.812	12.939.
3.2. Debt securities and other securities with fixed income	028	79.886.386	101.767.694	181.654.081	41.587.313	60.129.625	101.716.9
3.3. Derivative financial instruments	029	78.000.000	101.707.034	0	41.507.515	00.123.023	101.710.
3.4. Stakes in investment funds	030	18.727.064	319.163.477	337.890.541	81.248.535	488.613.094	569.861.
3.5. Other investments	031	10.727.004	319.103.477	0.000.041	01.240.000	400.013.004	509,601.
4. Deposits, loans and receivables (033 to 035)	032	411.895.922	791.493.794	1.203.389.716	383.403.513	630.485.212	1.013.888.7
4.1. Bank deposits	033	310.275.280	559.608.805	869.884.085	327.856.850	411.909.939	739.766.
4.2. Loans	034	51.620.642	231.884.989	283.505.631	55.548.663	218.575.274	274.121.9
4.3. Other lonas and receivables	035	50.000.000		50.000.000			
IV. Deposits at insurance activities ceded to reinsurance (deposits with cedent)	036			0			
E. INVESTMENTS FOR THE ACCOUNT AND OWN RISK OF LIFE INSURANCE POLICYHOLDER	037	8.388.857		8.388.857	6.730.752		6.730.
F. REINSURANCEPORTION IN TECHNICAL, RESERVES (039 to 045)	038	287.895	326.697.870	326.985.765	293.848	366.026.436	366.320.2
Unearned premiums, reinsurance share	039	3.146	48.009.776	48.012.922	50.097	88.928.638	88.978.
2. Mathematical insurance provision, reinsurance share	040	284.749		284.749	243.751		243.
3. Claims provision, reinsurance share	041		278.688.093	278.688.093		277.097.799	277.097.
Provision for premium returns depending and not depending on result (bonuses and discounts), reinsurance share	042			0			
Provision for claims fluctuation, reinsurance share	043	-		Ö			
Other technical insurance provision, reinsurance share	043			0			
7. Special provision for insurance concerning life insurance group where the policyholder assumes the investment risk, reinsurance share	045			0			
G. DEFERRED AND CURRENT TAX ASSETS (047+048)		1,259,200	F2 002 072	54.952.871	1,259,200	47.000.000	10.010
1. Deferred tax assets	046 047	1.259.200	53.693.672 45.010.638	46.269.838	1.259.200	47.383.360 45.010.638	48.642.5
2. Current tax assets	048	1.259.200	8.683.033	8,683,033	1.259.200	2.372.722	2.372.
H. RECEIVABLES (050 + 053 + 054)	049	4.066.023	769.115.969	773.181.992	3,790.658	981.459.530	985.250.
1. Receivables from direct insurance activities (051 + 052)	050	109.449	550.709.152	550.818.601	42.691	744.134.170	744.176.8
1.1. Receivables from policyholders	051	100.440	549.085.557	549.085.557	42.001	742.420.724	742.420.
1.2. Receivables from insurance agents	052	109.449	1.623.595	1.733.044	42.691	1.713.445	1.756.
2. Receivables from coinsurance and reinsurance activities	053		12.349.999	12.349.999		762.195	762.
3. Other receivables (055 to 057)	054	3.956.573	206.056.819	210.013.392	3.747.967	236.563.165	240.311.
3.1. Receivables for other insurance activities	055		133.393.382	133.393.382		161.460.710	161.460.7
3.2. Receivables for returns on investments	056	1.129.042	4.249.892	5.378.934	925.792	3.824.837	4.750.6
3.3. Other receivables	057	2.827.531	68.413.545	71.241.076	2.822.175	71.277.618	74.099.
OTHER ASSETS (059 + 063 + 064)	058	9.877.007	99,106,452	108.983.459	7.970.509	61.605.425	69.575.9
1. Money in bank and in cash (060 to 062)	059	9.866.925	93.839.479	103.706.404	7.965.808	59.089.708	67.055.5
1.1. Money on business account	060	0 222 25	93.748.511	93.748.511	9	58.993.136	58.993,
1.2. Money on methematical provision account     1.3. Cash money	061	9.868.271	00.000	9.866.271	7.965.150	00.670	7.965.1
Cash money     Long-term assets intended for sale and business termination	062	654	90.968	91.622	658	96.572	97.2
2. Long-term assets intended for sale and business termination  3. Other	063 064	10.082	5.266.973	5.277.055	4.700	2,515,717	2.520.4
J. PREPAID EXPENSES OF THE FUTURE PERIOD AND UNDUE COLLECTION OF							
NCOME (066 to 068)	065	32.454.170	33.809.231	66.263.401	31.561.538	34.561.033	66.122.5
Split interest and rental fees	066	32.410.583	21.935.288	54,345,871	31,557,405	20.911.068	52.468.4
2. Split sales costs	067			0			
3. Other paid expenses of the future period and undue income collection	068	43.586	11.873.944	11.917.530	4.133	13.649.965	13.654.0
3. Other paid expenses of the future period and undue income collection							
C TOTAL ASSETS (001+004+007+011+037+038+046+049+058+065)	069	2.177.773.093	5.800.621.514	7.978.394.606	2.209.411.158	6.108.917.149	8.318.328.

A. CAPITAL AND RESERVES (072 + 076 + 077 + 081 + 085 + 088)	071	149.849.087	1.316.727.209	1.466.576.296	157.386.498	1.308.966.463	1.466.352.96
1. Subscribed capital (073 to 075)	072	44.288.720	398.598.480	442.887.200	44.288.720	398,598,480	442.887.20
1.1. Subscribed capital - common shares	073	44.288.720	386.348.480	430.637.200	44.288.720	386.348.480	430.637.20
1.2. Subscribed capital - preferred shares	074		12.250.000	12.250.000		12.250.000	12.250.00
1.3. Capital invited to be paid	075			0			
2. Capital reserves	076			0			
3. Revaluation reserves (078 to 080)	077	1.997.913	135.855.618	137.853.531	8.671.168	194.048.177	202.719.34
3.1. Revaluation of land and buildings	078		128.580.481	128.580.481		127.453.268	127.453.26
3.2. Revaluation of investments in financial assets	079	1.997.913	7.275.137	9.273.049	8.671.168	66.594.908	75.266.07
3.3. Other revaluation reserves	080			0			
4. Reserves (082 to 084)	081	81.746.348	426.943.385	508.689.733	81.746.348	426.943.385	508.689.73
4.1. Legal provision	082	721.929	22.853.579	23.575.508	721.929	22.853.579	23.575.50
4.2. Statutory provision	083	5,524.419	137.378.978	142.903.398	5.524.419	137.378.978	142.903.39
4.3. Other reserves	084	75.500.000	266.710.827	342.210.827	75.500.000	266.710.827	342.210.82
5. Retained profit or loss (086 + 087)	085	13.587.779	346.289.659	359.877.437	21.816,106	356,728,292	378.544.39
5.1. Retained profit	086	13.587.779	346.289.659	359.877.437	21.816.106	356.728.292	378.544.39
5.2. Retained loss (-)	087			0			
6. Profit or loss for the period (089 + 090)	088	8.228.327	9.040.068	17.268.395	864.156	-67.351.870	-66.487.71
6.1. Profit for the period	089	8.228.327	9.040.068	17.268.395	864.156		864.15
6.2. Loss for the period ( -)	090			0		-67.351.870	-67.351.87
B. MINORITY INTEREST	091			0			
C. TEHNICAL PROVISION (093 to 098)	092	1.985.322.093	3.645.296.555	5.630.618.648	2.028.484.290	3,902.023.268	5.930.507.55
Unearned premiums, gross amount	093	2.752.715	932.736.360	935.489.075	2.383.284	1.150.495.969	1.152.879.25
Mathematical insurance provision, gross amount	094	1.955.270.395		1.955.270.395	2.003.216.782		2.003.216.78
3. Claims provision, gross amount	095	27.298.983	2.665.161.560	2.692.460.542	22.884.224	2.663.028.664	2.685.912.88
Provision for premium returns dependent upon or independent of result (bonuses and discounts), gross amount	096			0			
5. Provision for claims fluctuation, gross amount	097		3.571.635	3.571.635		3.571.635	3.571.63
6. Other technical insurance provision, gross amount	098		43.827.000	43.827.000		84.927.000	84.927.00
D. SPECIAL PROVISION FOR THE GROUP LIFE INSURANCE WHERE THE POLICYHOLDER ASSUMES THE INVESTMENT RISK, gross amount	099	8.388.857		8.388.857	6.730.752		6.730.75
E. OTHER PROVISION (101 + 102)	100	10.165.273	98.950.633	109.115.907	9.644.795	103.538.270	113.183.06
1. Provision for pensions	101	10.165.273	97.070.252	107.235.526	9.644.795	101.657.889	111.302.68
2. Other provision	102		1.880.381	1.880.381		1.880.381	1.880.38
F. DEFERED AND CURRENT TAX LIABILITY (104 + 105)	103	499.478	33.963.904	34.463.383	2.615.213	49.027.745	51.642.95
Deferred tax liability	104	499.478	33.963.904	34.463.383	2.615.213	49.027.745	51.642.95
2. Current tax liability	105			0			
G. DEPOSITS RETAINED FROM BUSINESS CEDED TO REINSURANCE	106		i	0			
H. FINANCIAL LIABILITIES (108 to 110)	107	0	350.056.575	350.056.575	0	400,197,260	400.197.26
1. Loan liabilities	108		350.056.575	350.056.575		400.197.260	400.197.26
2. Outstanding securities	109			0			
3. Other financial liabilities	110			0			····
I. OTHER LIABILITIES (112 to 115)	111	14.529.162	188,191,900	202.721.062	4.529.800	183.864.552	188.394.35
Liabilities derived from direct insurance activties	112	2.547.239	84.698.307	87.245.546	1.391.958	89,050,655	90.442.61
2. Liabilities derived from coinsurance and reinsurance activities	113	1.725	17.205.005	17.206.730	122	23.004.210	23.004.33
Liabilities for misappropriation and discontinued operations	114			0			
4. Other liabilities	115	11,980,197	86.288.588	98.268.785	3.137.720	71.809.687	74.947.40
J. DEFERRED PAYMENT OF EXPENSES AND INCOME OF THE FUTURE PERIOD (117+118)	116	9.019.143	167.434.737	176.453.880	19.810	161.299.591	161.319.40
Reinsurance commission split	117			0			
Other deferred costs payment and future income	118	9.019.143	167.434.737	176.453.880	19.810	161,299,591	161.319.40
Cother deterred costs payment and future income     K. TOTAL LIABILITIES (071+091+092+099+100+103+106+107+111+116)	118	2.177.773.093	5.800.621.514	7.978.394.606	2.209.411.158	6.108.917.149	8.318.328.30
L. NON-BALANCE SHEET RECORDS	119	82.647.220	1.112.471.075	1.195.118.295	2.209.411,100	1.148.133.187	1.148.133.18
		02.047.220	1.112.4/1.0/5	1,195,116,295		1.140.133.107	1.140.100.10
ADDITION TO BALANCE SHEET (only for consolidated financial statemen		l ol	ol	ol	ol	ol	_
M. CAPITAL AND RESERVES (122+123)	121	- 0	U	0	- 0	- 0	
1. Attributable to majority owners							

# REPORT ON CHANGES IN EQUITY FOR THE PERIOD 01.01.2014.-30.06.2014.

in HRK

Position		Attributable to the owners of the parent company							Attributable	Total capita
	AOP	Subscribed capital	Share premuim	Revaluation reserves	Reserves (legal, statutory, other)	Retained profit or transferred loss	Current year profit/loss	Total capital nad reserves (3 to 8)	to non- controlling interests	and reserves (9+10)
1	2	3	4	- 6	6	7	8	9	10	11
I. Balance at 1 January - previous year	001	442.887.200	0	447.056.364	479.083.468	264.148.429	118.425.061	1.751.600.522		1.751.600.52
Change in accounting policy	002	0	0	0	0	0	0	0		(
2. Correction of previous period errors	003	0	0	0	0	1.174.720		1.174.720		1.174.720
II. Balance at 1 January - previous year (corrected) (AOP 001 to 003)	004	442.887.200	0	447.056.364	479.083.468	265.323.149	118.425.061	1.752.775.242	0	1.752.775.24
III. Comprehensive profit or loss - previos year (AOP 006+007)	005	0	0	-309.202.833	0	6.715.492	17.268.395	-285.218.946	0	-285.218.946
Profit/loss of the previous period	006						17.268.395	17,268,395		17.268.395
Other comprehensive profit/loss of the previous year (AOP 008 do 011)	007	0	0	-309.202.833	0	6.715.492	0	-302.487.342	0	-302.487.342
2.1. Unrealized profit/loss from tangible assets (land and buildings)	008			-352.545.956		6.715.492		-345.830.464		-345.830.464
2.2. Unrealized profit/loss from financial assets available for sale	009			42.924.196				42.924.196		42.924.196
2.3. Realized profit/loss from financial assets available for sale	010			418.926				418.926		418.926
2.4. Other non-ownership changes in capital	011									
IV. Transactions with owners (previous period) (AOP 013 to 016)	012	0	0	0	29.606.265	87.838.796	-118.425.061	-980.000	0	-980.000
Increase/decrease of share capital	013	0	0	0	0	0	0	0		0
2. Other payments by the owners	014	0	0	0	0	0	0	0		C
Payment of shares in profit/dividends	015	0	0	0	0	0	-980.000	-980.000		-980.000
4.Other distribution to the owners	016	0	0	0	29.606.265	87.838.796	-117.445.061	0		C
V. Balance at 31 December - previous period (AOP 004+005+012)	017	442.887.200	0	137.853.531	508.689.733	359.877.437	17.268.395	1.466.576.296	0	1.466.576.296
VI. Balance at 1 January - current year	018	442.887.200	0	137.853.531	508.689.733	359.877.437	17.268.395	1.466.576.296		1.466.576.296
Change in accounting policy	019							0		C
2. Correction of previous period errors	020							0		C
VII. Balance at 1 January - current period (corrected) (AOP 018 to 020)	021	442.887.200	0	137.853.531	508.689.733	359.877.437	17.268.395	1.466.576.296	0	1.466.576.296
VIII. Comprehensive profit or loss - current period (AOP 023+024)	022	0	0	64.865.814	0	1.398.565		-223.334	0	-223.334
Profit/loss of the previous period     Other comprehensive profit/loss of the	023						-66.487.714	-66.487.714		-66.487.714
current year (AOP 025 to 028)	024	0	0	64.865.814	0	1.398.565	0	66.264.380	0	66.264.380
2.1. Unrealized profit/loss from tangible assets (land and buildings)	025			-1.127.213		1.398.565		271.353		271.353
2.2. Unrealized profit/loss from financial assets available for sale	026			65.654.380				65.654.380		65.654.380
2.3. Realized profit/loss from financial assets available for sale	027			338,646				338.646		338,646
2.4. Other non-ownership changes in capital	028							0		0
IX. Transactions with owners (current period) (AOP 030 to 033)	029	0	0	0	0	17.268.395	-17.268.395	o	o	0
Increase/decrease of share capital	030							0		0
2. Other payments by the owners	031							0		0
Payment of shares in profit/dividends	032						0	0		0
4.Other distribution to the owners	033				0	17.268.395	-17.268.395	0		0
X. Balance at 31 December - current period (AOP 021+022+029)	034	442.887.200	0	202.719.345	508.689.733	378.544.398	-66.487.714	1.466.352.962	0	1.466.352.962

# REPORT ON MONEY FLOWS – INDIRECT METHOD FOR THE PERIOD 01.01.2014. - 30.06.2014.

	Position AOP Previ		in HRK
Position	,,,,,	period	period
1	2	3	4
I. CASH FLOWS FROM OPERATING ACTIVITIES (002+013+031)	001	110.715.992	-379.236.344
1. Cash flow before change in business property and liabilities (AOP 003+004)	002	-5.738.998	-21.454.047
1.1. Profit before tax	003	71.128.097	-66.487.714
1.2. Adjustment: (AOP 005 to 012)	004	-76.867.095	45.033.666
1.2.1. Depreciation and amortization of immovables and equipment	005	20.851.709	18.669.254
1.2.2. Depreciation and amortization of intangible property	006	2.132.580	2.633.714
1.2.3. Impairment and profits/losses from adjustment to fair value	007	31.636.237	62.453.651
1.2.4. Interest expenses	800	75.756	477.068
1.2.5. Interest income	009	-103.385.680	-102.630.562
1.2.6. Share in profit of associated companies	010	-45.311.237	C
1.2.7. Profits/losses from sale of tangible property (including real estate)	011	-1.976.236	-2.833.839
1.2.8. Other adjustments	012	19.109.778	66.264.380
2. Increase/decrease in business property and liabilities (AOP 014 to 030)	013	130.680.609	-357.782.296
2.1. Increase /decrease in investments avaliable for sale	014	-1.043.359	-433.600.004
2.2. Increase /decrease in investmenst estimated at fair value	015	197.290.341	-231.380.712
2.3. Increase / decrease in deposits, loans and receivables	016	30.837.753	180.117.296
2.4. Increase/decrease of deposits at insurance activities ceded to reinsurance	017	0	0
2.5. Increase / decrease in investment for the account and own risk of life insurance policyholders	018	2.031.229	1.658.106
2.6. Increase /decrease of reinsurance stakes in tehnical provision	019	-30.201.431	-39.334.520
2.7. Increase/decrease of taxable property	020	-10.036	6.310.312
2.8. Increase/decrease in receivables	021	-314.626.769	-131.718.131
2.9. Increase/decrease in other assets	022	0	C
2.10. Increase/decrease in prepaid expenses of the future period and undue collection of income	023	-2.317.521	140.831
2.11. Increase/decrease in tehnical provision	024	254.686.575	299.888.910
2.12. Increase/decrease in life insurance tehnical provision when the policyholder bears investment risk	025	-2.031.229	-1.658.105
2.13. Increase/decrease in tax liabilities	026	2.575.869	17.179.575
2.14. Increase/decrease in deposits held from activities ceded to reinsurance	027	0	C
2.15. Increase/decrease in financial liabilities	028	0	C
2.16. Increase/decrease in other liabilities	029	25.739.319	-10.251.376
2.17. Increase/decrease in deferred payment of expenses and income of the future period	030	-32.250.131	-15.134.478
0.1	031	-14.225.619	
3. Income tax paid	031	-194.892.873	273.700.548
II. CASH FLOW FROM INVESTMENT ACTIVITIES (AOP 033 to 046)  1. Receipts from sale of tangible assets	032	7.479.880	273.700.546
•	034	-20.851.709	-21.384.107
Expenditures for the purchase of tangible assets     Research from only of integrible assets	035	-20.651.709	1.407.687
3. Receipts from sale of intangible assets		-4.547.216	-2.633.714
Expenditures for the purchase of intangible assets     Receipts from sale of land and buildings not intended for business activities of the company	036	4.453.317	-2.033.712
6. Expenditures for the purchase of land and buildings not intendened for business activities of the			
company	038	0	-9.316.853
Increase/decrease of investments in branch-offices, associated companies and participation in joint investements	039	32.106.740	-51.170.100
8. Receipts from investments kept till maturity	040	0	325.133.443
9. Expenditures for investments kept till maturity	041	-139.318.643	
10. Receipts from sale of securities and stakes	042	0	C
11. Expenditures for investments in securities and stakes	043	0	00 000 10
12. Receipts from dividends and profit share	044	45.102.989	22.280.497
13. Receipts from long term and short term loans	045	140.401.132	43.580.489
14. Expenses for long term and short term loans	046	-259.719.364	-34.196.795
III. CASH FLOW FROM FINANCIAL ACTIVITIES (AOP 050 to 054)  1. Receipts from capital stock increase	047 048	69.863.637 0	49.655.440
Receipts from short-term and long-term loans	049	120.080.632	750.477.068
Expenditures for short-term and long-term loans	060	-50.203.071	-700.813.452
Expenditures for purchase of treasury shares	051	0	jo
5. Expenditures for payment of profit share (dividends)	052	-13.924	-8.17€
NET CASH FLOW (AOP 001 + 032 + 049)	053	-14.313.243	-55.880.355
NA PERFORM OF CHANGES IN BATES OF FOREIGN CHERENCIES	054	20.173,889	16.472.830
IV. EFFECTS OF CHANGES IN RATES OF FOREIGN CURRENCIES		5.860.646	-39.407.525
	055		
V. NET INCREASE/DECREASE IN CASH AND CASH EQUIVALENTS (055+056)	056	77.789.725	108.983.459
			108.983.459 69.575.934

#### II MANAGEMENT INTERIM REPORT

In the first half of 2014 the premium at the insurance market of the Republic of Croatia continues to record a heavy decrease (-4.8%). The decrease in non-life premium (-8.3%) was directly affected by the decrease in the TPL premium caused by the general liberalization at the market. The total outlook of the market is somewhat improved by the increase of the life business premium for the fifth year in line, that raised by 5.7% in comparison to the first half of the previous year. Croatia osiguranje d.d. is still the leading company with the market share of 30.4% (Croatia zdravstveno osiguranje d.d. excluded, recording itself a market share of 1.9%).

In the first half of 2014 Croatia osiguranje d.d. realized the total revenues amounting to HRK 1,224.2 million, total expenditures (before profit tax) amounting to HRK 1,290.7 million and stated the business related loss amounting to HRK 66.5 million. The total revenues for the first half of the year are decreased by 4.2% in comparison to the same period of 2013, while the total expenditures are increased by 7%. The realized loss can mostly be attributed to the decrease in premium revenue, the loss recorded as a result of the decrease in financial assets and an increase in the unexpired risks provision, which had so far been determined for the period of one year exclusively.

The gross written premium amounted to HRK 1,423.4 million and is by 11.6% decreased in comparison to the first half of the year 2014. The non-life gross written premium amounted to HRK 1,249.7 million and is decreased by 13.3% in comparison to the same period of the previous year. The worst decrease was recorded by the TPL insurance due to the market liberalization. The gross written premium in life business amounted to HRK 173.7 million and recorded an increase by 2.3% in comparison to the same period of the previous year.

Earned premium amounted to HRK 990.8 million making up 80.9% of the total revenues and recorded a decrease of 5.7%.

The revenues from investment of funds collected in non-life and life lines of business amounted to HRK 154.2 million, which makes up 12.6% of the total revenues.

Other revenues consisting of reinsurance brokerage, other insurance-technical revenues as well as other revenues amounted to HRK 79.3 million and are increased by 42.6% in comparison to the same period of the previous year. They make up 6.5 % of the total revenues.

The gross paid claims amounted to HRK 706.9 million, which is a decrease of 13.6% in comparison to the first half of the year 2014.

The cost of employees are decreased by 1.9% in comparison to the same period of 2013 and amounted to HRK 183.3 million which makes up 14.2% of the total revenues.

Business expenditures in the period amounted to HRK 459.7 million and are increased by 1.5% according to the same period of the year 2013.

Due to the losses attributed to the decrease in financial assets in the second quarter of 2014 the costs of investment amounted to HRK 100.0 million and record an increase of 26.7% in comparison to the first half of the year 2013.

The total assets of the Company on 30th June 2014 amounted to HRK 8.318,3 million which is an increase of 4.3% in comparison to 31st December 2013.

The accounted technical provisions in the reporting period amounted to HRK 5,930.5 million which is an increase by 5.3% compared to the accounted technical provisions at 31st December 2013.

During the reporting period the Company operated at a satisfactory liquidity ratio and met all solvency and capital adequacy requirements imposed by the Insurance Act.

Following the Decision of the Government of the Republic of Croatia from 18th December 2013 on the selection of Adris grupa d.d., Rovinj as the most suitable investor for the purchase of shareholder's stake of the Republic of Croatia and increase in equity capital, on 6th March 2014 the Republic of Croatia and Adris grupa d.d., Rovinj signed the Agreement on the Purchase of Shares in CROATIA osiguranje d.d., Zagreb (concerning the sale of 38.6% shares of Croatia osiguranje d.d.), as well as the Shareholders' Agreement arranging the relations between the Republic of Croatia and Adris grupa d.d. as major shareholders of Croatia osiguranje d.d.

Both of the above mentioned agreements came into effect on 22n April 2014 when also 39th General Assembly of CROATIA osiguranje d.d. was held. The General Assembly passed the Decision on the increase in equity capital by issuing 113,349 new regular shares at HRK 7,412.25 per share, i.e. the total of HRK 840.17 million to be paid up by Adris in full. The increased equity capital shall amount to HRK 601.57 million and be divided in 420.947 regular and 8.750 preferred shares. At the same General Assembly meeting the new members of the Supervisory Board were elected as follows: Ante Vlahović, Chairman of the Supervisory Board, Mladen Blažević. Deputy Chairman, Prof. Dr. Josip Tica, Plinio Cuccurin, Branko Zec, Roberto Škopac and Miroslav Hrašćanec, members of the Supervisory Board.

The Supervisory Board proceeded to appoint the new Management Board consisting of the Chairman of the Management BoardSanel Volarić (since 10th May 2014) and members of the Management Board Nikola Mišetić and Andrej Koštomaj. Until 10th May2014 the duty of the Chairman of the Management Board was performed by Nikola Mišetić.

Since 22nd April 2014 Adris grupa d.d. is the majority shareholder of Croatia osiguranje d.d.

In the second half of May 2014 Adris grupa d.d. went public with the offer aimed at the acquisition of the rest of Croatia osiguranje d.d. shares at the price of HRK 7,412.25 per share. It was a joint offer alongside with the Republic of Croatia and the companies predominately owned by Adris grupa d.d. – Istragrafika, Hrvatski duhani and Maistra. The total of 673 shareholders accepted the offer and 26,815 regular and 1,115 preferred shares were acquired. So consequently Adris Grupa now holds the total of 169,440 shares of Croatia osiguranje, which makes up 53.56% of the equity capital. The Republic of Croatia holds the total of 120,442 shares which makes up 38.07% of the equity capital.

Croatia osiguranje, the oldest Croatian insurance company and one of the oldest in Europe, celebrated 130th anniversary of successful business operation and 109 years since it started selling life insurance.

As a member of Adris Group CROATIA osiguranje d.d. continues to follow its ambition to be a regional market leader. Rich tradition and reputation of the company shall continue to play an important role in its future development and remain its highly valued competitive advantages.

#### Business events after the balance sheet date

On 17th July 40th General Assembly of CROATIA osiguranje d.d. was held. The General Assembly considered the Annual report on the position of CROATIA osiguranje d.d. and the Consolidated Annual Report of CROATIA osiguranje d.d. Also, the Supervisory Board Report, as well as the Annual Financial Statements of CROATIA osiguranje d.d. for the year 2013, jointly approved by the Management Board and the Supervisory Board. The following decisions were adopted:

- 1. a) Decision on the distribution of profit for the year 2013
  - b) Decision on granting discharge to the Management Board of CROATIA osiguranje d.d.
  - c) Decision on granting discharge to the Supervisory Board of CROATIA osiguranje d.d.
- 2. Decision on the appointment of the auditor of CROATIA osiguranje d.d. for the year 2014

The realized profit of CROATIA osiguranje d.d. amounting to HRK 17,268,395.22 shall be distributed as follows:

1. Statutory reserves	4,317,098.81	HRK
2. Dividend on preferred stock	980.000,00	HRK
3. Retained profit	11.971.296,41	HRK

The dividend on preferred stock amounts to HRK 112.00 per share.

Key business indicators:

In 000 HRK

DESCRIPTION	I-VI 2013.	I-VI 2014.	Index 3:2
1	2	3	4
PROFIT AND LOSS ACCOUNT			
Total income	1,277,818	1,224,243	95.8
Written gross premium	1,611,129	1,423,442	88.4
Total expenditure	1,206,690	1,290,731	107.0
Paid claims (gross)	817,672	706,877	86.4
Profit before taxation (gross profit)	71,128	-66,488	
Profit after taxation (net profit)	56,903	-66,488	
BALANCE	31.12.2013.	31.12.2014.	
Total assets	7,978,395	8,318,328	104.3
Equity and provision	1,466,576	1,466,353	100.0
Technical provision	5,630,619	5,930,508	105.3
Life insurance special provision- policyholder's investment risk	8,389	6,731	80.2
Investments	5,699,298	5,834,039	102.4
NON-LIFE INSURANCE INDICATORS	I-VI 2013.	I-VI 2014.	
Loss ratio	52.7	55.1	104.5
Expense ratio	27.6	30.0	108.7
Combined ratio	80.3	85.1	106.0

ECONOMY INDICATOR	I-VI 2013.	I-VI 2014.	
Total cost of operations (tot.income /tot.expenditure %)	105.9	94.8	89.6
OTHER INDICATORS	I-VI 2013.	I-VI 2014.	
Number of employees	2,822	2,653	94.0
Total income per employee	453	461	101.9
Total assets per employee	3,030	3,135	103.5
Written premium per employee	571	537	94.0

The unaudited unconsolidated financial statements for the second quarter and the first half of 2014 shall be available at the websites of Croatia osiguranje d.d., and the Zagreb Stock Exchange (Zagrebačka burza), as well as published in the Official Register of Prescribed Information and publicly disclosed by the Croatian News Agency (HINA).

## Description of main risks and uncertainties

The Company recognizes the significance of the existence of an efficient and effective risk management system. The basic goal of the Company in managing financial, operative, insurance and other risks is to keep the capital level adequate to the scope and type of insurance business it writes, as well as taking into account the risks to which it is exposed. Also, The Company needs to ensure the continuity of business operations in unforeseeable situations (unexpected economic changes, natural disasters and the like).

The Company actively manages the assets using the approach that creates a balance between the quality, diversification, coordination of assets and liabilities, solvency and return on investments. The Company examines and approves target portfolios periodically, determines investment guidelines and limits, and supervises the process of managing assets and liabilities. Due attention is also paid to the compliance with the regulations defined by the Insurance Act.

The Company actively manages its liabilities by regularly keeping track of them in the manner prescribed by the professional rules and the Insurance Act. The most important risks and uncertainties are described in the annual audited unconsolidated 2013 report.

Zagreb, 30th July 2014

Member of the Management Board

Nikola Mišetić

Chairman of the Management Board

Sanel Volarić

#### III NOTES TO THE UNAUDITED FINANCIAL STATEMENTS FOR THE PERIOD I-VI 2014

#### 1. General

CROATIA osiguranje d.d. was established in 1884. Ever since its foundation CROATIA osiguranje d.d. takes up the leading position at the insurance market, which makes it is most successful insurance company in the country as well as in the region.

CROATIA osiguranje d.d. (Company) with the seat in Zagreb, Miramarska 22, is registered at the Commercial Court Register in Zagreb under subject registration number (MBS): 080051022. The principal activity of the Company is made up of all types of life and non-life insurance business as well as other closely connected business activities.

The Company also performs the following activities directly or indirectly related to the insurance business:

- mediation at sale, i.e. the sale of property acquired by the Company through insurance activities,
- taking measures aimed at prevention and elimination of perils endangering insured persons and property,
- estimation of the level of risk exposure of an insured object, as well as loss assessment,
- other intellectual and technical services related to the insurance business.

## **Management Board and Supervisory Board**

Pursuant to the Companies' Act, Insurance Act and the Articles of Association the bodies of the Company are as follows: the Management Board, The Supervisory Board and the General Assembly. The liability and responsibility of the members of these bodies are regulated by the above mentioned acts.

#### Members of the Supervisory Board of the Company:

until 22nd April 2014

Mladen Blažević Chairman

Vesna Trnokop - Tanta Deputy Chairman

Ph.D. Josip Tica Member

Đurđa Hunjet Member

Ph.D. Petar Miladin Member

Miroslav Hrašćanec Member

from 22nd April 2014

Ante Vlahović Chairman

Mladen Blažević Deputy Chairman

PlinioCuccurin Member

Branko Zec Member

Roberto Škopac Member

Ph.D. Josip Tica Member

Miroslav Hrašćanec Member

#### Members of the Management Board:

until 22nd April 2014

Krešimir Starčević Chairman

Ivan Fabijančić Member

from 23rd April 2014

Nikola Mišetić Chairman

Andrej Koštomaj Member

from 10th May 2014

Sanel Volarić Chairman

Nikola Mišetić Member

Andrej Koštomaj Member

# Capital stock and shares

The capital stock of the company amounts to HRK 442,887,200.00 and is divided in 316,348 shares with the nominal value of HRK 1,400.00. All shares are initial public offering shares and are marked as follows:

- 307,598 shares are ordinary shares marked as CROS-R-A,
- 8,750 shares are preferred shares marked as CROS-P-A.

Each share, either ordinary or a preferred one, entitles to 1 (one) vote at the General Assembly of the Company. All shares are paid in total, issued in a dematerialized form, freely transferable and recorded in the depository of the Central Depository & Clearing Company Inc. Croatia osiguranje d.d. has no ownership stake in its shares.

#### 2. Basis for preparation of financial statements

Financial statements are prepared pursuant to the provisions of the Capital Market Act (Official Gazette:88/08, 146/08, 74/09 and 54/13), Regulations of the Zagreb Stock Exchange as well as pursuant to the Ordinance on the structure and contents of financial statements of insurance and reinsurance companies (Official Gazette 132/10, 39/2012).

Financial statements are prepared by considering the fundamental accounting assumption of recognizing the business transaction effects as they occur and recording them in the respective periodic financial statements. Another fundamental accounting assumption considered when preparing financial statements is that of the going concern.

## Reporting currency

The financial statements are presented in Croatian kuna (HRK). On 30th June, 2014 the official exchange rate of the Croatian kuna was HRK 7.57 to 1 Euro and HRK 5.56 to 1 USD.

#### Use of estimate

The preparation of financial statements in conformity with IFRSs requires the management to pass judgements, make use of estimates and assumptions that affect the application of accounting policies and the presented amounts of assets, liabilities, revenues and expenditures. The estimates and the underlying assumptions are based on historical experience, various other factors considered reasonable under the given circumstances and the information available by the day of the preparation of financial statements. The result of all these factors makes up the basis for judging the book value of assets and liabilities that is otherwise not easy to determine from other sources. The actual results can differ from these estimates. The estimates and the underlying assumptions are continuously questioned. Changes in accounting estimates are recognized in the period in which they were made as well as in the future periods, if they affect them, too.

#### **Accounting Policies**

The accounting policies used in the preparation of the financial statements for the second quarter and the first half of 2014 are consistent to the accounting policies used in the preparation of the audited financial statements for the year 2013.



#### STATEMENT OF THE MANAGEMENT BOARD

Based on article 20 of the Articles of Association of CROATIA osiguranje d.d. 27th September 2012 and article 410 of the Capital Market Act (Official Gazette 88/08, 146/08, 74/09, 54/13, 159/13) the Management Board of the Company issues the following

#### **STATEMENT**

that to the best of its knowledge:

- the unaudited financial statements for the second quarter and the first half of 2014, prepared by application of the relevant FRSs, offer a wholesome and true presentation of assets and liabilities, losses and gains, financial position and business operations of the Issuer,
- the Management Interim Report contains a true presentation of the development, business operation results and the financial position of the Issuer, as well as the description of major risks and uncertainties that the Issuer is exposed to.

Zagreb, 30th July 2014

Member of the Management Board

Nikola Mišetić

Chairman of the Management Board

Sanel Volarić

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