



croatia lloyd



GODIŠNJE IZVJEŠĆE
REVIEW AND ACCOUNTS
2002



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NADZORNI ODBOR

SUPERVISORY BOARD

UPRAVA

MANAGEMENT

Predsjednik
President

Branimir Zekan

Potpredsjednik
Vicepresident

Franko Burmas

Članovi
Members

dr. Marijan Ćurković
Ivan Modrić
dr. Rikard Štajner
dr. Vladimir Veselica
Zoran Zaninović

Generalni direktor
General Manager

Robert Stude

Direktori
Directors

Marija Brstilo
Zoran Vrcan



Poslovanje u 2002. godini potvrdilo je predviđanja i izazove na tržištu osiguranja i reosiguranja. Ni jedan segment industrije osiguranja i reosiguranja nije bio izuzet i nepogođen lošim stanjem u ekonomiji i teškoj stvarnosti koja je posljedica neadekvatnih rezervi koje su se izdvajale godinama. Efekti ovakvog stanja manifestirali su se bez izuzetaka na cijelom svjetskom tržištu.

Smanjenje kapitala u kompanijama zbog isplate šteta iz neadekvatnih rezervi, loši rezultati investiranja i povlačenje kapitala iz reosiguranja prouzročili su najveći deficit kapaciteta u reosiguranju od 1992. godine. Bez obzira na novih 25 milijuna dolara investiranih u industriju (većinom na Bermudima), potražnja je mnogostruko veća od ponude. Jedno je sigurno, potreba za novim, dobro kapitaliziranim reosigurateljem veća je nego ikada. Treba međutim naglasiti da trenutačno stanje tržišta nije posljedica uzroka koji su nastali preko noći. Europa je doživjela 1999. godine olujna nevremena (Lothar i Martin) čije je štete industrija platila USD 10 milijardi. Događaji od 11. rujna 2001. g. izmijenili su industriju zauvijek, a reakcija su bile više cijene i pooštavanje uvjeta i širine pokrića svih vidova osiguranja i reosiguranja. Na ovo stanje unutar industrije nadovezalo se još nešto, a to je urušavanje tržišta kapitala i vrlo niski prihodi od ulaganja novca. Podrezoviranost u svim vrstama tzv. Casualty poslova, odigrala je veliku ulogu u eroziji temeljnog kapitala u industriji, poglavito u reosiguranju. Bankrot Enrona i još nekoliko velikih kompanija u SAD uzrokovao je pravu eksploziju gubitaka u klasi osiguranja profesionalne odgovornosti (poglavito osiguranja odgovornosti direktora i osoba s posebnim ovlaštenjima). Zaredali su bankroti i izlasci iz posla u industriji osiguranja i reosiguranja. Bez obzira što su se premije kontinuirano povećavale bilo je potrebno smanjiti volun-

The conducting of business in the year 2002 confirmed all the anticipations and presence of the challenges in the insurance and reinsurance market. No segment of the insurance and reinsurance industry was spared or unaffected by the bad situation in the economy and the hard reality being the consequence of inadequate reserves which had been accumulated for years. The effects of such a situation manifested themselves without exception on the entire world market.

The reduction of capital in companies due to payment of losses from inadequate reserves, bad investment results and withdrawal of capital from reinsurance caused the largest deficit of the capacities in reinsurance since 1992. Regardless of the new 25 billions of dollars invested in the industry (mostly in Bermuda), the demand was many times over higher than the supply. One thing is for sure, need for a new well capitalised reinsurer is greater than ever. However, it should be pointed out that the present situation in the market is not a consequence of the causes which have appeared over the night. Europe suffered from storms in 1999 (Lothar and Martin) and the industry paid USD 10 billion for the respective losses. The events of 11th September 2001 changed the industry for ever and the reactions were higher prices and tightening conditions and scopes of cover in all kinds of insurance and reinsurance. To such a situation within the industry something else was also added - the caving in of the capital market and very low income from capital investments. Too small reserves in all kinds of so called Casualty business played a big role in the erosion of equity capital in the industry, particularly in reinsurance. The bankruptcy of Enron and several other big companies in the USA caused a real explosion of losses in the class of professional liability insurance (especially in the



TEČE I TEČE,
TEČE JEDAN
SLAP;
ŠTO U NJEM
ZNAČI MOJA
MALA KAP? ○



GLE,
JEDNA
DUGA
U VODI
SE STVARA,
I SJA I
DRŠĆE
U HILJADU
ŠARA.

tarizam rezultata kod cedenata i pokušati osigurati određeni nivo profitabilnosti. Ovoljetne poplave u centralnoj i istočnoj Europi nisu ništa pripomogle da se rezultati u osiguranju i reosiguranju ujednače. Preljevanje negativnih rezultata od cedenata na reosiguratelje treba zaustaviti, no pitanje je kada bi se to trebalo dogoditi. Problem financijskih prihoda, smanjenje rejtinga reosiguratelja od strane stručnih agencija, promjene sastava starijeg menadžmenta te neizvjesnost u pogledu vlasništva bili su problemi koji su pojedinim cedentima bili ograničenje kod izbora partnera u reosiguranju. Samo manji broj reosiguratelja i to čak reosiguratelja od imena nije imao znatnijih problema s nabrojanim čimbenicima, ali su se i kod njih pojavila pitanja da li će biti dostatnih kapaciteta, sposobnosti, znanja, umijeća i dovoljno distribucijskih kanala da se zadovolje potrebe u reosiguranju.

Za očekivati je bilo da će se nivo premijskih stopa specijalističkih vidova osiguranja povećati. Katastrofalna, neproporcionalna pokrića i rizici zrakoplovstva čije su premijske stope povećane već u 2001., a naročito u 2002., će se u 2003. stabilizirati. Gospodarska neizvjesnost trebala bi prisiliti osiguratelje kreditnih osiguranja, te osiguranja požarnih i srodnih rizika da povećaju premijske stope.

U takvom okruženju koje je vladalo na svjetskom tržištu mi smo poslovali s profitom, ali to nije bilo nimalo lako. Recesija u gospodarstvu još se uvijek produbljuje kao posljedica situacije koju je na globalnom planu ostavio 11. rujna 2001. godine.

Reperkuzije su vidljive u ponašanju kako konzumenata naših usluga tako i onih koji nama pružaju usluge. Neizvjesnost u pogledu budućeg političkog i ekonomskog razvoja

Directors and officers liability insurance). Bankruptcies followed one another as well as abandoning leading to a reduction of business in the insurance and reinsurance industry. Regardless of the fact that premiums have been permanently increasing it has been necessary to reduce volatility in the cedants' results and to try to secure certain level of profitability. Floods in the Central and Eastern Europe this year have not helped to level (stabilise) results in insurance and reinsurance. Pouring over of negative results from cedants to reinsurers should be stopped, but the question is when it should happen. The problem of financial income, lowered rating of reinsurers by relevant agencies, changes in the composition of senior management and uncertainty regarding ownership were the problems, which represented limitations for some cedants in their choice of a partner in reinsurance. Only a small number of reinsurers did not have significant problems with the listed factors, but they also were confronted with a question whether there would be sufficient capacities, capabilities, skills and sufficient distribution channels to satisfy the needs in reinsurance, including even the well known reinsurers.

The expectations were that the level of premium rates in specialised kinds of insurance would be increased. Catastrophic, non-proportional covers and aviation risks whose premium rates were increased already in 2001. and especially in 2002, would be stabilised in 2003. The economic uncertainty should force insurers of credit insurances and fire and allied perils insurances to increase premium rates.

In such an environment, which was prevailing on the world market, we transacted business with a profit, but that was not easy at all. Recession in the economy is still being intensified as a consequence of the situation caused on a global plan by the events of 11th September 2001.

odgađa odluke korisnika usluga da iste kupe, a oni koji usluge pružaju svoje planove odgađaju jer ih ne mogu vezati uz neizvjesnost, te zadržavaju kapitalne investicije u rezervi.

Naše se poslovanje odvijalo u okruženju u kojem je prosječna godišnja stopa rasta cijena na malo smanjena sa 4,9% ostvarenih u 2001. na 2,2% u 2002. Time je, ostvarivši najnižu inflacijsku vrijednost u zadnjih 7 godina, prosječna godišnja stopa inflacije u Hrvatskoj bila među najnižima u skupini tranzicijskih zemalja, te gotovo na razini prosječne godišnje inflacije u EU (2,1%). Prosječna godišnja stopa temeljne inflacije pala je sa 3,6% u 2001. na 1,1% u 2002. godini.

Na kraju 2002. godine, prema podacima središnjeg ureda za zapošljavanje, nezaposlenost je u Hrvatskoj iznosila 370.000 osoba, što je za 16.000 ili 4% manje nezaposlenih nego godinu dana ranije kada je u prosincu ukupno bilo 1.333.756 zaposlenih. Vrlo je važno da nakon višegodišnjeg trenda porasta broja nezaposlenih svjedočimo već nekoliko zadnjih mjeseci ove godine trendu pada njihovog broja, što je dobar znak. Realne neto plaće u 2002. rasle su 4,4%.

Tijekom 2002. godine registrirano je i za cca 7% više turista koji su ostvarili cca 3,5% više noćenja nego godinu dana prije. Pri tome je značajnije povećanje zabilježeno u predsezoni i posezoni, dok su tijekom ljetnih mjeseci kretanja bila neznatno bolja nego prethodne godine. Uočava se i promjena u strukturi gostiju. Zabilježen je snažan rast broja noćenja turista iz Njemačke, Italije i Mađarske, a smanjen je broj noćenja Čeha, Slovaka, Poljaka te slovenskih turista.

Nakon potpisa ugovora o stabilizaciji i pridruživanju sa EU ukupno hrvatsko tržište pa i ono reosiguranja postalo je sasvim otvoreno.

The repercussions are evident in the behaviour of the users of our services as well as of those providing services to us. Uncertainty in respect of the future political and economic development causes postponement of the users' decisions to buy services and those providing such services postpone their plans since they cannot tie themselves in such uncertain circumstances, so they keep their capital investments in reserve.

Our business operation proceeded in an environment in which the average annual rate of the retail prices growth was reduced from 4,9% realised in 2001 to 2.2% in 2002. By realising the lowest inflation value in the last 7 years, the average annual rate of inflation in Croatia was among the lowest in the group of the countries in transition, and almost at the level of the average annual inflation in EU (2.1). The average annual rate of the basic inflation dropped from 3.6% in 2001 to 1.1% in 2002.

At the end of the year 2002, according to the data of the Central Employment Office, there were 370,000 of unemployed persons in Croatia, which is 16,000 or 4% less unemployed than in the previous year, when in December the total number of employed persons was 1,333,756. It is very important that, after constant increase in the unemployed persons number over several years, in the last few months we are witnessing declining trend in their number, which is certainly a good sign. Real wages in the year 2002 were growing by 4.4%.

During the year 2002 approximately 7% more tourists were registered, realising approximately 3.5% more overnight stays than in the year before. At that, a more significant increase was recorded in pre-season and after-season, while during the summer months trends were slightly better than in the previous year. Also, the





Analitičari ocjenjuju da je na slabljenje USD prema Euru, a time i prema kuni, znatno utjecala najava o mogućnosti izbijanja rata u Iraku, te više kamatne stope u EU, što otežava priljev inozemnog kapitala koji bi bio dovoljno velik da pokrije značajan deficit na tekućem računu platne bilance SAD-a.

Usljed niskog porasta cijena svih roba, pa i onih koje se koriste za osobnu potrošnju, u 2002. godini ostvaren je nezabilježeno nizak porast troškova života od 1,9%.

Na kraju 2002. međunarodne su rezerve HNB iznosile 5,9 milijardi USD, a to je za 1,2 milijarde USD više nego na kraju 2001. godine - uz to su uredno isplaćeni svi dospjeli krediti i obveze prema MMF-u.

Kako se i predviđalo cijelu su 2002. godinu kamate na depozite i kredite padale i 31.12. dosegle najnižu razinu u zadnjih 10 godina. Kamate na depozite su počele drastično padati 1. ožujka 2002. godine, odmah nakon prvog velikog pada kamata na kredite u veljači 2002. godine.

Ne treba zaboraviti napomenuti i to da su u 2002. godini u Hrvatskoj zaživjeli mirovinski fondovi kao prvi korak u organizaciji mirovinske reforme. Uspostavljen je fondovski sustav tzv. Drugog stupnja u mirovinskom osiguranju s obvezom učlanjenja za sve one koji su mlađi od 40 godina i s pravom izbora onih osoba koje su u trenutku uvođenja sustava bile stare između 40 i 50 godina. To bi trebao biti značajan zamašnjak investicijskom ciklusu u posrnulo hrvatsko gospodarstvo, te se s nestrpljenjem očekuju prvi rezultati fondovskih ulaganja i njihovi prinosi u trci za pridobijanjem članstva.

change in the structure of guests was noted. A considerable growth in number of overnight stays of the tourists from Germany, Italy and Hungary was recorded, while the number of overnight stays of Czechs, Slovaks, Poles and Slovenian tourists was reduced.

After the signing of the Agreement on Stabilisation and Association with the EU, the overall Croatian market, including the reinsurance market as well, became completely open. The assessment of the analysts that the weakening of USD toward Euro and consequently to Kuna was considerably influenced by the announced possibility of the war in Iraq, and higher interest rates in the EU, hindering foreign capital inflow which would be sufficiently large enough to cover a considerable deficit on the balance of payment current account of the U.S.A.

Due to the small increase of prices of all goods, including those intended for personal consumption, in the year 2002 was realised, the never previously recorded low increase of the cost of living of 1.9%.

At the end of the year 2002, the international reserves of the Croatian National Bank amounted to USD 5.9 billion, which is USD 1.2 billion more than at the end of the year 2001 - and in addition all due credits and obligations toward the IMF were paid in order.

As anticipated, throughout the year 2002 interests on deposits and credits were falling and on the 31st December they reached the lowest level in the last 10 years. Interests on deposits began to fall drastically on 1st March 2002, immediately after the first great fall of interests on credits in February of 2002.

Osiguratelji se danas puno više fokusiraju na tehničku cijenu rizika i cijeli proces traje puno duže. Traži se mnogo podataka da bi se rizik bolje razumio i procijenio.

Ne iznenađuje ni činjenica da se obnova ugovora o reosiguranju za 2003. godinu obavljala u ozračju vrlo velikih pooštavanja uvjeta, bez izuzetaka, uz veće pridržaje kod neproporcionalnih pokrića, te "čitkija" isključenja i preciznije utvrđene limite i nove podlimite kod proporcionalnih poslova. Opći je trend u nastojanju da se proporcionalni ugovori "očiste" od nepoznatih i neizvjesnih rizika, te rizika koji prijete da bi mogli dovesti do katastrofa zbog izmijenjene klimatske slike.

Ovo je prigoda da se zahvalimo cedentima, u prvom redu Croatia osiguranju, na ozbiljnosti u poslu, svim našim partnerima na pomoći i prihvatu u plasiranju rizika, Nadzornom odboru na požrtvovanju koje unosi u poslove nadzora društva, te svim uposlenicima Croatia Lloyd na predanom i profesionalnom odnosu prema poslu koji obavljaju.

It should not be forgotten that in 2002 pension funds took hold in Croatia as the first step in the organisation of the pension system reform. So called "second degree" fund system was established in pension insurance with the obligation of membership for all those younger than 40 years and with the right of choice for all those who at the moment of the system introduction were aged between 40 and 50 years. It should be a significant driving force for the investment cycle into the stumbling Croatian economy and therefore the first results of investments made by the funds and the respective yields in their race for members are expected impatiently.

Nowadays, insurers are much more focused to the technical price of a risk and the whole process lasts much longer. Much data are requested in order to achieve better understanding and assessment of a risk. mmmm Also, it was not surprising that the renewal of reinsurance treaties for the year 2003 was performed in an atmosphere of severe tightening of conditions, with no exceptions, with higher retentions for non-proportional covers, with more "legible" exclusions and more precisely determined limits and new sub-limits in non-proportional business. mmmmm The general trend is evident in an effort to "clear" proportional treaties from unknown and uncertain risks as well as from the risks which could lead to a catastrophe due to the changed climatic picture.

Finally, we would like to take this opportunity to express our gratitude to the cedants, in the first place to Croatia Insurance Company, for their serious approach to business, to all our partners for their assistance and acceptance in the placement of risks, to the Supervisory Board for their dedicated work and to all the employees of Croatia Lloyd for their selfless and professional approach to the job.



TAJ SAN
U SLAPU
DA BI
MOGO
SJATI,
I MOJA
KAPLJA
POMAŽE GA
TKATI

(DOBRIŠA CESARIĆ)

PREMIJSKI PRIHOD

PREMIUM INCOME

U 2002. godini zabilježili smo 312.250.000 kuna premije. To je za 9,28% više nego u prethodnoj godini.

Rezultat je to povećanja premijskih stopa u osiguranju, ali uz ostalo i povećanja cijena reosigurateljnih pokrivača koja kupujemo na međunarodnom tržištu reosiguranja.

Cedirana premija bila je 17,93% veća, a pridržana premija bila je niža za 3,8%. Djelomično je tome doprinijelo povećanje premija aktivnih reosiguranja, koja predstavljaju odljev premijskog prihoda, te pad tečaja USD prema kuni od 18% jer je dobar dio naših premijskih prihoda u USD.

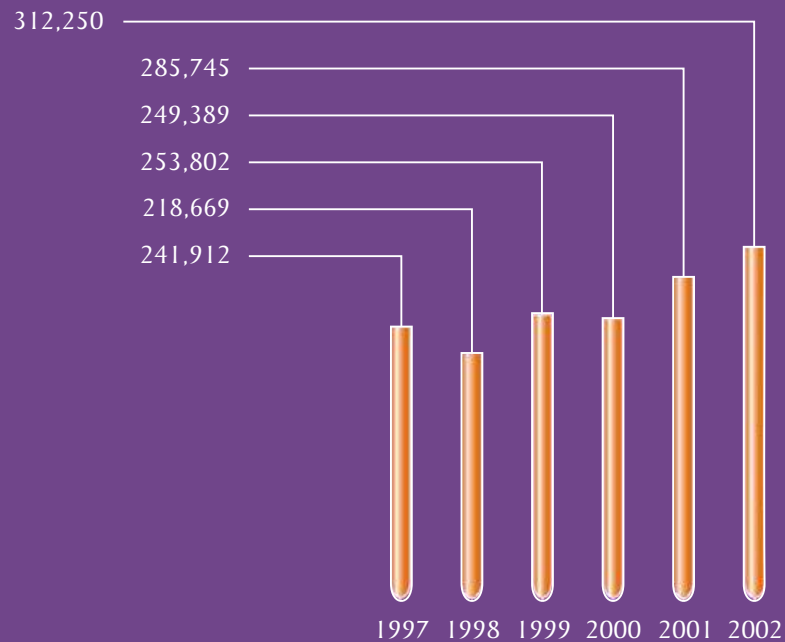
In the year 2002 HRK 312,250,000 of premium were recorded. This is by 9.28% more than in the previous year.

It results from the increase of premium rates in insurance, but amongst other things also from the increase of prices of reinsurance covers, which we buy on the international reinsurance market.

Ceded premium was by 17.93% higher and the retained premium was by 3.8% lower. It was partly contributed to by the increase of active reinsurance premiums, which represent outflow of premium income as well as by the drop of the USD rate of exchange toward Kuna of 18%, considering that the major part of our premium income is in USD.

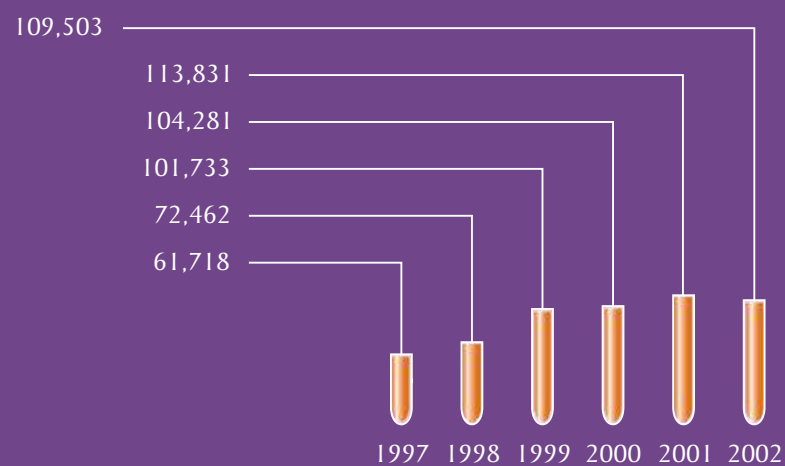
Kretanje bruto premije osiguranja 1997./2002. (000 kn)

Gross Premium Income Development 1997/2002 (000 HRK)



Kretanje neto premije osiguranja 1997./2002. (000 kn)

Net Premium Income Development 1997/2002 (000 HRK)



Neizbježan čimbenik posla u reosiguranju su i štete. U 2002. godini izdaci za štete su rasli za bruto 31,76% u odnosu na 2001. godinu.

Cedenti su i ove godine ostvarili povoljan rezultat.

Loss ratio - odnos bruto premija i šteta u 2002. godini bio je vrlo visok 60,67%, od toga na cediranoj premiji 43,47%, a na pridržanoj premiji 92,52%.

Usprkos tako visokom odnosu premije i šteta na pridržanoj smo strani održali pozitivan tehnički rezultat, što nam je uvijek primarni cilj u poslovanju.

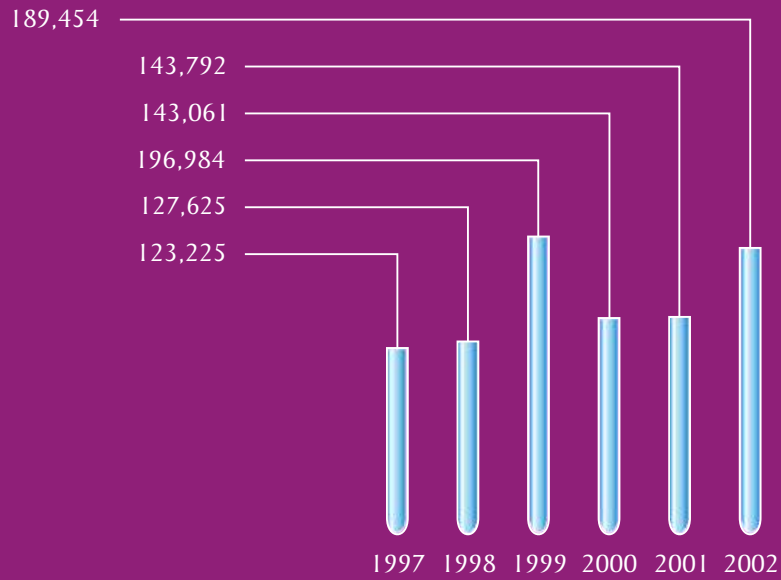
Losses are an unavoidable factor of reinsurance business. In 2002 expenditures for losses were growing by 31.76% in comparison with the year 2001.

The cedants realised favourable result in that year as well.

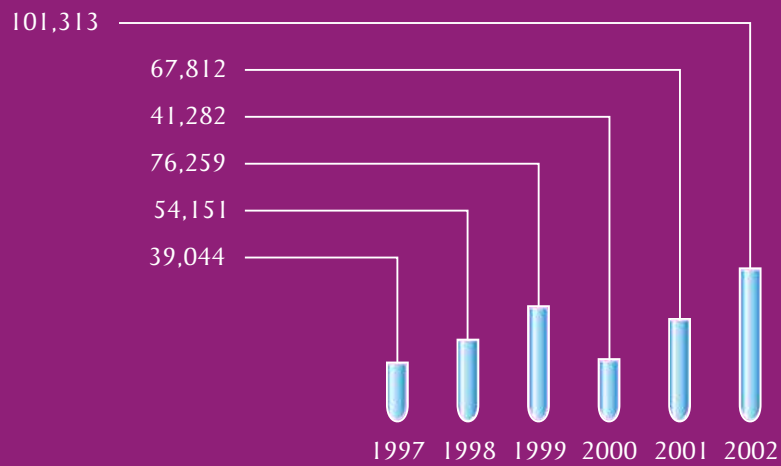
Loss ratio - relation of gross premium and losses in the year 2002 was very high - 60.67%, out of which 43.47% on the ceded and 92.52% on the retained premium.

In spite of such a high relation between premium and losses on the retained side we maintained positive technical result, which was always our primary goal.

Plaćene štete - bruto 1997./2002. (000 kn)
Paid Losses - Gross 1997/2002 (000 HRK)



Plaćene štete - neto 1997./2002. (000 kn)
Paid Losses - Net 1997/2002 (000 HRK)



TEHNIČKI REZULTAT

TECHNICAL RESULT

Rezultat kretanja premije i šteta iz poslova reosiguranja, te prihod od ulaganja tehničkih pričuva je tehnički rezultat u reosiguranju.

Nastavljena je politika pozitivnog tehničkog rezultata i u 2002.

Ako se uzme u obzir smanjenje prihoda na uložena sredstva zbog pada kamatnih stopa, visoke razine negativnih tečajnih razlika, te osobito porast izdataka za nastale štete, postignut je zadovoljavajući tehnički rezultat.

Dapače, to govori ne samo o kontinuitetu rezultatskog, pozitivnog trenda, već i o financijskoj snazi i stabilnosti Društva.

The result of the trend/relation between premium and losses from the reinsurance operation and the income from technical reserves investing is the technical result in reinsurance.

Our policy of the positive technical result continued in the year 2002 as well.

If the lowered income from invested funds due to the decline in interest rates is taken into account, as well as the high levels of negative rates of exchange differentials and particularly increased expenditures for losses, the achieved technical result is satisfactory.

Moreover, it speaks not only of the continuity of the positive result trend, but also of the financial strength and stability of the company.

Tehnički račun (kn)
 Technical Account - Summary (HRK)

Tehnički rezultat (kn)
 Technical Result (HRK)



JAMSTVENI KAPITAL

GUARANTEE FUND

To je kategorija koja je u najvećim problemima kod velikog broja reosiguratelja. Negativni tehnički rezultati u 2001. i 2002. godini i smanjenje prihoda od ulaganja načeli su kapital velikog broja reosiguratelja, te im uzrokovali velike teškoće, a u određenom broju slučajeva i bankrote.

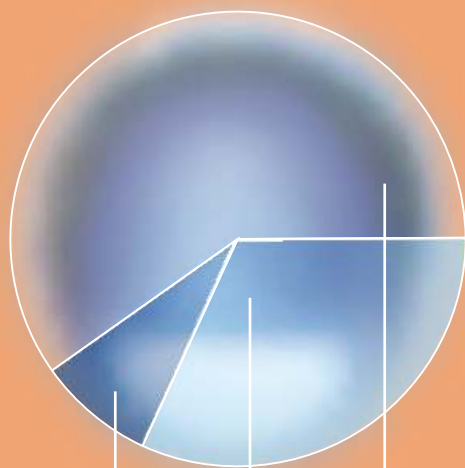
Mi ne samo da nismo bili pogođeni u tom pravcu već su nam pojedine kategorije jamstvenog kapitala i povećane, a odnos jamstvenog kapitala prema pridržanoj premiji se također poboljšao. Iznosio je 168,77%, a sada je 177,97%.

Većina najvećih kompanija u djelatnosti reosiguranja proživljava pad vrijednosti dionica koji se nastavlja, pa utječe i na pad kreditnog rejtinga.

This is the category involving the greatest problems in a large number of reinsurers. Negative technical results in the years 2001 and 2002 along with the lowered income from investments have cut into the capital of many reinsurers causing them great difficulties and in certain number of cases even bankruptcies.

Not only that we have not been affected in that direction but certain categories of the Guarantee Fund have even been increased and the relationship of the Guarantee Fund to the retained premium has also been improved. It has been 168.77% and now it is 177.97%.

The majority of the largest companies in the reinsurance industry is experiencing decline in value of their shares, which is still going on and consequently influences the lowering of their credit rating.



Jamstveni kapital (000 kn)
Guarantee Fund (000 HRK)

59.55%	116,061
Temeljna glavnica Paid Up Capital	
32.02%	62,402
Pričuve sigurnosti Free reserves	
8.43%	16,420
Neraspoređena dobit Undistributed Profit	

100%	194,883
Jamstveni kapital - Ukupno Guarantee Fund - Total	

Dana 31.12.2002. bilježimo visinu tehničkih pričuva do iznosa od 301.236.519 kn. To je za 3,45% više nego u 2001. godini.

U ovoj kategoriji rastle su prijenosne premije za 4,76%, redovna pričuva za štete za 2,38%, dok su pričuve za katastrofalne štete ostale na prošlogodišnjoj razini.

Odnos registriranih šteta u pričuvi prema pridržanoj premiji bilježi 200,62%.

Od ukupnog iznosa tehničkih pričuva u 2002. godini oko 83% su rezervirane štete, 7% ide u fond za katastrofalne štete, a 10% pripada prijenosnoj premiji.

Izvrstan skor kada se zna da su uvjeti privređivanja u reosiguranju bilježili negativne trendove.

On the day of 31st December 2002 the technical reserves were recorded in the amount of HRK 301,236,519. This is by 3.45% more than in the year 2001.

In this category unearned premiums were growing by 4.76%, regular loss reserves by 2.38%, while the reserves for catastrophic losses remained at the last year level.

The relationship of the registered outstanding losses to the retained premium shows 200.62%.

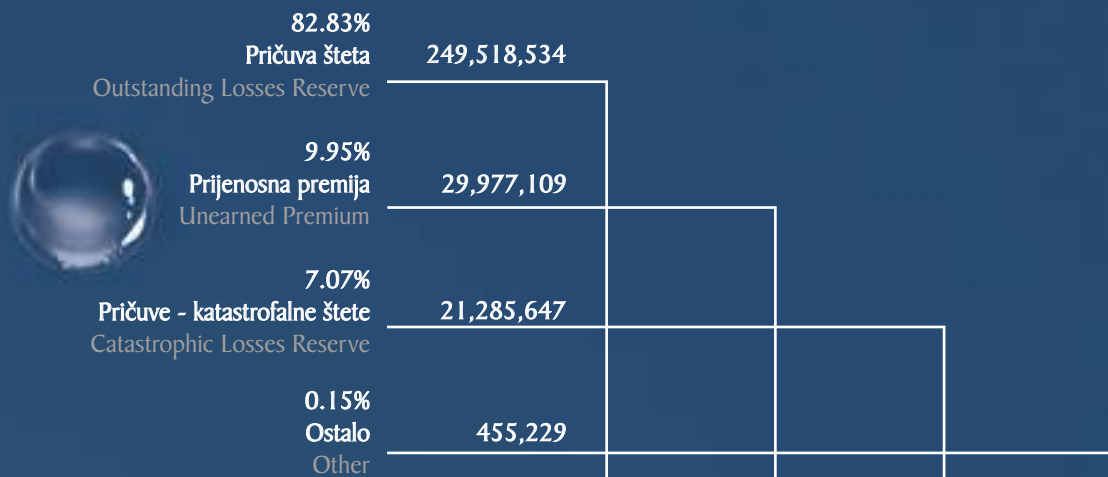
Out of the total amount of the technical reserves, outstanding losses account for approximately 83%, 7% is earmarked for catastrophic losses fund and 10% belongs to unearned premium.

It is an excellent score when it is known that conditions of doing profitable business in reinsurance show negative trends.

Tehničke pričuve (000 kn)
 Technical Reserves (000 HRK)

Struktura tehničkih pričuva
 Technical Reserves - Structure

301,236,519



Odnos tehničkih pričuva i pridržane premije (000 kn)
 Technical Reserves to Net Premium (000 HRK)

301,236
 Tehničke pričuve
 Technical Reserves

275.09%

109,503
 Pridržana premija
 Net Premium

ULAGANJA SREDSTAVA

INVESTMENTS

Iz nužde, da zaštititi svoja sredstva od obezvrijedivanja, a temeljem zakonskih dopuštenja, Društvo pokušava plasmanom slobodnih sredstava kroz depozite u bankama ili kredite pravnim osobama iz hrvatskog gospodarstva, zaraditi kamate. Zadovoljavajući ciljeve ulaganja, Društvo se priklonilo načelima sigurnosti, rentabilnosti i likvidnosti, te disperzije rizika.

U pogledu individualnih strateških segmenata posla pokušavamo predvidjeti događaje na planu ulaganja sredstava. Cilj naših ulaganja raspoloživih sredstava je strateško osiguranje optimalnog rezultata kao doprinosa cjelokupnom poslovnom rezultatu.

Zbog već vrlo visoke rizičnosti, koja je glavno svojstvo našeg osnovnog posla u reosiguranju, posebno pažljivo gospodarimo sredstvima.

U 2002. godini teško se bilo snalaziti u okolišu visoke likvidnosti bankarskog sektora, koja je za posljedicu imala pad aktivne i pasivne kamate. To je izravno utjecalo i na naš prihod od ulaganja sredstava.

Out of necessity, in order to protect our funds from devaluation, within the frame of legally approved actions, Croatia Lloyd tries to earn interest by placing the free funds in deposits with banks or in loans to legal entities from the Croatian economy. Satisfying the purpose of investing, Croatia Lloyd observed principles of safety, profitability, solvency and dispersion of the risk.

As far as the individual strategic segments of business are concerned, we try to foresee the events on the on the plan of funds invested. The goal of investing of the available funds is to achieve strategic securing of the optimal result as a contribution to the overall business result.

Due to already high risks, which are also the main characteristic of our basic business in reinsurance, we manage our funds very carefully.

In the year 2002 it was hard to cope in the environment of the high liquidity of the banking sector, the consequence of which was a reduction of active and passive interest and which directly influenced our income from funds invested.

Odnos pridržane premije i jamstvenog kapitala (000 kn)
Retained Premium To Guarantee Fund (000 Hrk)



I u 2002. godini ostvarili smo dobit. Ona je niža nego u prethodnim godinama iz razloga povišenog kretanja iznosa šteta, utjecaja negativnih tečajnih razlika te smanjenih prinosa od kamata na uloženi kapital.

Dobit nakon oporezivanja iznosi 8.160.219 i daje prinos od 7% na vlastiti kapital.

Dividenda po dionici iznosi 52 kune.

Koristimo još jednom prigodu da se zahvalimo zaposlenim djelatnicima na uloženom trudu, te poslovnim partnerima na iskazanom povjerenju.

In the year 2002 as well profit was realised. The profit is lower than in the previous years due to a trend of higher amounts of losses, influence of negative rate of exchange differentials and reduced yield from interests on the invested capital.

The profit after taxation amounts to HRK 8,160,219 giving 7% return on equity nominal value stock. A dividend per share amounts to HRK 52.

We are taking this opportunity once again to thank our employees for all their efforts and to our business partners for their confidence.





FINANCIJSKI IZVJEŠTAJI

FINANCIAL STATEMENTS

RAČUN DOBITI I GUBITKA

TEHNIČKI RAČUN
PROFIT AND LOSS ACCOUNT - TECHNICAL ACCOUNT

NA DAN 31. PROSINCA 2002. GODINE
AS AT 31ST DECEMBER 2002

kn HRK	2001	2002
Zarađene premije Earned premiums	106,623,875	106,779,855
Raspoređeni rezultat ulaganja iz netehničkog računa Allocated investments	16,832,147	8,779,496
Ostali tehnički prihod Other technical income	3,578,212	3,713,813
Izdaci za osigurane slučajeve Claims incurred	(82,504,134)	(109,835,077)
Promjena ostalih tehničkih pričuva Other technical charges	(261,250)	17,557
Izdaci za povrate premija Premium return expenses	26,762	(150,856)
Poslovni rashodi Net operating expenses	(3,554,047)	(5,648,563)
REZULTAT TEHNIČKOG RAČUNA BALANCE OF THE TECHNICAL ACCOUNT	<u>40,741,565</u>	<u>3,656,225</u>

NETEHNIČKI RAČUN - UKUPNI OBRAČUN
RAČUN DOBITI I GUBITKA
 PROFIT AND LOSS ACCOUNT - NON-TECHNICAL ACCOUNT - TOTAL

NA DAN 31. PROSINCA 2002. GODINE
 AS AT 31ST DECEMBER 2002

kn HRK	2001	2002
Rezultat tehničkog računa Balance of the technical account	40,741,565	3,656,225
Prihodi od ulaganja Income from investments	65,992,824	47,511,830
Troškovi ulaganja Investment charges	(35,598,915)	(32,272,295)
Raspoređeni rezultat ulaganja na tehnički račun Return to the technical account	(16,832,147)	(8,779,496)
Porez na dobit Tax on profit	(12,684,213)	(1,956,045)
DOBIT OD REDOVNIH AKTIVNOSTI POSLIJE POREZA PROFIT AFTER TAXATION	<u>41,619,114</u>	<u>8,160,219</u>

BILANCA STANJA - AKTIVA

BALANCE SHEET - ASSETS

NA DAN 31. PROSINCA 2002. GODINE
AS AT 31ST DECEMBER 2002

kn HRK	2001	2002
Nematerijalna imovina Intangible assets	50,783	48,589
Zemljišta i građevinski objekti Land and buildings	49,038,115	72,141,583
Ulaganja u povezana poduzeća i sudjelujući interesi Shares in affiliated undertakings	65,267,040	61,812,136
Ostala financijska ulaganja Financial investments	362,446,508	314,464,279
Potraživanja Debtors	73,387,857	74,515,780
Materijalna imovina i zalihe Stocks	2,448,576	1,968,509
Novac u banci i blagajni Cash at bank and in hand	23,635,760	48,241,674
Vlastite dionice Own shares	19,200	19,200
Plaćeni troškovi budućeg razdoblja Prepayments	164,073	1,211,030
UKUPNO TOTAL	<u>576.457.912</u>	<u>574.422.780</u>

BILANCA STANJA - PASIVA

BALANCE SHEET - LIABILITIES

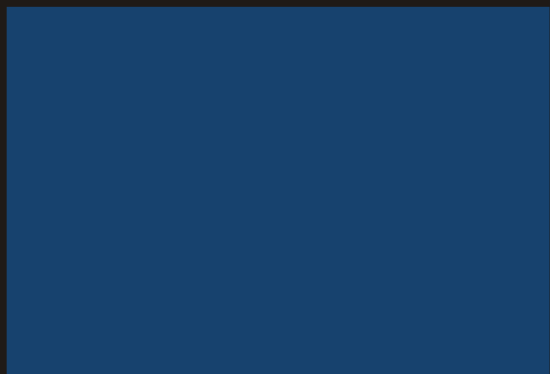
NA DAN 31. PROSINCA 2002. GODINE
AS AT 31ST DECEMBER 2002

kn HRK	2001	2002
Upisani kapital Paid-up capital	116,060,800	116,060,800
Pričuve Free reserves	62,421,494	62,421,494
Zadržana dobit Profit brought forward	12,688,201	16,420,154
Dobit tekućeg razdoblja Profit for the financial year	41,619,114	8,160,219
Prijenosne premije Unearned premiums	28,615,641	29,977,109
Pričuve šteta Outstanding loss reserves	240,996,724	249,518,534
Pričuva za povrate premija Return of premiums	304,373	455,229
Ostale osigurateljno-tehničke pričuve Catastrophic loss reserves	21,285,647	21,285,647
Neosigurateljno-tehničke pričuve Other provisions	3,766,956	3,596,758
Obveze proizašle iz osiguranja i reosiguranja Creditors - reinsurance operation	41,072,094	61,763,666
Ostale obveze Other creditors	6,638,894	4,023,498
Prihod budućeg razdoblja Deferred income	987,974	739,672
UKUPNO TOTAL	<u>576.457.912</u>	<u>574.422.780</u>



MIŠLJENJE NEOVISNOG REVIZORA

INDEPENDENT AUDITOR'S REPORT
2002



**Izješće neovisnog revizora
Upravi i Dioničarima društva Croatia Lloyd d.d.:**

Obavili smo reviziju finansijskih izvješćaja dioničkog društva Croatia Lloyd (dalje: Društvo) na dan 31. prosinca 2002. godine i 31. prosinca 2001. godine, a iz kojih su izvedeni bilanca i račun dobiti i gubitka objavljeni u prilogu ovog mišljenja. U našem mišljenju o finansijskim izvješćajima na dan 31. prosinca 2002. godine iz kojih su izvedeni priložena bilanca i račun dobiti i gubitka izrazili smo kvalificirano mišljenje sa sljedećim rezervama:

- Društvo na dan 31. prosinca 2002. godine ima ulaganja u druga društva u iznosu od HRK (000) 58.986, te HRK (000) 62.048 na dan 31. prosinca 2001. godine iskazana po trošku ulaganja umanjeno za trajno smanjenje vrijednosti ulaganja. Od toga iznosa, HRK (000) 40.854 na dan 31. prosinca 2002. godine, te HRK (000) 40.914 na dan 31. prosinca 2001. godine odnosi se na ulaganja kojima se ne trguje aktivno i čija fer vrijednost ne može biti pouzdano utvrđena. Iskazane vrijednosti mogu značajno odstupati od tržišnih vrijednosti koja bi ulaganja postigla na tržištu ili vrijednosti koja bi se dobila upotrebom vjerodostojnih metoda procjene, te bi odstupanja mogla biti materijalno značajna. Nadalje, ulaganja kojima se trguje iskazana su po trošku ulaganja od HRK (000) 18.132 na dan 31. prosinca 2002. godine, te HRK (000) 21.134 na dan 31. prosinca 2001. godine umjesto po tržišnoj vrijednosti kao što je zahtijevano Međunarodnim računovodstvenim standardom 39.
- Nekretnine namijenjene ulaganju uključuju autobusni kolodvor iskazan u iznosu od HRK (000) 5.785 koji je preuzet kroz naplatu kredita. Nabavna vrijednost te nekretnine je bila određena u visini kredita. Nismo bili u mogućnosti utvrditi fer vrijednost te nekretnine s obzirom da nije trenutno ostvariva. Iskazana vrijednost može značajno odstupati od tržišne vrijednosti koju bi nekretnina postigla na tržištu ili vrijednosti koja bi se dobila upotrebom vjerodostojnih metoda procjene, te bi odstupanje moglo biti materijalno značajno.
- Pričuve Društva za štete su izračunate u skladu sa metodom odobrenom od strane vladine Direkcije za nadzor osiguravajućih društava. Ako se procjene po aktuarskoj osnovi, ove rezerve bi se mogle pokazati previsokim.

Prema našem mišljenju prikaz bilance i računa dobiti i gubitka objavljen u prilogu ovog mišljenja je konzistentan, u svim materijalno značajnim odrednicama, s finansijskim izvješćajima iz kojih je izveden i za koja smo izdali mišljenje.

Za bolje razumijevanje finansijskog položaja i rezultata poslovanja Društva kao i djelokruga naše revizije, izvješća u prilogu ovog mišljenja treba čitati u kontekstu s finansijskim izvješćajima iz kojih su izvedeni i o kojima smo izrazili mišljenje.

Ernst & Young Croatia d.o.o.
Ernst & Young Croatia d.o.o.
Republika Hrvatska

Zagreb, 7. travnja 2003. godine
Zagreb, 11. listopad 2002. godine


Vlatka Šakar

**Independent Auditor's Report
To the Board of Directors and the Shareholder of Croatia Lloyd d.d.:**

We have audited the financial statements of Croatia Lloyd d.d. (further: the Company) as of 31 December 2002 and 31 December 2001 from where accompanied balance sheet and profit and loss account have been derived. In our independent auditors' report on the financial statements as of 31 December 2002 from where accompanied balance sheet and profit and loss account have been derived we have expressed qualified opinion with the following qualifications:

- The Company has equity investments in the amount of HRK (000) 58.986 as of 31 December 2002 and HRK (000) 62.048 as of 31 December 2001 measured at cost less impairment. Of that amount, HRK (000) 40.854 as of 31 December 2002 and HRK (000) 40.914 as of 31 December 2001 relate to equity investments that are not actively traded at the stock exchange and whose fair value cannot be reliably measured. Those carrying values may differ significantly from the values that would have been used had a ready market for the investments existed or other reliable valuation methods were applied, and the differences could be material. In addition to that, equity investments traded at the stock exchange are reported at cost in the amount of HRK (000) 18.132 and HRK (000) 21.134 as of 31 December 2002 and 31 December 2001, respectively, rather than at market value as required by the International Accounting Standard 39.
- Investment properties include bus terminal valued at HRK (000) 5.785, which was repossessed through foreclosure of loan. The acquisition value of that property has been determined in the value of the loan foreclosed. We were unable to establish the fair value of that investment, as it is not currently realisable. The carrying values may differ significantly from the value that would have been used had a ready market for the investment existed or other reliable valuation methods were applied, and the difference could be material.
- The claim reserves provided by the Company were calculated in accordance with the method approved by the Governmental Office for Supervision of Insurance Companies. If assessed on an actuarial basis these reserves may be overstated.

In our opinion, the information set forth in the accompanying balance sheet and profit and loss account is fairly stated, in all material respects, in relation to the financial statements from which it has been derived and for which we have expressed our opinion.

For better understanding of the Company's financial position and the results of its operations as well as audit scope accompanied statements should be read in conjunction with the financial statements from which they have been derived.


Ernst & Young Croatia d.o.o.
Republic of Croatia

Zagreb, 7 April 2003
Zagreb, 11 October 2002


Vlatka Sakar



croatia lloyd

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