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The Agram Concern

CROATIA'S ENTREPRENEURIAL SUCCESS STORY

Reaffirming Croatia's investment-grade rating with positive outlook in April, ratings agency Fitch noted the country's range of economic strengths and "resilience to recent external shocks". The country's relatively high growth of GDP per capita, governance standards, and EU and eurozone membership contribute to its strong fundamentals. Coupled with medium-term uplift from rising EU funding that could total EUR30bn by 2030, the outlook for the Adriatic country looks excellent.

The country's growing affluence has supported the growth of the insurance sector, which collected premiums of EUR1.7bn in 2023, up 7.1% on 2022, according to official figures.

One of the largest business entities in South East Europe (SEE), the Agram Concern is a regional leader in this thriving market, but also has extensive activities in sectors including healthcare, tourism, financial services, and banking.

"We are one of the few truly entrepreneurial success stories that has emerged in Croatia since independence in 1991," says Agram Concern founder Prof. Dubravko Grgić, PhD. "We built the company from scratch. Over the past 32 years, we've continuously developed our business, even during the covid crisis, without suffering major losses. We have a market share of around 30% in non-life insurance in Croatia and Bosnia and Herzegovina, and a decent share in Italy and Austria. Last year, we increased our revenue by more than EUR100m, indicating that our business is growing steadily and moving in the right direction. We plan



Prof. Dubravko Grgić, PhD
Founder

adequacy, and strong business efficiency. The Agram Concern owns nearly 500,000 sq m of business premises across the countries in which it operates, and is proud of its consistent investments in its infrastructure, contributing to the local communities both financially and aesthetically.

Beyond insurance, the organisation's Special Hospital Agram is one of the largest healthcare networks in the region, with eight polyclinics equipped with the latest equipment, offering more than 250 different medical services and 230 surgical

procedures, and a complete medical care from prevention and diagnostics to treatment.

The Agram Concern moved into the tourism sector with the acquisition and refurbishment of hotel Medora Auri on Croatia's Adriatic coast, which has continued with further investments in hotels and the development of its yacht chartering business.

Grgić also highlights the recent opening of the Agram Club, which provides a venue for all employees in Zagreb and the region to relax and participate in sports and other recreational activities. The club demonstrates the company's commitment to its employees and its focus on enhancing people-management initiatives and investments in its people – an approach that results in very low staff turnover.

"We have almost 5000 employees and still maintain a familial atmosphere," says Grgić. "Our strong corporate culture makes us akin to a sect. From a managerial perspective, an important change I've implemented is making all key managers shareholders. They have become the fourth generation of shareholders, and the previous generation of shareholders partially withdrew their shares to make room for new shareholders. This shift has increased our key people's responsibility and motivation, which is fundamental to our success. It's also vital that our employees enjoy their work and believe in the company's future, reinforcing our sect-like culture. My advice for all companies and business leaders is: 'Remember that all employees have to be satisfied, they have to feel good doing what they are doing, if you have that you will not have problem achieving all your goals and business aspirations.'"

The Concern is unsurprisingly strong at talent acquisition – it has 35 employees with PhDs, and 30 with masters of science academic degrees.

Unlike some other big businesses in Croatia, Agram has no political connections and minimal media exposure, though recent years have seen both the Group and Grgić receive publicity over their financial success. This success is testament to the investment opportunities that exist in the Croatian market.

"Despite having a market economy for only 34 years, we have already seen substantial FDI in profitable sectors like oil and gas, telecommunications, banking, and pharmaceuticals," says Grgić. "However, we believe that Croatia will soon be recognised in other industries needing international investment, improving our investment profile further. When you examine Croatia's economic data, it's clear we have all the ingredients for success – high employment, healthy payment accounts, low government debt, and a strong balance sheet, combined with robust consumer spending. We're proud to be Croatian and believe the market will flourish with our full integration into the eurozone. Prospects seem promising."



to grow one step at a time."

The Concern's total revenue in 2023 amounted over EUR900m, while its assets came to EUR2.6bn. Its core business is its insurance companies – Euroherc, Adriatic, and Agram Life - which generated EUR587.8m in premium income. Its companies have a leading position in the motor third party liability insurance markets in Croatia (with a market share of 53.4%) and Bosnia and Herzegovina (31.2%) in particular. Its expansion into Western Europe started with the launch of business activities in Austria in 2017, followed by entry to the Italian market. The Group's strategy is to create new value in the insurance markets in both countries. Euroherc now has four branches and 16 sales offices in Austria. Meanwhile, Adriatic opened four branches in Italy since 2019. Group plans further strategic investment across the EU, capitalising on its quality insurance products which are based on personalised offer, agile and fast service, and its long-standing experience.

The organisation is based on solid foundations: stable growth, high capital

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