



CROATIA OSIGURANJE

utemeljeno 1884.

**UNAUDITED UNCONSOLIDATED BUSINESS REPORT FOR THE SECOND
QUARTER AND THE FIRST HALF OF 2011**

Zagreb, July 2011

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I UNAUDITED FINANCIAL STATEMENTS

Reporting period: 01.01. to 30.06.2011.

Quarterly financial statement for insurance and reinsurance companies - TFI-OSIG

Tax number(MB)	03276147	
Company registration number (MBS)	080051022	
Personal identification number (OIB)	26187994862	
Issuing company:	CROATIA osiguranje d.d.	
Postal code and place	10000	ZAGREB
Street and house number:	MIRAMARSKA 22	
E-mail address:		
Internet address	www.crosig.hr	
Municipality/city code and name	133	ZAGREB
County code and name	21	GRAD ZAGREB
Consolidated report:	NO	
Number of employees:		2.895
(quarter end)		
NKD code:		6512
Companies of the consolidation subject (according to the law on consolidated financial statements)	Seat:	MB:
Bookkeeping service:		
Contact person:	KATICA KUZMANOVIĆ	
Telephone:	01/6333-117	Telefaks: 01/6332-073
E-mail address:	katica.kuzmanovic@crosig.hr	
Family name and name:	SILVANA IVANČIĆ, ZDRAVKO ZRINUŠIĆ	
	(person authorized to represent the company)	

Documents to be published:

1. Financial statements (balance sheet, profit and loss statement, cash flow statement, statement of changes in equity, and notes to financial statements)
2. Statement of persons responsible for the drawing-up of financial statements
3. Report of the Management Board on the Company Status

N.P.

Članica Uprave
Silvana Ivančić

Predsjednik Uprave
Zdravko Zrnušić

(potpis osobe ovlaštene za zastupanje)

TOTAL GAINS REPORT (PROFIT&LOSS ACCOUNT)

in HRK

Position	AOP	Previous period			Current period		
		Life	Non-life	Total	Life	Non-life	Total
1	2	3	4	5(3+4)	6	7	8(6+7)
I. Earned premiums (AOP 125 to 132)	124	163.270.930	1.051.901.512	1.215.172.442	166.206.528	945.897.734	1.112.104.262
1. Gross written premiums	125	162.657.138	1.655.944.255	1.818.601.393	165.855.437	1.563.170.156	1.729.025.593
2. Coinsurance premium	126		2.305.001	2.305.001		2.468.554	2.468.554
3. Value adjustment and collected insurance/coinsurance premium value adjustment	127		-38.091.136	-38.091.136		-49.998.401	-49.998.401
4. Premiums ceded to reinsurance	128	-4.665	-271.672.045	-271.676.710	-174.199	-262.892.366	-263.066.565
5. Premiums ceded to coinsurance	129		-5.094.469	-5.094.469		-4.304.247	-4.304.247
6. Change in gross unearned premium provision	130	618.457	-333.379.235	-332.760.778	487.744	-341.659.021	-341.171.277
7. Change in unearned premium provision, reinsurer's share	131		41.889.140	41.889.140	37.546	39.113.059	39.150.605
8. Change in unearned premium provision, coinsurer's share	132						
II. Income from investments (AOP 134 + 135 + 139 + 140 + 141 + 145 + 146)	133	57.844.584	103.759.687	161.604.272	52.381.813	121.877.598	174.259.411
1. Income from branch-offices, associated companies and joint ventures	134		27.994.945	27.994.945		34.526.593	34.526.593
2. Income from investments into land and buildings (136 to 138)	135		4.016.051	4.016.051		4.605.463	4.605.463
2.1. Income from rental fees	136		3.146.865	3.146.865		3.173.113	3.173.113
2.2. Income from increased value of land and buildings	137		437.268	437.268		1.412.350	1.412.350
2.3. Income from real estate sale	138		431.918	431.918		20.000	20.000
3. Interest income	139	62.904.171	73.436.984	136.341.155	48.758.969	57.029.768	105.788.737
4. Unrealized profits from investment at fair value	140	1.565.633	1.331.292	2.896.925	2.653.499	2.455.195	5.108.694
5. Gain on sale (realization) of financial investments (142 to 145)	141	1.169.616	2.143.357	3.312.973	930.011	1.769.755	2.699.766
5.1. Investment at fair value through profit and loss account	142	1.169.616	595.909	1.765.526	930.011	1.570.466	2.500.477
5.2. Investment available for sale	143		1.547.448	1.547.448		199.289	199.289
5.3. Other gains on sale of financial investments	144						
6. Net positive exchange rate differences	145						
7. Other investment income	146	-7.794.836	-5.162.941	-12.957.778	39.334	21.490.824	21.530.158
III. Income from commissions and fees	147	46.542	12.851.023	12.897.565	44.719	13.516.481	13.561.200
IV. Other insurance-technical income, net of reinsurance	148	47.731	22.121.593	22.169.324	105.930	3.679.942	3.785.872
V. Other income	149	86.835	19.238.167	19.325.002	90.668	12.599.952	12.690.620
VI. Expenses for insured events, net of reinsurance (AOP 151 to 158)	150	-103.217.995	-640.651.360	-743.869.355	-156.162.068	-570.833.071	-726.995.139
1. Paid claims (AOP 152 to 154)	151	-103.809.457	-596.541.083	-700.350.540	-160.481.338	-546.531.710	-707.013.048
1.1. Gross amount	152	-103.809.457	-681.175.369	-784.984.826	-160.481.338	-625.555.049	-786.036.387
1.2. Coinsurer's share	153		-684.533	-684.533		-53.337	-53.337
1.3. Reinsurer's share	154		85.318.819	85.318.819		79.076.676	79.076.676
2. Change in claims provision (AOP 156 to 158)	155	591.462	-44.110.277	-43.518.815	4.319.270	-24.301.361	-19.982.091
2.1. Gross amount	156	591.462	-42.813.702	-42.222.240	4.319.270	-124.477.420	-120.158.150
2.2. Coinsurer's share	157						
2.3. Reinsurer's share	158		-1.296.575	-1.296.575		100.176.059	100.176.059
VII. Change in mathematical reserve and other technical reserves (AOP 160 + 163)	159	-48.146.635		-48.146.635	-13.043.390		-13.043.390
1. Change in mathematical insurance provision (AOP 161 + 162)	160	-48.146.635		-48.146.635	-13.043.390		-13.043.390
1.1. Gross amount	161	-48.148.587		-48.148.587	-13.113.420		-13.113.420
1.2. Reinsurer's share	162	1.952		1.952	70.030		70.030
2. Change in other technical provision, net of reinsurance (AOP 164 do 166)	163						
2.1. Gross amount	164						
2.2. Coinsurer's share	165						
2.3. Reinsurer's share	166						
VIII. Changes in special reserves for insurance concerning the life insurance group where the policyholder assumes the investment risk, net of reinsurance (AOP 168 to 170)	167	-43.816		-43.816	2.593.584		2.593.584
1. Gross amount	168	-43.816		-43.816	2.593.584		2.593.584
2. Coinsurer's share	169						
3. Reinsurer's share	170						
IX. Outlays for premium returns (bonuses and discounts), net of reinsurance	171						
1. Depending on results (bonuses)	172						
2. Irrespective of results (discounts)	173						

X. Business expenditures(AOP 175+179)	174	-49.876.349	-475.865.494	-525.741.844	-46.828.702	-416.018.531	-462.847.233
1. Sales expenses (AOP 176 to 178)	175	-18.745.360	-118.768.986	-137.514.346	-12.066.313	-98.378.584	-110.444.897
1.1. Commision	176	-11.682.365	-61.343.040	-73.025.405	-8.851.374	-70.082.493	-78.933.867
1.2. Other sales expenses	177	-7.062.995	-57.425.946	-64.488.941	-3.214.939	-28.296.091	-31.511.030
1.3. Change in split sales expenses	178						
2. Management expenses (AOP 180 to 182)	179	-31.130.989	-357.096.508	-388.227.498	-34.762.389	-317.639.947	-352.402.336
2.1. Depreciation of tangible assets	180	-975.160	-23.921.191	-24.896.351	-807.223	-22.601.888	-23.409.111
2.2. Salaries, taxes and salary contributions (from and on	181	-19.831.293	-164.375.951	-184.207.244	-20.492.223	-161.414.053	-181.906.276
2.3. Other management expenses	182	-10.324.537	-168.799.366	-179.123.903	-13.462.943	-133.624.006	-147.086.949
XI. Investment expenses(AOP 184 to 189)	183	-13.933.440	-26.545.611	-40.479.052	-2.302.541	-32.300.271	-34.602.812
1. Depreciation (buildings not intended for business activities of the company)	184						
2. Interest	185		-40	-40			
3. Investment impairments	186					-1.483.200	-1.483.200
4. Losses from sale (realizations) of investment	187	-614	-4.848.305	-4.848.919		-1.688.377	-1.688.377
5. Adjustment of financial assets at fair value through P&L	188	-623.585	-1.499.659	-2.123.243	-448.365	-472.271	-920.636
6. Net foreign exchange losses	189	-12.904.156	-6.879.406	-19.783.563	-1.590.623	-3.058.346	-4.648.969
7. Other investment costs	190	-405.085	-13.318.202	-13.723.287	-263.553	-25.598.077	-25.861.630
XII. Other tehcnical expenses, net of reinsurance (AOP 192 + 193)	191	-3.624.546	-37.345.715	-40.970.261	-28.569	-35.510.835	-35.539.404
1. Prevention activities expenses	192						
2. Other technical expenses	193	-3.624.546	-37.345.715	-40.970.261	-28.569	-35.510.835	-35.539.404
XIII. Other expenses, including value adjustment	194		763.923	763.923		-499.328	-499.328
XIV. Profit or loss before taxes (124+133+147+148+149+150+159+167+171+174+183+191+194)	195	2.453.840	30.227.725	32.681.565	3.057.972	42.409.671	45.467.643
XV. Taxation (AOP 197+198)	196	-490.768	-6.045.545	-6.536.313	-611.595	-8.481.933	-9.093.528
1. Current tax expenses	197	-490.768	-6.045.545	-6.536.313	-611.595	-8.481.933	-9.093.528
2. Deferred tax expenses	198						
XVI. Net profit or loss for the period(AOP 195-196)	199	1.963.072	24.182.180	26.145.252	2.446.377	33.927.738	36.374.115
1. Attributable to majority owners	200						
2. Attributable to minority interests	201						
XVII. TOTAL INCOME	202	221.296.622	1.209.871.982	1.431.168.604	218.829.658	1.097.571.707	1.316.401.365
XVIII. TOTAL EXPENSES	203	-219.333.550	-1.185.689.802	-1.405.023.352	-216.383.281	-1.063.643.969	-1.280.027.250
IX. Other comprehensive profit (205 to 211 - 212)	204	-12.394.861	2.871.544	-9.523.318	-3.090.301	-21.588.897	-24.679.198
1. Profit / loss from translation of financial statements	205						
2. Profit / loss from revaluation of financial assets available for sale	206	-12.394.861	5.592.200	-6.802.661	-3.090.301	-18.146.921	-21.237.222
3. Profit / loss from revaluation of operational land and buildings	207		-2.720.657	-2.720.657		-3.441.976	-3.441.976
4. Profit / loss from revaluation of other tangible (except land and buildings) and intangible assets	208						
5. Effects of cash flow hedging instruments	209						
6. Actuarial profit / loss on pension plans wth defined pensions	210						
7. Share of other comprehensive profit of associates	211						
8. Profit tax on other comprehensive profit	212						
XX. Total comprehensive profit (199+204)	213	-10.431.789	27.053.724	16.621.934	-643.924	12.338.841	11.694.917
1. Attributable to majority owners	214						
2. Attributable to minority interests	215						
XXI. Reclassification adjustments	216						

BALANCE SHEET REPORT

as at 30/06/2011

in HRK

Position	AOP	Previous period			Current period		
		Life	Non-life	Total	Life	Non-life	Total
1	2	3	4	5(3+4)	6	7	8(6+7)
ASSETS							
A. RECEIVABLE FOR SUBSCRIBED NOT PAID CAPITAL (002+003)	001						
1. Capital invited to be paid	002						
2. Capital that is not invited to be paid	003						
B. INTANGIBLE ASSETS (005+006)	004		11.455.283	11.455.283		6.008.784	6.008.784
1. Goodwill	005						
2. Other intangible assets	006		11.455.283	11.455.283		6.008.784	6.008.784
C. TANGIBLE ASSETS (008 to 010)	007		1.252.687.290	1.252.687.290		1.226.645.596	1.226.645.596
1. Land and buildings used for insurance activities	008		1.208.990.704	1.208.990.704		1.186.118.141	1.186.118.141
2. Equipment	009		37.965.176	37.965.176		34.795.723	34.795.723
3. Other tangible assets and reserves	010		5.731.409	5.731.409		5.731.732	5.731.732
D. INVESTMENTS (012+013+017+036)	011	1.940.695.774	3.304.055.308	5.244.751.082	1.971.550.865	3.392.633.013	5.364.183.878
I. Investments in land and buildings not intended for business activities of the company	012		677.014.955	677.014.955		750.879.043	750.879.043
II. Investments in branch-offices, associated companies and participating in joint investments (014 to 016)	013		436.930.913	436.930.913		434.690.618	434.690.618
1. Shares and stakes in branch-offices	014		428.221.613	428.221.613		427.464.518	427.464.518
2. Shares and stakes in associate companies	015		8.709.300	8.709.300		7.226.100	7.226.100
3. Participating in joint investments	016						
III. Other financial investments (018 + 021 + 026 + 032)	017	1.940.695.774	2.190.109.440	4.130.805.213	1.971.550.865	2.207.063.352	4.178.614.217
1. Investments kept till maturity date (019 + 020)	018	1.181.787.763	690.876.535	1.872.664.298	1.145.131.313	618.166.155	1.763.297.468
1.1. Debt securities and other securities with fixed income	019	1.181.787.763	690.876.535	1.872.664.298	1.145.131.313	618.166.155	1.763.297.468
1.2. Other investments kept till maturity date	020						
2. Investments available for sale (022 to 025)	021	115.155.931	293.450.484	408.606.414	112.065.630	272.160.643	384.226.273
2.1. Stocks, shares and other securities with variable income	022	54.417.013	176.533.184	230.950.197	49.902.042	165.021.535	214.923.577
2.2. Debt securities and other securities with fixed income	023						
2.3. Stakes in investment funds	024	60.738.917	116.917.300	177.656.217	62.163.588	107.139.108	169.302.696
2.4. Other investments available for sale	025						
3. Investments at fair value through the profit and loss account (027 to 031)	026	180.044.882	140.184.465	320.229.347	243.818.315	263.451.688	507.270.003
3.1. Stocks, shares and other securities with variable income	027		1.195.364	1.195.364		5.649.489	5.649.489
3.2. Debt securities and other securities with fixed income	028	9.879.000	27.022.500	36.901.500	67.910.537	86.534.822	154.445.359
3.3. Derivative financial instruments	029						
3.4. Stakes in investment funds	030	170.165.882	111.966.600	282.132.482	175.907.778	171.267.377	347.175.155
3.5. Other investments	031						
4. Deposits, loans and receivables (033 to 035)	032	463.707.198	1.065.597.957	1.529.305.155	470.535.607	1.053.284.866	1.523.820.473
4.1. Bank deposits	033	410.000.000	768.717.370	1.178.717.370	422.772.375	645.709.019	1.068.481.394
4.2. Loans	034	53.707.198	296.880.587	350.587.785	47.763.232	407.575.847	455.339.079
4.3. Other loans and receivables	035						
IV. Deposits at insurance activities ceded to reinsurance (deposits with cedent)	036						
E. INVESTMENTS FOR THE ACCOUNT AND OWN RISK OF LIFE INSURANCE POLICYHOLDER	037	22.374.967		22.374.967	20.874.341		20.874.341
F. UDIO REOSIGURANJA U TEHNIČKIM PRIČUVAMA (039 to 045)	038	11.607	306.071.448	306.083.055	119.183	445.360.566	445.479.749
1. Unearned premiums, reinsurance share	039		54.131.734	54.131.734	37.546	93.244.793	93.282.339
2. Mathematical insurance provision, reinsurance share	040	11.607		11.607	81.637		81.637
3. Claims provision, reinsurance share	041		251.939.714	251.939.714		352.115.773	352.115.773
4. Provision for premium returns depending and not depending on result (bonuses and discounts), reinsurance share	042						
5. Provision for claims fluctuation, reinsurance share	043						
6. Other technical insurance provision, reinsurance share	044						
7. Special provision for insurance concerning life insurance group where the policyholder assumes the investment risk, reinsurance share	045						
G. DEFERRED AND CURRENT TAX ASSETS (047+048)	046	3.343.472	6.844.913	10.188.385	3.343.472	2.947.669	6.291.141
1. Deferred tax assets	047	3.343.472	2.947.669	6.291.141	3.343.472	2.947.669	6.291.141
2. Current tax assets	048		3.897.244	3.897.244			
H. RECEIVABLES (050 + 053 + 054)	049	46.730.724	784.086.611	830.817.335	45.446.775	1.103.268.007	1.148.714.782
1. Receivables from direct insurance activities (051 + 052)	050	41.193.220	609.562.350	650.755.570	40.502.466	957.528.808	998.031.274
1.1. Receivables from policyholders	051	41.126.015	605.928.668	647.054.683	40.445.109	952.884.146	993.329.255
1.2. Receivables from insurance agents	052	67.205	3.633.682	3.700.887	57.357	4.644.662	4.702.019
2. Receivables from coinsurance and reinsurance activities	053					349.433	349.433
3. Other receivables (055 to 057)	054	5.537.503	174.524.261	180.061.764	4.944.309	145.389.766	150.334.075
3.1. Receivables for other insurance activities	055		34.058.441	34.058.441		28.434.817	28.434.817
3.2. Receivables for returns on investments	056	1.485.844	6.363.575	7.849.419	1.589.722	6.421.250	8.010.972
3.3. Other receivables	057	4.051.659	134.102.245	138.153.904	3.354.587	110.533.699	113.888.286
I. OTHER ASSETS (059 + 063 + 064)	058	6.277.906	32.539.307	38.817.213	10.647.569	51.373.712	62.021.281
1. Money in bank and in cash (060 to 062)	059	6.184.384	12.856.713	19.041.097	10.598.408	35.008.874	45.607.282
1.1. Money on business account	060		12.651.116	12.651.116		34.764.350	34.764.350
1.2. Money on mathematical provision account	061	6.181.919		6.181.919	10.594.253		10.594.253
1.3. Cash money	062	2.465	205.597	208.063	4.155	244.524	248.679
2. Long-term assets intended for sale and business termination	063						
3. Other	064	93.522	19.682.594	19.776.116	49.161	16.364.838	16.413.999
J. PREPAID EXPENSES OF THE FUTURE PERIOD AND UNDUE COLLECTION OF INCOME (066 to 068)	065	18.055.825	25.259.444	43.315.270	15.697.567	26.206.578	41.904.145
1. Split interest and rental fees	066	18.012.109	14.350.144	32.362.253	15.679.441	12.073.830	27.753.271
2. Split sales costs	067						
3. Other paid expenses of the future period and undue income collection	068	43.716	10.909.300	10.953.016	18.126	14.132.748	14.150.874
K. TOTAL ASSETS (001+004+007+011+037+038+046+049+058+065)	069	2.037.490.275	5.722.999.604	7.760.489.879	2.067.679.772	6.254.443.925	8.322.123.697
L. NON-BALANCE SHEET RECORDS	070		646.551.949	646.551.949		640.823.280	640.823.280

LIABILITIES								
A. CAPITAL AND RESERVES (072 + 076 + 077 + 081 + 085 + 088)	071	138.333.787	1.514.859.332	1.653.193.119	137.689.864	1.531.343.832	1.669.033.696	
1. Subscribed capital (073 to 075)	072	44.288.720	398.598.480	442.887.200	44.288.720	398.598.480	442.887.200	
1.1. Subscribed capital - common shares	073	44.288.720	386.348.480	430.637.200	44.288.720	386.348.480	430.637.200	
1.2. Subscribed capital - preferred shares	074		12.250.000	12.250.000		12.250.000	12.250.000	
1.3. Capital invited to be paid	075							
2. Capital reserves	076							
3. Revaluation reserves (078 to 080)	077	8.753.985	521.944.423	530.698.408	5.663.684	500.355.527	506.019.211	
3.1. Revaluation of land and buildings	078		492.595.123	492.595.123		489.153.147	489.153.147	
3.2. Revaluation of investments in financial assets	079	8.753.985	29.349.300	38.103.285	5.663.684	11.202.380	16.866.064	
3.3. Other revaluation reserves	080							
4. Reserves (082 to 084)	081	77.013.268	366.917.394	443.930.661	77.013.268	366.917.393	443.930.661	
4.1. Legal provision	082	263.177	17.198.799	17.461.976	263.177	17.198.799	17.461.976	
4.2. Statutory provision	083	1.250.091	83.007.767	84.257.857	1.250.091	83.007.767	84.257.858	
4.3. Other reserves	084	75.500.000	266.710.827	342.210.827	75.500.000	266.710.827	342.210.827	
5. Retained profit or loss (086 + 087)	085	3.750.272	188.322.692	192.072.963	8.277.815	231.544.694	239.822.509	
5.1. Retained profit	086	3.750.272	188.322.692	192.072.963	8.277.815	231.544.694	239.822.509	
5.2. Retained loss (-)	087							
6. Profit or loss for the period (089 + 090)	088	4.527.543	39.076.343	43.603.886	2.446.377	33.927.738	36.374.115	
6.1. Profit for the period	089	4.527.543	39.076.343	43.603.886	2.446.377	33.927.738	36.374.115	
6.2. Loss for the period (-)	090							
B. MINORITY INTEREST	091							
C. TECHNICAL PROVISION (093 to 098)	092	1.816.883.663	3.807.206.248	5.624.089.912	1.825.190.070	4.273.342.689	6.098.532.759	
1. Unearned premiums, gross amount	093	3.614.061	967.835.435	971.449.496	3.126.317	1.309.494.456	1.312.620.773	
2. Mathematical insurance provision, gross amount	094	1.770.878.195		1.770.878.195	1.783.991.616		1.783.991.616	
3. Claims provision, gross amount	095	42.391.407	2.824.613.813	2.867.005.220	38.072.137	2.949.091.233	2.987.163.370	
4. Provision for premium returns dependent upon or independent of result (bonuses and discounts), gross amount	096							
5. Provision for claims fluctuation, gross amount	097							
6. Other technical insurance provision, gross amount	098		14.757.000	14.757.000		14.757.000	14.757.000	
D. SPECIAL PROVISION FOR THE GROUP LIFE INSURANCE WHERE THE POLICYHOLDER ASSUMES THE INVESTMENT RISK, gross amount	099	22.374.967		22.374.967	20.874.341		20.874.341	
E. OTHER PROVISION (101 + 102)	100	2.537.568	78.007.964	80.545.532	4.587.568	100.349.188	104.936.756	
1. Provision for pensions	101	2.537.568	76.127.583	78.665.151	4.587.568	98.468.807	103.056.375	
2. Other provision	102		1.880.381	1.880.381		1.880.381	1.880.381	
F. DEFERRED AND CURRENT TAX LIABILITY (104 + 105)	103		125.399.231	125.399.231	611.594	130.940.358	131.551.952	
1. Deferred tax liability	104		123.123.052	123.123.052		122.458.424	122.458.424	
2. Current tax liability	105		2.276.179	2.276.179	611.594	8.481.934	9.093.528	
G. DEPOSITS RETAINED FROM BUSINESS CEDED TO REINSURANCE	106							
H. FINANCIAL LIABILITIES (108 to 110)	107		149.704	149.704		127.796	127.796	
1. Loan liabilities	108		149.704	149.704		127.796	127.796	
2. Outstanding securities	109							
3. Other financial liabilities	110							
I. OTHER LIABILITIES (112 to 115)	111	15.379.752	185.634.644	201.014.397	15.768.445	206.298.597	222.067.042	
1. Liabilities derived from direct insurance activities	112	248.556	98.448.932	98.697.488	642.269	100.397.859	101.040.128	
2. Liabilities derived from coinsurance and reinsurance activities	113	1.665	8.805.514	8.807.179	2.238	25.483.261	25.485.499	
3. Liabilities for misappropriation and discontinued operations	114							
4. Other liabilities	115	15.129.532	78.380.197	93.509.729	15.123.938	80.417.477	95.541.415	
J. DEFERRED PAYMENT OF EXPENSES AND INCOME OF THE FUTURE PERIOD (117+118)	116	41.980.537	11.742.481	53.723.017	62.957.890	12.041.465	74.999.355	
1. Reinsurance commission split	117							
2. Other deferred costs payment and future income	118	41.980.537	11.742.481	53.723.017	62.957.890	12.041.465	74.999.355	
K. TOTAL LIABILITIES (071+091+092+099+100+103+106+107+111+116)	119	2.037.490.275	5.722.999.604	7.760.489.879	2.067.679.772	6.254.443.925	8.322.123.697	
L. NON-BALANCE SHEET RECORDS	120		646.551.949	646.551.949		640.823.280	640.823.280	
ADDITION TO BALANCE SHEET (only for consolidated financial statements)								
M. CAPITAL AND RESERVES (122+123)	121	0	0	0	0	0	0	
1. Attributable to majority owners	122			0			0	
2. Attributable to minority interests	123			0			0	

CHANGES IN EQUITY REPORT for the period 01/01/2011 – 30/06/2011

in HRK

Position	AOP	Attributable to the owners of the parent company							Attributable to non-controlling interests	Total capital and reserves (9+10)
		Subscribed capital	Share premium	Revaluation reserves	Reserves (legal, statutory, other)	Retained profit or transferred loss	Current year profit/loss	Total capital and reserves (3 to 8)		
1	2	3	4	5	6	7	8	9	10	11
I. Balance at 1 January - previous year	001	442.887.200		462.272.015	423.894.652	136.702.656	69.690.466	1.535.446.989		1.535.446.989
1. Change in accounting policy	002									
2. Correction of previous period errors	003									
II. Balance at 1 January - previous year (corrected) (AOP 001 to 003)	004	442.887.200		462.272.015	423.894.652	136.702.656	69.690.466	1.535.446.989		1.535.446.989
III. Comprehensive profit or loss - previous year (AOP 006+007)	005			68.426.394		6.695.850	43.603.886	118.726.130		118.726.130
1. Profit/loss of the previous period	006						43.603.886	43.603.886		43.603.886
2. Other comprehensive profit/loss of the previous year (AOP 008 do 011)	007			68.426.394		6.695.850		75.122.244		75.122.244
2.1. Unrealized profit/loss from tangible assets (land and buildings)	008			-5.356.680		5.356.680				
2.2. Unrealized profit/loss from financial assets available for sale	009			-12.150.805				-12.150.805		-12.150.805
2.3. Realized profit/loss from financial assets available for sale	010			85.933.879				85.933.879		85.933.879
2.4. Other non-ownership changes in capital	011					1.339.170		1.339.170		1.339.170
IV. Transactions with owners (previous period) (AOP 013 to 016)	012				20.036.009	48.674.457	-69.690.466	-980.000		-980.000
1. Increase/decrease of share capital	013									
2. Other payments by the owners	014									
3. Payment of shares in profit/dividends	015						-980.000	-980.000		-980.000
4. Other distribution to the owners	016				20.036.009	48.674.457	-68.710.466			
V. Balance at 31 December - previous period (AOP 004+005+012)	017	442.887.200		530.698.408	443.930.661	192.072.963	43.603.886	1.653.193.119		1.653.193.119
VI. Balance at 1 January - current year	018	442.887.200		530.698.408	443.930.661	192.072.963	43.603.886	1.653.193.119		1.653.193.119
1. Change in accounting policy	019									
2. Correction of previous period errors	020			-783.466		825.966		42.500		42.500
VII. Balance at 1 January - current period (corrected) (AOP 018 to 020)	021	442.887.200		529.914.942	443.930.661	192.898.929	43.603.886	1.653.235.619		1.653.235.619
VIII. Comprehensive profit or loss - current period (AOP 023+024)	022			-23.895.731		3.319.693	36.374.115	15.798.077		15.798.077
1. Profit/loss of the previous period	023						36.374.115	36.374.115		36.374.115
2. Other comprehensive profit/loss of the current year (AOP 025 to 028)	024			-23.895.731		3.319.693		-20.576.038		-20.576.038
2.1. Unrealized profit/loss from tangible assets (land and buildings)	025			-2.658.510		3.319.693		661.183		661.183
2.2. Unrealized profit/loss from financial assets available for sale	026			-22.726.309				-22.726.309		-22.726.309
2.3. Realized profit/loss from financial assets available for sale	027			1.489.088				1.489.088		1.489.088
2.4. Other non-ownership changes in capital	028									
IX. Transactions with owners (current period) (AOP 030 to 033)	029					43.603.886	-43.603.886			
1. Increase/decrease of share capital	030									
2. Other payments by the owners	031									
3. Payment of shares in profit/dividends	032									
4. Other distribution to the owners	033					43.603.886	-43.603.886			
X. Balance at 31 December - current period (AOP 021+022+029)	034	442.887.200		506.019.211	443.930.661	239.822.508	36.374.115	1.669.033.696		1.669.033.696

MONEY FLOW REPORT – INDIRECT METHOD for the period 01/01/2011 – 30/06/2011

in HRK			
Position	AOP	Previous period	Current period
1	2	3	4
I. CASH FLOWS FROM OPERATING ACTIVITIES (002+013+031)	001	17.511.061	-31.165.673
1. Cash flow before change in business property and liabilities (AOP 003+004)	002	-38.109.300	68.549.400
1.1. Profit before tax	003	32.681.564	45.467.643
1.2. Adjustment: (AOP 005 to 012)	004	-70.790.864	23.081.757
1.2.1. Depreciation and amortization of immovables and equipment	005	24.205.521	22.073.435
1.2.2. Depreciation and amortization of intangible property	006	1.130.315	1.335.677
1.2.3. Impairment and profits/losses from adjustment to fair value	007	-76.089.913	-4.355.711
1.2.4. Interest expenses	008	88.898	
1.2.5. Interest income	009		
1.2.6. Share in profit of associated companies	010		
1.2.7. Profits/losses from sale of tangible property (including real estate)	011		
1.2.8. Other adjustments	012	-20.125.685	4.028.356
2. Increase/decrease in business property and liabilities (AOP 014 to 030)	013	82.711.430	-88.676.635
2.1. Increase /decrease in investments available for sale	014	-18.267.757	24.380.141
2.2. Increase /decrease in investment estimated at fair value	015	-63.378.874	-187.040.656
2.3. Increase / decrease in deposits, loans and receivables	016	22.875.073	5.484.682
2.4. Increase/decrease of deposits at insurance activities ceded to reinsurance	017		
2.5. Increase / decrease in investment for the account and own risk of life insurance policyholders	018	-174.648	1.500.626
2.6. Increase /decrease of reinsurance stakes in technical provision	019	-40.594.517	-139.396.694
2.7. Increase/decrease of taxable property	020	593.629	3.897.244
2.8. Increase/decrease in receivables	021	-262.135.169	-317.897.447
2.9. Increase/decrease in other assets	022		
2.10. Increase/decrease in prepaid expenses of the future period and undue collection of income	023	-19.814.444	1.411.125
2.11. Increase/decrease in technical provision	024	423.131.606	474.442.846
2.12. Increase/decrease in life insurance technical provision when the policyholder bears investment risk	025	174.648	-1.500.626
2.13. Increase/decrease in tax liabilities	026	-13.812.691	6.152.722
2.14. Increase/decrease in deposits held from activities ceded to reinsurance	027		
2.15. Increase/decrease in financial liabilities	028	-20.621	-21.908
2.16. Increase/decrease in other liabilities	029	55.536.511	18.634.972
2.17. Increase/decrease in deferred payment of expenses and income of the future period	030	-1.401.316	21.276.338
3. Income tax paid	031	-27.091.069	-11.038.438
II. CASH FLOW FROM INVESTMENT ACTIVITIES (AOP 033 to 046)	032	-13.388.524	54.996.736
1. Receipts from sale of tangible assets	033	433.591	2.565
2. Expenditures for the purchase of tangible assets	034	-29.706.737	-24.615.501
3. Receipts from sale of intangible assets	035		
4. Expenditures for the purchase of intangible assets	036	-536.826	-1.254.228
5. Receipts from sale of land and buildings not intended for business activities of the company	037		20.000
6. Expenditures for the purchase of land and buildings not intended for business activities of the company	038	-14.942.719	-65.098.749
7. Increase/decrease of investments in branch-offices, associated companies and participation in joint investments	039	765.430	2.240.295
8. Receipts from investments kept till maturity	040		123.977.823
9. Expenditures for investments kept till maturity	041	3.134.257	-14.610.994
10. Receipts from sale of securities and stakes	042		
11. Expenditures for investments in securities and stakes	043		
12. Receipts from dividends and profit share	044	27.464.480	34.335.525
13. Receipts from long term and short term loans	045		
14. Expenses for long term and short term loans	046		
III. CASH FLOW FROM FINANCIAL ACTIVITIES (AOP 050 to 054)	047	-7	-6.384
1. Receipts from capital stock increase	048		
2. Receipts from short-term and long-term loans	049		
3. Expenditures for short-term and long-term loans	050		
4. Expenditures for purchase of treasury shares	051		
5. Expenditures for payment of profit share (dividends)	052	-7	-6.384
NET CASH FLOW (AOP 001 + 032 + 049)	053	4.122.530	23.824.679
IV. EFFECTS OF CHANGES IN RATES OF FOREIGN CURRENCIES	054	342.986	-620.612
V. NET INCREASE/DECREASE IN CASH AND CASH EQUIVALENTS (055+056)	055	4.465.516	23.204.067
Cash and cash equivalents at the beginning of the period	056	41.552.057	38.817.213
Cash and cash equivalents at the end of the period (AOP 057 + 058)	057	46.017.573	62.021.280

II MANAGEMENT BOARD' S REPORT ON COMPANY STATUS

After the first good results and optimistic announcements about the recovery of the insurance market, based on the growth of the total written premium amounting to 0.5 % after the first quarter of 2011, the Croatian insurance market records decrease in total written premium amounting to 2.0% at the end of the second quarter. The result indicates that the influence of the economic crisis in the insurance industry is still present.

During the first half of 2011, CROATIA osiguranje d.d. realized the total written premium amounting to HRK 1,729.0 mil., that presents the decrease of 4.9 % compared to the same period of the previous year. Compared to plan, the written premium is realized by 59.1 % that is an increase of 9.1 points compared to annual proportional part. The non-life insurance written premium decreased by 5.6 % while in life insurance the Company recorded the increase of 2.0 % compared to the same period of the previous year.

During the period I-VI 2011, the market share of CROATIA osiguranje d.d. in total written premium of all insurance companies in the Republic of Croatia amounted to 35.0 % while the daughter company Croatia zdravstveno osiguranje records the market share of 1.3 %.

During the period I-VI 2011 the gross paid claims amounted to HRK 786.0 mil., that is an increase of 0.1 % i.e. HRK 1.1 mil. compared to the same period of the previous year. The non-life insurance recorded the significant decrease in gross paid claims (the decrease of 9.2 % compared to the same period of the previous year) while the biggest increase in paid claims was recorded in life insurance paid claims (54.6 %) as a consequence of the ordinary policy expiration period.

The total income of CROATIA osiguranje d.d. amounted to HRK 1,316.4 mil. that is a decrease of 8.0 % compared to the same period of the previous year. The total income was realized by 46.3% compared to annual plan.

The total expenditure amounted to HRK 1,270.9 mil. that is a decrease of 9.1 % compared to the same period of the previous year. Compared to annual plan, the total expenditure was realized by 45.8 %.

The Company records the gross profit amounting to HRK 45.5 mil. in this reporting period that is an increase of 39.1 % compared to the same period of the previous year.

KEY BUSINESS INDICATORS:

DESCRIPTION	PLAN 2011	VI 2010	VI 2011	Index 4 : 3	Index 4 : 2
1	2	3	4	5	6
Total income	2,843,874,850	1,431,168,604	1,316,401,365	92.0	46.3
Total expenditure (profit tax excluded)	2,774,295,000	1,398,487,039	1,270,933,721	90.9	45.8
Gross written premium	2,926,680,850	1,818,601,393	1,729,025,593	95.1	59.1
- non-life	2,575,994,000	1,655,944,255	1,563,170,156	94.4	60.7
- life	350,686,850	162,657,138	165,855,437	102.0	47.3
Paid claims, gross	1,783,767,000	784,984,826	786,036,387	100.1	44.1
- non-life	1,513,767,000	681,175,369	625,555,049	91.8	41.3
- life	270,000,000	103,809,457	160,481,338	154.6	59.4
Profit before taxation	69,579,850	32,681,565	45,467,643	139.1	65.3
Profit after taxation	49,372,740	26,145,252	36,374,115	139.1	73.7
Total assets	7,961,103,720	8,170,144,099	8,322,123,697	101.9	104.5
Investments	5,459,000,000	5,124,924,774	5,364,183,878	104.7	98.3
Equity and provision	1,721,392,516	1,552,068,923	1,669,033,696	107.5	97.0
- subscribed capital	442,887,200	442,887,200	442,887,200	100.0	100.0
- revaluation provision	541,660,000	452,748,697	506,019,211	111.8	93.4
- legal provision	19,563,637	13,977,453	17,461,976	124.9	89.3
- statutory provision	94,240,745	67,706,372	84,257,857	124.4	89.4
- other provision	342,210,827	342,210,827	342,210,827	100.0	100.0
- retained profit	230,280,797	206,393,122	239,822,509	116.2	104.1
- current period profit	50,549,310	26,145,252	36,374,115	139.1	72.0
Technical provision	5,734,108,912	6,017,227,899	6,098,532,758	101.4	106.4
- unearned premium, gross	985,833,496	1,385,317,274	1,312,620,773	94.8	133.1
- LIMP	1,861,378,195	1,684,340,732	1,783,991,616	105.9	95.8
- claim provision	2,871,740,220	2,933,169,892	2,987,163,370	101.8	104.0
- other insurance technical provision	15,157,000	14,400,000	14,757,000	102.5	97.4
Life insurance special provision- policyholder's investment risk-gross	24,327,665	22,502,313	20,874,341	92.8	85.8
ROA % (net profit / assets)	0.62	0.32	0.44	136.6	70.5
ROE % (net profit / equity and provision)	2.87	1.68	2.18	129.4	76.0
Gross profit margin (%) (gross profit / total income)	2.45	2.28	3.45	151.3	141.2
Net profit margin (%) (net profit / total income)	1.74	1.83	2.76	151.3	159.2

On 30/06/2011 the solvency indicator ¹ amounts to 29.7.

During the first half of 2011, equity and provision amounted to HRK 1,669.0 mil. that is an increase of 7.5 %, i.e. HRK 117.0 mil. compared to the same period of the previous year. On 30/06/2011 the Company fulfilled all three conditions in

¹ The solvency indicator is calculated in accordance with Croatian Financial Services' Supervisory Agency's Regulation on the Manner of Calculating Solvency Indicators and the Smallest Value of the Solvency Indicator of the Insurance i.e. Reinsurance Company (Narodne novine 119 of 01/01/2009). The company is solvent when the solvency indicator is higher than one (Article 7 of the Regulation).

connection with capital adequacy prescribed by the Insurance Law. In non-life insurance business the capital was by 39.6 % higher than the solvency limit ², while in life insurance business it was higher by 60.2 %.

Unaudited and unconsolidated financial statements for the second quarter and the first half 2011 will be available on CROATIA osiguranje d.d.'s, the Zagreb Stock Exchange's and the Prescribed Information Register's web pages as well as publicly disclosed by HINA.

Key Business Events

At the meeting of the Croatia osiguranje d.d. Supervisory Board held on 11 April 2011, the Supervisory Board has given its consent to the Annual Report on Company status 2010 as well as to the Annual Financial Statements 2010 and Consolidated Report of the Company as well as to the Annual Consolidated Financial Statements 2010. The Supervisory Board discussed the proposal of the Decision on the Allocation of Profit for 2010, which was approved at the meeting held on 20 April 2011.

The Decision on Allocation of Profit has been submitted for adoption to the 35th General Assembly of Croatia osiguranje d.d. held on 08 July 2011.


Description of Main Risks and Uncertainties

The Company acknowledges the importance of efficient and effective risk management system. The basic target during financial, insurance, operative as well as other risk management is the maintenance of the equity level adequate to the scope and types of business as well as to the risk exposure. The Company has to ensure continuous business operations in unpredictable situations (unexpected economic changes or natural disasters and the like).

The Company manages its assets actively using the approach of harmonized relation between quality, diversification, compliance between assets and liabilities, solvency as well as investment proceeds. The Company reviews and approves the targeted portfolios periodically, determines the investment directives as well as limits and supervises the assets and liabilities process management.

The due attention is paid to the compliance with the provisions of the Law on Insurance. The Company manages its liabilities actively by timely determining its obligations in the manner prescribed by insurance regulations as well as by the Insurance Law. The main risks and uncertainties are described in the Annual Report 2010.

Zagreb, 29/07/2011

Članica Uprave

Silvana Ivančić

Member of the Board

Predsjednik Uprave

Zdravko Zrinušić

President of the Board

² Solvency limit is determined in accordance with Article 98 and Article 99 of the Insurance Law

III NOTES TO THE UNAUDITED FINANCIAL STATEMENTS

1. General

CROATIA osiguranje d.d. was established in 1884. From that time until today CROATIA osiguranje d.d. takes the leading position on the insurance market of the Republic of Croatia that makes it the most successful insurance company in the country as in the region.

CROATIA osiguranje d.d. (Company) with the seat in Zagreb, Miramarska 22, is registered at the Commercial Court Register in Zagreb under subject registration number (MBS): 080051022. The Company operates all types of life and non-life insurance as well as closely connected business.

The company operates following business directly or indirectly connected with insurance business:

- Sale mediation i.e. sale of the property belonging to the Company on the basis of operating insurance business,
- Taking measures with the aim to prevent and reject danger which jeopardizes insured property and persons,
- Assessment of risk exposure level of the insured object and loss assessment,
- Other intellectual and technical services connected with operating insurance business.

Supervisory Board and Management Board

In accordance with the Law on Commercial Companies, the Insurance Law and the Statute of the Company, the bodies of the Company are: the Management Board, the Supervisory Board and the General Assembly. The previously mentioned acts regulate the responsibilities of the members of these bodies.

Members of the Supervisory Board of the Company:

Nikola Mijatović, D.Sc., Chairman
Nataša Duspara, Deputy Chair-woman
Gzim Redžepi, D.Sc., Member
Josip Zaher, Member
Ante Obuljen, Member
Miroslav Hrašćanec, Member

Members of the Management Board of the Company:

Zdravko Zrinušić, President
Silvana Ivančić, Member

During the period from 1 January to 30 June 2011, 24 meetings of the Management Board were held, discussing and bringing decisions in accordance with Laws and the Statute of the Company.

Subscribed capital and shares

On 30/06/2011 the subscribed capital is determined in the nominal amount of HRK 442,887,200.00 and consists of 316,348 shares in the nominal value of HRK 1,400.00. All shares are initial public offering shares and are marked as follows:

- 307,598 shares are ordinary shares marked as CROS-R-A
- 8,750 shares are preferred shares marked as CROS-P-A.

Each share, ordinary and preferred, relates to 1 (one) vote at the General Assembly. All shares are entirely paid, issued in non-material form, are free for transfer and are recorded in depository of the central Depository and Clearing Company.

CROATIA osiguranje d.d. has no own shares in its ownership.

Ownership structure on 30/06/2011:

Shareholder	Number of Shares	30/06/2011	
		Amount HRK	% Share
1. AUDIO / Republic of Croatia	253,807	355,329,800.00	80.23
2. Raiffeisenbank Austria d.d.-custody account	19,695	27,573,000.00	6.23
3. Hrvatska poštanska banka d.d.-basic and custody account	6,904	9,665,600.00	2.18
4. Societe Generale- Splitska banka d.d.-custody account	6,321	8,849,400.00	2.00
5. PBZ d.d.-custody account	2,575	3,605,000.00	0.81
6. Zvon ena holding d.d.	2,122	2,970,800.00	0.67
7. Kraš d.d.	1,400	1,960,000.00	0.44
8. Erste&Steiermärkische Bank d.d. – basic and custody account	1,297	1,815,800.00	0.41
9. Hypo alpe-adria-bank d.d.- custody account	1,053	1,474,200.00	0.33
10. Auto Hrvatska d.d.	1,004	1,405,600.00	0.32
11. Komercijalna banka d.d. in liquidation	700	980,000.00	0.22
12. Zagrebačka banka d.d.-custody account	675	945,000.00	0.21
13. Bahovec Srećko	566	792,400.00	0.18
14. Adriacommerce	500	700,000.00	0.16
15. Radić Antun	408	571,200.00	0.13
16. Tankerska plovdba	400	560,000.00	0.13
17. Škaro Miroslav	380	532,000.00	0.12
18. Fran Mihaljević - klinika za infekt. bolesti	330	462,000.00	0.10
19. Cemex Hrvatska d.d.	249	348,600.00	0.08
20. Končar-elektroindustrija d.d.	230	322,000.00	0.07
21. Other shareholders	15,732	22,024,800.00	4.98
TOTAL:	316,348	442,887,200.00	100.00

Basis for composing the financial statements

The financial statements of the Company are made in accordance with Insurance Law (NN 151/05, 87/08, 82/09), Accounting Law (NN 109/07) and International Financial Reporting Standards ("MSFI") (NN 140/06, 30/08, 130/08, 137/08, 29/09) brought by the Financial Reporting Standards Board in accordance with Structure

and Contents of the Insurance Companies Supervision Reports Regulation (NN 132/10).

The financial statements are made by the appliance of the basic accounting assumption of the occurrence of business event whose effects are recognized at the moment of the occurrence and recorded in the financial statement for the related period, as well as under the accounting assumption of unlimited time of operating business.

Reporting Currency

The financial statements are presented in Croatian kuna (HRK). On 30 June 2011 the official exchange rate of the Croatian kuna was HRK 7.373946 to 1 Euro and HRK 5.127205 to 1 USD.

Use of Estimate

The making of the financial statements in accordance with IFRS requires the making of judgments, estimates and assumptions influencing the appliance of policies as well the presented amounts of assets, liabilities, income and expenditure. The estimates and assumptions are based on experience and other various factors considered rational in given circumstances accompanied by information available at the time of making financial statements, the result of which makes the basis for book value of assets and liabilities assessment which is not easy to determine on the basis of other sources. Actual results may differ from these estimates. The estimates and assumptions are continually examined. The changes in accounting assessments are recognized for the period for which they have been changed as well as for future periods if the changes influence them.

Accounting Policies

The accounting policies used during making the financial statements for the second quarter and the first half of 2011 correspond to the accounting policies used during making of the audited financial statements 2010.

Business Events After the Balance Sheet Date

On 8 July 2011, 35th General Assembly of CROATIA osiguranje d.d. was held. The General Assembly discussed the Annual Report of CROATIA osiguranje d.d. and Consolidated Annual Report of CROATIA osiguranje d.d. The report of Supervisory Board has been discussed as well, and finally Annual Financial Statements of CROATIA osiguranje d.d. 2010 and Annual Consolidated Financial Statements of CROATIA osiguranje d.d. 2010 as well were approved together by the Management Board and the Supervisory Board of CROATIA osiguranje d.d.

All decisions were brought by major votes of the present shareholders as follows:

1. a) Decision on Allocation of Profit for 2010
b) Decision on Relieving of Duty of the Management Board of CROATIA osiguranje d.d

c) Decision on Relieving of Duty of the Supervisory Board of CROATIA osiguranje d.d.

2. Decision on Appointing the Auditor of CROATIA osiguranje d.d. for 2011

The realized net profit of CROATIA osiguranje d.d. amounting to HRK 43,603,886.45 will be allocated as follows:

1. Legal provisions	2,180,194.32	HRK
2. Statutory provisions	10,355,923.03	HRK
3. Preferred share dividends	980,000.00	HRK
4. Ordinary share dividends	27,683,820.00	HRK
5. Retained profit	2,403,949.10	HRK

The dividend for the preferred share amounted to HRK112.00 and for the ordinary share the dividend amounted to HRK 90.00 per each share.



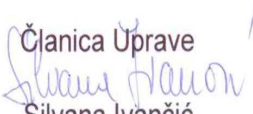
On the basis of the Article 20 of the Statute of CROATIA osiguranje d.d. of 30 April 2008 and Article 410 of the Law on Equity Market (NN 88/08) the Management Board of the Company gives the

STATEMENT

To the best of its knowledge:

- The unaudited financial statements of the issuer for the second quarter and the first half of 2011, made by applying relevant FRS, gives the whole and true presentation of assets and liabilities, losses and gains, financial position and business operation of the issuer,
- The Management Board's report consists of true presentation of the development and results of business operations as well as the position of the issuer, accompanied by the description of major risks and uncertainties the issuer is exposed to.

Zagreb, 29/07/2011

Članica Uprave

Silvana Ivančić

Member of the Board

Predsjednik Uprave

Zdravko Zrinušić

President of the Board