

UNAUDITED UNCONSOLIDATED BUSINESS REPORT FOR THE SECOND QUARTER AND THE FIRST HALF OF 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) Company registration number (MBS): Personal identification number (OIB):	080	276147 051022 7994862						
Issuing company:	CROATIA	osiguranje d.c	l.					
Postal code and place	1	0000	ZA	GREB				
Street and house number:	MIRAMAF	RSKA 22						
E-mail address:								
Internet address	www.cros	sig.hr						
Municipality/city code and name	133	ZAGREB						
County code and name	21	GRAD ZAGR	EB			Number of employees:		2.895
Consolidated report:	NO					(quarter end) NKD code:		6512
Companies of the consolid	ation sub	ject (accordin		Seat:			MB:	
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		ı						
		ĺ						
		<u></u>						
Bookkeeping service:			L					
Contact person:	KATICA K	KUZMANOVIĆ						
Telephone:	01/6333-	117			Telefaks:	01/6332-073		
E-mail address:	katica.ku	ızmanovic@cr	osig.hr					
Family name and name:		IVANČIĆ, ZDRA						

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

Članica Uprave

Predsjednik Uprave

Zdravko Zmušić

(potpis osobe ovlašene za zastupanie)

N.P.

TOTAL GAINS REPORT (PROFIT&LOSS ACCOUNT)

							IRK
Position	AOP	Pr	evious peri	od	C	d	
		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		166.206.528		1.112.104.262
1. Gross written premiums	125	162.657.138	1.655.944.255		165.855.437	1.563.170.156	
2. Coinsurance premium	126		2.305.001	2.305.001		2.468.554	2.468.554
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
Income from branch-offices, associated companies and joint ventures	134		27.994.945	27.994.945		34.526.593	34.526.593
Income from investments into land an 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
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 acount	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			•			
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-tehnical 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	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		-160.481.338	-546.531.710	-707.013.048
1.1. Gross amount	152	-103.809.457	-681.175.369)	-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	504 400	85.318.819		4040070	79.076.676	
Change in claims provision (AOP 156 to 158) Change in claims provision (AOP 156 to 158) 2.1. Gross amount	155		-44.110.277			-24.301.361	
2.1. Gross amount 2.2. Coinsurer`s share	156	591.462	-42.813.702	-42.222.240	4.319.270	-124.477.420	-120.158.150
2.3. Reinsurer`s share	157 158		-1.296.575	-1.296.575		100.176.059	100.176.059
VII. Change in mathematical reserve and other technical	159	-48.146.635	-1.290.373		-13.043.390	100.170.009	-13.043.390
reserves (AOP 160 + 163) 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
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	t:::::::::::::::::::::::::::::::					F
IX. Outlays for premium returns (bonuses and discounts), net of reinsurance	171				***************************************		
Depending on results (bonuses)	172						
2. Irrespective of results (discounts)	173						
			L	L		L	L

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
Depreciation (buildings not intended for business activities of	184						
the company)	107						
2. Interest	185		-40	-40			
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 tehnical expenses, net of reinsurance (AOP 192 +	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	0.02	763.923	763.923	20.000	-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
Profit / loss from translation of financial statements	205		***************************************		**************************************		and the second
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
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 with defined pensions	210	***************************************					
7. Share of other comprehensive profit of associates	211						,
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

Part	Г	AOP	Previous period Currer			in Hi urrent period	in HRK		
A RECEIVAL EL COR SUBSCRIBLE PORT PAID CARTAL (1021-003) A RECEIVA SUBSCRIBLE PORT PAID CARTAL (1021-003) B MT AMBRIE A SERTS (005-000) B MT AMBRIE A SERTS (005-000) C ADMIRITE A SER	Position	AOF		-	Total		-	Total	
ASSETS A. RECOVABLE POR SUBSCRIBED NOT PAID CAPITAL (1020-000) 01	1	2							
Copies have not noted to be paid 0.00 1.00	ASSETS	ı							
A CADIDA THAN STATE (1997-1997) 1.1	A. RECEIVABLE FOR SUBSCRIBED NOT PAID CAPITAL (002+003)	001							
B. HT ANDRIE A SERTS (000-100)	Capital invited to be paid	002							
Control Cont	Capital that is not invited to be paid	003							
Comparison assesses		004		11.455.283	11.455.283		6.008.784	6.008.784	
C. TAMORIE ASSETS (00% or 10) 1. And and buildings used for muse acesthrides 0.00 1. Taylor 100 100 100 100 100 100 100 100 100 10		005							
1. Leaf and buildings used for nearones extinues 000	-			\$	L		\$	6.008.784	
2. Euppreners					L		§		
3. Other integrate sected and receives 5,731,700 5,731,400 5,731,400 5,731,400 5,731,700				L	<u> </u>				
Description 19 1							{		
Livestments in land and buildings not intended for businesss and participating in join in west ments; () 14 - 00 - 10 - 10 - 10 - 10 - 10 - 10 -				<u> </u>	L		L	5.731.732	
Activities of the company 192	,	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	
1. State and others on transcriptions 1914 2. 2. 2. 2. 2. 2. 2. 2		012		677.014.955	677.014.955		750.879.043	750.879.043	
2. Shire and stakes in associate componies 915 1. Brobosom paint investments (916 + O21 + O22 + O32) 10. Other financial investments (916 + O21 + O22 + O32) 11. Detail investments (916 + O21 + O22 + O32) 11. Investments by the financial investments (916 + O21 + O32) 11. Investments by the financial investments (916 + O21 + O32) 11. Detail investments (916 + O21 + O32) 12. Detail investments (916 + O21 + O32) 12. Detail investments (916 + O32) 13. Detail investments (916 + O21 + O32) 13. Detail investments (916 + O32) 13. Detail investments (916 + O32) 13. Detail investments (916 + O32) 13. Detail investment (916 + O33) 14. Detail investment (916 + O33) 15. Detail investment (916 + O33) 15. Detail investment (013		436.930.913	436.930.913		434.690.618	434.690.618	
3. Principating a joint investments (104 o 201 + 0.001 + 0.001)	Shares and stakes in branch-offices	014		428.221.613	428.221.613		427.464.518	427.464.518	
	Shares and stakes in associate companies	015		8.709.300	8.709.300		7.226.100	7.226.100	
1. Investments part ill munitry date (019 × 020) 1. 10. Det accounted and other securities with fued income 1. 10. Det accounted and other securities with fued income 2. 2. Investments available for sale (220 to 25) 2.1. Stocks, shares and other securities with fued income 2.2. Det accounted and other securities with fued income 2.2. Det accounted and other securities with fued income 2.2. Det accounted and other securities with fued income 2.2. Det accounted and other securities with fued income 2.2. Det accounted and other securities with fued income 2.2. Det accounted and other securities with fued income 2.2. Det accounted and other securities with fued income 2.2. Det accounted and other securities with fued income 2.2. At Other investment saviable for sale 2.3. States in investment funds 2.4. Other investment saviable for sale 3. Investment funds 3. Deviation in the profit and loss account (027 to 031) 3. States in investment funds 3. Deviation in investment funds 3. De									
11.1. Data securities and other securities with fixed income 12. Investments with interments positif income 2. Investments withink for sale (022 to 025) 2. Investments withink for sale (022 to 025) 2. Data securities and other securities with variable income 2. Investment investment funds 2. Data securities and other securities with variable income 2. Sales and other securities with variable income 2. Sales and a revealment for sale (22 to 025) 2. Data securities and other securities with variable income 2. Sales and a revealment with profit and loss account (027 to 031 to 032 to 032) 3. Investment and a rovalue frought be profit and loss account (027 to 031 to 032	·						(
12. Other investment available for sale or a	Investments kept till maturity date (019 + 020)	018	1.181.787.763	690.876.535	1.872.664.298	1.145.131.313	<u> </u>		
2. Prostments available for sale (022 to 025) 2. Dibt securities with viewable noome 2. 2. Dibt securities and other securities with viewable noome 2. 2. Dibt securities and other securities with viewable noome 2. 3. Sales in revealment funds 2. 3. Sales in revealment funds 2. 4. Other investments with viewable noome 2. 5. Other investments and other securities with fixed noome 2. 4. Other investments and other securities with fixed noome 2. 4. Other investments and other securities with fixed noome 2. 4. Other investments and other securities with fixed noome 2. 4. Other investments and other securities with fixed noome 2. 4. Other investments and other securities with fixed noome 2. 5. Sales in the visual fixed noome 2. 6. Other investment investment funds and other securities with fixed noome 2. 6. Other investments and other securities with fixed noome 2. 6. Other investments and other securities with fixed noome 2. 8. Sales in revealment funds and other securities with fixed noome 2. 8. Sales in revealment investment funds 2. Sales in revealment funds 3. Sales in reve	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	
2.1. Slocks, theres and other securities with rised income 2.2. Debt securities and other securities with fixed income 2.3. Slottes in rivestment funds 2.4. Chare investment funds 3.1. Slocks, there and other securities with fixed income 3.3. Investment and the reveals the profit and loss account (27 to 33) to 25 3. Investment and fair value brough the profit and loss account (27 to 33) to 25 3. Investment and fair value brough the profit and loss account (27 to 33) to 25 3. Investment and fair value brough the profit and loss account (27 to 33) to 27 3. Investment and fair value brough the profit and loss account (27 to 33) to 27 3. Investment and fair value brough the profit and loss account (28 to 27 to 33) to 27 to 27 to 27 to 27 to 27 to 28	Other investmentskept till maturity date	020							
2.2. Debt securities and other securities with fixed income 2.4. Other investment funds 2.5. Shake in revestment supplied for sale 3. Investment and reveal with fixed for sale 3. Investment and other securities with variable recore 2. (a) 18.0044 882 (140.184.465 (80.229.97 (20.838.81.515) (20.834.61.886) (80.220.97 (20.838.81.515) (20.834.61.886) (80.220.97 (20.838.81.515) (20.834.61.886) (80.220.97 (20.838.81.615) (20.834.61.886) (80.220.97 (20.838.81.615) (20.834.61.886) (80.220.97 (20.838.81.615) (20.834.61.886) (80.220.97 (20.838.81.615) (20.834.61.886) (80.220.97 (20.838.81.615) (20.834.61.886) (80.220.97 (20.838.81.615) (20.834.61.886) (80.220.97 (20.838.81.615) (20.834.61.886) (20.834.81.815) (20.834.61.886) (20.834.816) (20.834	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	
2.3. Slakes in investment funds 2.4. Other investments available for sale 3.1. Slocks, shares and other securities with rived income 3.3. Investments at fair value through the profit and lass account (027 to 031) 3.1. Slocks, shares and other securities with rived income 3.2. Debt securities and other securities with rived income 3.3. Other securities with rived income and rived with rived income and securities with rive	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	
2.4. Other investments available for sale 3. Investments and other securities with variable incore 3.1. Sincels, shares and other securities with variable incore 3.2. Debt securities and other securities with variable incore 3.2. Debt securities and other securities with variable incore 3.3. Debt securities and other securities with variable i	2.2. Debt securities and other securities with fixed income	023				,			
2.4. Other investments available for sale 3. Investments and other securities with variable incore 3.1. Sincels, shares and other securities with variable incore 3.2. Debt securities and other securities with variable incore 3.2. Debt securities and other securities with variable incore 3.3. Debt securities and other securities with variable i			60.738 917	116.917 300	177.656.217	62.163.588	107.139 108	169.302.696	
3. Newstrands at flar value through the profit and loss account (027 to 031) 3. S. Stocks, after and other securities with middle income 0.27 1. 1.98.364 1.198.364 1.198.365 1			00.700.017	110.517.500	177.000.217	02.100.000	107.100.100	100.002.000	
3.1. Slocks, shares and other securities with variable income 3.2. Dets securities and other securities with river from the control of the c			180 044 882	140 184 465	320,229,347	243 818 315	263 451 688	507.270.003	
3.2. Debt securities and other securities with fixed income 3.3. Derivative firancial instruments 0.29 3.4. Stakes in investment funds 0.30 170.165.882 111.966.600 221.32.482 175.907.777 171.267.377 347.1737 3.5. Other investments 0.31 3.5. Other investments 0.32 463.707.198 1.065.887.957 1.283.90.105 4.1. Bank deposits 0.31 4.1. Bank deposits 0.32 463.707.198 1.065.887.957 1.283.90.105 4.2. Canna and receivables (033 to 035) 0.32 463.707.198 1.065.887.957 1.283.90.105 4.2. Canna and receivables (033 to 035) 0.33 410.000.000 786.717.377 1.1. Turn 71.370 427.77.375 477.53.247 47.753.247 4			100.0111.002			210.010.010		5.649.489	
3.3. Berivative financial instruments 3.4. States in investment funds 3.5. Other investment funds 3.6. Other investments 3.6. Other investments 3.7. States in investment funds 3.6. Other investments 3.7. States in investment funds 3.7. States in investment funds 3.8. States in investment funds 3.9. States investment funds 3.9. States investment funds 3.0. Other investments 3.0. Other investments 3.0. States investment receivables (031 005) 4.1 Bank deposits 4.1 Bank deposits 4.2 Loans 4.3. Other inous and receivables 3.3. Other inous and receivables 4.2 Loans 4.3. Other inous and receivables 3.5. Type of the states in surrance activities ceded to reinsurance (deposits with cedent) 4.7. Deposits at insurance activities ceded to reinsurance (deposits with cedent) 4.8. Inoue funds funds for the states of t			0.070.000		·	07.040.507	(
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2. Receivables from coinsurance and reinsurance activities 3. Other receivables (055 to 057) 5. O54 5.537.503 174.524.261 180.061.764 4.944.309 145.389.766 150.384.0 3. Other receivables for other insurance activities 3. Receivables for returns on investments 5. O55 5. O56 1.485.844 6.363.575 7.849.419 1.589.722 6.421.250 8.010.9 3.3. Other receivables 5. O57 5. O58 6.277.906 32.539.307 38.817.213 10.647.569 51.373.712 62.021.21 1. Money in bank and in cash (060 to 062) 5. O59 6.184.384 12.856.713 19.041.097 10.598.408 3. Other paid expenses of the future period and undue income collection 666 18.012.109 14.350.144 32.362.253 15.679.401 18.098.879 2.067.679.772 6.254.443.925 6.254.443.925 6.254.443.925 6.322.123.6 6.329.760 150.384.058.441 18.008.1764 19.008.1776 19.008.1776				L			<u> </u>	4.702.019	
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3.1. Receivables for other insurance activities 3.2. Receivables for returns on investments 3.3. Receivables for returns on investments 3.4. Receivables for returns on investments 3.5. Receivables for returns on investments 3.6. Receivables for returns on investments 3.7. Receivables for returns on investments 3.8. Receivables for returns on investments 3.9. Receivables for returns on investments 3.1. Morey receivables 3.2. Receivables for returns on investments 3.3. Other receivables 3.4. Receivables for returns on investments 3.5. Receivables for returns on investments 3.6. Receivables for returns on investments 3.7. Receivables for returns on investments 3.8. Receivables for returns on investments 3.3. Other receivables 3.4. Receivables for returns on investments 3.3. Add 6.363.575 3.849.419 3.5. Re49.419 3.5. Responsible for returns on investments 3.3. Receivables for returns on investments 4.6. Receivables for returns on investments 5. Responsible for returns on investments 5. Responsible for returns on investments 6. Responsible for returns on investments 7. Responsible for returns on investments 8. Responsible for returns on investments 8. Responsible for returns on investments 9. Responsible for returns on investm			5 537 503	174 524 261	180.061.764	4 944 300	£		
3.2. Receivables for returns on investments 056 1.485.844 6.363.575 7.849.419 1.589.722 6.421.250 8.010.93 3.3. Other receivables 057 4.051.659 134.102.245 138.153.904 3.354.587 110.533.699 113.888.2 1. OTHER ASSETS (059 + 063 + 064) 058 6.277.906 32.539.307 38.817.213 10.647.569 51.373.712 62.021.21 1. Money in bank and in cash (060 to 062) 1.1. Money on business account 060 12.651.116 12.651.116 33.764.350 34.764.350 34.764.350 10.594.253 10.594.2			5.557.503			7.344.309	{		
3.3. Other receivables			1 485 844	6	(1 589 722	(
I. OTHER ASSETS (059 + 063 + 064) 058 6.277.906 32.539.307 38.817.213 10.647.569 51.373.712 62.021.21 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 45.607.21 1.1. Money on business acccount 060 12.651.116 12.651.116 34.764.350 34.				\$	((
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 45.607.20 1.1. Money on business account 060 12.651.116 12.651.116 34.764.350 34.764.35 1.2. Money on mathematical provision account 061 6.181.919 6.181.919 10.594.253 10.594.23 1.3. Cash money 062 2.465 205.597 208.063 4.155 244.524 248.61 2. Long-term assets intended for sale and business termination 063 3.0ther 064 93.522 19.682.594 19.776.116 49.161 16.364.838 16.413.91 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 41.904.14 1. Split interest and rental fees 066 18.012.109 14.350.144 32.362.253 15.679.441 12.073.830 27.53.27 2. Split sales costs 067 3.0ther paid expenses of the future period and undue income collection 068 43.716 10.909.300 10.953.016				L			(
1.1. Money on business account 1.2. Money on mathematical provision account 1.2. Money on business account 1.2. Money on business account 1.2. E51.116 1.2. E									
1.2. Money on mathematical provision account 1.3. Cash money 1.3. Cash money 1.4. Souther Series intended for sale and business termination 3. Other 3. Other 3. Other 4. Split interest and rental fees 4. Split interest and rental fees 5. Split interest and rental fees 6. Split sales costs 6. Split ales costs 6. Split ales costs 6. Split only on mathematical provision account 6. Split ales costs 6. Split ales costs 6. Split ales costs 6. Split only on mathematical provision account 6. Split ales costs 6. Split ales costs 6. Split ales costs 6. Split ales costs 6. Split only on mathematical provision account 6. Split ales costs 7. Split ales costs 8. Split ales costs 8. Split ales costs 9.			3.704.004		ļ	. 5.555.406			
1.3. Cash money 062 2.465 205.597 208.063 4.155 244.524 248.66 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 16.413.99 3. 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 41.904.14 1. Split interest and rental fees 066 18.012.109 14.350.144 32.362.253 15.679.441 12.073.830 27.753.21 2. Split sales costs 067 10.909.300 10.953.016 18.126 14.132.748 14.150.81 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 8.322.123.68			6.181 919	.2.551.110		10.594 253			
2. Long-term assets intended for sale and business termination 063 93.522 19.682.594 19.776.116 49.161 16.364.838 16.413.98 3. Other 064 93.522 19.682.594 19.776.116 49.161 16.364.838 16.413.98 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 41.904.12 I. Split interest and rental fees 066 18.012.109 14.350.144 32.362.253 15.679.441 12.073.830 27.753.27 2. Split sales costs 067 068 43.716 10.909.300 10.953.016 18.126 14.132.748 14.150.83 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 8.322.123.68				205 597	ļ		{	248.679	
3. Other 93.522 19.682.594 19.776.116 49.161 16.364.838 16.413.99 J. PREPAID EXPENSES OF THE FUTURE PERIOD AND UNDUE COLLECTION OF INCOME (066 to 068) 1. Split interest and rental fees	-		2.405	200.001	200.003	4.133	274.024	2-0.019	
J. PREPAID EXPENSES OF THE FUTURE PERIOD AND UNDUE COLLECTION OF INCOME (066 to 068) 18.055.825 25.259.444 43.315.270 15.697.567 26.206.578 41.904.14 19.04.14			93 522	19 682 504	19 776 116	AQ 161	16 364 839	16 413 900	
NCOME (066 to 068) 065 18.055.825 25.259.444 43.315.270 15.697.567 26.206.578 41.904.14 1.508.14 1.50									
1. Split interest and rental fees 066 18.012.109 14.350.144 32.362.253 15.679.441 12.073.830 27.753.21 2. Split sales costs 067 Image: Control of the future period and undue income collection 068 43.716 10.999.300 10.953.016 18.126 14.132.748 14.150.81 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 8.322.123.6		065	18.055.825	25.259.444	43.315.270	15.697.567	26.206.578	41.904.145	
2. Split sales costs 067 067 10.909.300 10.953.016 18.126 14.132.748 14.150.83 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 14.150.83 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 8.322.123.6		066	18.012 109	14.350 144	32,362 253	15.679 441	12.073 830	27,753 271	
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 14.150.8 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 8.322.123.6			. 2.3.200			. 2.3.0.141	5, 5, 5, 550	30.271	
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 8.322.123.6			43.716	10,909.300	10.953.016	18.126	14,132,748	14,150,874	
				<u> </u>			<u> </u>		
	L. NON-BALANCE SHEET RECORDS	070		646.551.949	ļ		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		44.288.720		<u></u>
1.1. Subscribed capital - common shares	073	44.288.720	386.348.480		44.288.720		<u> </u>
1.2. Subscribed capital - preferred shares	074	44.200.720		12.250.000	44.200.720	12.250.000	l
1.3. Capital invited to be paid	075		12.250.000	12.230.000		12.230.000	12.230.000
2. Capital reserves	075						
3. Revaluation reserves (078 to 080)	070	8.753.985	521.944.423	530.698.408	5.663.684	E00 255 527	506.019.211
3.1. Revaluation of land and buildings	077	0.755.965	492.595.123		5.003.004	500.355.527 489.153.147	489.153.147
3.2. Revaluation of investments in financial assets	078	8.753.985	29.349.300		5.663.684	11.202.380	
3.3. Other revaluation reserves	080	0.755.965	29.349.300	30.103.203	5.005.004	11.202.360	10.000.004
4. Reserves (082 to 084)		77.013.268	266 017 204	443.930.661	77.013.268	366.917.393	443.930.661
4.1. Legal provision	081 082	263.177	366.917.394 17.198.799		263.177	17.198.799	<u> </u>
4.2. Statutory provision		1.250.091	83.007.767		1.250.091	83.007.767	<u> </u>
4.3. Other reserves	083 084	75.500.000		342.210.827	75.500.000		342.210.827
5. Retained profit or loss (086 + 087)			266.710.827		anno anno anno anno anno anno anno anno		
5.1. Retained profit of loss (1000 + 1007)	085 086	3.750.272 3.750.272	188.322.692 188.322.692		8.277.815 8.277.815		
5.1. Retained profit 5.2. Retained loss (-)		3./50.2/2	100.322.092	192.072.963	0.211.815	231.344.694	239.622.509
6. Profit or loss for the period (089 + 090)	087	4 507 540	20.076.242	42 602 800	0.446.077	22 027 720	26 274 445
6.1. Profit for the period (069 + 090)	088	4.527.543 4.527.543	39.076.343 39.076.343		2.446.377 2.446.377	33.927.738 33.927.738	<u> </u>
6.2. Loss for the period (-)	090	4.521.543	39.076.343	43.003.686	2.440.377	33.921.738	30.374.115
B. MINORITY INTEREST	090				•		
C. TEHNICAL PROVISION (093 to 098)	091	1.816.883.663	3.807.206.248	E 624 090 012	1 925 100 070	4.273.342.689	6 009 522 750
Unearned premiums, gross amount	092	3.614.061	967.835.435	ļ		1.309.494.456	ļ.,
Mathematical insurance provision, gross amount	093	1.770.878.195	907.035.435	1.770.878.195	1.783.991.616	(1.783.991.616
Claims provision, gross amount	094	42.391.407	2.824.613.813			2.949.091.233	
Provision for premium returns dependent upon or independent of result	033	42.391.407	2.024.013.013	2.007.005.220	30.072.137	2.949.091.233	2.507.103.370
(bonuses and discounts), gross amount	096						
5. Provision for claims fluctuation, gross amount	097	•					
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	<u></u>
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. DEFERED AND CURRENT TAX LIABILITY (104 + 105)	103		125.399.231	125.399.231	611.594	130.940.358	131.551.952
Deferred tax liability	104		123.123.052	L		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		15.768.445	į	222.067.042
Liabilities derived from direct insurance activities	112	248.556	98.448.932		642.269	ł	ļ
Liabilities derived from coinsurance and reinsurance activities	113	1.665	8.805.514	8.807.179	2.238	25.483.261	25.485.499
Liabilities for misappropriation and discontinued operations	114						
4 Other lightities	115	15.129.532	/8.380.197	93.509.729	15.123.938	80.417.477	95.541.415
4. Other liabilities							74 000 255
J. DEFERRED PAYMENT OF EXPENSES AND INCOME OF THE FUTURE PERIOD	116	41.980.537	11.742.481	53.723.017	62.957.890	12.041.465	74.999.333
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	74.999.333
J. DEFERRED PAYMENT OF EXPENSES AND INCOME OF THE FUTURE PERIOD (117+118) 1. Reinsurance commission split	116 117						
J. DEFERRED PAYMENT OF EXPENSES AND INCOME OF THE FUTURE PERIOD (117+118) 1. Reinsurance commission split 2. Other deferred costs payment and future income	116 117 118	41.980.537	11.742.481	53.723.017	62.957.890	12.041.465	74.999.355
J. DEFERRED PAYMENT OF EXPENSES AND INCOME OF THE FUTURE PERIOD (117+118) 1. Reinsurance commission split 2. Other deferred costs payment and future income K. TOTAL LIABILITIES (071+091+092+099+100+103+106+107+111+116)	116 117 118 119		11.742.481 5.722.999.604	53.723.017 7.760.489.879	62.957.890	12.041.465 6.254.443.925	74.999.355 8.322.123.697
J. DEFERRED PAYMENT OF EXPENSES AND INCOME OF THE FUTURE PERIOD (117+118) 1. Reinsurance commission split 2. Other deferred costs payment and future income K. TOTAL LIABILITIES (071+091+092+099+100+103+106+107+111+116) L. NON-BALANCE SHEET RECORDS	116 117 118 119 120	41.980.537	11.742.481	53.723.017 7.760.489.879	62.957.890	12.041.465	74.999.355 8.322.123.697
J. DEFERRED PAYMENT OF EXPENSES AND INCOME OF THE FUTURE PERIOD (117+118) 1. Reinsurance commission split 2. Other deferred costs payment and future income K. TOTAL LIABILITIES (071+091+092+099+100+103+106+107+111+116) L. NON-BALANCE SHEET RECORDS ADDITION TO BALANCE SHEET (only for consolidated financial stateme	116 117 118 119 120 nts)	41.980.537 2.037.490.275	11.742.481 5.722.999.604 646.551.949	53.723.017 7.760.489.879 646.551.949	62.957.890 2.067.679.772	12.041.465 6.254.443.925 640.823.280	74.999.355 8.322.123.697 640.823.280
J. DEFERRED PAYMENT OF EXPENSES AND INCOME OF THE FUTURE PERIOD (117+118) 1. Reinsurance commission split 2. Other deferred costs payment and future income K. TOTAL LIABILITIES (071+091+092+099+100+103+106+107+111+116) L. NON-BALANCE SHEET RECORDS ADDITION TO BALANCE SHEET (only for consolidated financial stateme M. CAPITAL AND RESERVES (122+123)	116 117 118 119 120 nts) 121	41.980.537	11.742.481 5.722.999.604 646.551.949	53.723.017 7.760.489.879 646.551.949	62.957.890	12.041.465 6.254.443.925 640.823.280	74.999.355 8.322.123.697 640.823.280
J. DEFERRED PAYMENT OF EXPENSES AND INCOME OF THE FUTURE PERIOD (117+118) 1. Reinsurance commission split 2. Other deferred costs payment and future income K. TOTAL LIABILITIES (071+091+092+099+100+103+106+107+111+116) L. NON-BALANCE SHEET RECORDS ADDITION TO BALANCE SHEET (only for consolidated financial stateme	116 117 118 119 120 nts)	41.980.537 2.037.490.275	11.742.481 5.722.999.604 646.551.949	53.723.017 7.760.489.879 646.551.949	62.957.890 2.067.679.772	12.041.465 6.254.443.925 640.823.280	74.999.355 8.322.123.697 640.823.280

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

in HRK

							in H	:K		
			Attrib	outable to the	owners of t	he parent co	mpany		Attributable	Total
Position	AOP	Subscribe d capital	Share premuim	Revaluatio n reserves	Reserves (legal, statutory, other)	Retained profit or transferre d loss	Current year profit/loss	Total capital nad reserves (3 to 8)	to non- controlling interests	capital and reserves (9+10)
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
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 - previos year (AOP 006+007)	005			68.426.394		6.695.850	43.603.886	118.726.130		118.726.130
Profit/loss of the previous period	006		•				43.603.886	43.603.886		43.603.886
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)	800			-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-ow nership 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
Increase/decrease of share capital	013									
Other payments by the owners	014				**************************************			E	***************************************	e e e e e e e e e e e e e e e e e e e
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
Change in accounting policy	019									
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	p	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		15.798.077		15.798.077
Profit/loss of the previous period	023						36.374.115	36.374.115		36.374.115
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-ow nership changes in capital	028									
IX. Transactions with owners (current period) (AOP 030 to 033)	029					43.603.886	-43.603.886			
Increase/decrease of share capital	030									
2. Other payments by the owners	031									
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	Current
1		period	period
I. CASH FLOWS FROM OPERATING ACTIVITIES (002+013+031)	2 001	3 17.511.061	4 -31.165.673
1. Cash flow before change in business property and liabilities (AOP 003+004)	001	-38.109.300	68.549.400
1.1. Profit before tax	002	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 avaliable for sale	014	-18.267.757	24.380.141
2.2. Increase /decrease in investmenst 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 tehnical 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 tehnical provision	024	423.131.606	474.442.846
2.12. Increase/decrease in life insurance tehnical 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	-13.012.091	0.132.722
2.15. Increase/decrease in financial liabilities	027	-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)	031	-13.388.524	54.996.736
Receipts fom sale of tangible assets	032	433.591	2.565
Expenditures for the purchase of tangible assets	034	-29.706.737	-24.615.501
Receipts from sale of intangible assets	035	-29.700.737	-24.013.301
Expenditures for the purchase of intangible assets	036	-536.826	-1.254.228
Receipts from sale of land and buildings not intended for business activities of the company	037	-330.020	20.000
Expenditures for the purchase of land and buildings not intendened for business activities of the company	038	-14.942.719	-65.098.749
Increase/decrease of investments in branch-offices, associated companies and participation in joint investements	039	765.430	2.240.295
8. Receipts from investments kept till maturity	040		123.977.823
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
Receipts from capital stock increase	048		
Receipts from short-term and long-term loans	049		
3. Expenditures for short-term and long-term loanss	050		
Expenditures for purchase of treasury shares	051		000000F00000000000P0000000000000000
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

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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

Silvana Ivančić

Članica Uprave

Member of the Board

President of the Board

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

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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 HRKi 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:

			30/06/201	1
	Shareholder	Number of Shares	Amount HRK	% Share
1.	AUDIO / Republic of Croatia	253,807	355,329,800.00	80.23
2.	Raiffeisenbank Austria d.dcustody account	19,695	27,573,000.00	6.23
3.	Hrvatska poštanska banka d.dbasic and custody account	6,904	9,665,600.00	2.18
4.	Societe Generale- Splitska banka d.dcustody account	6,321	8,849,400.00	2.00
5.	PBZ d.dcustody 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.dcustody 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 plovidba	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 assuptions are based on experience and other various factors considered rational in given circumstances acompanied 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 Relieveng 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