



**CROATIA[®]
OSIGURANJE**

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

UNCONSOLIDATED UNAUDITED QUARTERLY REPORT, PERIOD ENDING 31.12.2019

Zagreb, February 2020

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I. UNAUDITED FINANCIAL STATEMENTS

Annex 1			ISSUER'S GENERAL DATA		
Reporting period:	1.1.2019	to	31.12.2019		
Year:	2019				
Quarter:	4				
Quarterly financial statements					
Registration number (MB):	03276147	Issuer's home Member State code:	HR		
Entity's registration number (MBS):	080051022				
Personal identification number (OIB):	26187994862	LEI:	74780000M0GHQ1VXJU20		
Institution code:	199				
Name of the issuer:	CROATIA osiguranje d.d.				
Postcode and town:	10 000	ZAGREB			
Street and house number:	Vatroslava Jagića 33				
E-mail address:	info@crosig.hr				
Web address:	www.crosig.hr				
Number of employees (end of the reporting period):	2.207				
Consolidated report:	KN	(KN-not consolidated/KD-consolidated)			
Audited:	RN	(RN-not audited/RD-audited)			
Names of subsidiaries (according to IFRS):		Registered office:		MB:	
Bookkeeping firm:	No	(Yes/No)			(name of the bookkeeping firm)
Contact person:	Jelena Matijević (only name and surname of the contact person)				
Telephone:	01/633 3135				
E-mail address:	jelena.matijevic@crosig.hr				
Audit firm:					
	(name of the audit firm)				
Certified auditor:					
	(name and surname)				

STATEMENT OF COMPREHENSIVE INCOME
(STATEMENT OF PROFIT OR LOSS)
For the period: 1.1.2019 - 31.12.2019

in HRK

Item	ADP code	Same period of the previous year			Current year		
		Life	Non-life	Total	Life	Non-life	Total
1	2	3	4	5(3+4)	6	7	8(6+7)
I Earned premiums (ADP 119 to 123)	118	564.701.246	1.891.293.812	2.455.995.058	516.797.292	1.968.720.775	2.485.518.067
1 Gross written premium	119	564.731.193	2.213.513.248	2.778.244.441	517.407.481	2.221.290.222	2.738.697.703
2 Value adjustment and charged premium value adjustment	120	0	14.535.751	14.535.751	0	3.810.299	3.810.299
3 Outward reinsurance premiums (-)	121	-68.151	-287.648.933	-287.717.084	-89.149	-247.719.321	-247.808.470
4 Change of gross provisions for unearned premiums (+/-)	122	38.216	-76.096.343	-76.058.127	-523.834	4.452.474	3.928.640
5 Change of provisions for unearned premiums, reinsurers' share (+/-)	123	-12	26.990.089	26.990.077	2.794	-13.112.899	-13.110.105
II Income from investments (ADP 125 to 131)	124	130.366.642	352.229.318	482.595.960	131.978.407	363.146.323	495.124.730
1 Income from branches, associates and joint ventures.	125	377.051	39.653.208	40.030.259	947.704	43.308.958	44.256.662
2 Income from investment in land and buildings	126	0	111.576.849	111.576.849	0	41.040.287	41.040.287
3 Interest income	127	110.434.684	115.645.388	226.080.072	106.303.691	109.626.509	215.930.200
4 Unrealised gains on investments	128	256.116	2.643.240	2.899.356	475.060	7.325.949	7.801.009
5 Realised gains on investments	129	18.119.143	55.919.353	74.038.496	15.473.438	45.795.207	61.268.645
6 Net positive exchange rate differences	130	0	0	0	8.768.666	5.258.179	14.026.845
7 Other income from investments	131	1.179.648	26.791.280	27.970.928	9.848	110.791.234	110.801.082
III Income from commissions and fees	132	2.066.850	37.956.139	40.022.989	2.154.864	33.928.007	36.082.871
IV Other insurance-technical income, net amount from reinsurance	133	198.789	19.055.843	19.254.632	203.029	27.839.650	28.042.679
V Other income	134	58.996	16.646.334	16.705.330	3.949	21.285.273	21.289.222
VI Claims incurred, net (ADP 136 + 139)	135	-404.261.962	-1.046.531.552	-1.450.793.514	-356.548.481	-1.095.772.610	-1.452.321.091
1 Claims settled (ADP 137+138)	136	-374.047.324	-1.059.690.782	-1.433.738.106	-363.782.364	-1.132.561.442	-1.496.343.806
1.1 Gross amount (-)	137	-374.047.324	-1.169.679.020	-1.543.726.344	-363.782.364	-1.246.902.469	-1.610.684.833
1.2 Reinsurers' share (+)	138	0	109.988.238	109.988.238	0	114.341.027	114.341.027
2 Change in the provision for claims (+/-) (ADP 140+141)	139	-30.214.638	13.159.230	-17.055.408	7.233.883	36.788.832	44.022.715
2.1 Gross amount	140	-30.214.638	36.560.261	6.345.623	7.233.883	25.714.963	32.948.846
2.2 Reinsurers' share	141	0	-23.401.031	-23.401.031	0	11.073.869	11.073.869
VII Change in mathematical provision and other technical provisions, net of reinsurance (ADP 143+146)	142	-19.519.695	17.412.179	-2.107.516	-167.716.110	15.302.095	-152.414.015
1 Change in mathematical provisions (+/-) (ADP 144+145)	143	-19.519.695	8.200.635	-11.319.060	-167.716.110	11.342.252	-156.373.858
1.1 Gross amount (-)	144	-19.531.454	8.200.635	-11.330.819	-167.726.381	11.342.252	-156.384.129
1.2 Reinsurers' share (+)	145	11.759	0	11.759	10.271	0	10.271
2 Change in other technical provisions, net of reinsurance (+/-) (ADP 147+148)	146	0	9.211.544	9.211.544	0	3.959.843	3.959.843
2.1 Gross amount (-)	147	0	9.211.544	9.211.544	0	3.959.843	3.959.843
2.2 Reinsurers' share (+)	148	0	0	0	0	0	0
VIII Change of special provision for life assurance where policyholders bear the investment risk, net of reinsurance (+/-) (ADP 150+151)	149	-94.987.987	0	-94.987.987	11.314.972	0	11.314.972
1 Gross amount (-)	150	-94.987.987	0	-94.987.987	11.314.972	0	11.314.972
3 Reinsurers' share (+)	151	0	0	0	0	0	0
IX Cash payments for bonuses and rebates, net of reinsurance (ADP 153+154)	152	0	-4.738.239	-4.738.239	0	-7.645.260	-7.645.260
1 Performance-dependent (bonuses)	153	0	-4.738.239	-4.738.239	0	-7.645.260	-7.645.260
2 Performance-independent (rebates)	154	0	0	0	0	0	0

STATEMENT OF COMPREHENSIVE INCOME
(STATEMENT OF PROFIT OR LOSS)
For the period: 1.1.2019 - 31.12.2019

in HRK

Item	ADP code	Same period of the previous year			Current year		
		Life	Non-life	Total	Life	Non-life	Total
1	2	3	4	5(3+4)	6	7	8(6+7)
X Operating expenses (business expenditures), net (ADP 156+160)	155	-98.002.734	-784.443.453	-882.446.187	-84.348.494	-832.018.936	-916.367.430
1 Acquisition costs (ADP 157 to 159)	156	-47.035.632	-439.398.514	-486.434.146	-37.326.726	-474.735.493	-512.062.219
1.1 Commission	157	-19.666.349	-329.739.890	-349.406.239	-11.400.130	-263.988.593	-275.388.723
1.2 Other acquisition costs	158	-27.369.283	-186.232.044	-213.601.327	-25.926.596	-185.454.230	-211.380.826
1.3 Change in deferred acquisition costs	159	0	76.573.420	76.573.420	0	-25.292.670	-25.292.670
2 Administration expenses (administrative costs) (ADP 161 to 163)	160	-50.967.102	-345.044.939	-396.012.041	-47.021.768	-357.283.443	-404.305.211
2.1 Depreciation	161	-2.861.003	-39.699.726	-42.560.729	-3.686.062	-54.248.874	-57.934.936
2.2 Salaries, taxes and contributions from/on salaries	162	-20.628.243	-118.368.891	-138.997.134	-19.365.586	-124.374.460	-143.740.046
2.3 Other administration expenses	163	-27.477.856	-186.976.322	-214.454.178	-23.970.120	-178.660.109	-202.630.229
XI Investment expenses (ADP 165 to 171)	164	-38.797.438	-166.759.562	-205.557.000	-4.940.320	-141.817.187	-146.757.507
1 Depreciation of land and buildings not occupied by an undertaking for its own activities	165	0	0	0	0	0	0
2 Interest	166	-11.362	-1.113.246	-1.124.608	-1.321.372	-8.932.083	-10.253.455
3 Impairment of investments	167	-452.538	-40.381.761	-40.834.299	0	-34.485.331	-34.485.331
4 Realised loss on investments	168	-3.811.436	-7.599.102	-11.410.538	-864.282	-16.181.820	-17.046.102
5 Unrealised loss on investments	169	-34.429	-3.585.027	-3.619.456	-300.004	-5.324.927	-5.624.931
6 Net negative exchange rate differences	170	-32.211.093	-13.705.198	-45.916.291	0	0	0
7 Other investment expenses	171	-2.276.580	-100.375.228	-102.651.808	-2.454.662	-76.893.026	-79.347.688
XII Other technical expenses, net of reinsurance (ADP 173+174)	172	-54.988	-31.433.179	-31.488.167	-407.137	-36.775.208	-37.182.345
1 Expenses of preventive activities	173	0	0	0	0	0	0
2 Other technical expenses of insurance	174	-54.988	-31.433.179	-31.488.167	-407.137	-36.775.208	-37.182.345
XIII Other activities, including value adjustments	175	0	-17.377.235	-17.377.235	-990	-11.298.522	-11.299.512
XIV Profit or loss for the accounting period before tax (+/-) (ADP 118+124+132 to 135+142+149+152+155+164+172+175)	176	41.767.719	283.310.405	325.078.124	48.490.981	304.894.400	353.385.381
XV Profit or loss tax (ADP 178+179)	177	-5.557.841	-49.102.525	-54.660.366	-8.815.039	-51.439.629	-60.254.668
1 Current tax expense	178	-7.159.028	-30.917.949	-38.076.977	-8.731.189	-35.245.008	-43.976.197
2 Deferred tax expense (income)	179	1.601.187	-18.184.576	-16.583.389	-83.850	-16.194.621	-16.278.471
XVI Profit or loss for the accounting period after tax (+/-) (ADP 176+177)	180	36.209.878	234.207.880	270.417.758	39.675.942	253.454.771	293.130.713
1 Attributable to owners of the parent	181	0	0	0	0	0	0
2 Attributable to non-controlling interest	182	0	0	0	0	0	0
XVII TOTAL INCOME (ADP 118+124+132+133+134+179)	183	698.993.710	2.298.996.870	2.997.990.580	651.053.691	2.398.725.407	3.049.779.098
XVIII TOTAL EXPENSES (ADP 135+142+149+152+155+164+172+175+178)	184	-662.783.832	-2.064.788.990	-2.727.572.822	-611.377.749	-2.145.270.636	-2.756.648.385
IX Other comprehensive income (ADP 186 to 193)	185	-15.305.115	-45.759.719	-61.064.834	81.013.025	162.936.980	243.950.005
1 Gains/losses arising from translation of financial statements relating to foreign operations	186	0	-1.277	-1.277	0	-30.198	-30.198
2 Gains/losses arising from the revaluation of financial assets available for sale	187	-18.664.774	-53.199.877	-71.864.651	98.796.373	198.076.792	296.873.165
3 Gains/losses arising from the revaluation of land and buildings occupied by an undertaking for its own activities	188	0	-2.603.101	-2.603.101	0	663.668	663.668
4 Gains/losses arising from the revaluation of other tangible (other than land and property) and intangible assets	189	0	0	0	0	0	0
5 Effects of cash flow hedging instruments	190	0	0	0	0	0	0
6 Actuarial gains/losses on pension plans with defined pensions	191	0	0	0	0	0	0
7 Share in other comprehensive income of associates	192	0	0	0	0	0	0
8 Income tax on other comprehensive income	193	3.359.659	10.044.536	13.404.195	-17.783.348	-35.773.282	-53.556.630
XX Total comprehensive income (ADP 180 +185)	194	20.904.763	188.448.161	209.352.924	120.688.967	416.391.751	537.080.718
1 Attributable to owners of the parent	195	0	0	0	0	0	0
2 Attributable to non-controlling interests	196	0	0	0	0	0	0
XXI Reclassification adjustments	197	0	0	0	0	0	0

STATEMENT OF FINANCIAL POSITION (BALANCE SHEET)

As at: 31.12.2019

in HRK

Item	ADP code	Last day of the preceding business year			At the reporting date of the current period		
		Life	Non-life	Total	Life	Non-life	Total
1	2	3	4	5(3+4)	6	7	8(6+7)
ASSETS							
A) INTANGIBLE ASSETS (ADP 002 +003)	001	0	27.374.679	27.374.679	0	36.992.651	36.992.651
1 Goodwill	002	0	0	0	0	0	0
2 Other intangible assets	003	0	27.374.679	27.374.679	0	36.992.651	36.992.651
B) TANGIBLE ASSETS (ADP 005 to 007)	004	6.411	452.704.878	452.711.289	9.973	641.779.864	641.789.837
1 Land and buildings occupied by an undertaking for its own activities	005	1.805	418.753.349	418.755.154	0	355.254.200	355.254.200
2 Equipment	006	4.606	25.420.546	25.425.152	9.973	18.585.898	18.595.871
3 Other tangible assets and inventories	007	0	8.530.983	8.530.983	0	267.939.766	267.939.766
C) INVESTMENTS (ADP 009+010+014+033)	008	2.766.323.139	4.729.651.948	7.495.975.087	3.054.031.686	5.465.347.334	8.519.379.020
I Investments in land and buildings not occupied by an undertaking for its own activities	009	0	333.932.265	333.932.265	0	367.521.081	367.521.081
II Investments in branches, associates and joint ventures (ADP 011 to 013)	010	0	246.928.776	246.928.776	0	279.110.925	279.110.925
1 Shares and holdings in branches	011	0	213.240.483	213.240.483	0	245.422.632	245.422.632
2 Shares and holdings in associates	012	0	5.688.293	5.688.293	0	5.688.293	5.688.293
3 Shares and holdings in joint ventures	013	0	28.000.000	28.000.000	0	28.000.000	28.000.000
III Financial assets (ADP 015+018+023+029)	014	2.766.323.139	4.148.790.907	6.915.114.046	3.054.031.686	4.818.715.328	7.872.477.014
1 Financial assets held to maturity (ADP 016+017)	015	1.296.119.235	745.529.073	2.041.648.308	1.228.357.915	944.029.371	2.172.387.286
1.1 Debt financial instruments	016	1.296.119.235	745.529.073	2.041.648.308	1.228.357.915	944.029.371	2.172.387.286
1.2 Other	017	0	0	0	0	0	0
2 Financial assets available for sale (ADP 019 to 022)	018	1.318.571.912	2.378.587.559	3.697.159.471	1.628.859.849	2.817.918.674	4.446.778.523
2.1 Equity financial instruments	019	8.289.296	371.921.137	380.210.433	24.551.993	498.028.031	522.580.024
2.2 Debt financial instruments	020	1.296.462.292	1.980.290.141	3.276.752.433	1.582.180.361	2.255.225.971	3.837.406.332
2.3 Units in investment funds	021	13.820.324	26.376.281	40.196.605	22.127.495	64.664.672	86.792.167
2.4 Other	022	0	0	0	0	0	0
3 Financial assets at fair value through statement of profit or loss (ADP 024 to 028)	023	256.116	169.995.891	170.252.007	589.945	47.661.095	48.251.040
3.1 Equity financial instruments	024	0	13.867.751	13.867.751	0	17.070.930	17.070.930
3.2 Debt financial instruments	025	0	0	0	0	0	0
3.3 Derivative financial instruments	026	256.116	2.125.175	2.381.291	589.945	3.080.534	3.670.479
3.4 Units in investment funds	027	0	154.002.965	154.002.965	0	27.509.631	27.509.631
3.5 Other	028	0	0	0	0	0	0
4 Loans and receivables (ADP 030 to 032)	029	151.375.876	854.678.384	1.006.054.260	196.223.977	1.009.106.188	1.205.330.165
4.1 Deposits with credit institutions	030	91.628.502	368.302.667	459.931.169	144.001.733	540.294.540	684.296.273
4.2 Loans	031	59.747.374	486.375.717	546.123.091	52.222.244	312.837.084	365.059.328
4.3 Other	032	0	0	0	0	155.974.564	155.974.564
IV Deposits with cedants	033	0	0	0	0	0	0
D) INVESTMENTS FOR THE ACCOUNT OF LIFE ASSURANCE POLICYHOLDERS WHO BEAR THE INVESTMENT RISK	034	434.791.407	0	434.791.407	445.325.559	0	445.325.559
E) REINSURANCE AMOUNT IN TECHNICAL PROVISIONS (ADP 036 to 042)	035	12.688	215.546.457	215.559.145	25.754	213.507.427	213.533.181
1 Provisions for unearned premiums, reinsurance amount	036	929	55.298.066	55.298.995	3.724	42.185.167	42.188.891
2 Mathematical provision, reinsurance amount	037	11.759	0	11.759	22.030	0	22.030
3 Claims outstanding, reinsurance amount	038	0	160.248.391	160.248.391	0	171.322.260	171.322.260
4 Provisions for bonuses and rebates, reinsurance amount	039	0	0	0	0	0	0
5 Equalization provision, reinsurance amount	040	0	0	0	0	0	0
6 Other technical provisions, reinsurance amount	041	0	0	0	0	0	0
7 Special provisions for life assurance where policyholders bear the investment risk, reinsurance amount	042	0	0	0	0	0	0
F) DEFERRED AND CURRENT TAX ASSETS (ADP 044 +045)	043	2.112.506	82.781.917	84.894.423	2.028.656	66.492.988	68.521.644
1 Deferred tax assets	044	2.112.506	82.781.917	84.894.423	2.028.656	66.492.988	68.521.644
2 Current tax assets	045	0	0	0	0	0	0
G) RECEIVABLES (ADP 047+050+051)	046	768.671	880.030.430	880.799.101	503.662	854.729.992	855.233.654
1 Receivables arising from insurance business (ADP 048+049)	047	233.778	474.073.870	474.307.648	235.763	465.705.701	465.941.464
1.1 From policyholders	048	0	472.001.053	472.001.053	0	464.918.705	464.918.705
1.2 From insurance agents or insurance brokers	049	233.778	2.072.817	2.306.595	235.763	786.996	1.022.759
2 Receivables arising from reinsurance business	050	629	34.684.196	34.684.825	879	46.715.736	46.716.615
3 Other receivables (ADP 052 to 054)	051	534.264	371.272.364	371.806.628	267.020	342.308.555	342.575.575
3.1 Receivables arising from other insurance operations	052	0	224.615.927	224.615.927	0	199.851.589	199.851.589
3.2 Receivables for investment income	053	269.845	6.007.637	6.277.482	262.624	997.458	1.260.082
3.3 Other receivables	054	264.419	140.648.800	140.913.219	4.396	141.459.508	141.463.904
H) OTHER ASSETS (ADP 056+060+061)	055	11.820.028	343.820.427	355.640.455	25.003.071	100.317.264	125.320.335
1 Cash at bank and in hand (ADP 057 to 059)	056	11.820.028	343.812.262	355.632.290	25.003.071	100.316.752	125.319.823
1.1 Funds in the business account	057	0	343.812.262	343.812.262	0	100.316.752	100.316.752
1.2 Funds in the account of assets covering mathematical provisions	058	11.820.028	0	11.820.028	25.003.071	0	25.003.071
1.3 Cash in hand	059	0	0	0	0	0	0
2 Fixed assets held for sale and termination of business operations	060	0	0	0	0	0	0
3 Other	061	0	8.165	8.165	0	512	512
I) PREPAYMENTS AND ACCRUED INCOME (ADP 063 to 065)	062	0	261.064.556	261.064.556	0	239.306.560	239.306.560
1 Deferred interest and rent	063	0	0	0	0	0	0
2 Deferred acquisition costs	064	0	251.402.447	251.402.447	0	226.109.778	226.109.778
3 Other prepayments and accrued income	065	0	9.662.109	9.662.109	0	13.196.782	13.196.782
J) TOTAL ASSETS (ADP 001+004+008+034+035+043+046+055+062)	066	3.215.834.850	6.992.975.292	10.208.810.142	3.526.928.361	7.618.474.080	11.145.402.441
K) OFF-BALANCE SHEET ITEMS	067	172.028.971	2.579.201.308	2.751.230.279	265.956.261	2.518.024.767	2.783.981.028

STATEMENT OF FINANCIAL POSITION (BALANCE SHEET)

As at: 31.12.2019

in HRK

Item	ADP code	Last day of the preceding business year			At the reporting date of the current period		
		Life	Non-life	Total	Life	Non-life	Total
1	2	3	4	5(3+4)	6	7	8(6+7)
LIABILITIES							
A) CAPITAL AND RESERVES (ADP 069+072+073+077+081+084)	068	314.109.856	2.497.114.377	2.811.224.233	434.798.823	2.913.664.884	3.348.463.707
1 Subscribed capital (ADP 070 to 071)	069	44.288.720	545.037.080	589.325.800	44.288.720	545.037.080	589.325.800
1.1 Paid in capital - ordinary shares	070	44.288.720	545.037.080	589.325.800	44.288.720	545.037.080	589.325.800
1.2 Paid in capital - preference shares	071	0	0	0	0	0	0
2 Premium on shares issued (capital reserves)	072	0	681.482.525	681.482.525	0	681.482.525	681.482.525
3 Revaluation reserves (ADP 074 to 076)	073	66.981.804	206.447.110	273.428.914	147.994.829	368.660.865	516.655.694
3.1 Land and buildings	074	0	50.649.941	50.649.941	0	50.470.925	50.470.925
3.2 Financial assets available for sale	075	66.981.804	155.797.169	222.778.973	147.994.829	318.189.940	466.184.769
3.3 Other revaluation reserves	076	0	0	0	0	0	0
4 Reserves (ADP 078 to 080)	077	85.295.937	316.742.638	402.038.575	85.295.937	316.742.638	402.038.575
4.1 Legal reserves	078	2.214.436	27.864.354	30.078.790	2.214.436	27.864.354	30.078.790
4.2 Statutory reserve	079	7.581.501	139.638.995	147.220.496	7.581.501	139.638.995	147.220.496
4.3 Other reserves	080	75.500.000	149.239.289	224.739.289	75.500.000	149.239.289	224.739.289
5 Retained profit or loss brought forward (ADP 082 + 083)	081	81.333.516	513.197.146	594.530.662	117.543.395	748.287.005	865.830.400
5.1 Retained profit	082	81.333.516	513.197.146	594.530.662	117.543.395	748.287.005	865.830.400
5.2 Loss brought forward (-)	083	0	0	0	0	0	0
6 Profit or loss for the current accounting period (ADP 085+086)	084	36.209.879	234.207.878	270.417.757	39.675.942	253.454.771	293.130.713
6.1 Profit for the current accounting period	085	36.209.879	234.207.878	270.417.757	39.675.942	253.454.771	293.130.713
6.2 Loss for the current accounting period(-)	086	0	0	0	0	0	0
B) SUBORDINATE LIABILITIES	087	0	0	0	0	0	0
C) MINORITY INTEREST	088	0	0	0	0	0	0
D) TECHNICAL PROVISIONS (ADP 090 to 095)	089	2.411.166.082	3.758.389.641	6.169.555.723	2.572.182.413	3.712.920.109	6.285.102.522
1 Provisions for unearned premiums, gross amount	090	4.345.475	1.135.019.493	1.139.364.968	4.869.308	1.130.567.020	1.135.436.328
2 Mathematical provisions, gross amount	091	2.337.954.488	29.250.666	2.367.205.154	2.505.680.869	17.908.413	2.523.589.282
3 Claims outstanding, gross amount	092	68.866.119	2.558.582.619	2.627.448.738	61.632.236	2.532.867.656	2.594.499.892
4 Provisions for bonuses and rebates, gross amount	093	0	6.487.900	6.487.900	0	7.653.600	7.653.600
5 Equalization provision, gross amount	094	0	7.055.533	7.055.533	0	7.055.533	7.055.533
6 Other technical provisions, gross amount	095	0	21.993.430	21.993.430	0	16.867.887	16.867.887
E) SPECIAL PROVISIONS FOR LIFE ASSURANCE WHERE POLICYHOLDERS BEAR THE INVESTMENT RISK, gross amount	096	434.791.407	0	434.791.407	445.325.559	0	445.325.559
F) OTHER PROVISIONS (ADP 098 + 099)	097	3.318.530	100.316.438	103.634.968	2.930.875	104.301.522	107.232.397
1 Provisions for pensions and similar obligations	098	3.063.589	95.800.689	98.864.278	2.930.875	99.785.773	102.716.648
2 Other provisions	099	254.941	4.515.749	4.770.690	0	4.515.749	4.515.749
G) DEFERRED AND CURRENT TAX LIABILITIES (ADP 101 + 102)	100	14.703.323	65.710.341	80.413.664	32.486.670	94.182.105	126.668.775
1 Deferred tax liability	101	14.703.323	45.631.468	60.334.791	32.486.670	81.151.686	113.638.356
2 Current tax liability	102	0	20.078.873	20.078.873	0	13.030.419	13.030.419
H) DEPOSITS HELD UNDER BUSINESS CEDED	103	0	0	0	0	0	0
I) FINANCIAL LIABILITIES (ADP 105 to 107)	104	221.051	17.068.879	17.289.930	300.004	271.366.763	271.666.767
1 Loan liabilities	105	0	0	0	0	0	0
2 Liabilities for issued financial instruments	106	0	0	0	0	0	0
3 Other financial liabilities	107	221.051	17.068.879	17.289.930	300.004	271.366.763	271.666.767
J) OTHER LIABILITIES (ADP 109 to 112)	108	18.193.277	220.781.207	238.974.484	16.312.651	209.728.027	226.040.678
1 Liabilities from direct insurance business	109	4.692.105	81.962.574	86.654.679	4.067.620	78.960.077	83.027.697
2 Liabilities from coinsurance and reinsurance business	110	15.735	58.462.070	58.477.805	21.961	43.692.666	43.714.627
3 Liabilities for disposal and discontinued operations	111	0	0	0	0	0	0
4 Other liabilities	112	13.485.437	80.356.563	93.842.000	12.223.070	87.075.284	99.298.354
K) ACCRUALS AND DEFERRED INCOME (ADP 114+115)	113	19.331.324	333.594.409	352.925.733	22.591.366	312.310.670	334.902.036
1 Deferred reinsurance commission	114	0	0	0	0	0	0
2 Other accruals and deferred income	115	19.331.324	333.594.409	352.925.733	22.591.366	312.310.670	334.902.036
L) TOTAL LIABILITIES (ADP 068-087-088-089-096-097-100-103-104-108-113)	116	3.215.834.850	6.992.975.292	10.208.810.142	3.526.928.361	7.618.474.080	11.145.402.441
M) OFF-BALANCE SHEET ITEMS	117	172.028.971	2.579.201.308	2.751.230.279	265.956.261	2.518.024.767	2.783.981.028

STATEMENT OF CHANGES IN EQUITY

For the period: 1.1.2019 - 31.12.2019

in HRK

Item	ADP code	Attributable to owners of the parent							Attributable to non-controlling interest	Total capital and reserves (9+10)
		Paid in capital (ordinary and preference shares)	Premium on shares issued	Revaluation reserves	Reserves (legal, statutory, other)	Retained profit or loss brought forward	Profit/loss for the year	Total capital and reserves (3 to 8)		
1	2	3	4	5	6	7	8	9	10	11
I Balance on the first day of the previous business year	1	589.325.800	681.482.525	334.225.530	400.450.237	413.454.289	150.942.944	2.569.881.325	0	2.569.881.325
Change in accounting policies	2	0	0	0	0	0	0	0	0	0
Correction of errors from prior periods	3	0	0	0	0	0	0	0	0	0
II Balance on the first day of the previous business year (restated)	4	589.325.800	681.482.525	334.225.530	400.450.237	413.454.289	150.942.944	2.569.881.325	0	2.569.881.325
III Comprehensive income or loss for the same period of the previous year (ADP 006 + ADP 007)	5	0	0	-61.064.833	0	0	270.417.757	209.352.924	0	209.352.924
Profit or loss for the period	6	0	0	0	0	0	270.417.757	270.417.757	0	270.417.757
2 Other comprehensive income or loss for the same period of the previous year (ADP 008 to ADP 11)	7	0	0	-61.064.833	0	0	0	-61.064.833	0	-61.064.833
Unrealised gains or losses on tangible assets (land and buildings)	8	0	0	-2.134.543	0	0	0	-2.134.543	0	-2.134.543
Unrealised gains or losses on financial assets available for sale	9	0	0	-24.818.074	0	0	0	-24.818.074	0	-24.818.074
Realised gains or losses on financial assets available for sale	10	0	0	-34.110.939	0	0	0	-34.110.939	0	-34.110.939
Other changes in equity unrelated to owners	11	0	0	-1.277	0	0	0	-1.277	0	-1.277
IV Transactions with owners (previous period)	12	0	0	268.217	1.588.338	181.076.373	-150.942.944	31.989.984	0	31.989.984
Increase/decrease in subscribed capital	13	0	0	0	0	0	0	0	0	0
Other contributions by owners	14	0	0	0	0	0	0	0	0	0
Payment of share in profit/dividend	15	0	0	0	0	0	-980.000	-980.000	0	-980.000
Other distribution to owners	16	0	0	268.217	1.588.338	181.076.373	-149.962.944	32.969.984	0	32.969.984
V Balance on the last day of the previous business year reporting period	17	589.325.800	681.482.525	273.428.914	402.038.575	594.530.662	270.417.757	2.811.224.233	0	2.811.224.233
VI Balance on the first day of the current business year	18	589.325.800	681.482.525	273.428.914	402.038.575	594.530.662	270.417.757	2.811.224.233	0	2.811.224.233
Change in accounting policies	19	0	0	0	0	0	0	0	0	0
Correction of errors from prior periods	20	0	0	0	0	0	0	0	0	0
VII Balance on the first day of the current business year (restated)	21	589.325.800	681.482.525	273.428.914	402.038.575	594.530.662	270.417.757	2.811.224.233	0	2.811.224.233
VIII Comprehensive income or loss for the year	22	0	0	243.950.005	0	0	293.130.713	537.080.718	0	537.080.718
Profit or loss for the period	23	0	0	0	0	0	293.130.713	293.130.713	0	293.130.713
Other comprehensive income or loss for the year	24	0	0	243.950.005	0	0	0	243.950.005	0	243.950.005
Unrealised gains or losses on tangible assets (land and buildings)	25	0	0	544.208	0	0	0	544.208	0	544.208
Unrealised gains or losses on financial assets available for sale	26	0	0	270.441.738	0	0	0	270.441.738	0	270.441.738
Realised gains or losses on financial assets available for sale	27	0	0	-27.005.743	0	0	0	-27.005.743	0	-27.005.743
Other changes in equity unrelated to owners	28	0	0	-30.198	0	0	0	-30.198	0	-30.198
Transactions with owners (current period)	29	0	0	-723.225	0	271.299.738	-270.417.757	158.756	0	158.756
Increase/decrease in subscribed capital	30	0	0	0	0	0	0	0	0	0
Other contributions by owners	31	0	0	0	0	0	0	0	0	0
Payment of share in profit/dividend	32	0	0	0	0	0	0	0	0	0
Other transactions with owners	33	0	0	-723.225	0	271.299.738	-270.417.757	158.756	0	158.756
Balance on the last day of the current year reporting period	34	589.325.800	681.482.525	516.655.694	402.038.575	865.830.400	293.130.713	3.348.463.707	0	3.348.463.707

STATEMENT OF CASH FLOWS – indirect method

For the period: 1.1.2019 - 31.12.2019

in HRK

Item	ADP code	Same period of the previous year	Current business period
1	2	3	4
I Cash flow from operating activities (ADP 002+013+031)	001	107.830.958	-248.135.890
1 Cash flow before changes in operating assets and liabilities (ADP 003+004)	002	125.617.129	129.921.502
1.1 Profit/loss before tax	003	325.078.124	353.385.381
1.2 Adjustments: (ADP 005 to 012)	004	-199.460.995	-223.463.879
1.2.1 Depreciation of property and equipment	005	28.251.452	40.640.873
1.2.2 Amortization of intangible assets	006	14.309.277	17.294.063
1.2.3 Impairment and gains/losses on fair valuation	007	32.406.997	-28.969.476
1.2.4 Interest expenses	008	1.124.608	10.253.455
1.2.5 Interest income	009	-226.080.072	-215.930.200
1.2.6 Share in profit of associates	010	0	0
1.2.7 Profit/loss from the sale of tangible assets (including land and buildings)	011	-13.916.185	-1.135.517
1.2.8 Other adjustments	012	-35.557.072	-45.617.077
2 Increase/decrease in operating assets and liabilities (ADP 014 to 030)	013	9.796.677	-327.032.741
2.1 Increase/decrease in financial assets available for sale	014	-274.267.880	-361.421.935
2.2 Increase/decrease in financial assets at fair value through statement of profit or loss	015	-89.240.656	124.003.667
2.3 Increase/decrease in loans and receivables	016	346.094.877	-223.962.355
2.4 Increase/decrease in deposits with cedants	017	0	0
2.5 Increase/decrease in investments for the account of life assurance policyholders who bear the investment risk	018	-99.127.310	-10.534.151
2.6 Increase/decrease in reinsurance amount in technical provisions	019	-3.600.805	2.025.965
2.7 Increase/decrease in tax assets	020	317.123	94.308
2.8 Increase/decrease in receivables	021	36.826.777	21.377.957
2.9 Increase/decrease in other assets	022	540.760	0
2.10 Increase/decrease in prepayments and accrued income	023	-76.759.081	21.757.998
2.11 Increase/decrease in technical provisions	024	71.139.610	115.546.800
2.12 Increase/decrease in special provisions for life assurance where policyholders bear the investment risk	025	99.127.310	10.534.151
2.13 Increase/decrease in tax liabilities	026	-374.745	-115.427
2.14 Increase/decrease in deposits held under reinsurance business ceded	027	0	0
2.15 Increase/decrease in financial liabilities	028	1.916.214	40.360
2.16 Increase/decrease in other liabilities	029	-2.767.510	-8.356.374
2.17 Increase/decrease in accruals and deferred income	030	-28.007	-18.023.705
3 Income tax paid	031	-27.582.848	-51.024.651
II CASH FLOW FROM INVESTING ACTIVITIES (ADP 033 to 046)	032	154.392.546	51.334.851
1 Cash receipts from the sale of tangible assets	033	2.276.088	5.417.096
2 Cash payments for the purchase of tangible assets	034	-20.128.840	-25.969.189
3 Cash receipts from the sale of intangible assets	035	0	643.969
4 Cash payments for the purchase of intangible assets	036	-13.559.232	-27.541.961
5 Cash receipts from the sale of land and buildings not occupied by an undertaking for its own activities	037	30.651.520	16.750.126
6 Cash payments for the purchase of land and buildings not occupied by an undertaking for its own activities	038	-1.017.205	-4.259.498
7 Increase/decrease of investments in branches, associates and joint ventures.	039	-230.106	0
8 Cash receipts from financial assets held to maturity	040	448.510.330	357.560.988
9 Cash payments for financial assets held to maturity	041	-339.343.206	-386.588.725
10 Cash receipts from the sale of financial instruments	042	0	0
11 Cash payments for investments in financial instruments	043	0	0
12 Cash receipts from dividends and share in profit	044	39.267.885	43.886.354
13 Cash receipts from repayments of short-term and long-term loans given	045	101.776.873	93.026.128
14 Cash payments for short-term and long-term loans	046	-93.811.561	-21.590.437
III CASH FLOW FROM FINANCING ACTIVITIES (ADP 048 to 052)	047	-980.000	-19.492.236
1 Cash receipts resulting from the increase of initial capital	048	0	0
2 Cash receipts from short-term and long-term loans received	049	0	0
3 Cash payments for the repayment of short-term and long-term loans received	050	0	-18.512.236
4 Cash payments for the redemption of treasury shares	051	0	0
5 Cash payments of share in profit (dividend)	052	-980.000	-980.000
NET CASH FLOW (ADP 001 + 032 + 047)	053	261.243.504	-216.293.275
IV EFFECT OF EXCHANGE RATE FLUCTUATIONS ON CASH AND CASH EQUIVALENTS	054	45.916.291	-14.026.845
V NET INCREASE/DECREASE IN CASH AND CASH EQUIVALENTS (053+054)	055	307.159.795	-230.320.120
Cash and cash equivalents at the beginning of period	056	48.480.660	355.640.455
Cash and cash equivalents at the end of period (ADP 055 + 056)	057	355.640.455	125.320.335

II. QUARTERLY MANAGEMENT REPORT

In accordance with the statutory deadlines, we submit unaudited reports of the Company at the end of the fourth quarter of 2019. The audit of the financial statements for 2019 is ongoing and the information provided may vary from the final annual audited report.

CROATIA osiguranje d.d. is still the leading company on the market of Republic of CROATIA with total market share of 26.2 percent.

In the period observed CROATIA osiguranje d.d. reported profit before tax in the amount of HRK 353.4m and profit after tax in the amount of HRK 293.1m which represents an increase of 8.7 percent and 8.4 percent, respectively, compared to the same period of the previous year.

Earned premium, which represents 81.1 percent of total revenues, amounted to HRK 2,485.5m and increased by 1.2 percent compared to the same period of the previous year. Total gross written premium decreased by 1.4 percent and amounted to HRK 2,738.7m. Gross written premium of non-life insurance amounted to HRK 2,221.3m and increased by 0.4 percent compared to the same period of the previous year. Gross written premium of the life insurance amounted to HRK 517.4m representing a decrease of 8.4 percent.

In the non-life and life insurance investment business are realised revenues in the amount of HRK 495.1m representing an increase by 2.6 percent compared to the same period of the previous year. Income from investments represent 16.1 percent of total revenues. Expenses from investments amounted to HRK 146.8m representing a decrease by 28.6 percent compared to the same period of the previous year. Expenses from investments represent 5.4 percent of total expenses.

Net claims incurred represent 53.3 percent of total expenses and amounted to HRK 1,452.3m, representing an increase of 0.1 percent compared to the same period of the year 2018.

Acquisition and administration expenses amounted to HRK 916.4m representing an increase of 3.8 percent compared to the same period of the previous year.

Total assets of the Company as at 31.12.2019 amounted to HRK 11.1 billion, which represents an increase of 9.2 percent compared to the 31.12.2018.

Technical reserves in the reporting period amounted to HRK 6.3 billion, representing an increase of 1.9 percent compared to the 31.12.2018.

The following is the summary of key business indicators for the period observed:

Key performance indicators	Restated 31.12.2018	31.12.2019	Change in percentage points (p.p.)
Claims ratio (non-life) *	53.3%	54.0%	0.7%
Cost ratio (non-life) **	41.5%	42.3%	0.8%
Combined ratio (non-life)	94.8%	96.3%	1.5%
Net profit margin	9.0%	9.6%	0.6%

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

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

The combined ratio, as the most important indicator of success in non-life insurance for the observed period amounted to 96.3 percent, which is an increase of 1.5 percentage points compared to the same period of 2018.

Unaudited unconsolidated financial statements at the end of the fourth quarter of the year 2019 will be available on web sites of CROATIA osiguranje d.d., Zagreb Stock Exchange and Officially appointed mechanism for the central storage of regulated information.

Significant business events in the reporting period

In January 2019, CROATIA osiguranje d.d. has reported on withdrawal from the transaction of purchasing 100 percent of shares in Testing centar limited liability company and 100 percent of shares in CENTRAL OSIGURANJE d.d.

In April 2019 Administrative Court of the Republic of Slovenia, acting in repeated procedure, rejected the claim filed by Adris grupa d.d. and CROATIA osiguranje d.d. against the Decision of the Insurance Supervisory Agency denying approval for acquisition of shares of Pozavarovalnica Sava d.d., Dunajska cesta 56, Ljubljana, Slovenia. The acquisition would have resulted in Adris grupa d.d. and CROATIA osiguranje d.d. becoming direct or indirect holders of a share in the capital equal to or higher than 20 percent but lower than one third of the capital.

On January 30, 2019 the Supervisory Board of CROATIA osiguranje has appointed Mr. Davor Tomašković as a candidate for a member of the Management Board. Following the completion of the legally prescribed procedure and approval of the regulator, on April 17, 2019, the Supervisory Board appointed Davor Tomašković as the Chairman of the Management Board of CROATIA osiguranje d.d. starting from 1 May 2019. Damir Vandelić was nominated as a member of the Management Board of Adris grupa d.d. and his appointment was confirmed by the Supervisory Board of the Adris grupa d.d. on April 25, 2019.

On June 7, 2019 the General Assembly of CROATIA osiguranje d.d. has adopted the Decision on the profit distribution of CROATIA osiguranje d.d. realised in 2018. It was declared dividend on 8,750 preference shares in the amount HRK 112.00 per share and in total amount of HRK 980,000.00. Dividend payment was in July 2019.

In November 2019, CROATIA osiguranje d.d. and the company Sapiens signed a contract to acquire, implement and maintain the new Core system that will replace current IT solutions over the next three years and create conditions for faster delivery of services and better solutions for the market.

Significant events after the end of the reporting date

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

Company branch

As at 31 December 2019 the Company has one registered branch (Branch Ljubljana). In its legal transactions, the branch operates under CROATIA osiguranje d.d. branch Ljubljana, in Croatian language, and under CROATIA ZAVAROVANJE d.d. branch Ljubljana, in Slovenian language.

Purchase of treasury shares

The Company does not own treasury shares, and the General Assembly did not authorise the Company to acquire treasury shares.

Expected development in the future

In 2019, according to available data from the Central Bureau of Statistics, real GDP growth continued. Growth in economic activity is also visible in the insurance market, which also grew by 5%. In view of the above, we expect the continuation of positive economic trends that have contributed to the growth of the insurance market and its further growth. It is expected that the entire economy, including the insurance industry, will take advantage of a positive business environment and preconditions for approaching levels in developed markets in other EU countries.

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

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

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

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

Research and development activities

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

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

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

Description of the most significant risks and uncertainties

In relation to the most significant risks and uncertainties which were described in the audited financial statements for the year 2018, in the period observed there were no significant changes in relation to the risks to which the Company is exposed.

Zagreb, 27 February 2020


Member of the Management Board

Miroslav Klepač



President of the Management Board

Davor Tomašković



III. NOTES TO THE UNAUDITED FINANCIAL STATEMENTS FOR THE PERIOD I-XII 2019

1. GENERAL INFORMATION ON THE COMPANY

CROATIA osiguranje d.d., Zagreb, Vatroslava Jagića 33 (the ‘Company’) is registered in the Court Register of the Commercial Court in Zagreb under the Company’s Court Reg. No. (“MBS”) 080051022 and PIN (“OIB”) 26187994862. The Company's principal activity is non-life and life insurance business and reinsurance business in the non-life insurance group.

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

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

Supervisory Board and Management Board

According to the Company Act, Insurance Act and the Articles of Association of the Company the Company's bodies are the General Assembly, the Supervisory Board and the Management Board.

Members of the Supervisory Board are:

Roberto Škopac	President
Dr.sc. Željko Lovrinčević	Vice President
Vitomir Palinec	Member
Hrvoje Patajac	Member
Prof.dr.sc. Petar Miladin	Member until 18 June 2019
Vlasta Pavličević	Member
Damir Vandelić	Member since 19 June 2019

Members of the Management Board are:

Damir Vandelić	President until 30 April 2019
Davor Tomašković	President since 1 May 2019
Nikola Mišetić	Member until 23 April 2019
Marijan Kralj	Member until 30 June 2019
Robert Vučković	Member
Miroslav Klepač	Member

Share capital and shares

The Company's share capital with a nominal value of 601.575.800 as at 31 December 2019 is divided among 429.697 shares with a nominal value of HRK 1,400. The shares are marked as follows:

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

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

2. Basis of preparation of financial statements

Financial statements are prepared in accordance with the Company's Act (Official Gazette 65/18), International Financial Reporting Standards ('IFRS') as adopted in the European Union, Rules of Zagreb Stock Exchange and Ordinance on the structure and content of periodic financial reports for issuers during the year, which is issued by Croatian Financial Services Supervisory Agency.

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

Presentation currency

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

Use of estimates and judgements

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

Accounting policies

Accounting policies which are used in the preparation of financial statements for the reporting period are the same as accounting policies which are used for preparation of the audited financial statements for the year 2018, except accounting policies which are related to recognition of lease arrangements (IFRS 16).

As at 1 January 2019, the Company applied new accounting standard IFRS 16 Leases. The Company has applied the simplified transition approach and did not restate comparative amounts for the year prior to first adoption. As at 31 December 2019, the Company recognised the assets (right-of-use the assets) of HRK 249.1m and lease liabilities of HRK 253.8m. Gross profit for the period 1.1.-31.12.2019 has decreased by HRK 4.7m as a result of adopting the new rules.

In the financial report for the current period the Company reported costs relating to employees in the investment process in the position of *Other investment expenses* which is part of *Investment expenses*. In previous period those expenses were classified in the position of *Salaries, taxes and contributions from/on salaries* and *Other administration expenses* which are part of *Administration expenses*. Therefore, in current report the Company reclassified information in the Statement of comprehensive income for the previous period (1.1. – 31.12.2018) in order to achieve a comparable presentation of expenses.

In the current period there were usual related party transactions of goods and services.

MANAGEMENT BOARD STATEMENT

Pursuant to article 20 of the Articles of Association of the Company from 14 January 2020 and article 468 of the Capital Market Law (Official Gazette 65/18), the Management Board provides this

STATEMENT

That to the best of our knowledge:

- the set of quarterly unaudited financial statements of the issuer for the period 1.1. – 31.12.2019, prepared by using applicable financial reporting standards, gives a true and fair view of assets and liabilities, the financial position and profit or loss of the issuer,
- the management report presents an objective view of the development and business results and position of the issuer with description of significant risks and uncertainties to which the issuer is exposed.

Zagreb, 27 February 2020

Member of the Management Board

Miroslav Klepač



President of the Management Board

Davor Tomašković