



**CROATIA<sup>®</sup>  
OSIGURANJE**

CROATIA osiguranje d.d.  
Vatroslava Jagića 33, 10 000 Zagreb  
[www.crosig.hr](http://www.crosig.hr)

**CONSOLIDATED UNAUDITED  
QUARTERLY REPORT,  
FOR THE PERIOD 1.1.2020 - 31.03.2020**

Zagreb, April 2020

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# I. UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

Annex 1			
ISSUER'S GENERAL DATA			
Reporting period:	1.1.2020	to	31.3.2020
Year:	2020		
Quarter:	1		
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):	3.325		
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	04837550
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 - 31.03.2020

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)
<b>I Earned premiums (ADP 119 to 123)</b>	<b>118</b>	190.905.736	539.534.311	730.440.047	140.548.779	578.127.103	718.675.882
1 Gross written premium	119	191.105.763	842.889.152	1.033.994.915	140.529.884	843.109.202	983.639.086
2 Value adjustment and charged premium value adjustment	120	0	-2.845.572	-2.845.572	0	5.381.117	5.381.117
3 Outward reinsurance premiums (-)	121	-47.616	-122.884.799	-122.932.415	-52.409	-111.725.325	-111.777.734
4 Change of gross provisions for unearned premiums (+/-)	122	-149.275	-239.771.876	-239.921.151	86.575	-216.324.846	-216.238.271
5 Change of provisions for unearned premiums, reinsurers' share (+/-)	123	-3.136	62.147.406	62.144.270	-15.271	57.686.955	57.671.684
<b>II Income from investments (ADP 125 to 131)</b>	<b>124</b>	38.105.749	71.665.766	109.771.515	99.775.424	130.882.489	230.657.913
1 Income from branches, associates and joint ventures.	125	0	3.191.410	3.191.410	235.441	3.002.303	3.237.744
2 Income from investment in land and buildings	126	15.929	24.901.168	24.917.097	18.354	20.301.008	20.319.362
3 Interest income	127	30.118.023	26.458.745	56.576.768	28.596.922	24.857.025	53.453.947
4 Unrealised gains on investments	128	323.333	3.028.539	3.351.872	144.613	186.708	331.321
5 Realised gains on investments	129	4.872.371	10.169.771	15.042.142	12.135.998	43.469.114	55.605.112
6 Net positive exchange rate differences	130	2.663.633	3.613.672	6.277.305	58.523.645	28.249.723	86.773.368
7 Other income from investments	131	112.460	302.461	414.921	120.451	10.816.608	10.937.059
<b>III Income from commissions and fees</b>	<b>132</b>	532.043	9.027.182	9.559.225	536.349	8.249.983	8.786.332
<b>IV Other insurance-technical income, net amount from reinsurance</b>	<b>133</b>	44.254	8.041.341	8.085.595	178.469	8.261.442	8.439.911
<b>V Other income</b>	<b>134</b>	15.970	27.038.530	27.054.500	203.825	26.110.377	26.314.202
<b>VI Claims incurred, net (ADP 136 + 139)</b>	<b>135</b>	-108.601.496	-290.563.664	-399.165.160	-210.962.441	-334.432.655	-545.395.096
1 Claims settled (ADP 137+138)	136	-120.871.383	-301.725.700	-422.597.083	-183.814.429	-320.422.296	-504.236.725
1.1 Gross amount (-)	137	-120.871.383	-345.416.588	-466.287.971	-183.814.429	-335.621.446	-519.435.875
1.2 Reinsurers' share (+)	138	0	43.690.888	43.690.888	0	15.199.150	15.199.150
2 Change in the provision for claims (+/-) (ADP 140+141)	139	12.269.887	11.162.036	23.431.923	-27.148.012	-14.010.359	-41.158.371
2.1 Gross amount	140	12.269.887	23.393.532	35.663.419	-27.148.012	-38.019.873	-65.167.885
2.3 Reinsurers' share	141	0	-12.231.496	-12.231.496	0	24.009.514	24.009.514
<b>VII Change in mathematical provision and other technical provisions, net of reinsurance (ADP 143+146)</b>	<b>142</b>	-76.794.115	5.578.334	-71.215.781	20.580.206	19.828.580	40.408.786
1 Change in mathematical provisions (+/-) (ADP 144+145)	143	-76.794.115	3.018.736	-73.775.379	20.580.206	2.028.911	22.609.117
1.1 Gross amount (-)	144	-76.791.459	3.018.736	-73.772.723	20.585.844	2.028.911	22.614.755
1.2 Reinsurers' share (+)	145	-2.656	0	-2.656	-5.638	0	-5.638
2 Change in other technical provisions, net of reinsurance (+/-) (ADP 147+148)	146	0	2.559.598	2.559.598	0	17.799.669	17.799.669
2.1 Gross amount (-)	147	0	2.559.598	2.559.598	0	17.799.669	17.799.669
2.2 Reinsurers' share (+)	148	0	0	0	0	0	0
<b>VIII Change of special provision for life assurance where policyholders bear the investment risk, net of reinsurance (+/-) (ADP 150+151)</b>	<b>149</b>	2.051.426	0	2.051.426	8.773.543	0	8.773.543
1 Gross amount (-)	150	2.051.426	0	2.051.426	8.773.543	0	8.773.543
3 Reinsurers' share (+)	151	0	0	0	0	0	0
<b>IX Cash payments for bonuses and rebates, net of reinsurance (ADP 153+154)</b>	<b>152</b>	0	-1.680.912	-1.680.912	0	-3.542.507	-3.542.507
1 Performance-dependent (bonuses)	153	0	-1.466.697	-1.466.697	0	-2.192.655	-2.192.655
2 Performance-independent (rebates)	154	0	-214.215	-214.215	0	-1.349.852	-1.349.852

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**(STATEMENT OF PROFIT OR LOSS)**  
For the period: 1.1.2020 - 31.03.2020

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)
<b>X Operating expenses (business expenditures), net</b> (ADP 156+160)	<b>155</b>	-28.355.124	-243.105.399	-271.460.523	-22.078.581	-228.307.710	-250.386.291
1 Acquisition costs (ADP 157 to 159)	156	-15.700.962	-123.617.182	-139.318.144	-11.294.745	-112.210.187	-123.504.932
1.1 Commission	157	-8.500.771	-83.606.318	-92.107.089	-4.890.158	-75.080.943	-79.971.101
1.2 Other acquisition costs	158	-7.200.191	-53.800.521	-61.000.712	-6.404.587	-47.191.312	-53.595.899
1.3 Change in deferred acquisition costs	159	0	13.789.657	13.789.657	0	10.062.068	10.062.068
2 Administration expenses (administrative costs) (ADP 161 to 163)	160	-12.654.162	-119.488.217	-132.142.379	-10.783.836	-116.097.523	-126.881.359
2.1 Depreciation	161	-1.178.557	-18.034.891	-19.213.448	-1.117.851	-19.409.458	-20.527.309
2.2 Salaries, taxes and contributions from/on salaries	162	-5.048.244	-44.743.862	-49.792.106	-4.206.906	-44.390.347	-48.597.253
2.3 Other administration expenses	163	-6.427.361	-56.709.464	-63.136.825	-5.459.079	-52.297.718	-57.756.797
<b>XI Investment expenses</b> (ADP 165 to 171)	<b>164</b>	<b>-1.385.603</b>	<b>-16.195.786</b>	<b>-17.581.389</b>	<b>-17.464.544</b>	<b>-65.102.286</b>	<b>-82.566.830</b>
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	-341.374	-2.952.985	-3.294.359	-382.078	-2.371.952	-2.754.030
3 Impairment of investments	167	0	-323.634	-323.634	-1.013.854	-2.494.516	-3.508.370
4 Realised loss on investments	168	-484.817	-2.289.107	-2.773.924	-5.042.381	-4.632.875	-9.675.256
5 Unrealised loss on investments	169	0	-1.228.057	-1.228.057	-9.506.955	-40.960.009	-50.466.964
6 Net negative exchange rate differences	170	0	0	0	0	0	0
7 Other investment expenses	171	-559.412	-9.402.003	-9.961.415	-1.519.276	-14.642.934	-16.162.210
<b>XII Other technical expenses, net of reinsurance</b> (ADP 173+174)	<b>172</b>	<b>-304.469</b>	<b>-12.390.071</b>	<b>-12.694.540</b>	<b>-335.368</b>	<b>-13.623.726</b>	<b>-13.959.094</b>
1 Expenses of preventive activities	173	0	-280.462	-280.462	0	-327.894	-327.894
2 Other technical expenses of insurance	174	-304.469	-12.109.609	-12.414.078	-335.368	-13.295.832	-13.631.200
<b>XIII Other activities, including value adjustments</b>	<b>175</b>	<b>-4.068</b>	<b>-561.542</b>	<b>-565.610</b>	<b>-3.525</b>	<b>-983.112</b>	<b>-986.637</b>
<b>XIV Profit or loss for the accounting period before tax (+/-)</b> (ADP 118+124+132 to 135+142+149+152+155+164+172+175)	<b>176</b>	<b>16.210.303</b>	<b>96.388.090</b>	<b>112.598.393</b>	<b>19.752.136</b>	<b>125.467.978</b>	<b>145.220.114</b>
<b>XV Profit or loss tax</b> (ADP 178+179)	<b>177</b>	<b>-3.185.279</b>	<b>-16.729.771</b>	<b>-19.915.050</b>	<b>-3.371.137</b>	<b>-22.742.122</b>	<b>-26.113.259</b>
1 Current tax expense	178	-3.185.279	-16.751.274	-19.936.553	-3.371.137	-22.763.625	-26.134.762
2 Deferred tax expense (income)	179	0	21.503	21.503	0	21.503	21.503
<b>XVI Profit or loss for the accounting period after tax (+/-)</b> (ADP 176+177)	<b>180</b>	<b>13.025.024</b>	<b>79.658.319</b>	<b>92.683.343</b>	<b>16.380.999</b>	<b>102.725.856</b>	<b>119.106.855</b>
1 <b>Attributable to owners of the parent</b>	181	13.132.559	79.577.489	92.710.048	16.317.327	102.663.661	118.980.988
2 <b>Attributable to non-controlling interest</b>	182	-107.535	80.830	-26.705	63.672	62.195	125.867
<b>XVII TOTAL INCOME</b> (ADP 118+124+132+133+134+179)	<b>183</b>	<b>229.603.752</b>	<b>655.328.633</b>	<b>884.932.385</b>	<b>241.242.846</b>	<b>751.652.897</b>	<b>992.895.743</b>
<b>XVIII TOTAL EXPENSES</b> (ADP 135+142+149+152+155+164+172+175+178)	<b>184</b>	<b>-216.578.728</b>	<b>-575.670.314</b>	<b>-792.249.042</b>	<b>-224.861.847</b>	<b>-648.927.041</b>	<b>-873.788.888</b>
<b>IX Other comprehensive income</b> (ADP 186 to 193)	<b>185</b>	<b>47.389.972</b>	<b>69.509.113</b>	<b>116.899.085</b>	<b>-69.377.177</b>	<b>-148.099.767</b>	<b>-217.476.944</b>
1 Gains/losses arising from translation of financial statements relating to foreign operations	186	56.067	177.980	234.047	2.151.604	3.707.905	5.859.509
2 Gains/losses arising from the revaluation of financial assets available for sale	187	56.778.079	84.182.326	140.960.405	-87.904.273	-184.975.629	-272.879.902
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	-9.444.174	-14.851.193	-24.295.367	16.375.492	33.167.957	49.543.449
<b>XX Total comprehensive income</b> (ADP 180 +185)	<b>194</b>	<b>60.414.996</b>	<b>149.167.432</b>	<b>209.582.428</b>	<b>-52.996.178</b>	<b>-45.373.911</b>	<b>-98.370.089</b>
1 <b>Attributable to owners of the parent</b>	195	60.521.560	149.067.534	209.589.094	-53.074.513	-45.506.065	-98.580.578
2 <b>Attributable to non-controlling interests</b>	196	-106.564	99.898	-6.666	78.335	132.154	210.489
<b>XXI Reclassification adjustments</b>	<b>197</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION (BALANCE SHEET)

As at: 31.03.2020

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)
<b>ASSETS</b>							
<b>A) INTANGIBLE ASSETS (ADP 002 +003)</b>	<b>001</b>	407.778	48.318.959	48.726.737	394.831	57.139.493	57.534.324
1 Goodwill	002	0	0	0	0	0	0
2 Other intangible assets	003	407.778	48.318.959	48.726.737	394.831	57.139.493	57.534.324
<b>B) TANGIBLE ASSETS (ADP 005 to 007)</b>	<b>004</b>	21.127.013	888.164.071	909.291.084	21.679.242	898.950.194	920.629.436
1 Land and buildings occupied by an undertaking for its own activities	005	16.259.682	536.376.413	552.636.095	16.565.696	533.393.812	549.959.508
2 Equipment	006	602.616	55.612.530	56.215.146	465.206	63.604.347	64.069.553
3 Other tangible assets and inventories	007	4.264.715	296.175.128	300.439.843	4.648.340	301.952.035	306.600.375
<b>C) INVESTMENTS (ADP 009+010+014+033)</b>	<b>008</b>	3.566.682.133	6.034.361.455	9.601.043.588	3.446.350.751	6.742.370.525	9.188.721.276
<b>I Investments in land and buildings not occupied by an undertaking for its own activities</b>	<b>009</b>	1.629.143	872.023.596	873.652.739	1.665.622	952.828.438	954.494.060
<b>II Investments in branches, associates and joint ventures (ADP 011 to 013)</b>	<b>010</b>	0	77.589.581	77.589.581	0	79.858.314	79.858.314
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	9.628.929	9.628.929
3 Shares and holdings in joint ventures	013	0	67.961.195	67.961.195	0	70.229.385	70.229.385
<b>III Financial assets (ADP 015+018+023+029)</b>	<b>014</b>	3.565.052.990	5.084.748.278	8.649.801.268	3.444.685.129	4.709.683.773	8.154.368.902
1 Financial assets held to maturity (ADP 016+017)	015	1.277.694.188	1.037.566.857	2.315.261.045	1.134.060.578	989.593.736	2.123.654.314
1.1 Debt financial instruments	016	1.277.694.188	1.037.566.857	2.315.261.045	1.134.060.578	989.593.736	2.123.654.314
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	1.925.812.138	2.668.383.971	4.594.196.109
2.1 Equity financial instruments	019	24.590.609	498.588.974	523.179.583	22.352.011	411.055.485	433.407.496
2.2 Debt financial instruments	020	1.874.911.679	2.427.461.212	4.302.372.891	1.871.102.685	2.176.119.257	4.047.221.942
2.3 Units in investment funds	021	22.127.495	64.664.672	86.792.167	32.357.442	81.209.229	113.566.671
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	62.444.827	67.687.526	6.332.082	24.601.165	30.933.247
3.1 Equity financial instruments	024	0	17.070.930	17.070.930	0	13.324.386	13.324.386
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	39.283	98.207	137.490
3.4 Units in investment funds	027	4.652.754	42.293.363	46.946.117	6.292.799	11.178.572	17.471.371
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	378.480.331	1.027.104.901	1.405.585.232
4.1 Deposits with credit institutions	030	299.097.268	782.258.687	1.081.355.955	310.063.985	768.458.079	1.078.522.064
4.2 Loans	031	61.389.052	55.788.485	117.177.537	63.342.213	78.464.472	141.806.685
4.3 Other	032	0	155.974.564	155.974.564	5.074.133	180.182.350	185.256.483
<b>IV Deposits with cedants</b>	<b>033</b>	0	0	0	0	0	0
<b>D) INVESTMENTS FOR THE ACCOUNT OF LIFE ASSURANCE POLICYHOLDERS WHO BEAR THE INVESTMENT RISK</b>	<b>034</b>	450.937.458	0	450.937.458	441.946.104	0	441.946.104
<b>E) REINSURANCE AMOUNT IN TECHNICAL PROVISIONS (ADP 036 to 042)</b>	<b>035</b>	79.965	226.299.397	226.379.362	59.668	308.319.202	308.378.870
1 Provisions for unearned premiums, reinsurance amount	036	57.935	48.326.106	48.384.041	43.276	106.199.470	106.242.746
2 Mathematical provision, reinsurance amount	037	22.030	0	22.030	16.392	0	16.392
3 Claims outstanding, reinsurance amount	038	0	177.973.291	177.973.291	0	202.119.732	202.119.732
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
<b>F) DEFERRED AND CURRENT TAX ASSETS (ADP 044 +045)</b>	<b>043</b>	2.028.656	75.768.736	77.797.392	2.028.656	79.623.494	81.652.150
1 Deferred tax assets	044	2.028.656	68.047.649	70.076.305	2,028.656	68,077.694	70,106.350
2 Current tax assets	045	0	7.721.087	7.721.087	0	11,545.800	11,545.800
<b>G) RECEIVABLES (ADP 047+050+051)</b>	<b>046</b>	22.010.878	979.166.004	1,001.176.882	21,942.383	1,165,160.991	1,187,103.374
<b>1 Receivables arising from insurance business (ADP 048+049)</b>	<b>047</b>	235.763	503.377.921	503.613.684	233.704	700.974.495	701.208.199
1.1 From policyholders	048	0	502.590.925	502.590.925	128	700.457.256	700.457.384
1.2 From insurance agents or insurance brokers	049	235.763	786.996	1,022.759	233.576	517.239	750.815
<b>2 Receivables arising from reinsurance business</b>	<b>050</b>	879	47.249.357	47.250.236	1.193	44,676.688	44,677.881
<b>3 Other receivables (ADP 052 to 054)</b>	<b>051</b>	21,774.236	428,538.726	450,312.962	21,707.486	419,509.808	441,217.294
3.1 Receivables arising from other insurance operations	052	0	202,997.642	202,997.642	0	199,664.133	199,664.133
3.2 Receivables for investment income	053	268.543	578.032	846.575	279.252	556.646	835.898
3.3 Other receivables	054	21,505.693	224,963.052	246,468.745	21,428.234	219,289.029	240,717.263
<b>H) OTHER ASSETS (ADP 056+060+061)</b>	<b>055</b>	39,381.104	180,970.286	220,351.390	214,409.739	612,673.050	827,082.789
<b>1 Cash at bank and in hand (ADP 057 to 059)</b>	<b>056</b>	39,381.104	175,637.699	215,018.803	214,409.739	604,035.302	818,445.041
1.1 Funds in the business account	057	13,915.217	175,060.566	188,975.783	11,460.633	603,383.497	614,844.130
1.2 Funds in the account of assets covering mathematical provisions	058	25,462.256	0	25,462.256	202,946.479	0	202,946.479
1.3 Cash in hand	059	3,631	577.133	580.764	2,627	651.805	654.432
<b>2 Fixed assets held for sale and termination of business operations</b>	<b>060</b>	0	1,963.217	1,963.217	0	1,937.462	1,937.462
<b>3 Other</b>	<b>061</b>	0	3,369.370	3,369.370	0	6,700.286	6,700.286
<b>I) PREPAYMENTS AND ACCRUED INCOME (ADP 063 to 065)</b>	<b>062</b>	1,425.135	286,222.521	287,647.656	1,874.836	303,191.177	305,066.013
1 Deferred interest and rent	063	0	1,454.551	1,454.551	0	1,357.599	1,357.599
2 Deferred acquisition costs	064	0	268,986.430	268,986.430	0	279,972.706	279,972.706
3 Other prepayments and accrued income	065	1,425.135	15,781.540	17,206.675	1,874.836	21,860.872	23,735.708
<b>J) TOTAL ASSETS (ADP 001+004+008+034+035+043+046+055+062)</b>	<b>066</b>	4,104,080,120	8,719,271,429	12,823,351,549	4,150,686,210	9,167,428,126	13,318,114,336
<b>K) OFF-BALANCE SHEET ITEMS</b>	<b>067</b>	269,163.441	2,573,102.420	2,842,265.861	335,171.523	2,705,222.410	3,040,393.933

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION (BALANCE SHEET)

As at: 31.03.2020

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)
<b>LIABILITIES</b>							
<b>A) CAPITAL AND RESERVES (ADP 069+072+073+077+081+084)</b>	<b>068</b>	<b>508.083.314</b>	<b>3.311.557.118</b>	<b>3.819.640.432</b>	<b>454.977.329</b>	<b>3.264.715.891</b>	<b>3.719.693.220</b>
<b>1 Subscribed capital (ADP 070 to 071)</b>	<b>069</b>	<b>44.288.720</b>	<b>545.037.080</b>	<b>589.325.800</b>	<b>44.288.720</b>	<b>545.037.080</b>	<b>589.325.800</b>
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
<b>2 Premium on shares issued (capital reserves)</b>	<b>072</b>	<b>0</b>	<b>681.482.525</b>	<b>681.482.525</b>	<b>0</b>	<b>681.482.525</b>	<b>681.482.525</b>
<b>3 Revaluation reserves (ADP 074 to 076)</b>	<b>073</b>	<b>176.625.491</b>	<b>432.713.780</b>	<b>609.339.271</b>	<b>107.233.654</b>	<b>284.108.942</b>	<b>391.342.596</b>
3.1 Land and buildings	074	0	119.622.869	119.622.869	0	119.186.123	119.186.123
3.2 Financial assets available for sale	075	176.625.491	312.925.487	489.550.978	107.233.654	164.757.395	271.991.049
3.3 Other revaluation reserves	076	0	165.424	165.424	0	165.424	165.424
<b>4 Reserves (ADP 078 to 080)</b>	<b>077</b>	<b>85.295.937</b>	<b>316.742.638</b>	<b>402.038.575</b>	<b>85.295.937</b>	<b>316.742.638</b>	<b>402.038.575</b>
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
<b>5 Retained profit or loss brought forward (ADP 082 + 083)</b>	<b>081</b>	<b>164.008.543</b>	<b>1.034.053.589</b>	<b>1.198.062.132</b>	<b>201.841.691</b>	<b>1.334.681.045</b>	<b>1.536.522.736</b>
5.1 Retained profit	082	164.008.543	1.034.053.589	1.198.062.132	201.841.691	1.334.681.045	1.536.522.736
5.2 Loss brought forward (-)	083	0	0	0	0	0	0
<b>6 Profit or loss for the current accounting period (ADP 085+086)</b>	<b>084</b>	<b>37.864.623</b>	<b>301.527.506</b>	<b>339.392.129</b>	<b>16.317.327</b>	<b>102.663.661</b>	<b>118.980.988</b>
6.1 Profit for the current accounting period	085	37.864.623	301.527.506	339.392.129	16.317.327	102.663.661	118.980.988
6.2 Loss for the current accounting period(-)	086	0	0	0	0	0	0
<b>B) SUBORDINATE LIABILITIES</b>	<b>087</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>C) MINORITY INTEREST</b>	<b>088</b>	<b>630.567</b>	<b>11.922.791</b>	<b>12.553.358</b>	<b>708.902</b>	<b>11.869.592</b>	<b>12.578.494</b>
<b>D) TECHNICAL PROVISIONS (ADP 090 to 095)</b>	<b>089</b>	<b>3.009.126.063</b>	<b>4.233.604.886</b>	<b>7.242.730.949</b>	<b>3.024.340.722</b>	<b>4.480.778.604</b>	<b>7.505.119.326</b>
1 Provisions for unearned premiums, gross amount	090	5.909.255	1.429.409.694	1.435.318.949	5.840.340	1.652.337.407	1.658.177.747
2 Mathematical provisions, gross amount	091	2.937.212.325	17.908.413	2.955.120.738	2.925.253.853	15.879.502	2.941.133.355
3 Claims outstanding, gross amount	092	66.004.483	2.743.831.653	2.809.836.136	93.246.529	2.787.656.674	2.880.903.203
4 Provisions for bonuses and rebates, gross amount	093	0	8.770.594	8.770.594	0	7.989.610	7.989.610
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	9.859.878	9.859.878
<b>E) SPECIAL PROVISIONS FOR LIFE ASSURANCE WHERE POLICYHOLDERS BEAR THE INVESTMENT RISK, gross amount</b>	<b>096</b>	<b>450.937.458</b>	<b>0</b>	<b>450.937.458</b>	<b>441.946.104</b>	<b>0</b>	<b>441.946.104</b>
<b>F) OTHER PROVISIONS (ADP 098 + 099)</b>	<b>097</b>	<b>3.076.787</b>	<b>115.844.923</b>	<b>118.921.710</b>	<b>1.980.353</b>	<b>99.859.146</b>	<b>101.839.499</b>
1 Provisions for pensions and similar obligations	098	2.957.741	111.329.174	114.286.915	1.876.672	95.343.397	97.220.069
2 Other provisions	099	119.046	4.515.749	4.634.795	103.681	4.515.749	4.619.430
<b>G) DEFERRED AND CURRENT TAX LIABILITIES (ADP 101 + 102)</b>	<b>100</b>	<b>36.401.392</b>	<b>141.425.157</b>	<b>177.826.549</b>	<b>22.754.819</b>	<b>124.093.083</b>	<b>146.847.902</b>
1 Deferred tax liability	101	35.681.180	113.553.295	149.234.475	19.377.910	80.672.648	100.050.558
2 Current tax liability	102	720.212	27.871.862	28.592.074	3.376.909	43.420.435	46.797.344
<b>H) DEPOSITS HELD UNDER BUSINESS CEDED</b>	<b>103</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>I) FINANCIAL LIABILITIES (ADP 105 to 107)</b>	<b>104</b>	<b>4.320.559</b>	<b>297.695.442</b>	<b>302.016.001</b>	<b>102.675.786</b>	<b>537.547.792</b>	<b>640.223.578</b>
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	102.675.786	537.547.792	640.223.578
<b>J) OTHER LIABILITIES (ADP 109 to 112)</b>	<b>108</b>	<b>68.558.512</b>	<b>284.395.259</b>	<b>352.953.771</b>	<b>77.265.804</b>	<b>324.190.328</b>	<b>401.456.132</b>
1 Liabilities from direct insurance business	109	6.788.834	91.501.162	98.289.996	5.729.961	91.164.709	96.894.670
2 Liabilities from coinsurance and reinsurance business	110	21.961	46.608.944	46.630.905	220.470	97.372.177	97.592.647
3 Liabilities for disposal and discontinued operations	111	0	11.832	11.832	0	12.465	12.465
4 Other liabilities	112	61.747.717	146.273.321	208.021.038	71.315.373	135.640.977	206.956.350
<b>K) ACCRUALS AND DEFERRED INCOME (ADP 114+115)</b>	<b>113</b>	<b>22.945.468</b>	<b>322.825.853</b>	<b>345.771.321</b>	<b>24.036.391</b>	<b>324.373.690</b>	<b>348.410.081</b>
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	24.036.391	324.373.690	348.410.081
<b>J) TOTAL LIABILITIES (ADP 068+087+088+089+096+097+100+103+104+108+113)</b>	<b>116</b>	<b>4.104.080.120</b>	<b>8.719.271.429</b>	<b>12.823.351.549</b>	<b>4.150.686.210</b>	<b>9.167.428.126</b>	<b>13.318.114.336</b>
<b>M) OFF-BALANCE SHEET ITEMS</b>	<b>117</b>	<b>269.163.441</b>	<b>2.573.102.420</b>	<b>2.842.265.861</b>	<b>335.171.523</b>	<b>2.705.222.410</b>	<b>3.040.393.933</b>

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the period: 1.1.2020 - 31.03.2020

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	
<b>I Balance on the first day of the previous business year</b>	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	
<b>II Balance on the first day of the previous business year (restated)</b>	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	
<b>III Comprehensive income or loss for the same period of the previous year (ADP 006 + ADP 007)</b>	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	
<b>IV Transactions with owners (previous period)</b>	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	
<b>V Balance on the last day of the previous business year reporting period</b>	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	
<b>VI Balance on the first day of the current business year</b>	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	
<b>VII Balance on the first day of the current business year (restated)</b>	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	
<b>VIII Comprehensive income or loss for the year</b>	22	0	0	-217.561.566	0	0	118.980.988	-98.580.578	210.489	-98.370.089	
Profit or loss for the period	23	0	0	0	0	0	118.980.988	118.980.988	125.867	119.106.855	
Other comprehensive income or loss for the year	24	0	0	-217.561.566	0	0	0	-217.561.566	84.622	-217.476.944	
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	-185.795.931	0	0	0	-185.795.931	-29.593	-185.825.524	
Realised gains or losses on financial assets available for sale	27	0	0	-37.510.929	0	0	0	-37.510.929	0	-37.510.929	
Other changes in equity unrelated to owners	28	0	0	5.745.294	0	0	0	5.745.294	114.215	5.859.509	
<b>Transactions with owners (current period)</b>	29	0	0	-435.109	0	338.460.604	-339.392.129	-1.366.634	-185.353	-1.551.987	
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	-146.257	-146.257	
Other transactions with owners	33	0	0	-435.109	0	338.460.604	-339.392.129	-1.366.634	-39.096	-1.405.730	
<b>Balance on the last day of the current year reporting period</b>	34	589.325.800	681.482.525	391.342.596	402.038.575	1.536.522.736	118.980.988	3.719.693.220	12.578.494	3.732.271.714	



# CONSOLIDATED STATEMENT OF CASH FLOWS – indirect method

For the period: 1.1.2020 - 31.03.2020

in HRK

Item	ADP code	Same period of the previous year	Current business period
1	2	3	4
<b>I Cash flow from operating activities (ADP 002+013+031)</b>	<b>001</b>	<b>-124.172.134</b>	<b>491.579.314</b>
<b>1 Cash flow before changes in operating assets and liabilities (ADP 003+004)</b>	<b>002</b>	<b>73.254.998</b>	<b>165.375.050</b>
1.1 Profit/loss before tax	003	112.598.393	145.220.114
1.2 Adjustments: (ADP 005 to 012)	004	-39.343.395	20.154.936
1.2.1 Depreciation of property and equipment	005	14.655.449	15.242.682
1.2.2 Amortization of intangible assets	006	4.557.999	5.284.627
1.2.3 Impairment and gains/losses on fair valuation	007	-2.197.202	51.537.149
1.2.4 Interest expenses	008	3.294.359	2.754.030
1.2.5 Interest income	009	-56.576.768	-53.453.947
1.2.6 Share in profit of associates	010	-2.417.801	-2.243.426
1.2.7 Profit/loss from the sale of tangible assets (including land and buildings)	011	-202.691	584.360
1.2.8 Other adjustments	012	-456.740	449.461
<b>2 Increase/decrease in operating assets and liabilities (ADP 014 to 030)</b>	<b>013</b>	<b>-190.065.689</b>	<b>337.844.995</b>
2.1 Increase/decrease in financial assets available for sale	014	-236.506.434	108.178.190
2.2 Increase/decrease in financial assets at fair value through statement of profit or loss	015	129.955.770	-13.458.445
2.3 Increase/decrease in loans and receivables	016	-102.897.348	-15.701.392
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	-8.857.033	8.991.354
2.6 Increase/decrease in reinsurance amount in technical provisions	019	-50.618.199	-81.999.509
2.7 Increase/decrease in tax assets	020	-1.541.532	-3.833.255
2.8 Increase/decrease in receivables	021	-247.599.938	-180.720.553
2.9 Increase/decrease in other assets	022	0	0
2.10 Increase/decrease in prepayments and accrued income	023	-19.251.293	-17.371.059
2.11 Increase/decrease in technical provisions	024	277.150.460	261.603.302
2.12 Increase/decrease in special provisions for life assurance where policyholders bear the investment risk	025	8.857.033	-8.991.354
2.13 Increase/decrease in tax liabilities	026	1.067.274	4.033.679
2.14 Increase/decrease in deposits held under reinsurance business ceded	027	0	0
2.15 Increase/decrease in financial liabilities	028	21.754.435	245.259.755
2.16 Increase/decrease in other liabilities	029	25.187.009	29.266.749
2.17 Increase/decrease in accruals and deferred income	030	13.234.107	2.587.533
<b>3 Income tax paid</b>	<b>031</b>	<b>-7.361.443</b>	<b>-11.640.731</b>
<b>II CASH FLOW FROM INVESTING ACTIVITIES (ADP 033 to 046)</b>	<b>032</b>	<b>-69.342.764</b>	<b>208.147.899</b>
1 Cash receipts from the sale of tangible assets	033	443.735	1.259.847
2 Cash payments for the purchase of tangible assets	034	-3.506.961	-28.422.232
3 Cash receipts from the sale of intangible assets	035	0	0
4 Cash payments for the purchase of intangible assets	036	-5.213.639	-14.010.958
5 Cash receipts from the sale of land and buildings not occupied by an undertaking for its own activities	037	5.527.884	300.068
6 Cash payments for the purchase of land and buildings not occupied by an undertaking for its own activities	038	-493.580	-539.104
7 Increase/decrease of investments in branches, associates and joint ventures.	039	13.500.000	0
8 Cash receipts from financial assets held to maturity	040	53.822.726	350.513.322
9 Cash payments for financial assets held to maturity	041	-140.910.320	-102.751.198
10 Cash receipts from the sale of financial instruments	042	0	0
11 Cash payments for investments in financial instruments	043	0	0
12 Cash receipts from dividends and share in profit	044	838.043	994.319
13 Cash receipts from repayments of short-term and long-term loans given	045	14.322.151	9.346.384
14 Cash payments for short-term and long-term loans	046	-7.672.803	-8.542.549
<b>III CASH FLOW FROM FINANCING ACTIVITIES (ADP 048 to 052)</b>	<b>047</b>	<b>-5.901.927</b>	<b>-6.222.446</b>
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	-5.901.927	-6.076.189
4 Cash payments for the redemption of treasury shares	051	0	0
5 Cash payments of share in profit (dividend)	052	0	-146.257
<b>NET CASH FLOW (ADP 001 + 032 + 047)</b>	<b>053</b>	<b>-199.416.825</b>	<b>693.504.767</b>
<b>IV EFFECT OF EXCHANGE RATE FLUCTUATIONS ON CASH AND CASH EQUIVALENTS</b>	<b>054</b>	<b>-6.277.305</b>	<b>-86.773.368</b>
<b>V NET INCREASE/DECREASE IN CASH AND CASH EQUIVALENTS (053+054)</b>	<b>055</b>	<b>-205.694.130</b>	<b>606.731.399</b>
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	240.513.841	827.082.789

## 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 119m, which represents an increase of 28.3 percent compared to the comparative period of the previous year.

Gross written premium for the reporting period amounted to HRK 983.6m, which represents a decrease of 4.9 percent compared to the comparative period of the previous year. Gross written premium of non-life insurance amounted to HRK 843.1m which is on the same level as in the previous year, while gross written premium of life insurance decreased by 26.5 percent and amounted to HRK 140.5m.

Earned premium for the reporting period amounted to HRK 718.7m, which represents 72.4 percent of total income and a decrease of 1.6 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 230.7m, which represents an increase of 110.1 percent compared to the comparative period of the previous year. Income from investments represents 23.2 percent of total income. Income expenses amounted to HRK 82.6m and represent 9.7 percent of total expenses.

Net claims incurred for the reporting period represent 64.3 percent of total expenses and amounted to HRK 545.4m, which represents an increase of 36.6 percent compared to the same period of the previous year. Non-life claims increased by 15.1 percent, while life claims increased by 94.3 percent compared to the same period of the previous year.

Acquisition and administration costs amounted to HRK 250.4m, representing 29.5 percent of total expenses of the Group. Acquisition and administration costs decreased by 7.8 percent compared to the comparative period of the previous year.

Total assets of the Group as at 31.03.2020 amounted to HRK 13.3 billion, representing an increase of 3.9 percent compared to 31.12.2019.

Technical reserves amounted to HRK 7.5 billion, representing an increase of 3.6 percent compared to 31.12.2019.

Unaudited consolidated financial statements for the first quarter 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 Company'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 Company 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.

Based on currently available information, the Group cannot reliably estimate the amount of potential losses that would result from the direct impact of COVID-19. However, 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. 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. Until the date of this report, the amount of damage caused by this event is still being estimated. The Group has adequate reinsurance coverage and will recover a significant portion of claims through reinsurance contracts. Therefore, the impact on the financial result and financial position of the Group will be significantly less than the total amount of claims to be determined. The Group also has high solvency and liquidity levels, which enables it to operate normally in these circumstances.

### *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, 28 April 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-III 2020

#### 1. GENERAL INFORMATION

The Group consolidated the following entities as at 31 March 2020:

Group	Activity	31 March 2020		
		Shares directly held by parent (%)	Shares held by the Group (%)	Shares held by non-controlling interests (%)
<b>Subsidiaries registered in Croatia which are consolidated:</b>				
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	-
<b>Subsidiaries registered abroad which are consolidated</b>				
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

## Share capital and shares

The Company's share capital with a nominal value of 601.575.800 as at 31 March 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
<b>TOTAL OF ORDINARY SHARES</b>	<b>589,325,800</b>
8.750 preference shares I. emission with ticker CROS-P-A/CROS2	12,250,000
<b>TOTAL OF PREFERENCE SHARES</b>	<b>12,250,000</b>

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.

## 2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

### Basis for preparation and consolidation

Financial statements are prepared in accordance with the Company's Act (Official Gazette 65/18, 17/20), International Financial Reporting Standards ('IFRS') as adopted in the European Union, 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.

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.

### Presentation currency

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



## Earnings per share

	<b>1.1.-31.03.2019</b>	<b>1.1.-31.03.2020</b>
	in HRK	in HRK
Profit for the year attributable to the Company's shareholders	92,710,048	118,980,988
Weighted average of ordinary shares	420,947	420,947
<b>Earnings per share attributable to the Company's shareholders</b>		
Basic and diluted earnings per share in HRK	<b>220.2</b>	<b>282.7</b>

## 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 which are used in the preparation of financial statements for the reporting period are the same as the accounting policies which are used for preparation of the audited financial statements for the year 2019.

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.

## MANAGEMENT BOARD STATEMENT

Pursuant to article 20 of the Articles of Association of the Company from 26 February 2020 and article 468 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 quarterly consolidated unaudited financial statements of the issuer for the period 1.1. – 31.03.2020, 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, 28 April 2020

Member of the Management Board      President of the Management Board

Luka Babić      Davor Tomašković

