



CROATIA OSIGURANJE

utemeljeno 1884.



**UNAUDITED UNCONSOLIDATED BUSINESS REPORT
FOR THE THIRD QUARTER OF THE YEAR 2014**

Zagreb, October 2014

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I. UNAUDITED UNCONSOLIDATED FINANCIAL REPORTS

Reporting period: 01.01. to 30.09.2014.

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

Tax number(MB)	03276147	
Company registration number (MBS):	080051022	
Personal identification number (OIB):	26187994862	
Issuing company:	CROATIA osiguranje d.d.	
Postal code and place:	10000 ZAGREB	
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 ZAGREB	
Number of employees:	2.652	
(quarter end)		
Consolidated report:	NO	
NKD code:	6512	
Companies of the consolidation subject (according to):	Seat:	MB:
Bookkeeping service:		
Contact person:	KUZMANOVIĆ KATICA	
Telephone:	01/6333-117	Telefaks: 01/6332-073
E-mail address:	izdavatelj@crosig.hr	
Family name and name:	VOLARIĆ SANEL, KOŠTOMAJ ANDREJ, MIŠETIĆ NIKOLA (person authorized to represent the company)	

Documents to be published:

1. 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

Andrej Koštomaj

President of the Board

Sanel Volarić

(signature of the person authorized to represent the company)

REPORT ON COMPREHENSIVE PROFIT (PROFIT AND LOSS ACCOUNT) FOR THE PERIOD
01.01.2014-30.09.2014

in HRK

Position	AOP	Previous period			Current period		
		Life	Non-life	Total	Life	Non-life	Total
1	2	3	4	5(3+4)	6	7	8(6+7)
I. Earned premiums (AOP 125 to 132)	124	245.762.965	1.377.772.798	1.623.535.763	263.328.332	1.248.597.789	1.511.926.121
1. Gross written premiums	125	245.134.368	1.868.041.849	2.113.176.216	262.960.137	1.600.080.713	1.863.040.849
2. Coinsurance premium	126			0			0
3. Value adjustment and collected insurance/coinsurance premium value adjustment	127		-52.596.186	-52.596.186		-59.063.139	-59.063.139
4. Premiums ceded to reinsurance	128	-122.793	-291.493.615	-291.616.408	-244.812	-261.474.468	-261.719.280
5. Premiums ceded to coinsurance	129			0			0
6. Change in gross unearned premium provision	130	728.504	-169.857.893	-169.129.390	590.325	-49.338.212	-48.747.887
7. Change in unearned premium provision, reinsurer's share	131	22.887	23.678.644	23.701.531	22.682	18.392.895	18.415.577
8. Change in unearned premium provision, coinsurer's share	132			0			0
II. Income from Investments (AOP 134 + 135 + 139 + 140 + 141 + 145 + 146)	133	91.588.363	167.806.515	259.394.878	86.517.372	136.745.235	223.262.607
1. Income from branch-offices, associated companies and joint ventures	134	73.750	46.084.983	46.158.733	185.700	26.452.016	26.637.716
2. Income from investments into land and buildings (136 to 138)	135	0	18.395.941	18.395.941	0	19.532.458	19.532.458
2.1. Income from rental fees	136		18.390.152	18.390.152		19.520.310	19.520.310
2.2. Income from increased value of land and buildings	137			0			0
2.3. Income from real estate sale	138		5.789	5.789		12.148	12.148
3. Interest income	139	77.449.626	79.353.640	156.803.266	81.100.354	73.581.025	154.681.378
4. Unrealized profits from investment at fair value	140	1.441.815	1.180.448	2.622.263	3.515.026	8.479.646	11.994.672
5. Gain on sale (realization) of financial investments (142 to 145)	141	1.126.015	2.393.378	3.519.394	1.422.504	3.403.268	4.825.772
5.1. Investment at fair value through profit and loss account	142	1.126.015	1.889.140	3.015.155	1.422.504	3.005.529	4.428.033
5.2. Investment available for sale	143		504.238	504.238		397.739	397.739
5.3. Other gains on sale of financial investments	144			0			0
6. Net positive exchange rate differences	145	11.049.630	4.502.240	15.551.869		1.181.907	1.181.907
7. Other investment income	146	447.527	15.895.886	16.343.413	293.789	4.114.915	4.408.704
III. Income from commissions and fees	147	13.905	19.419.698	19.433.603	5.335	18.685.799	18.691.134
IV. Other insurance-technical income, net of reinsurance	148	36.124	17.373.377	17.409.501	313.814	24.336.933	24.650.747
V. Other income	149	2.046.009	41.468.003	43.514.012	5.295.766	61.705.812	67.001.578
VI. Expenses for insured events, net of reinsurance (AOP 151 + 155)	150	-237.280.402	-764.135.475	-1.001.415.877	-190.911.742	-786.468.881	-977.380.624
1. Paid claims (AOP 152 to 154)	151	-247.338.863	-778.711.587	-1.026.050.450	-197.350.474	-709.421.011	-906.771.485
1.1. Gross amount	152	-247.338.863	-928.917.490	-1.176.256.353	-197.350.474	-827.097.744	-1.024.448.217
1.2. Coinsurer's share	153			0			0
1.3. Reinsurer's share	154		150.205.903	150.205.903		117.676.733	117.676.733
2. Change in claims provision (AOP 156 to 158)	155	10.058.461	14.576.111	24.634.573	6.438.731	-77.047.870	-70.609.139
2.1. Gross amount	156	10.058.461	38.738.719	48.797.181	6.438.731	-88.978.759	-82.540.027
2.2. Coinsurer's share	157			0			0
2.3. Reinsurer's share	158		-24.162.608	-24.162.608		11.930.888	11.930.888
VII. Change in mathematical reserve and other technical reserves (AOP 160 + 163)	159	-27.216.497		-27.216.497	-80.153.406	-42.800.000	-122.953.406
1. Change in mathematical insurance provision (AOP 161 + 162)	160	-27.216.497	0	-27.216.497	-80.153.406	0	-80.153.406
1.1. Gross amount	161	-27.216.497		-27.216.497	-80.086.819		-80.086.819
1.2. Reinsurer's share	162			0	-66.587		-66.587
2. Change in other technical provision, net of reinsurance (AOP 164 do 166)	163	0	0	0	0	-42.800.000	-42.800.000
2.1. Gross amount	164			0		-42.800.000	-42.800.000
2.2. Coinsurer's share	165			0			0
2.3. Reinsurer's share	166			0			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	2.879.461	0	2.879.461	3.599.607	0	3.599.607
1. Gross amount	168	2.879.461		2.879.461	3.599.607		3.599.607
2. Coinsurer's share	169			0			0
3. Reinsurer's share	170			0			0
IX. Outlays for premium returns (bonuses and discounts), net of reinsurance (AOP 172 + 173)	171	0	0	0	0	0	0
1. Depending on results (bonuses)	172			0			0
2. Irrespective of results (discounts)	173			0			0

X. Business expenditures(AOP 175+179)	174	-62,148,822	-634,807,738	-696,956,560	-77,551,747	-701,245,624	-778,797,371
1. Sales expenses (AOP 176 to 178)	175	-14,994,697	-163,747,691	-178,742,388	-12,605,868	-154,244,442	-166,850,310
1.1. Commission	176	-10,142,658	-126,779,758	-136,922,416	-9,432,216	-130,809,137	-140,241,353
1.2. Other sales expenses	177	-4,852,040	-36,967,933	-41,819,972	-3,173,652	-23,435,305	-26,608,957
1.3. Change in split sales expenses	178			0			0
2. Management expenses (AOP 180 to 182)	179	-47,154,125	-471,060,047	-518,214,172	-64,945,879	-547,001,182	-611,947,061
2.1. Depreciation of tangible assets	180	-1,275,634	-33,438,572	-34,714,207	-1,322,033	-30,499,418	-31,821,451
2.2. Salaries, taxes and salary contributions (from and on salary)	181	-33,601,944	-253,053,956	-286,655,900	-32,881,975	-245,683,457	-278,565,432
2.3. Other management expenses	182	-12,276,547	-184,567,519	-196,844,066	-30,741,870	-270,818,308	-301,560,178
XI. Investment expenses(AOP 184 to 189)	183	-5,818,834	-77,893,524	-83,712,358	-3,740,225	-87,538,256	-91,278,481
1. Depreciation (buildings not intended for business activities of the company)	184			0			0
2. Interest	185		-172,742	-172,742		-575,699	-575,699
3. Investment impairments	186		-35,314,907	-35,314,907	-1,180,566	-68,202,594	-69,383,160
4. Losses from sale (realizations) of investment	187	-2,136,674	-5,432,408	-7,569,083	-146,697	-222,811	-369,508
5. Adjustment of financial assets at fair value through P&L	188	-3,298,400	-4,158,439	-7,456,839	-537,304	-2,590,291	-3,127,595
6. Net foreign exchange losses	189			0	-1,513,481		-1,513,481
7. Other investment costs	190	-383,760	-32,815,028	-33,198,788	-362,178	-15,946,861	-16,309,038
XII. Other technical expenses, net of reinsurance (AOP 192 + 193)	191	-184,965	-49,430,161	-49,615,126	-171,902	-43,192,187	-43,364,089
1. Prevention activities expenses	192			0			0
2. Other technical expenses	193	-184,965	-49,430,161	-49,615,126	-171,902	-43,192,187	-43,364,089
XIII. Other expenses, including value adjustment	194		-559,606	-559,606		-4,169,901	-4,169,901
XIV. Profit or loss before taxes (124+133+147+148+149+150+159+167+171+174+183+191+194)	195	9,677,308	97,013,885	106,691,193	6,531,204	-175,343,281	-168,812,078
XV. Taxation (AOP 197+198)	196	-1,935,462	-19,402,777	-21,338,239	0	0	0
1. Current tax expenses	197	-1,935,462	-19,402,777	-21,338,239			0
2. Deferred tax expenses	198			0			0
XVI. Net profit or loss for the period(AOP 195-196)	199	7,741,846	77,611,108	85,352,955	6,531,204	-175,343,281	-168,812,078
1. Attributable to majority owners	200			0			0
2. Attributable to minority interests	201			0			0
XVII. TOTAL INCOME	202	339,447,367	1,623,840,390	1,963,287,757	355,460,619	1,490,071,568	1,845,532,187
XVIII. TOTAL EXPENSES	203	-331,705,520	-1,546,229,282	-1,877,934,803	-348,929,415	-1,665,414,849	-2,014,344,264
IX. Other comprehensive profit (205 to 211 - 212)	204	12,519,961	-1,883,429	10,636,532	12,296,847	93,419,701	105,716,548
1. Profit / loss from translation of financial statements	205			0			0
2. Profit / loss from revaluation of financial assets available for sale	206	12,519,961	-2,494,169	10,025,792	12,296,847	93,008,780	105,305,627
3. Profit / loss from revaluation of operational land and buildings	207		610,740	610,740		410,921	410,921
4. 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
6. Actuarial profit / loss on pension plans with defined pensions	210			0			0
7. Share of other comprehensive profit of associates	211			0			0
8. Profit tax on other comprehensive profit	212			0			0
XX. Total comprehensive profit (199+204)	213	20,261,807	75,727,679	95,989,486	18,828,051	-81,923,581	-63,095,530
1. Attributable to majority owners	214			0			0
2. Attributable to minority interests	215			0			0
XXI. Reclassification adjustments	216	0	0	0	0	0	0

**REPORT ON FINANCIAL POSITION (BALANCE SHEET)
ON 30.09.2014**

in HRK

Position	AOP	Previous period			Current period		
		Life	Non-life	Total	Life	Non-life	Total
1	2	3	4	5(3+4)	6	7	8(6+7)
ASSETS							
A. RECEIVABLE FOR SUBSCRIBED NOT PAID CAPITAL (002+003)	001	0	0	0	0	0	0
1. Capital invited to be paid	002			0			0
2. Capital that is not invited to be paid	003			0			0
B. INTANGIBLE ASSETS (005+006)	004	0	14.770.503	14.770.503	0	13.004.429	13.004.429
1. Goodwill	005			0			0
2. Other intangible assets	006		14.770.503	14.770.503		13.004.429	13.004.429
C. TANGIBLE ASSETS (008 to 010)	007	0	925.569.387	925.569.387	0	926.906.321	926.906.321
1. Land and buildings used for insurance activities	008		894.713.567	894.713.567		901.634.940	901.634.940
2. Equipment	009		25.380.438	25.380.438		19.413.792	19.413.792
3. Other tangible assets and reserves	010		5.475.381	5.475.381		5.857.588	5.857.588
D. INVESTMENTS (012+013+017+036)	011	2.121.439.942	3.577.858.430	5.699.298.372	2.227.908.342	4.189.720.546	6.417.628.888
I. Investments in land and buildings not intended for business activities of the company	012		656.118.194	656.118.194		664.819.881	664.819.881
II. Investments in branch-offices, associated companies and participating in joint investments (014 to 016)	013	0	395.148.028	395.148.028	0	446.318.128	446.318.128
1. Shares and stakes in branch-offices	014		390.888.328	390.888.328		414.058.428	414.058.428
2. Shares and stakes in associate companies	015		4.259.700	4.259.700		4.259.700	4.259.700
3. Participating in joint investments	016		0	0		28.000.000	28.000.000
III. Other financial investments (018 + 021 + 026 + 032)	017	2.121.439.942	2.526.592.206	4.648.032.150	2.227.908.342	3.078.582.537	5.306.490.878
1. Investments kept till maturity date (019 + 020)	018	1.574.485.381	1.064.379.005	2.638.864.386	1.420.795.535	818.456.366	2.239.251.903
1.1. Debt securities and other securities with fixed income	019	1.574.485.381	1.064.379.005	2.638.864.386	1.420.795.535	818.456.366	2.239.251.903
1.2. Other investments kept till maturity date	020			0			0
2. Investments available for sale (022 to 025)	021	36.445.189	240.102.551	276.547.739	260.996.770	578.249.364	839.246.134
2.1. Stocks, shares and other securities with variable income	022	34.232.695	215.343.482	249.576.177	33.859.493	280.512.233	314.371.326
2.2. Debt securities and other securities with fixed income	023			0	227.137.277	267.969.367	495.106.643
2.3. Stakes in investment funds	024	2.212.494	24.759.069	26.971.563		29.767.764	29.767.764
2.4. Other investments available for sale	025			0			0
3. Investments at fair value through the profit and loss account (027 to 031)	026	98.613.451	430.616.858	529.230.308	128.247.508	434.890.904	563.138.412
3.1. Stocks, shares and other securities with variable income	027		9.685.686	9.685.686		14.837.666	14.837.666
3.2. Debt securities and other securities with fixed income	028	79.886.386	101.767.694	181.654.081	42.169.624	43.496.950	85.666.574
3.3. Derivative financial instruments	029			0			0
3.4. Stakes in investment funds	030	18.727.064	319.163.477	337.890.541	86.077.884	376.556.288	462.634.172
3.5. Other investments	031			0			0
4. Deposits, loans and receivables (033 to 035)	032	411.895.922	791.493.794	1.203.389.716	417.868.529	1.246.985.901	1.664.854.430
4.1. Bank deposits	033	310.275.280	559.608.805	869.884.085	371.591.075	1.039.939.916	1.411.530.991
4.2. Loans	034	51.620.642	231.884.989	283.505.631	46.277.454	207.045.985	253.323.439
4.3. Other loans and receivables	035	50.000.000		50.000.000			0
IV. Deposits at insurance activities ceded to reinsurance (deposits with cedent)	036			0			0
E. INVESTMENTS FOR THE ACCOUNT AND OWN RISK OF LIFE INSURANCE POLICYHOLDER	037	8.388.857		8.388.857	6.086.963		6.086.963
F. REINSURANCE PORTION IN TECHNICAL RESERVES (039 to 045)	038	287.895	326.697.870	326.985.765	243.989	357.021.654	357.265.643
1. Unearned premiums, reinsurance share	039	3.146	48.009.776	48.012.922	25.828	66.402.672	66.428.500
2. Mathematical insurance provision, reinsurance share	040	284.749		284.749	218.161		218.161
3. Claims provision, reinsurance share	041		278.688.093	278.688.093		290.618.982	290.618.982
4. Provision for premium returns depending and not depending on result (bonuses and discounts), reinsurance share	042			0			0
5. Provision for claims fluctuation, reinsurance share	043			0			0
6. Other technical insurance provision, reinsurance share	044			0			0
7. Special provision for insurance concerning life insurance group where the policyholder assumes the investment risk, reinsurance share	045			0			0
G. DEFERRED AND CURRENT TAX ASSETS (047+048)	046	1.259.200	53.693.672	54.952.871	1.259.200	45.046.550	46.305.749
1. Deferred tax assets	047	1.259.200	45.010.638	46.269.838	1.259.200	45.010.638	46.269.838
2. Current tax assets	048		8.683.033	8.683.033		35.911	35.911
H. RECEIVABLES (050 + 053 + 054)	049	4.066.023	769.115.969	773.181.992	3.200.387	826.975.965	830.176.352
1. Receivables from direct insurance activities (051 + 052)	050	109.449	550.709.152	550.818.601	49.200	574.522.062	574.571.262
1.1. Receivables from policyholders	051		549.085.557	549.085.557		573.338.742	573.338.742
1.2. Receivables from insurance agents	052	109.449	1.623.595	1.733.044	49.200	1.183.320	1.232.520
2. Receivables from coinsurance and reinsurance activities	053		12.349.999	12.349.999		1.704.072	1.704.072
3. Other receivables (055 to 057)	054	3.956.573	206.056.819	210.013.392	3.151.186	250.749.832	253.901.018
3.1. Receivables for other insurance activities	055		133.393.382	133.393.382		167.811.906	167.811.906
3.2. Receivables for returns on investments	056	1.129.042	4.249.892	5.378.934	1.140.562	4.190.484	5.331.046
3.3. Other receivables	057	2.827.531	68.413.545	71.241.076	2.010.624	78.747.442	80.758.066
I. OTHER ASSETS (059 + 063 + 064)	058	9.877.007	99.106.452	108.983.459	12.604.393	88.402.448	101.006.841
1. Money in bank and in cash (060 to 062)	059	9.866.925	93.839.479	103.706.404	12.601.038	86.335.683	98.936.720
1.1. Money on business account	060		93.748.511	93.748.511		86.249.699	86.249.699
1.2. Money on mathematical provision account	061	9.866.271		9.866.271	12.600.793		12.600.793
1.3. Cash money	062	654	90.968	91.622	244	85.984	86.228
2. Long-term assets intended for sale and business termination	063			0			0
3. Other	064	10.082	5.266.973	5.277.055	3.355	2.066.765	2.070.120
J. PREPAID EXPENSES OF THE FUTURE PERIOD AND UNDUPLICATE COLLECTION OF INCOME (066 to 068)	065	32.454.170	33.809.231	66.263.401	22.317.378	26.323.082	48.640.461
1. Split interest and rental fees	066	32.410.583	21.935.288	54.345.871	22.317.378	16.057.428	38.374.806
2. Split sales costs	067			0			0
3. Other paid expenses of the future period and undue income collection	068	43.586	11.873.944	11.917.530		10.265.654	10.265.654
K. 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	2.273.620.651	6.473.400.994	8.747.021.646
L. NON-BALANCE SHEET RECORDS	070	82.647.220	1.112.471.075	1.195.118.295		1.174.164.431	1.174.164.431

LIABILITIES							
A. CAPITAL AND RESERVES (072 + 076 + 077 + 081 + 085 + 088)	071	149.849.087	1.316.727.209	1.466.576.296	168.677.138	2.074.250.226	2.242.927.364
1. Subscribed capital (073 to 075)	072	44.288.720	398.598.480	442.887.200	44.288.720	557.287.080	601.575.800
1.1. Subscribed capital - common shares	073	44.288.720	386.348.480	430.637.200	44.288.720	545.037.080	589.325.800
1.2. Subscribed capital - preferred shares	074		12.250.000	12.250.000		12.250.000	12.250.000
1.3. Capital invited to be paid	075						0
2. Capital reserves	076					681.482.525	681.482.525
3. Revaluation reserves (078 to 080)	077	1.997.913	135.855.618	137.853.531	14.294.760	227.178.911	241.473.672
3.1. Revaluation of land and buildings	078		128.580.481	128.580.481		126.894.995	126.894.995
3.2. Revaluation of investments in financial assets	079	1.997.913	7.275.137	9.273.049	14.294.760	100.283.916	114.578.677
3.3. Other revaluation reserves	080						0
4. Reserves (082 to 084)	081	81.746.348	426.943.385	508.689.733	83.803.430	429.203.402	513.006.832
4.1. Legal provision	082	721.929	22.853.579	23.575.508	721.929	22.853.579	23.575.508
4.2. Statutory provision	083	5.524.419	137.378.978	142.903.398	7.581.501	139.638.995	147.220.496
4.3. Other reserves	084	75.500.000	266.710.827	342.210.827	75.500.000	266.710.827	342.210.827
5. Retained profit or loss (086 + 087)	085	13.587.779	346.289.659	359.877.437	19.759.024	354.441.589	374.200.613
5.1. Retained profit	086	13.587.779	346.289.659	359.877.437	19.759.024	354.441.589	374.200.613
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	6.531.204	-175.343.281	-168.812.078
6.1. Profit for the period	089	8.228.327	9.040.068	17.268.395	6.531.204		6.531.204
6.2. Loss for the period (-)	090					-175.343.281	-175.343.281
B. MINORITY INTEREST	091						0
C. TECHNICAL PROVISION (093 to 098)	092	1.985.322.093	3.645.296.555	5.630.618.648	2.058.379.855	3.826.413.526	5.884.793.381
1. Unearned premiums, gross amount	093	2.752.715	932.736.360	935.489.075	2.162.390	982.074.572	984.236.962
2. Mathematical insurance provision, gross amount	094	1.955.270.395		1.955.270.395	2.035.357.214		2.035.357.214
3. Claims provision, gross amount	095	27.298.983	2.665.161.560	2.692.460.542	20.860.251	2.754.140.318	2.775.000.570
4. Provision for premium returns dependent upon or independent of result (bonuses and discounts), gross amount	096			0			0
5. Provision for claims fluctuation, gross amount	097		3.571.635	3.571.635		3.571.635	3.571.635
6. Other technical insurance provision, gross amount	098		43.827.000	43.827.000		86.627.000	86.627.000
D. SPECIAL PROVISION FOR THE GROUP LIFE INSURANCE WHERE THE POLICYHOLDER ASSUMES THE INVESTMENT RISK, gross amount	099	8.388.857		8.388.857	6.086.963		6.086.963
E. OTHER PROVISION (101 + 102)	100	10.165.273	98.950.633	109.115.907	19.861.730	177.857.228	197.718.957
1. Provision for pensions	101	10.165.273	97.070.252	107.235.526	19.861.730	175.976.847	195.838.577
2. Other provision	102		1.880.381	1.880.381		1.880.381	1.880.381
F. DEFERRED AND CURRENT TAX LIABILITY (104 + 105)	103	499.478	33.963.904	34.463.383	3.573.690	56.418.789	59.992.479
1. Deferred tax liability	104	499.478	33.963.904	34.463.383	3.573.690	56.418.789	59.992.479
2. Current tax liability	105			0			0
G. DEPOSITS RETAINED FROM BUSINESS CEDED TO REINSURANCE	106			0			0
H. FINANCIAL LIABILITIES (108 to 110)	107	0	350.056.575	350.056.575	0	0	0
1. Loan liabilities	108		350.056.575	350.056.575			0
2. Outstanding securities	109			0			0
3. Other financial liabilities	110			0			0
I. OTHER LIABILITIES (112 to 115)	111	14.529.162	188.191.900	202.721.062	16.192.049	171.725.281	187.917.329
1. Liabilities derived from direct insurance activities	112	2.547.239	84.698.307	87.245.546	3.812.547	89.994.994	93.807.541
2. Liabilities derived from coinsurance and reinsurance activities	113	1.725	17.205.005	17.206.730	310	15.344.473	15.344.783
3. Liabilities for misappropriation and discontinued operations	114			0			0
4. Other liabilities	115	11.980.197	86.288.588	98.268.785	12.379.192	66.385.814	78.765.006
J. DEFERRED PAYMENT OF EXPENSES AND INCOME OF THE FUTURE PERIOD (117+118)	116	9.019.143	167.434.737	176.453.880	849.227	166.735.946	167.585.173
1. Reinsurance commission split	117			0			0
2. Other deferred costs payment and future income	118	9.019.143	167.434.737	176.453.880	849.227	166.735.946	167.585.173
K. TOTAL LIABILITIES (071+091+092+099+100+103+106+107+111+116)	119	2.177.773.093	5.800.621.514	7.978.394.606	2.273.620.651	6.473.400.994	8.747.021.646
L. NON-BALANCE SHEET RECORDS	120	82.647.220	1.112.471.075	1.195.118.295		1.174.164.431	1.174.164.431

**REPORT ON CHANGES IN EQUITY
FOR THE PERIOD 01.01.2014 - 30.09.2014**

in HRK

Position	AOP	Attributable to the owners of the parent company							Attributable to non-controlling interests	Total capital and reserves (9+10)
		Subscribed capital	Share premium	Revaluation reserves	Reserves (legal, statutory, other)	Retained profit or transferred loss	Current year profit/loss	Total capital and reserves (3 to 8)		
1	2	3	4	5	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		1.751.600.522
1. Change in accounting policy	002	0	0	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	1.752.775.242
III. Comprehensive profit or loss - previous year (AOP 006+007)	005	0	0	-309.202.833	0	6.715.492	17.268.395	-285.218.946	0	-285.218.946
1. Profit/loss of the previous period	006						17.268.395	17.268.395		17.268.395
2. 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									0
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
1. Increase/decrease of share capital	013	0	0	0	0	0	0	0	0	0
2. Other payments by the owners	014	0	0	0	0	0	0	0	0	0
3. 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		0
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
1. Change in accounting policy	019							0		0
2. Correction of previous period errors	020					255.472		255.472		255.472
VII. Balance at 1 January - current period (corrected) (AOP 018 to 020)	021	442.887.200	0	137.853.531	508.689.733	360.132.909	17.268.395	1.466.831.768	0	1.466.831.768
VIII. Comprehensive profit or loss - current period (AOP 023+024)	022	0	0	103.620.141	0	2.096.407	-168.812.078	-63.095.530	0	-63.095.530
1. Profit/loss of the previous period	023						-168.812.078	-168.812.078		-168.812.078
2. Other comprehensive profit/loss of the current year (AOP 025 to 028)	024	0	0	103.620.141	0	2.096.407	0	105.716.548	0	105.716.548
2.1. Unrealized profit/loss from tangible assets (land and buildings)	025			-1.685.486		2.096.407		410.921		410.921
2.2. Unrealized profit/loss from financial assets available for sale	026			104.965.176				104.965.176		104.965.176
2.3. Realized profit/loss from financial assets available for sale	027			340.451				340.451		340.451
2.4. Other non-ownership changes in capital	028							0		0
IX. Transactions with owners (current period) (AOP 030 to 033)	029	158.688.600	681.482.525	0	4.317.099	11.971.296	-17.268.395	839.191.125	0	839.191.125
1. Increase/decrease of share capital	030	158.688.600	681.482.525					840.171.125		840.171.125
2. Other payments by the owners	031							0		0
3. Payment of shares in profit/dividends	032						-980.000	-980.000		-980.000
4. Other distribution to the owners	033				4.317.099	11.971.296	-16.288.395	0		0
X. Balance at 31 December - current period (AOP 021+022+029)	034	601.575.800	681.482.525	241.473.672	513.006.832	374.200.613	-168.812.078	2.242.927.364	0	2.242.927.364

**REPORT ON CASH FLOWS- INDIRECT METHOD
FOR THE PERIOD 01.01.2014 - 30.09.2014**

in HRK

Position	AOP	Previous period	Current period
1	2	3	4
I. CASH FLOWS FROM OPERATING ACTIVITIES (002+013+031)	001	536.493.018	-21.594.067
1. Cash flow before change in business property and liabilities (AOP 003+004)	002	13.508.275	710.114.511
1.1. Profit before tax	003	106.691.193	-168.812.078
1.2. Adjustment: (AOP 005 to 012)	004	-93.182.918	878.926.588
1.2.1. Depreciation and amortization of immovables and equipment	005	31.235.210	27.921.767
1.2.2. Depreciation and amortization of intangible property	006	3.478.996	3.899.684
1.2.3. Impairment and profits/losses from adjustment to fair value	007	40.149.483	60.516.084
1.2.4. Interest expenses	008	172.742	575.699
1.2.5. Interest income	009	-156.803.266	-154.681.378
1.2.6. Share in profit of associated companies	010	-46.158.733	0
1.2.7. Profits/losses from sale of tangible property (including real estate)	011	4.043.900	-4.468.412
1.2.8. Other adjustments	012	30.698.749	945.163.145
2. Increase/decrease in business property and liabilities (AOP 014 to 030)	013	544.322.982	-731.708.577
2.1. Increase /decrease in investments available for sale	014	-80.229.014	-562.698.394
2.2. Increase /decrease in investment estimated at fair value	015	332.143.157	-90.287.349
2.3. Increase / decrease in deposits, loans and receivables	016	230.423.133	-491.646.906
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	2.304.953	2.301.894
2.6. Increase /decrease of reinsurance stakes in tehcnical provision	019	505.770	-30.279.878
2.7. Increase/decrease of taxable property	020	-35.911	8.647.122
2.8. Increase/decrease in receivables	021	-60.232.847	71.049.303
2.9. Increase/decrease in other assets	022	0	0
2.10. Increase/decrease in prepaid expenses of the future period and undue collection of income	023	16.219.611	17.622.941
2.11. Increase/decrease in tehcnical provision	024	147.504.013	254.174.733
2.12. Increase/decrease in life insurance tehcnical provision when the policyholder bears investment risk	025	-2.304.953	-2.301.894
2.13. Increase/decrease in tax liabilities	026	9.351.474	25.529.096
2.14. Increase/decrease in deposits held from activities ceded to reinsurance	027	0	0
2.15. Increase/decrease in financial liabilities	028	0	0
2.16. Increase/decrease in other liabilities	029	3.966.645	75.049.463
2.17. Increase/decrease in deferred payment of expenses and income of the future period	030	-55.293.048	-8.868.707
3. Income tax paid	031	-21.338.239	
II. CASH FLOW FROM INVESTMENT ACTIVITIES (AOP 033 to 046)	032	-466.801.176	365.168.293
1. Receipts from sale of tangible assets	033	15.613.698	0
2. Expenditures for the purchase of tangible assets	034	-31.235.210	-29.258.701
3. Receipts from sale of intangible assets	035	0	1.766.074
4. Expenditures for the purchase of intangible assets	036	-7.463.362	-3.899.684
5. Receipts from sale of land and buildings not intended for business activities of the company	037	0	0
6. Expenditures for the purchase of land and buildings not intended for business activities of the company	038	-69.930.518	-8.701.687
7. Increase/decrease of investments in branch-offices, associated companies and participation in joint investments	039	30.703.876	-51.170.100
8. Receipts from investments kept till maturity	040	0	399.612.483
9. Expenditures for investments kept till maturity	041	-387.374.333	0
10. Receipts from sale of securities and stakes	042	0	0
11. Expenditures for investments in securities and stakes	043	0	0
12. Receipts from dividends and profit share	044	70.431.672	26.637.716
13. Receipts from long term and short term loans	045	195.931.626	78.261.880
14. Expenses for long term and short term loans	046	-283.478.625	-48.079.688
III. CASH FLOW FROM FINANCIAL ACTIVITIES (AOP 050 to 054)	047	-51.254.832	-351.882.418
1. Receipts from capital stock increase	048	0	0
2. Receipts from short-term and long-term loans	049	120.177.618	750.575.699
3. Expenditures for short-term and long-term loans	050	-170.435.838	-1.101.207.973
4. Expenditures for purchase of treasury shares	051	0	0
5. Expenditures for payment of profit share (dividends)	052	-996.612	-1.250.144
NET CASH FLOW (AOP 001 + 032 + 049)	053	18.437.010	-8.308.192
IV. EFFECTS OF CHANGES IN RATES OF FOREIGN CURRENCIES	054	-15.551.869	331.573
V. NET INCREASE/DECREASE IN CASH AND CASH EQUIVALENTS (055+056)	055	2.885.141	-7.976.618
Cash and cash equivalents at the beginning of the period	056	77.789.725	108.983.459
Cash and cash equivalents at the end of the period (AOP 057 + 058)	057	80.674.866	101.006.841

II INTERIM MANAGEMENT REPORT

During the third quarter of the year 2014 the written gross premium of all 25 Croatian insurance companies amounted to HRK 6.5 bil. That is a decrease of HRK 372.3 mil. i.e. 5.4% compared to the same period of the previous year. The non-life insurance premium decreased by 8.7% and amounted to HRK 4.7 bil., while the life insurance premium increased by 4.1% and amounted to HRK 1.9 bil. The decrease in non-life insurance premium mostly was caused by the decrease in motor insurance premium that was the result of the liberalization of prices in the third party motor liability insurance premium. According to the Croatian Insurance Bureau, the average premium of the before mentioned insurance amounted to HRK 1,207.31, that is by 19.5% less than during the same period of the previous year.

CROATIA osiguranje d.d. continues to hold the first position on the market with 28.4% of the market share according to the amount of premium.

During the third quarter of the year 2014 Croatia osiguranje d.d. realized the total income amounting to HRK 1,845.5 mil. and total expenditures (before profit tax) amounting to HRK 2,014.3 mil. so resulted with loss in business amounting to HRK -168.8 mil. The total income decreased by 6.0% compared to the same period of the previous year while the total expenditures increased by 8.5%. The realized loss is caused by decrease in premium income, adjusted value of the financial assets, increase in provision for unexpired risks as well as provision for severance pays according to the Surplus employees programme in accordance with the process of restructuring.

The earned premium amounted to HRK 1,511.9 mil. that makes 81.9% of the total income resulting with decrease of 6.9%.

The earned gross premium amounted to HRK 1,863.0 mil. that is a decrease by 11.8% compared to the same period of the previous year. The non-life insurance written premium amounted to HRK 1,600.1 mil. that is a decrease of 14.3% compared to the same period of the previous year. Motor third party liability insurance recorded the biggest decrease caused by the liberalization of the market prices. The written life insurance premium amounted to HRK 263.0 mil. that is by 7.3% bigger compared to the same period of the previous year.

The non-life and life insurance investment business realized income amounting to HRK 223.3 mil. that makes 12.1% of the total income.

The gross paid claims amounted to HRK 1,024.4 mil. that is a decrease of 12.9% compared to the third quarter of the year 2013.

The employees costs recorded a decrease by 2.8% because of the less number of the employees compared to the same period of the previous year and amounted to HRK 278.6 mil. that makes 13.8% of the total expenditures.

The business expenditures in the reporting period amounted to HRK 778.8 mil. that is an increase of 11.7% compared to the same period of the previous year that is a result of the growth of provision for severance pays according to Surplus employees programme.

During the second quarter of the year 2014 the value adjustment of the financial assets has been realized which resulted with the growth of the investment costs by 9.0% amounting to HRK 91.3 mil. compared to the third quarter of the year 2013.

The total assets of the Company as at 30/9/2014 amounted to HRK 8,747.0 mil. that is an increase of 9.6% compared to 31.12.2013.

During the reporting period the calculated technical provision amounted to HRK 5,884.8 mil. that is an increase of 4.5% compared to the calculated technical provision as at 31.12.2013.

During the reporting period the Company operated business with satisfying solvency ratio consequently it fulfilled all needed solvency and capital adequacy requirements in accordance with 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 22nd 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 Hraščanec, members of the Supervisory Board .

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

In accordance with the announced optimization of business operations of the Group Croatia osiguranje and especially with the aim of cost and business processes rationalization, as well as the optimization of capital allocation within the Group, the Management Board of CROATIA osiguranje d.d., passed on 29th May 2014 the Decision on starting the preparatory actions for gradual cessation of business operations of Croatia Lloyd d.d., all in line with the expected and announced organizational changes within the Group Croatia osiguranje.

The 39th General Assembly of CROATIA osiguranje d.d. brought a decision on increase in equity capital of the Company in accordance with the Agreement on Purchase of Shares in CROATIA osiguranje d.d., Zagreb signed on 6th March 2014 between the Government of the Republic of Croatia and Adris grupa d.d., Adris grupa on 15th September 2014 paid HRK 840,171,125.20 with the aim of recapitalization of CROATIA osiguranje. The new sum of equity capital was recorded in the court register of the Commercial court in Zagreb on 15 September 2014. After the recapitalization, the share of the major owner of the Company, ADRIS grupa d.d., increased from 53.56% to 65.81%.

The paid sum will strengthen CROATIA osiguranje d.d. and enable it to make faster and more efficient restructuring of the company as well as growth and development in crucially changed market conditions as well as to hold and strengthen its leading position on the market in the Republic of Croatia as well as to prepare its stronger market presence in the region.

On 22nd September 2014 the Management Board of the Company brought a decision on starting a procedure of managing collective staff surplus. The mentioned procedure declared up to 500 employees, part of them repositioned in the sales department while the others will leave the company with adequate severance pays according to the collective agreement.

Key performance indicators:

In HRK

DESCRIPTION	I-IX 2013.	I-IX 2014.	Index 3 : 2
1	2	3	4
PROFIT AND LOSS ACCOUNT			
Total income	1,963,287,757	1,845,532,187	94.0
Written gross premium	2,113,176,216	1,863,040,849	88.2
Total expenditure	1,856,596,564	2,014,344,264	108.5
Paid claims (gross)	1,176,256,353	1,024,448,217	87.1
Profit before taxation (gross profit)	106,691,193	-168,812,078	
Profit after taxation (net profit)	85,352,955	-168,812,078	
BALANCE			
Total assets	8,323,163,738	8,747,021,646	105.1
Equity and provision	1,846,313,987	2,242,927,364	121.5
Technical provision	5,868,247,477	5,884,793,381	100.3
Life insurance special provision-policyholder's investment risk	9,120,261	6,086,963	66.7
Investments	5,674,587,829	6,417,628,888	113.1
NON-LIFE INSURANCE INDICATORS			
Loss ratio	52.4	59.1	112.7
Expense ratio	32.9	42.7	129.5
Combined ratio	85.4	101.7	119.2
ECONOMY INDICATOR			
Total cost of operations (tot.income /tot.expenditure %)	105.7	91.6	86.6
OTHER INDICATORS			
Number of employees	2,796	2,652	94.8
Total income per employee	702,177	695,902	99.1
Total assets per employee	2,976,811	3,298,274	110.8
Written premium per employee	755,785	702,504	93.0

Unaudited unconsolidated financial reports for the period I-IX 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 in managing financial, insurance, operational and other risks is to keep the capital level adequate to the scope and type of insurance business it underwrites while taking into account the risks to which the company is exposed. The Company also 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, 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 also 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 audited unconsolidated Annual Report for the year 2013.

Zagreb, 31 October 2014

Member of the Board

Andrej Koštomaj

Chairman of the Board

Sanel Volaric



III NOTES TO THE UNAUDITED UNCONSOLIDATED FINANCIAL STATEMENTS I-IX 2014

1. General

CROATIA osiguranje d.d. was founded in 1884. Ever since its foundation CROATIA osiguranje d.d. has maintained its leading position on the insurance market in the Republic of Croatia, which makes it the 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 entered into the Commercial Court Register in Zagreb under the 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 and 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

On 30 September 2014 the capital stock of the company amounted to HRK 601,575,800.00 and is divided in 429,697 shares with the nominal value of HRK 1,400.00 and are marked as follows:

- 307,598 shares are ordinary shares of the 1st issue marked as CROS-R-A,
- 113,349 shares are ordinary shares of the IInd issue temporarily marked as CROS-R-B
- 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

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 September, 2014 the official exchange rate of the Croatian kuna was HRK 7.63 to 1 Euro and HRK 6.02 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 third quarter 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. of 22nd April 2014 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 unconsolidated financial statements for the third quarter 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, 31 October 2014

Member of the Management Board

Andrej Koštomaj

Chairman of the Management Board

Sanel Volarić