

SECURITIES: CROS-R-A/ HRCROSRA0002
CROS-P-A/ HRCROSPA0004

LISTING: Official market of the Zagreb Stock Exchange (Zagrebačka burza d.d.)

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CROATIAN NEWS AGENCY (HINA – OTS)

In Zagreb, 26 October 2017

Announcement: Business results of Croatia osiguranje Group for the period between January and September 2017

Croatia osiguranje has maintained the leading position in the Croatian market, with total market share of 30%. It is also the market leader in non-life insurance segment, with 35.3% share, as well as in the life insurance segment, with achieved a market share of 18.4%. Total gross written premium achieved in Croatia amounts to HRK 2.1 billion, which is 1% more than in the previous year, despite targeted optimization and reduction of a part of the portfolio.

Gross written premium at Group level amounts to HRK 2.5 billion, which is a 3% increase in comparison with the previous year. Combined ratio from regular business operations, as one of the key indicators of business efficiency, amounts to 97 and is almost two percentage points better than in the previous year.

Indicators achieved are the result of a successfully implemented organisational restructuring process. Croatia osiguranje implements a number of activities targeted at the increase of business efficiency, especially in the area of improving the work of the sales network, optimisation of business organization and digitalization. The aim is to create a cost-effective, more client-oriented organisation which offers top product and service.

Merger of the company Croatia zdravstveno osiguranje d.d. was carried out in the beginning of July. In addition, at the end of September, the regulatory bodies allowed Croatia osiguranje to acquire the company Cardif osiguranje. Based on these developments, the previously defined procedure of organizational and market consolidation has been continued. The combination of a strong market position and cost efficiency will ensure long-term business sustainability.

In the first nine months of this year, CO Group realized income before taxation in the amount of HRK 275 million, whereas during the same period in the previous year, the income realized amounted to HRK 234 million, which thus represents an increase of 18%. Net income amounts to HRK 219 million, i.e. 17% more than in the first nine months of 2016.

Sincerely,

CROATIA osiguranje d.d.