



**CROATIA[®]
OSIGURANJE**

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

**CONSOLIDATED UNAUDITED
HALF-YEAR REPORT,
FOR THE PERIOD 1.1.2020 - 30.6.2020**

Zagreb, July 2020

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I. UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

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ISSUER'S GENERAL DATA			
Reporting period:	1.1.2020	to	30.6.2020
Year:	2020		
Quarter:	2		
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):	3342		
Consolidated report:	KD	(KN-not consolidated/KD-consolidated)	
Audited:	RN	(RN-not audited/RD-audited)	
Names of subsidiaries (according to IFRS):	Registered office:	MB:	
CROATIA PREMIUM d.o.o.	ZAGREB	01885880	
HISTRIA CONSTRUCT d.o.o.	ZAGREB	02066378	
CORE 1 d.o.o.	ZAGREB	04570243	
AUTO MAKSIMIR VOZILA d.o.o.	ZAGREB	01804812	
AK POLICA d.o.o.	ZAGREB	02258960	
CROATIA OSIGURANJE DD	MOSTAR	20097647	
MILENIJUM OSIGURANJE A.D.	BEOGRAD	7810318	
CROATIA OSIGURANJE A.D. - ZA ŽIVOTNA OSIG.	SKOPJE	05920922	
CROATIA OSIGURANJE A.D. - ZA NEŽIVOTNA OSIG.	SKOPJE	06479570	
CROATIA OSIGURANJE MIROVINSKO DRUŠTVO D.O.O.	ZAGREB	01731742	
RAZNE USLUGE D.O.O. - U LIKVIDACIJI	ZAGREB	01892037	
CROATIA - TEHNIČKI PREGLEDI D.O.O.	ZAGREB	01450930	
PBZ CROATIA OSIGURANJE DD	ZAGREB	01583999	
CO ZDRAVLJE D.O.O.	ZAGREB	04837650	
STRMEC PROJEKT d.o.o.	ZAGREB	02586649	
AGROSERVIS STP d.o.o.	VIROVITICA	01233033	
ASTORIA d.o.o.	ZAGREB	80339352	
Bookkeeping firm:	No	(Yes/No)	(name of the bookkeeping firm)
Contact person:	Jelena Matijević (only name and surname of the contact person)		
Telephone:	01/633 3135		
E-mail address:	jelena.matijevic@crosig.hr		
Audit firm:	(name of the audit firm)		
Certified auditor:	(name and surname)		

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
(STATEMENT OF PROFIT OR LOSS)
For the period: 1.1.2020 - 30.6.2020

in HRK

Item	ADP code	Same period of the previous year			Current year		
		Life	Non-life	Total	Life	Non-life	Total
1	2	3	4	5(3+4)	6	7	8(6+7)
I Eamed premiums (ADP 119 to 123)	118	398.169.766	1.119.505.156	1.517.674.922	276.079.961	1.172.022.439	1.448.102.400
1 Gross written premium	119	398.745.596	1.583.977.685	1.982.723.281	276.034.498	1.592.265.324	1.868.299.822
2 Value adjustment and charged premium value adjustment	120	0	-9.873.682	-9.873.682	0	-2.375.415	-2.375.415
3 Outward reinsurance premiums (-)	121	-51.235	-196.827.933	-196.879.168	-85.387	-179.885.118	-179.970.505
4 Change of gross provisions for unearned premiums (+/-)	122	-499.981	-315.392.755	-315.892.736	186.548	-292.973.393	-292.786.845
5 Change of provisions for unearned premiums, reinsurers' share (+/-)	123	-24.614	57.621.841	57.597.227	-55.698	54.991.041	54.935.343
II Income from investments (ADP 125 to 131)	124	74.070.255	158.690.853	232.761.108	110.562.243	184.291.416	294.853.659
1 Income from branches, associates and joint ventures.	125	377.043	27.566.585	27.943.628	363.532	6.200.885	6.564.417
2 Income from investment in land and buildings	126	31.853	49.345.717	49.377.570	36.949	44.404.018	44.440.967
3 Interest income	127	60.307.042	51.934.044	112.241.086	54.165.656	47.191.751	101.357.407
4 Unrealised gains on investments	128	1.599.198	12.438.669	14.037.867	1.080.004	1.121.382	2.201.386
5 Realised gains on investments	129	11.528.325	15.743.322	27.271.647	14.379.916	53.594.677	67.974.593
6 Net positive exchange rate differences	130	0	0	0	40.301.844	17.099.957	57.401.801
7 Other income from investments	131	226.794	1.662.516	1.889.310	234.342	14.678.746	14.913.088
III Income from commissions and fees	132	1.071.559	22.747.241	23.818.800	1.053.552	24.230.120	25.283.672
IV Other insurance-technical income, net amount from reinsurance	133	128.073	22.477.126	22.605.199	328.609	25.646.712	25.975.321
V Other income	134	29.655	55.957.589	55.987.244	300.973	56.120.594	56.421.567
VI Claims incurred, net (ADP 136 + 139)	135	-199.573.993	-600.385.654	-799.959.647	-316.563.144	-664.748.094	-981.311.238
1 Claims settled (ADP 137+138)	136	-211.022.126	-595.660.923	-806.683.049	-304.171.549	-610.601.288	-914.772.837
1.1 Gross amount (-)	137	-211.022.126	-649.184.404	-860.206.530	-304.171.549	-634.986.852	-939.158.401
1.2 Reinsurers' share (+)	138	0	53.523.481	53.523.481	0	24.385.564	24.385.564
2 Change in the provision for claims (+/-) (ADP 140+141)	139	11.448.133	-4.724.731	6.723.402	-12.391.595	-54.146.806	-66.538.401
2.1 Gross amount	140	11.448.133	1.333.342	12.781.475	-12.391.595	-141.491.970	-153.883.565
2.3 Reinsurers' share	141	0	-6.058.073	-6.058.073	0	87.345.164	87.345.164
VII Change in mathematical provision and other technical provisions, net of reinsurance (ADP 143+146)	142	-184.950.551	5.440.188	-179.510.363	10.434.254	16.332.663	26.766.917
1 Change in mathematical provisions (+/-) (ADP 144+145)	143	-184.950.551	6.284.927	-178.665.624	10.434.254	3.689.231	14.123.485
1.1 Gross amount (-)	144	-184.945.199	6.284.927	-178.660.272	10.445.045	3.689.231	14.134.276
1.2 Reinsurers' share (+)	145	-5.352	0	-5.352	-10.791	0	-10.791
2 Change in other technical provisions, net of reinsurance (+/-) (ADP 147+148)	146	0	-844.739	-844.739	0	12.643.432	12.643.432
2.1 Gross amount (-)	147	0	-844.739	-844.739	0	12.643.432	12.643.432
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	6.573.222	0	6.573.222	10.158.961	0	10.158.961
1 Gross amount (-)	150	6.573.222	0	6.573.222	10.158.961	0	10.158.961
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	-3.617.378	-3.617.378	0	-5.398.961	-5.398.961
1 Performance-dependent (bonuses)	153	0	-2.162.318	-2.162.318	0	-3.302.718	-3.302.718
2 Performance-independent (rebates)	154	0	-1.455.060	-1.455.060	0	-2.096.243	-2.096.243

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
(STATEMENT OF PROFIT OR LOSS)
For the period: 1.1.2020 - 30.6.2020

in HRK

Item	ADP code	Same period of the previous year			Current year		
		Life	Non-life	Total	Life	Non-life	Total
1	2	3	4	5(3+4)	6	7	8(6+7)
X Operating expenses (business expenditures), net (ADP 156+160)	155	-57.964.559	-503.175.070	-561.139.629	-42.563.461	-490.211.004	-532.774.465
1 Acquisition costs (ADP 157 to 159)	156	-32.433.807	-261.011.018	-293.444.825	-20.944.669	-251.173.413	-272.118.082
1.1 Commission	157	-17.668.091	-159.899.794	-177.567.885	-8.178.666	-146.877.131	-155.055.797
1.2 Other acquisition costs	158	-14.765.716	-115.762.018	-130.527.734	-12.766.003	-117.824.182	-130.590.185
1.3 Change in deferred acquisition costs	159	0	14.650.794	14.650.794	0	13.527.900	13.527.900
2 Administration expenses (administrative costs) (ADP 161 to 163)	160	-25.530.752	-242.164.052	-267.694.804	-21.618.792	-239.037.591	-260.656.383
2.1 Depreciation	161	-2.409.386	-35.915.686	-38.325.072	-2.245.853	-39.120.929	-41.366.782
2.2 Salaries, taxes and contributions from/on salaries	162	-11.617.362	-101.032.529	-112.649.891	-8.141.425	-76.449.213	-84.590.638
2.3 Other administration expenses	163	-11.504.004	-105.215.837	-116.719.841	-11.231.514	-123.467.449	-134.698.963
XI Investment expenses (ADP 165 to 171)	164	-10.421.950	-29.388.261	-39.810.211	-18.485.218	-68.516.215	-87.001.433
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	-726.864	-4.560.635	-5.287.499	-755.359	-4.768.213	-5.523.572
3 Impairment of investments	167	0	-525.548	-525.548	-1.013.854	-3.346.600	-4.360.454
4 Realised loss on investments	168	-484.817	-2.655.367	-3.140.184	-7.240.112	-9.317.453	-16.557.565
5 Unrealised loss on investments	169	-11.328	-638.452	-649.780	-7.523.969	-30.832.330	-38.356.299
6 Net negative exchange rate differences	170	-8.045.751	-3.495.430	-11.541.181	0	0	0
7 Other investment expenses	171	-1.153.190	-17.512.829	-18.666.019	-1.951.924	-20.251.619	-22.203.543
XII Other technical expenses, net of reinsurance (ADP 173+174)	172	-373.564	-26.432.712	-26.806.276	-706.943	-30.798.277	-31.505.220
1 Expenses of preventive activities	173	0	-508.297	-508.297	0	-873.796	-873.796
2 Other technical expenses of insurance	174	-373.564	-25.924.415	-26.297.979	-706.943	-29.924.481	-30.631.424
XIII Other activities, including value adjustments	175	-7.916	-1.946.674	-1.954.590	-5.377	-1.405.388	-1.410.765
XIV Profit or loss for the accounting period before tax (+/-) (ADP 118+124+132 to 135+142+149+152+155+164+172+175)	176	26.749.997	219.872.404	246.622.401	30.594.410	217.568.005	248.160.415
XV Profit or loss tax (ADP 178+179)	177	-5.378.995	-33.586.638	-38.965.633	-4.760.211	-39.059.128	-43.819.339
1 Current tax expense	178	-5.378.995	-33.629.644	-39.008.639	-4.760.211	-39.102.134	-43.862.345
2 Deferred tax expense (income)	179	0	43.006	43.006	0	43.006	43.006
XVI Profit or loss for the accounting period after tax (+/-) (ADP 176+177)	180	21.371.002	186.285.766	207.656.768	25.834.199	178.506.877	204.341.076
1 Attributable to owners of the parent	181	21.647.926	186.102.877	207.750.803	25.684.862	178.350.497	204.035.359
2 Attributable to non-controlling interest	182	-276.924	182.889	-94.035	149.337	156.380	305.717
XVII TOTAL INCOME (ADP 118+124+132+133+134+179)	183	473.469.308	1.379.420.971	1.852.890.279	388.325.338	1.462.354.287	1.850.679.625
XVIII TOTAL EXPENSES (ADP 135+142+149+152+155+164+172+175+178)	184	-452.098.306	-1.193.135.205	-1.645.233.511	-362.491.139	-1.283.847.410	-1.646.338.549
IX Other comprehensive income (ADP 186 to 193)	185	67.363.884	96.554.674	163.918.558	-40.433.049	-109.074.225	-149.507.274
1 Gains/losses arising from translation of financial statements relating to foreign operations	186	-431.619	-455.084	-886.703	1.325.170	2.505.602	3.830.772
2 Gains/losses arising from the revaluation of financial assets available for sale	187	81.725.116	117.919.194	199.644.310	-51.249.573	-135.815.220	-187.064.793
3 Gains/losses arising from the revaluation of land and buildings occupied by an undertaking for its own activities	188	0	0	0	0	0	0
4 Gains/losses arising from the revaluation of other tangible (other than land and property) and intangible assets	189	0	0	0	0	0	0
5 Effects of cash flow hedging instruments	190	0	0	0	0	0	0
6 Actuarial gains/losses on pension plans with defined pensions	191	0	0	0	0	0	0
7 Share in other comprehensive income of associates	192	0	0	0	0	0	0
8 Income tax on other comprehensive income	193	-13.929.613	-20.909.436	-34.839.049	9.491.354	24.235.393	33.726.747
XX Total comprehensive income (ADP 180 +185)	194	88.734.886	282.840.440	371.575.326	-14.598.850	69.432.652	54.833.802
1 Attributable to owners of the parent	195	89.014.410	282.607.263	371.621.673	-14.758.258	69.218.279	54.460.021
2 Attributable to non-controlling interests	196	-279.524	233.177	-46.347	159.408	214.373	373.781
XXI Reclassification adjustments	197	0	0	0	0	0	0

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (BALANCE SHEET)

As at: 30.6.2020

in HRK

Item	ADP code	Last day of the preceding business year			At the reporting date of the current period		
		Life	Non-life	Total	Life	Non-life	Total
1	2	3	4	5(3+4)	6	7	8(6+7)
ASSETS							
A) INTANGIBLE ASSETS (ADP 002 +003)	001	407.778	48.318.959	48.726.737	379.021	63.144.323	63.523.344
1 Goodwill	002	0	0	0	0	0	0
2 Other intangible assets	003	407.778	48.318.959	48.726.737	379.021	63.144.323	63.523.344
B) TANGIBLE ASSETS (ADP 005 to 007)	004	21.127.013	888.164.071	909.291.084	20.821.621	813.583.749	834.405.370
1 Land and buildings occupied by an undertaking for its own activities	005	16.259.682	536.376.413	552.636.095	16.398.265	447.303.952	463.702.217
2 Equipment	006	602.616	55.612.530	56.215.146	415.994	65.548.003	65.963.997
3 Other tangible assets and inventories	007	4.264.715	296.175.128	300.439.843	4.007.362	300.731.794	304.739.156
C) INVESTMENTS (ADP 009+010+014+033)	008	3.566.682.133	6.034.361.455	9.601.043.588	3.549.635.417	5.948.885.973	9.498.521.390
I Investments in land and buildings not occupied by an undertaking for its own activities	009	1.629.143	872.023.596	873.652.739	1.654.587	1.048.383.139	1.050.037.726
II Investments in branches, associates and joint ventures (ADP 011 to 013)	010	0	77.589.581	77.589.581	0	82.538.114	82.538.114
1 Shares and holdings in branches	011	0	0	0	0	0	0
2 Shares and holdings in associates	012	0	9.628.386	9.628.386	0	10.050.089	10.050.089
3 Shares and holdings in joint ventures	013	0	67.961.195	67.961.195	0	72.488.025	72.488.025
III Financial assets (ADP 015+018+023+029)	014	3.565.052.990	5.084.748.278	8.649.801.268	3.547.980.830	4.817.984.720	8.365.945.550
1 Financial assets held to maturity (ADP 016+017)	015	1.277.694.188	1.037.566.857	2.315.261.045	1.140.864.115	942.829.520	2.083.693.635
1.1 Debt financial instruments	016	1.277.694.188	1.037.566.857	2.315.261.045	1.140.864.115	942.829.520	2.083.693.635
1.2 Other	017	0	0	0	0	0	0
2 Financial assets available for sale (ADP 019 to 022)	018	1.921.629.783	2.990.714.858	4.912.344.641	2.020.759.245	2.832.847.795	4.853.607.040
2.1 Equity financial instruments	019	24.590.609	498.588.974	523.179.583	25.727.427	457.774.430	483.501.857
2.2 Debt financial instruments	020	1.874.911.679	2.427.461.212	4.302.372.891	1.936.266.796	2.264.363.079	4.200.629.875
2.3 Units in investment funds	021	22.127.495	64.664.672	86.792.167	58.765.022	110.710.286	169.475.308
2.4 Other	022	0	0	0	0	0	0
3 Financial assets at fair value through statement of profit or loss (ADP 024 to 028)	023	5.242.699	62.444.627	67.687.326	8.599.026	29.807.560	38.406.586
3.1 Equity financial instruments	024	0	17.070.930	17.070.930	0	15.342.840	15.342.840
3.2 Debt financial instruments	025	0	0	0	0	0	0
3.3 Derivative financial instruments	026	589.945	3.080.534	3.670.479	377.461	1.012.977	1.390.438
3.4 Units in investment funds	027	4.652.754	42.293.363	46.946.117	8.221.565	13.451.743	21.673.308
3.5 Other	028	0	0	0	0	0	0
4 Loans and receivables (ADP 030 to 032)	029	360.486.320	994.021.736	1.354.508.056	377.758.444	1.012.479.845	1.390.238.289
4.1 Deposits with credit institutions	030	299.097.268	782.258.687	1.081.355.955	308.311.498	775.844.985	1.084.156.483
4.2 Loans	031	61.389.052	55.788.485	117.177.537	64.212.654	54.086.839	118.299.493
4.3 Other	032	0	155.974.564	155.974.564	5.234.292	182.548.021	187.782.313
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	450.937.458	0	450.937.458	440.915.250	0	440.915.250
E) REINSURANCE AMOUNT IN TECHNICAL PROVISIONS (ADP 036 to 042)	035	79.965	226.299.397	226.379.362	14.014	368.949.128	368.963.142
1 Provisions for unearned premiums, reinsurance amount	036	57.935	48.326.106	48.384.041	2.775	103.391.824	103.394.599
2 Mathematical provision, reinsurance amount	037	22.030	0	22.030	11.239	0	11.239
3 Claims outstanding, reinsurance amount	038	0	177.973.291	177.973.291	0	265.557.304	265.557.304
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	2.028.656	75.768.736	77.797.392	2.028.656	93.581.458	95.610.114
1 Deferred tax assets	044	2.028.656	68.047.649	70.076.305	2,028.656	69,124.228	71,152.884
2 Current tax assets	045	0	7,721,087	7,721,087	0	24,457,230	24,457,230
G) RECEIVABLES (ADP 047+050+051)	046	22.010.876	979.166.004	1.001.176.882	21.944.508	1.139.280.859	1.161.225.367
1 Receivables arising from insurance business (ADP 048+049)	047	235.763	503.377.921	503.613.684	233.778	786.474.133	786.707.911
1.1 From policyholders	048	0	502.590.925	502.590.925	0	785.423.601	785.423.601
1.2 From insurance agents or insurance brokers	049	235.763	786.996	1,022,759	233,778	1,050,532	1,284,310
2 Receivables arising from reinsurance business	050	879	47,249,357	47,250,236	1,079	30,896,270	30,897,349
3 Other receivables (ADP 052 to 054)	051	21.774.236	428.538.726	450.312.962	21.709.651	321.910.456	343.620.107
3.1 Receivables arising from other insurance operations	052	0	202.997.642	202.997.642	0	192.028.233	192.028.233
3.2 Receivables for investment income	053	268.543	578.032	846.575	629.801	692.799	1,322,600
3.3 Other receivables	054	21.505.693	224.963.052	246.468.745	21.079.850	129.189.424	150.269.274
H) OTHER ASSETS (ADP 056+060+061)	055	39.381.104	180.970.286	220.351.390	103.708.180	534.523.476	639.231.656
1 Cash at bank and in hand (ADP 057 to 059)	056	39.381.104	175.637.699	215.018.803	103.708.180	524.967.654	628.675.834
1.1 Funds in the business account	057	13.915.217	175,060,566	188,975,783	10,403,316	523,861,111	534,264,427
1.2 Funds in the account of assets covering mathematical provisions	058	25,462,256	0	25,462,256	93,302,176	0	93,302,176
1.3 Cash in hand	059	3,631	577,133	580,764	2,688	1,106,543	1,109,231
2 Fixed assets held for sale and termination of business operations	060	0	1,963,217	1,963,217	0	1,905,149	1,905,149
3 Other	061	0	3,369,370	3,369,370	0	7,650,673	7,650,673
I) PREPAYMENTS AND ACCRUED INCOME (ADP 063 to 065)	062	1.425.135	286.222.521	287.647.656	1.611.823	309.077.846	310.689.689
1 Deferred interest and rent	063	0	1,454,551	1,454,551	0	1,093,594	1,093,594
2 Deferred acquisition costs	064	0	268,986,430	268,986,430	0	283,155,845	283,155,845
3 Other prepayments and accrued income	065	1,425,135	15,781,540	17,206,675	1,611,823	24,826,407	26,440,230
J) TOTAL ASSETS (ADP 001+004+008+034+035+043+046+055+062)	066	4.104.080.120	8.719.271.429	12.823.351.549	4.141.058.490	9.271.028.812	13.412.085.302
K) OFF-BALANCE SHEET ITEMS	067	269.163.441	2.573.102.420	2.842.265.861	335.237.631	2.745.922.079	3.081.159.710

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (BALANCE SHEET)

As at: 30.6.2020

in HRK

Item	ADP code	Last day of the preceding business year			At the reporting date of the current period		
		Life	Non-life	Total	Life	Non-life	Total
1	2	3	4	5(3+4)	6	7	8(6+7)
LIABILITIES							
A) CAPITAL AND RESERVES (ADP 069+072+073+077+081+084)	068	508.083.314	3.311.557.118	3.819.640.432	493.293.511	3.379.268.113	3.872.561.624
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	176.625.491	432.713.780	609.339.271	136.182.373	322.543.076	458.725.449
3.1 Land and buildings	074	0	119.622.869	119.622.869	0	118.579.007	118.579.007
3.2 Financial assets available for sale	075	176.625.491	312.925.487	489.550.978	136.182.373	203.798.645	339.981.018
3.3 Other revaluation reserves	076	0	165.424	165.424	0	165.424	165.424
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	164.008.543	1.034.053.589	1.198.062.132	201.841.619	1.335.112.297	1.536.953.916
5.1 Retained profit	082	164.008.543	1.034.053.589	1.198.062.132	201.841.619	1.335.112.297	1.536.953.916
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	37.864.623	301.527.506	339.392.129	25.684.862	178.350.497	204.035.359
6.1 Profit for the current accounting period	085	37.864.623	301.527.506	339.392.129	25.684.862	178.350.497	204.035.359
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	630.567	11.922.791	12.553.358	789.976	11.941.317	12.731.293
D) TECHNICAL PROVISIONS (ADP 090 to 095)	089	3.009.126.083	4.233.604.886	7.242.730.949	3.016.611.150	4.660.818.192	7.677.429.342
1 Provisions for unearned premiums, gross amount	090	5.909.255	1.429.409.694	1.435.318.949	5.735.129	1.726.942.710	1.732.677.839
2 Mathematical provisions, gross amount	091	2.937.212.325	17.908.413	2.955.120.738	2.932.416.267	14.219.182	2.946.635.449
3 Claims outstanding, gross amount	092	66.004.483	2.743.831.653	2.809.836.136	78.459.754	2.889.673.692	2.968.133.448
4 Provisions for bonuses and rebates, gross amount	093	0	8.770.594	8.770.594	0	7.875.126	7.875.126
5 Equalization provision, gross amount	094	0	7.055.533	7.055.533	0	7.055.533	7.055.533
6 Other technical provisions, gross amount	095	0	26.628.999	26.628.999	0	15.051.949	15.051.949
E) SPECIAL PROVISIONS FOR LIFE ASSURANCE WHERE POLICYHOLDERS BEAR THE INVESTMENT RISK, gross amount	096	450.937.458	0	450.937.458	440.915.250	0	440.915.250
F) OTHER PROVISIONS (ADP 098 + 099)	097	3.076.787	115.844.923	118.921.710	3.265.794	94.510.162	97.775.956
1 Provisions for pensions and similar obligations	098	2.957.741	111.329.174	114.286.915	1.728.254	90.383.704	92.111.958
2 Other provisions	099	119.046	4.515.749	4.634.795	1.537.540	4.126.458	5.663.998
G) DEFERRED AND CURRENT TAX LIABILITIES (ADP 101 + 102)	100	36.401.392	141.425.157	177.826.549	30.991.439	146.730.990	177.722.429
1 Deferred tax liability	101	35.681.180	113.553.295	149.234.475	26.229.479	101.253.924	127.483.403
2 Current tax liability	102	720.212	27.871.862	28.592.074	4.761.960	45.477.066	50.239.026
H) DEPOSITS HELD UNDER BUSINESS CEDED	103	0	0	0	0	0	0
I) FINANCIAL LIABILITIES (ADP 105 to 107)	104	4.320.559	297.695.442	302.016.001	70.103.304	338.655.259	408.758.563
1 Loan liabilities	105	0	0	0	0	0	0
2 Liabilities for issued financial instruments	106	0	0	0	0	0	0
3 Other financial liabilities	107	4.320.559	297.695.442	302.016.001	70.103.304	338.655.259	408.758.563
J) OTHER LIABILITIES (ADP 109 to 112)	108	68.558.512	284.395.259	352.953.771	60.136.639	317.828.878	377.965.517
1 Liabilities from direct insurance business	109	6.788.834	91.501.162	98.289.996	5.042.372	89.230.717	94.273.089
2 Liabilities from coinsurance and reinsurance business	110	21.961	46.608.944	46.630.905	252.204	98.336.316	98.588.520
3 Liabilities for disposal and discontinued operations	111	0	11.832	11.832	0	11.500	11.500
4 Other liabilities	112	61.747.717	146.273.321	208.021.038	54.842.063	130.250.345	185.092.408
K) ACCRUALS AND DEFERRED INCOME (ADP 114+115)	113	22.945.468	322.825.853	345.771.321	24.951.427	321.273.901	346.225.328
1 Deferred reinsurance commission	114	0	0	0	0	0	0
2 Other accruals and deferred income	115	22.945.468	322.825.853	345.771.321	24.951.427	321.273.901	346.225.328
J) TOTAL LIABILITIES (ADP 068+087+088+089+096+097+100+103+104+108+113)	116	4.104.080.120	8.719.271.429	12.823.351.549	4.141.058.490	9.271.026.812	13.412.085.302
M) OFF-BALANCE SHEET ITEMS	117	269.163.441	2.573.102.420	2.842.265.861	335.237.631	2.745.922.079	3.081.159.710

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the period: 1.1.2020 - 30.6.2020

in HRK

Item	ADP code	Attributable to owners of the parent						Total capital and reserves (3 to 8)	Attributable to non-controlling interest	Total capital and reserves (9+10)
		Paid in capital (ordinary and preference shares)	Premium on shares issued	Revaluation reserves	Reserves (legal, statutory, other)	Retained profit or loss brought forward	Profit/loss for the year			
1	2	3	4	5	6	7	8	9	10	11
I Balance on the first day of the previous business year	1	589.325.800	681.482.525	340.283.451	402.038.575	858.901.275	337.079.883	3.209.111.509	12.213.767	3.221.325.276
Change in accounting policies	2	0	0	0	0	0	0	0	0	0
Correction of errors from prior periods	3	0	0	0	0	0	0	0	0	0
II Balance on the first day of the previous business year (restated)	4	589.325.800	681.482.525	340.283.451	402.038.575	858.901.275	337.079.883	3.209.111.509	12.213.767	3.221.325.276
III Comprehensive income or loss for the same period of the previous year (ADP 006 + ADP 007)	5	0	0	270.729.624	0	0	339.392.129	610.121.753	449.227	610.570.980
Profit or loss for the period	6	0	0	0	0	0	339.392.129	339.392.129	347.362	339.739.491
2 Other comprehensive income or loss for the same period of the previous year (ADP 008 to ADP 11)	7	0	0	270.729.624	0	0	0	270.729.624	101.865	270.831.489
Unrealised gains or losses on tangible assets (land and buildings)	8	0	0	19.583.202	0	0	0	19.583.202	25.970	19.609.172
Unrealised gains or losses on financial assets available for sale	9	0	0	277.011.573	0	0	0	277.011.573	58.287	277.069.860
Realised gains or losses on financial assets available for sale	10	0	0	-27.005.744	0	0	0	-27.005.744	0	-27.005.744
Other changes in equity unrelated to owners	11	0	0	1.140.593	0	0	0	1.140.593	17.608	1.158.201
IV Transactions with owners (previous period)	12	0	0	-1.673.804	0	339.160.857	-337.079.883	407.170	-109.636	297.534
Increase/decrease in subscribed capital	13	0	0	0	0	0	0	0	0	0
Other contributions by owners	14	0	0	0	0	0	0	0	0	0
Payment of share in profit/dividend	15	0	0	0	0	0	0	0	-112.563	-112.563
Other distribution to owners	16	0	0	-1.673.804	0	339.160.857	-337.079.883	407.170	2.927	410.097
V Balance on the last day of the previous business year reporting period	17	589.325.800	681.482.525	609.339.271	402.038.575	1.198.062.132	339.392.129	3.819.640.432	12.553.358	3.832.193.790
VI Balance on the first day of the current business year	18	589.325.800	681.482.525	609.339.271	402.038.575	1.198.062.132	339.392.129	3.819.640.432	12.553.358	3.832.193.790
Change in accounting policies	19	0	0	0	0	0	0	0	0	0
Correction of errors from prior periods	20	0	0	0	0	0	0	0	0	0
VII Balance on the first day of the current business year (restated)	21	589.325.800	681.482.525	609.339.271	402.038.575	1.198.062.132	339.392.129	3.819.640.432	12.553.358	3.832.193.790
VIII Comprehensive income or loss for the year	22	0	0	-149.575.338	0	0	204.035.359	54.460.021	373.781	54.833.802
Profit or loss for the period	23	0	0	0	0	0	204.035.359	204.035.359	305.717	204.341.076
Other comprehensive income or loss for the year	24	0	0	-149.575.338	0	0	0	-149.575.338	68.064	-149.507.274
Unrealised gains or losses on tangible assets (land and buildings)	25	0	0	0	0	0	0	0	0	0
Unrealised gains or losses on financial assets available for sale	26	0	0	-110.034.111	0	0	0	-110.034.111	-13.466	-110.047.577
Realised gains or losses on financial assets available for sale	27	0	0	-43.290.469	0	0	0	-43.290.469	0	-43.290.469
Other changes in equity unrelated to owners	28	0	0	3.749.242	0	0	0	3.749.242	81.530	3.830.772
Transactions with owners (current period)	29	0	0	-1.038.484	0	338.891.784	-339.392.129	-1.538.829	-195.846	-1.734.675
Increase/decrease in subscribed capital	30	0	0	0	0	0	0	0	0	0
Other contributions by owners	31	0	0	0	0	0	0	0	0	0
Payment of share in profit/dividend	32	0	0	0	0	0	0	0	-156.751	-156.751
Other transactions with owners	33	0	0	-1.038.484	0	338.891.784	-339.392.129	-1.538.829	-39.095	-1.577.924
Balance on the last day of the current year reporting period	34	589.325.800	681.482.525	458.725.449	402.038.575	1.536.953.916	204.035.359	3.872.561.624	12.731.293	3.885.292.917

CONSOLIDATED STATEMENT OF CASH FLOWS – indirect method

For the period: 1.1.2020 - 30.6.2020

Item	in HRK		
	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	-119.098.352	229.103.003
1 Cash flow before changes in operating assets and liabilities (ADP 003+004)	002	146.180.730	227.868.872
1.1 Profit/loss before tax	003	246.622.401	248.160.415
1.2 Adjustments: (ADP 005 to 012)	004	-100.441.671	-20.291.543
1.2.1 Depreciation of property and equipment	005	28.805.978	30.806.719
1.2.2 Amortization of intangible assets	006	9.519.094	10.560.063
1.2.3 Impairment and gains/losses on fair valuation	007	-2.849.609	35.745.065
1.2.4 Interest expenses	008	5.287.499	5.523.572
1.2.5 Interest income	009	-112.241.086	-101.357.407
1.2.6 Share in profit of associates	010	-6.320.042	-4.932.224
1.2.7 Profit/loss from the sale of tangible assets (including land and buildings)	011	-203.385	536.765
1.2.8 Other adjustments	012	-22.440.120	2.825.904
2 Increase/decrease in operating assets and liabilities (ADP 014 to 030)	013	-237.415.531	38.680.917
2.1 Increase/decrease in financial assets available for sale	014	-366.382.486	-58.643.757
2.2 Increase/decrease in financial assets at fair value through statement of profit or loss	015	121.964.290	-7.054.262
2.3 Increase/decrease in loans and receivables	016	-127.622.480	-24.357.143
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	-8.237.722	10.022.208
2.6 Increase/decrease in reinsurance amount in technical provisions	019	-51.732.571	-142.583.780
2.7 Increase/decrease in tax assets	020	-14.518.823	-17.769.717
2.8 Increase/decrease in receivables	021	-292.114.926	-228.934.704
2.9 Increase/decrease in other assets	022	0	0
2.10 Increase/decrease in prepayments and accrued income	023	-22.503.407	-22.994.716
2.11 Increase/decrease in technical provisions	024	480.110.630	433.913.319
2.12 Increase/decrease in special provisions for life assurance where policyholders bear the investment risk	025	8.237.722	-10.022.208
2.13 Increase/decrease in tax liabilities	026	3.674.105	15.915.255
2.14 Increase/decrease in deposits held under reinsurance business ceded	027	0	0
2.15 Increase/decrease in financial liabilities	028	2.518.444	89.117.483
2.16 Increase/decrease in other liabilities	029	32.755.411	1.670.161
2.17 Increase/decrease in accruals and deferred income	030	-3.563.718	402.778
3 Income tax paid	031	-27.863.551	-37.446.786
II CASH FLOW FROM INVESTING ACTIVITIES (ADP 033 to 046)	032	-38.016.543	258.044.511
1 Cash receipts from the sale of tangible assets	033	927.010	3.299.651
2 Cash payments for the purchase of tangible assets	034	-11.902.700	-20.079.654
3 Cash receipts from the sale of intangible assets	035	629.925	0
4 Cash payments for the purchase of intangible assets	036	-9.490.550	-25.286.703
5 Cash receipts from the sale of land and buildings not occupied by an undertaking for its own activities	037	7.314.474	80.056.554
6 Cash payments for the purchase of land and buildings not occupied by an undertaking for its own activities	038	-2.355.181	-23.690.605
7 Increase/decrease of investments in branches, associates and joint ventures.	039	13.500.000	-77.987.290
8 Cash receipts from financial assets held to maturity	040	76.501.735	407.023.898
9 Cash payments for financial assets held to maturity	041	-141.157.902	-110.488.319
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	20.728.777	1.632.192
13 Cash receipts from repayments of short-term and long-term loans given	045	21.986.134	38.908.661
14 Cash payments for short-term and long-term loans	046	-14.698.265	-15.343.874
III CASH FLOW FROM FINANCING ACTIVITIES (ADP 048 to 052)	047	-12.546.383	-11.865.455
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	-12.433.819	-11.708.704
4 Cash payments for the redemption of treasury shares	051	0	0
5 Cash payments of share in profit (dividend)	052	-112.564	-156.751
NET CASH FLOW (ADP 001 + 032 + 047)	053	-169.661.278	475.282.059
IV EFFECT OF EXCHANGE RATE FLUCTUATIONS ON CASH AND CASH EQUIVALENTS	054	11.541.181	-57.401.793
V NET INCREASE/DECREASE IN CASH AND CASH EQUIVALENTS (053+054)	055	-158.120.097	417.880.266
Cash and cash equivalents at the beginning of period	056	446.207.971	220.351.390
Cash and cash equivalents at the end of period (ADP 055 + 056)	057	288.087.874	638.231.656

II. QUARTERLY MANAGEMENT REPORT

In the period observed, the CROATIA osiguranje Group, operating in Croatia and the markets of the region (BiH, North Macedonia, Serbia and Slovenia), achieved consolidated profit after tax and non-controlling interest in the amount of HRK 204m, which represents a decrease of 1.8 percent compared to the comparative period of the previous year.

Gross written premium for the reporting period amounted to HRK 1,868.3m, which represents a decrease of 5.8 percent compared to the comparative period of the previous year. Gross written premium of non-life insurance amounted to HRK 1,592.3m which represents an increase by 0,5%, while gross written premium of life insurance decreased by 30.8 percent and amounted to HRK 276m.

Earned premium for the reporting period amounted to HRK 1,448.1m, which represents 78.2 percent of total income and a decrease of 4.6 percent compared to the comparative period of the previous year.

In the non-life and life insurance business, the Group has achieved income from investments in the amount of HRK 294.9m, which represents an increase of 26.7 percent compared to the comparative period of the previous year. Income from investments represents 15.9 percent of total income. Investment expenses amounted to HRK 87m and represent 5.4 percent of total expenses.

Net claims incurred for the reporting period represent 61.2 percent of total expenses and amounted to HRK 981.3m, which represents an increase of 22.7 percent compared to the same period of the previous year. An increase of net claims incurred is primary caused by one-time expenses in the amount of HRK 100m, such as claims caused by earthquake and decision of the Supreme Court of the Republic of Croatia on increase of orientation criteria and amounts for immaterial claims.

Acquisition and administration costs amounted to HRK 532.8m, representing 33.2 percent of total expenses of the Group. Acquisition and administration costs decreased by 5.1 percent compared to the comparative period of the previous year.

Total assets of the Group as at 30.6.2020 amounted to HRK 13.4 billion, representing an increase of 4.6 percent compared to 31.12.2019.

Technical reserves amounted to HRK 7.7 billion, representing an increase of 6 percent compared to 31.12.2019.

Unaudited consolidated financial statements for the first half-year period of 2020 will be available on the web sites of CROATIA osiguranje d.d., Zagreb Stock Exchange and Officially appointed mechanism for the central storage of regulated information.

Significant business events in the reporting period

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

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

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

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

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

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

The existence of the coronavirus (COVID-19) was confirmed in early 2020 and spread to mainland China and beyond, and in late February 2020 to Croatia, causing disruption in business and economic activities. From the information available at the time of preparation of these financial statements and based on numerous publicly available macroeconomic projections, an economic slowdown is likely during 2020, which may result in lower consumption and consequently lower demand for insurance services, since the volume of insurance premiums written is linked to GDP trends.

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

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

As part of its own risk and solvency assessment (ORSA) process, a series of stress tests, sensitivity and scenarios analyses were conducted, and it is estimated that these analyses covered the risks that could have a significant impact on the Group and in the case of COVID-19. Although, based on analyses performed in the ORSA process, a certain decrease in the solvency ratio is expected, the ratio should remain at levels significantly higher than the regulatory prescribed and the solvency of the Group should in no way be called into question. Also, solvency calculation which was performed as at 31.3.2020. showed that despite the negative effects of COVID-19, the Group is still operating with a very high solvency ratio of 235% (as at 31.12.2019. 239%). In regard to liquidity, the Group still has the satisfactory amounts of liquid resources that are sufficient for discharging all obligations that have become due and also has at its disposal instruments available for obtaining additional liquidity if necessary.

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

Earthquake in the area of the City of Zagreb

On 22 March 2020, a series of earthquakes were recorded in the area of the City of Zagreb, the strongest being of a magnitude of 5.5 according to the Richter scale. In some insurance contracts, the Group also provides insurance for earthquake insurance risk. The amount of damage from Group's insurance contracts caused by this event (after reinsurance) amount to more than HRK 40m.

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

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

HANFA's Decision regarding prohibition of dividend payment

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

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

Significant events after the end of the reporting date

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

Expected development in the future

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

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

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

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

Research and development activities

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

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

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

Description of the most significant risks and uncertainties

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

Zagreb, 31 July 2020

Member of the Management Board

Luka Babić



President of the Management Board

Davor Tomašković

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

1. GENERAL INFORMATION

The Group consolidated the following entities as at 30 June 2020:

Group	Activity	30 June 2020		
		Shares directly held by parent (%)	Shares held by the Group (%)	Shares held by non-controlling interests (%)
Subsidiaries registered in Croatia which are consolidated:				
Croatia premium d.o.o., Zagreb	Real estate business	100.00	100.00	-
Histria Construct d.o.o., Zagreb	Real estate business	100.00	100.00	-
Core 1 d.o.o., Zagreb	Real estate business	100.00	100.00	-
Razne usluge d.o.o. (u likvidaciji)	-	100.00	100.00	-
AUTO MAKSIMIR VOZILA d.o.o.	Insurance agency	100.00	100.00	-
AK POLICA d.o.o.	Insurance agency	100.00	100.00	-
CO Zdravlje d.o.o.	Consulting and services	100.00	100.00	-
- CROATIA Poliklinika, Zagreb	Healthcare	-	100.00	-
Croatia-Tehnički pregledi d.o.o., Zagreb	MOT*	100.00	100.00	-
- Herz d.d., Požega	MOT	-	100.00	-
- Slavonijatrans-Tehnički pregledi d.o.o., Sl. Brod	MOT	-	76.00	24.00
- STP Pitomača, Pitomača	MOT	-	100.00	-
- STP Blato	MOT	-	100.00	-
- Autoprijevoz d.d.	MOT	-	79.12	20.88
- Crotehna d.o.o., Ljubuški	MOT	-	100.00	-
- Ponte d.o.o., Mostar	Insurance agency	-	100.00	-
Croatia osiguranje mirovinsko društvo d.o.o., Zagreb	Fund management	100.00	100.00	-
ASTORIA d.o.o.	Real estate business	100.00	100.00	-
Subsidiaries registered abroad which are consolidated				
Milenijum osiguranje a.d.o., Beograd	Insurance	100.00	100.00	-
Croatia osiguranje d.d., Mostar	Insurance	95.02	95.02	4.98
- Croatia remont d.d., Čapljina	MOT	-	69.79	30.21
- Croauto d.o.o., Mostar	MOT	-	66.79	33.21
- Hotel Hum d.o.o., Ljubuški**	Hospitality	-	80.00	20.00
Croatia osiguranje d.d., non-life insurance company, Skopje	Insurance	100.00	100.00	-
Croatia osiguranje d.d., life insurance company, Skopje	Insurance	95.00	100.00	-

*MOT – Motor vehicle examination stations

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

In consolidation, the equity method is used for the valuation of investments in associates Agroservis (37%) and Strmec projekt d.o.o. (49,76%) and joint venture PBZ CROATIA osiguranje d.d. (50.0%).

CROATIA osiguranje d.d. (parent company) is registered in the Court Register of the Commercial Court in Zagreb under the Company's Court Reg. No. ("MBS") 080051022 and PIN ("OIB") 26187994862. The Company's principal activity is non-life and life insurance business and reinsurance business in the non-life insurance group.

Supervisory Board and Management Board

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

Members of the Supervisory Board are:

Roberto Škopac	President
Dr.sc. Željko Lovrinčević	Vice President
Vitomir Palinec	Member
Damir Vandelić	Member
Hrvoje Patajac	Member
Vlasta Pavličević	Member

Members of the Management Board are:

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

Basis for preparation and consolidation

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

Half-year financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Group's annual financial statements as at 31 December 2019.

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

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

Financial statements for the first half-year of the 2020 have not been audited.

Presentation currency

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

Use of estimates and judgements

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

Accounting policies

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

Related party transactions

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

Seasonality of business activities

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

Segment reporting

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

Earnings per share

	1.1.-30.6.2019	1.1.-30.6.2020
	in HRK	in HRK
Profit for the year attributable to the Company's shareholders	207,750,803	204,035,359
Weighted average of ordinary shares	420,947	420,947
Earnings per share attributable to the Company's shareholders		
Basic and diluted earnings per share in HRK	493.5	484.7

Fair value

Fair value is the amount that should be received for an asset sold or paid to settle a liability in an arm's length transaction between market participants at the value measurement date. Fair value is based on quoted market prices, where available. If market prices are not available, fair value is estimated by using discounted cash flow models or other appropriate pricing techniques. Changes in assumptions on which the estimates are based, including discount rates and estimated future cash flows, significantly affect the estimates. Therefore, at this point the estimated fair value cannot be achieved from the sale of a financial instrument. The fair value of investments at amortised cost is presented below:

	30.6.2020			31.12.2019		
	Net book value	Fair value	Difference	Net book value	Fair value	Difference
	in HRK	in HRK	in HRK	in HRK	in HRK	in HRK
Debt securities	2,083,693,635	2,310,917,863	227,224,228	2,315,261,045	2,620,028,273	304,767,228
Loans	275,191,729	276,037,396	845,667	271,152,100	271,374,420	222,320
Deposits	1,115,046,560	1,119,632,260	4,585,700	1,083,355,956	1,089,992,711	6,636,755
	3,473,931,924	3,706,587,519	232,655,595	3,669,769,101	3,981,395,404	311,626,303

Methods of assessment or assumptions in determining fair value

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

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

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

The Group's assets measured at fair value as at 30 June 2020 are presented as follows:

	Level 1 in HRK	Level 2 in HRK	Level 3 in HRK	Total in HRK
<i>Property for own use</i>	-	-	463,702,217	463,702,217
<i>Investment property</i>	-	-	1,050,037,726	1,050,037,726
Equity securities	437,677,009	20,462,000	25,362,848	483,501,857
Debt securities	2,144,399,194	2,046,838,016	9,392,665	4,200,629,875
Investment funds	137,171,118	27,210,141	5,094,049	169,475,308
<i>Available-for-sale financial assets</i>	2,719,247,321	2,094,510,157	39,849,562	4,853,607,040
Equity securities	15,342,840	-	-	15,342,840
Debt securities	-	-	-	-
Investment funds	459,030,212	-	3,558,346	462,588,558
Foreign currency forward contracts	-	1,390,438	-	1,390,438
<i>Financial assets at fair value through profit or loss</i>	474,373,052	1,390,438	3,558,346	479,321,836
Total assets at fair value	3,193,620,373	2,095,900,595	1,557,147,851	6,846,668,819

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

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

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

Financial liabilities are recorded at amortised cost. Although they have been agreed on the basis of a fixed interest rate, the Management Board believes that, due to the repayment of majority of liabilities within few days after the balance sheet date, the carrying value of these instruments is not significantly different from their fair value.

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

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

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

The fair value of held-to-maturity investments is based on the available market prices and is classified as Level 1 in accordance with IFRS 13.

Valuation techniques used for determining fair value on Level 3

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

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

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

Information on fair value measurement of investment property which included significant parameters that are not available on the market (Level 3) are disclosed in financial statements for the year 2019.

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

In the period observed Group's investments in land and buildings not occupied by an undertaking for its own activities have increased in the amount of HRK 176.4 m which is mostly due to reclassification of assets from the position of Land and buildings occupied by an undertaking for its own activities to the mentioned position due to a change in the purpose of specific property, and due to the acquisition of ASTORIA d.o.o.

Financial assets and financial liabilities

The structure of financial assets as at 30 June 2020 and 31 December 2019 was as follows:

	30.6.2020				
	Held-to-maturity investments	Available-for-sale financial assets	Financial assets at fair value through profit or loss - for trading	Loans and receivables	Total
	in HRK	in HRK	in HRK	in HRK	in HRK
Shares					
Shares, listed	-	481,467,158	15,342,840	-	496,809,998
Shares, not listed	-	2,034,699	-	-	2,034,699
	-	483,501,857	15,342,840	-	498,844,697
Debt securities					
Government bonds	2,031,998,849	4,125,623,397	-	-	6,157,622,246
Domestic corporate bonds	51,694,786	75,006,478	-	-	126,701,264
	2,083,693,635	4,200,629,875	-	-	6,284,323,510
Derivative financial instruments					
Foreign currency forward contracts	-	-	1,390,438	-	1,390,438
	-	-	1,390,438	-	1,390,438
Investment funds					
Open-ended investment funds	-	169,475,308	21,673,308	-	191,148,616
Open-ended investment funds - assets for coverage of unit-linked products	-	-	440,915,250	-	440,915,250
	-	169,475,308	462,588,558	-	632,063,866
Loans and receivables					
Deposits with credit institutions	-	-	-	1,115,046,560	1,115,046,560
Loans	-	-	-	275,191,729	275,191,729
	-	-	-	1,390,238,289	1,390,238,289
	2,083,693,635	4,853,607,040	479,321,836	1,390,238,289	8,806,860,800

31.12.2019

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

The structure of financial liabilities as at 30 June 2020 and 31 December 2019 was as follows:

	30.6.2020	31.12.2019
	in HRK	in HRK
Lease liabilities	298,707,690	282,117,926
Liabilities for repo transactions	60,073,674	-
Derivative financial instruments	37,346,295	5,624,931
Preference shares	12,250,000	12,250,000
Financial lease liabilities	380,904	2,023,144
	408,758,563	302,016,001

Share capital and shares

The Company's share capital with a nominal value of 601,575,800 as at 30 June 2020 is divided among 429,697 shares with a nominal value of HRK 1,400. The shares are marked as follows:

Number of shares	Nominal amount:
307.598 ordinary shares I. emission with ticker CROS-R-A/CROS	430,637,200
113.349 ordinary shares II. emission with ticker CROS-R-A/CROS	158,688,600
TOTAL OF ORDINARY SHARES	589,325,800
8.750 preference shares I. emission with ticker CROS-P-A/CROS ₂	12,250,000
TOTAL OF PREFERENCE SHARES	12,250,000

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

MANAGEMENT BOARD STATEMENT

Pursuant to article 20 of the Articles of Association of the Company from 26 February 2020 and article 465 of the Capital Market Law (Official Gazette 65/18, 17/20), the Management Board provides this

STATEMENT

That to the best of our knowledge:

- the set of half-year consolidated unaudited financial statements of the issuer for the period 1.1. – 30.6.2020, prepared by using applicable financial reporting standards, gives a true and fair view of assets and liabilities, the financial position, profit or loss of the issuer and the entities included in consolidation,
- the management report presents an objective view of the development and business results and position of the issuer and entities included in consolidation, with description of significant risks and uncertainties to which they are exposed.

Zagreb, 31 July 2020

Member of the Management Board



Luka Babić



President of the Management Board



Davor Tomašković