



**UNAUDITED UNCONSOLIDATED FINANCIAL
STATEMENTS FOR THE SECOND QUARTER
AND THE FIRST HALF OF
2012**


Zagreb, July 2012

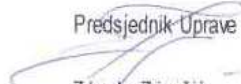
C O N T E N T S

	Page
Unaudited financial statements	3
– Comprehensive Profit Report (Profit & Loss Account)	4
– Financial Position Report (Balance Sheet)	6
– Report on Changes in Equity	8
– Report on cash flows	9
Management Interim Report	10
Notes to the unaudited financial statements	14
Statement of the persons responsible for the preparation of financial statement	18

I UNAUDITED FINANCIAL STATEMENTS

Reporting period:		01.01.2012.	to	30.06.2012.
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	Number of employees: (quarter end)	2.866
Consolidated report:	NO		NKD code:	6512
Companies of the consolidation subject (according to):	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				

Članica Uprave

 Silvana Ivančić

Predsjednik Uprave

 Zdravko Zrinušić

(potpis osobe ovlaštene za zastupanje)

COMPREHENSIVE PROFIT REPORT
(Profit & Loss Account)
For the period from 01.01.2012. until 30.06.2012.

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	166.206.527	945.897.734	1.112.104.261	164.491.754	941.268.964	1.105.760.718
1. Gross written premiums	125	165.855.437	1.563.170.156	1.729.025.593	164.772.040	1.505.285.475	1.670.057.516
2. Coinsurance premium	126		2.468.554	2.468.554			
3. Value adjustment and collected insurance/coinsurance premium value adjustment	127		-49.998.401	-49.998.401		-41.554.411	-41.554.411
4. Premiums ceded to reinsurance	128	-174.199	-262.892.366	-263.066.566	-99.019	-248.675.349	-248.774.369
5. Premiums ceded to coinsurance	129		-4.304.247	-4.304.247		-3.950.576	-3.950.576
6. Change in gross unearned premium provision	130	487.744	-341.659.021	-341.171.277	-227.435	-315.807.234	-316.034.669
7. Change in unearned premium provision, reinsurer's share	131	37.546	39.113.059	39.150.605	46.168	45.971.058	46.017.226
8. Change in unearned premium provision, coinsurer's share	132						
II. Income from investments (AOP 134 + 135 + 139 + 140 + 141 + 145 + 146)	133	52.381.813	121.877.599	174.259.412	61.342.033	110.601.990	171.944.023
1. Income from branch-offices, associated companies and joint ventures	134		34.526.593	34.526.593		24.569.938	24.569.938
2. Income from investments into land and buildings (136 to 138)	135		4.605.463	4.605.463		11.509.349	11.509.349
2.1. Income from rental fees	136		3.173.113	3.173.113		11.509.349	11.509.349
2.2. Income from increased value of land and buildings	137		1.412.350	1.412.350			
2.3. Income from real estate sale	138		20.000	20.000			
3. Interest income	139	48.758.968	57.029.769	105.788.737	51.112.869	58.769.096	109.881.965
4. Unrealized profits from investment at fair value	140	2.653.499	2.455.195	5.108.694	8.629.486	6.804.344	15.433.830
5. Gain on sale (realization) of financial investments (142 to 145)	141	930.011	1.769.755	2.699.766	1.471.002	2.562.032	4.033.034
5.1. Investment at fair value through profit and loss account	142	930.011	1.570.466	2.500.477	973.718	1.141.187	2.114.905
5.2. Investment available for sale	143		199.289	199.289	497.284	1.420.845	1.918.129
5.3. Other gains on sale of financial investments	144						
6. Net positive exchange rate differences	145					55.872	55.872
7. Other investment income	146	39.334	21.490.824	21.530.158	128.676	6.331.359	6.460.035
III. Income from commissions and fees	147	44.719	13.516.481	13.561.200	14.228	15.359.156	15.373.385
IV. Other insurance-technical income, net of reinsurance	148	105.930	3.679.942	3.785.872	39.889	3.723.386	3.763.275
V. Other income	149	90.668	12.599.952	12.690.620	170.044	28.559.179	28.729.224
VI. Expenses for insured events, net of reinsurance (AOP 151 + 155)	150	-156.162.068	-570.833.072	-726.995.140	-127.746.903	-543.439.068	-671.185.972
1. Paid claims (AOP 152 to 154)	151	-160.481.338	-546.531.711	-707.013.049	-134.238.712	-530.570.660	-664.809.371
1.1. Gross amount	152	-160.481.338	-625.555.049	-786.036.387	-134.238.712	-655.469.373	-789.708.084
1.2. Coinsurer's share	153		-53.337	-53.337			
1.3. Reinsurer's share	154		79.076.676	79.076.676		124.898.713	124.898.713
2. Change in claims provision (AOP 156 to 158)	155	4.319.270	-24.301.361	-19.982.091	6.491.808	-12.868.409	-6.376.601
2.1. Gross amount	156	4.319.270	-124.477.420	-120.158.150	6.491.808	45.819.813	52.311.621
2.2. Coinsurer's share	157						
2.3. Reinsurer's share	158		100.176.059	100.176.059		-58.688.222	-58.688.222
VII. Change in mathematical reserve and other technical reserves (AOP 160 + 163)	159	-13.043.390		-13.043.390	-36.061.723		-36.061.723
1. Change in mathematical insurance provision (AOP 161 + 162)	160	-13.043.390		-13.043.390	-36.061.723		-36.061.723
1.1. Gross amount	161	-13.113.420		-13.113.420	-36.040.053		-36.040.053
1.2. Reinsurer's share	162	70.030		70.030	-21.670		-21.670
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	2.593.584		2.593.584	2.212.761		2.212.761
1. Gross amount	168	2.593.584		2.593.584	2.212.761		2.212.761
2. Coinsurer's share	169						
3. Reinsurer's share	170						
IX. Outlays for premium returns (bonuses and discounts), net of reinsurance (AOP 172 + 173)	171						
1. Depending on results (bonuses)	172						
2. Irrespective of results (discounts)	173						

X. Business expenditures(AOP 175+179)	174	-46.828.701	-416.018.531	-462.847.233	-43.660.289	-384.489.336	-428.149.625
1. Sales expenses (AOP 176 to 178)	175	-12.066.312	-98.378.584	-110.444.897	-10.610.328	-100.556.196	-111.166.524
1.1. Commision	176	-8.851.374	-70.082.493	-78.933.867	-7.552.732	-75.652.709	-83.205.441
1.2. Other sales expenses	177	-3.214.938	-28.296.091	-31.511.030	-3.057.596	-24.903.487	-27.961.083
1.3. Change in split sales expenses	178						
2. Management expenses (AOP 180 to 182)	179	-34.762.389	-317.639.947	-352.402.336	-33.049.961	-283.933.140	-316.983.101
2.1. Depreciation of tangible assets	180	-807.223	-22.601.888	-23.409.112	-922.522	-23.520.671	-24.443.193
2.2. Salaries, taxes and salary contributions (from and on salary)	181	-20.492.223	-161.414.053	-181.906.276	-20.697.135	-158.522.316	-179.219.451
2.3. Other management expenses	182	-13.462.943	-133.624.006	-147.086.949	-11.430.303	-101.890.153	-113.320.457
XI. Investment expenses(AOP 184 to 189)	183	-2.302.541	-32.300.270	-34.602.811	-15.717.102	-73.547.421	-89.264.523
1. Depreciation (buildings not intended for business activities of the company)	184						
2. Interest	185						
3. Investment impairments	186		-1.483.200	-1.483.200	-10.624.798	-27.507.493	-38.132.291
4. Losses from sale (realizations) of investment	187		-1.688.377	-1.688.377	-2.918.028	-346.602	-3.264.631
5. Adjustment of financial assets at fair value through P&L	188	-448.365	-472.271	-920.636	-462.983	-577.199	-1.040.182
6. Net foreign exchange losses	189	-1.590.623	-3.058.346	-4.648.969	-1.366.227		-1.366.227
7. Other investment costs	190	-263.553	-25.598.077	-25.861.630	-345.065	-45.116.127	-45.461.192
XII. Other tehcnical expenses, net of reinsurance (AOP 192 + 193)	191	-28.569	-35.510.835	-35.539.404	-136.891	-37.911.516	-38.048.408
1. Prevention activities expenses	192						
2. Other technical expenses	193	-28.569	-35.510.835	-35.539.404	-136.891	-37.911.516	-38.048.408
XIII. Other expenses, including value adjustment	194		-499.328	-499.328		-210.066	-210.066
XIV. Profit or loss before taxes (124+133+147+148+149+150+159+167+171+174+183+191+194)	195	3.057.972	42.409.671	45.467.643	4.947.802	59.915.268	64.863.070
XV. Taxation (AOP 197+198)	196	-611.594	-8.481.934	-9.093.529	-989.560	-11.983.054	-12.972.614
1. Current tax expenses	197	-611.594	-8.481.934	-9.093.529	-989.560	-11.983.054	-12.972.614
2. Deferred tax expenses	198						
XVI. Net profit or loss for the period(AOP 195-196)	199	2.446.377	33.927.737	36.374.115	3.958.241	47.932.215	51.890.456
1. Attributable to majority owners	200						
2. Attributable to minority interests	201						
XVII. TOTAL INCOME	202	218.829.658	1.097.571.707	1.316.401.365	226.057.950	1.099.512.676	1.325.570.625
XVIII. TOTAL EXPENSES	203	-216.383.280	-1.063.643.970	-1.280.027.250	-222.099.708	-1.051.580.461	-1.273.680.169
IX. Other comprehensive profit (205 to 211 - 212)	204	-3.090.301	-21.588.897	-24.679.198	8.356.232	-6.902.036	1.454.196
1. Profit / loss from translation of financial statements	205						
2. Profit / loss from revaluation of financial assets available for sale	206	-3.090.301	-18.146.921	-21.237.221	8.356.232	-4.226.732	4.129.500
3. Profit / loss from revaluation of operational land and buildings	207		-3.441.976	-3.441.976		-2.675.304	-2.675.304
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 with 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	-643.923	12.338.840	11.694.917	12.314.473	41.030.178	53.344.652
1. Attributable to majority owners	214						
2. Attributable to minority interests	215						
XXI. Reclassification adjustments	216						

Note: Data under AOP 200,201,214 and 215 are to be filled up by insurance companies that compose consolidated annual financial statements

REPORT ON COMPANY STATUS (BALANCE SHEET)

as at 30.06.2012.

Position	AOP	in HRK					
		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		7.116.440	7.116.440		6.535.715	6.535.715
1. Goodwill	005						
2. Other intangible assets	006		7.116.440	7.116.440		6.535.715	6.535.715
C. TANGIBLE ASSETS (008 to 010)	007		1.215.012.430	1.215.012.430		1.196.254.516	1.196.254.516
1. Land and buildings used for insurance activities	008		1.175.813.525	1.175.813.525		1.161.460.974	1.161.460.974
2. Equipment	009		33.736.317	33.736.317		29.092.807	29.092.807
3. Other tangible assets and reserves	010		5.462.588	5.462.588		5.700.734	5.700.734
D. INVESTMENTS (012+013+017+036)	011	1.940.782.115	3.390.168.120	5.330.950.235	2.001.426.770	3.381.439.369	5.382.866.139
I. Investments in land and buildings not intended for business activities of the company	012		814.142.982	814.142.982		828.186.615	828.186.615
II. Investments in branch-offices, associated companies and participating in joint investments (014 to 016)	013		431.372.755	431.372.755		416.058.131	416.058.131
1. Shares and stakes in branch-offices	014		424.146.655	424.146.655		408.832.031	408.832.031
2. Shares and stakes in associate companies	015		7.226.100	7.226.100		7.421.834	7.421.834
3. Participating in joint investments	016						
III. Other financial investments (018 + 021 + 026 + 032)	017	1.940.782.115	2.144.652.383	4.085.434.498	2.001.426.770	2.137.194.623	4.138.621.393
1. Investments kept till maturity date (019 + 020)	018	1.253.893.760	755.313.902	2.009.207.662	1.087.668.351	749.953.387	1.837.621.738
1.1. Debt securities and other securities with fixed income	019	1.253.893.760	755.313.902	2.009.207.662	1.087.668.351	749.953.387	1.837.621.738
1.2. Other investments kept till maturity date	020						
2. Investments available for sale (022 to 025)	021	60.422.034	192.541.118	252.963.152	36.197.002	162.279.083	198.476.085
2.1. Stocks, shares and other securities with variable income	022	24.314.237	113.622.134	137.936.371	19.902.368	109.707.652	129.610.020
2.2. Debt securities and other securities with fixed income	023						
2.3. Stakes in investment funds	024	36.107.797	78.918.984	115.026.780	16.294.634	52.571.431	68.866.065
2.4. Other investments available for sale	025						
3. Investments at fair value through the profit and loss account (027 to 031)	026	200.501.903	211.571.393	412.073.295	474.493.417	313.827.186	788.320.603
3.1. Stocks, shares and other securities with variable income	027		7.515.667	7.515.667		7.421.834	7.421.834
3.2. Debt securities and other securities with fixed income	028	83.590.987	92.961.341	176.552.328	85.645.974	99.525.772	185.171.746
3.3. Derivative financial instruments	029						
3.4. Stakes in investment funds	030	116.910.916	111.094.385	228.005.300	388.847.443	206.879.580	595.727.024
3.5. Other investments	031						
4. Deposits, loans and receivables (033 to 035)	032	425.964.418	985.225.970	1.411.190.388	403.068.000	911.134.968	1.314.202.968
4.1. Bank deposits	033	383.060.840	662.923.629	1.045.984.469	354.500.000	627.109.761	981.609.761
4.2. Loans	034	42.903.578	322.302.341	365.205.919	48.568.000	284.025.207	332.593.207
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	16.320.627		16.320.627	14.619.793		14.619.793
F. REINSURANCE PORTION IN TECHNICAL RESERVES (039 to 045)	038	164.628	411.769.714	411.934.342	189.126	399.052.551	399.241.677
1. Unearned premiums, reinsurance share	039	138	46.703.405	46.703.543	46.306	92.674.463	92.720.769
2. Mathematical insurance provision, reinsurance share	040	164.490		164.490	142.820		142.820
3. Claims provision, reinsurance share	041		365.066.310	365.066.310		306.378.088	306.378.088
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	2.408.707	2.756.393	5.165.100	2.408.707	2.756.393	5.165.100
1. Deferred tax assets	047	2.408.707	2.756.393	5.165.100	2.408.707	2.756.393	5.165.100
2. Current tax assets	048						
H. RECEIVABLES (050 + 053 + 054)	049	7.816.611	713.606.884	721.423.494	5.238.825	1.080.664.807	1.085.903.632
1. Receivables from direct insurance activities (051 + 052)	050	43.746	588.277.703	588.321.449	48.643	913.440.495	913.489.138
1.1. Receivables from policyholders	051		585.059.115	585.059.115		910.609.883	910.609.883
1.2. Receivables from insurance agents	052	43.746	3.218.587	3.262.333	48.643	2.830.612	2.879.255
2. Receivables from coinsurance and reinsurance activities	053		16.129.222	16.129.222		16.702.803	16.702.803
3. Other receivables (055 to 057)	054	7.772.865	109.199.959	116.972.823	5.190.182	150.521.509	155.711.692
3.1. Receivables for other insurance activities	055		26.964.094	26.964.094		19.139.645	19.139.645
3.2. Receivables for returns on investments	056	1.935.304	5.862.135	7.797.439	1.795.405	7.139.770	8.935.175
3.3. Other receivables	057	5.837.561	76.373.730	82.211.290	3.394.777	124.242.095	127.636.872
I. OTHER ASSETS (059 + 063 + 064)	058	1.889.059	36.914.836	38.803.894	1.926.372	33.853.811	35.780.183
1. Money in bank and in cash (060 to 062)	059	1.824.734	24.128.164	25.952.898	1.887.832	17.290.282	19.178.115
1.1. Money on business account	060		23.951.866	23.951.866		17.135.643	17.135.643
1.2. Money on mathematical provision account	061	1.819.331		1.819.331	1.886.260		1.886.260
1.3. Cash money	062	5.403	176.298	181.700	1.572	154.640	156.212
2. Long-term assets intended for sale and business termination	063						
3. Other	064	64.325	12.786.672	12.850.996	38.539	16.563.529	16.602.068
J. PREPAID EXPENSES OF THE FUTURE PERIOD AND UNDUE COLLECTION OF INCOME (066 to 068)	065	22.229.797	30.797.002	53.026.799	20.191.949	30.859.638	51.051.587
1. Split interest and rental fees	066	22.185.161	14.966.325	37.151.486	20.172.908	16.079.554	36.252.463
2. Split sales costs	067						
3. Other paid expenses of the future period and undue income collection	068	44.636	15.830.677	15.875.313	19.041	14.780.084	14.799.125
K. TOTAL ASSETS (001+004+007+011+037+038+046+049+058+065)	069	1.991.611.543	5.808.141.817	7.799.753.360	2.046.001.542	6.131.416.800	8.177.418.341
L. NON-BALANCE SHEET RECORDS	070		670.302.250	670.302.250		653.589.557	653.589.557

LIABILITIES								
A. CAPITAL AND RESERVES (072 + 076 + 077 + 081 + 085 + 088)	071	115.588.079	1.525.498.057	1.641.086.136	127.902.552	1.568.308.988	1.696.211.540	
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	-15.653.736	475.745.296	460.091.559	-7.297.504	468.843.259	461.545.755	
3.1. Revaluation of land and buildings	078		486.476.755	486.476.755		483.801.451	483.801.451	
3.2. Revaluation of investments in financial assets	079	-15.653.736	-10.731.460	-26.385.196	-7.297.504	-14.958.192	-22.255.696	
3.3. Other revaluation reserves	080							
4. Reserves (082 to 084)	081	78.314.936	378.151.842	456.466.778	79.651.090	399.432.377	479.083.468	
4.1. Legal provision	082	489.554	19.152.617	19.642.171	721.929	22.853.579	23.575.508	
4.2. Statutory provision	083	2.325.382	92.288.398	94.613.780	3.429.161	109.867.971	113.297.132	
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	3.990.667	198.983.187	202.973.853	7.302.005	253.502.657	260.804.662	
5.1. Retained profit	086	3.990.667	198.983.187	202.973.853	7.302.005	253.502.657	260.804.662	
5.2. Retained loss (-)	087							
6. Profit or loss for the period (089 + 090)	088	4.647.492	74.019.253	78.666.745	3.958.241	47.932.215	51.890.456	
6.1. Profit for the period	089	4.647.492	74.019.253	78.666.745	3.958.241	47.932.215	51.890.456	
6.2. Loss for the period (-)	090							
B. MINORITY INTEREST	091							
C. TECHNICAL PROVISION (093 to 098)	092	1.855.979.443	3.850.258.182	5.706.237.624	1.885.755.122	4.120.245.603	6.006.000.725	
1. Unearned premiums, gross amount	093	3.360.431	946.409.517	949.769.947	3.587.865	1.262.216.751	1.265.804.616	
2. Mathematical insurance provision, gross amount	094	1.816.581.911		1.816.581.911	1.852.621.965		1.852.621.965	
3. Claims provision, gross amount	095	36.037.101	2.880.421.665	2.916.458.766	29.545.292	2.834.601.852	2.864.147.144	
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		23.427.000	23.427.000		23.427.000	23.427.000	
D. SPECIAL PROVISION FOR THE GROUP LIFE INSURANCE WHERE THE POLICYHOLDER ASSUMES THE INVESTMENT RISK, gross amount	099	16.320.627		16.320.627	14.619.793		14.619.793	
E. OTHER PROVISION (101 + 102)	100	2.443.980	80.050.105	82.494.085	2.443.980	104.881.739	107.325.719	
1. Provision for pensions	101	2.443.980	78.169.725	80.613.705	2.443.980	103.001.358	105.445.338	
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		128.204.750	128.204.750	989.560	133.103.547	134.093.107	
1. Deferred tax liability	104		121.789.319	121.789.319		121.120.493	121.120.493	
2. Current tax liability	105		6.415.430	6.415.430	989.560	11.983.054	12.972.614	
G. DEPOSITS RETAINED FROM BUSINESS CEDED TO REINSURANCE	106							
H. FINANCIAL LIABILITIES (108 to 110)	107		105.193	105.193		81.721	81.721	
1. Loan liabilities	108		105.193	105.193		81.721	81.721	
2. Outstanding securities	109							
3. Other financial liabilities	110							
I. OTHER LIABILITIES (112 to 115)	111	1.258.486	189.444.060	190.702.545	14.280.989	195.523.281	209.804.270	
1. Liabilities derived from direct insurance activities	112	1.223.389	96.882.454	98.105.843	1.577.233	101.959.180	103.536.413	
2. Liabilities derived from coinsurance and reinsurance activities	113	1.693	5.602.704	5.604.397	2.066	11.486.733	11.488.799	
3. Liabilities for misappropriation and discontinued operations	114							
4. Other liabilities	115	33.403	86.958.902	86.992.305	12.701.690	82.077.368	94.779.058	
J. DEFERRED PAYMENT OF EXPENSES AND INCOME OF THE FUTURE PERIOD (117+118)	116	20.929	34.581.471	34.602.400	9.545	9.271.920	9.281.465	
1. Reinsurance commission split	117							
2. Other deferred costs payment and future income	118	20.929	34.581.471	34.602.400	9.545	9.271.920	9.281.465	
K. TOTAL LIABILITIES (071+091+092+099+100+103+106+107+111+116)	119	1.991.611.543	5.808.141.817	7.799.753.360	2.046.001.542	6.131.416.800	8.177.418.341	
L. NON-BALANCE SHEET RECORDS	120		670.302.250	670.302.250		653.589.557	653.589.557	
ADDITION TO BALANCE SHEET (only for consolidated financial statements)								
M. CAPITAL AND RESERVES (122+123)	121	0	0	0	0	0	0	0
1. Attributable to majority owners	122			0				0
2. Attributable to minority interests	123			0				0

Note: Data under AOP 121 to 123 are to be filled up by insurance companies that compose consolidated annual financial statements

REPORT ON CHANGES IN EQUITY

for the period from 01.01.2012. until 30.06.2012.

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 nad 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		530.698.408	443.930.661	192.072.963	43.603.887	1.653.193.119		1.653.193.119
1. Change in accounting policy	002			-783.465		825.966		42.501		42.501
2. Correction of previous period errors	003									
II. Balance at 1 January - previous year (corrected) (AOP 001 to 003)	004	442.887.200		529.914.943	443.930.661	192.898.929	43.603.887	1.653.235.620		1.653.235.620
III. Comprehensive profit or loss - previous year (AOP 006+007)	005			-69.823.383		7.670.975	78.666.745	16.514.337		16.514.337
1. Profit/loss of the previous period	006						78.666.745	78.666.745		78.666.745
2. Other comprehensive profit/loss of the previous year (AOP 008 do 011)	007			-69.823.383		7.670.975		-62.152.408		-62.152.408
2.1. Unrealized profit/loss from tangible assets (land and buildings)	008			-6.118.371		6.780.054		661.683		661.683
2.2. Unrealized profit/loss from financial assets available for sale	009			-45.640.033				-45.640.033		-45.640.033
2.3. Realized profit/loss from financial assets available for sale	010			-18.064.979				-18.064.979		-18.064.979
2.4. Other non-ownership changes in capital	011						890.921	890.921		890.921
IV. Transactions with owners (previous period) (AOP 013 to 016)	012				12.536.117	2.403.949	-43.603.887	-28.663.821		-28.663.821
1. Increase/decrease of share capital	013									
2. Other payments by the owners	014									
3. Payment of shares in profit/dividends	015						-28.663.821	-28.663.821		-28.663.821
4. Other distribution to the owners	016				12.536.117	2.403.949	-14.940.066			
V. Balance at 31 December - previous period (AOP 004+005+012)	017	442.887.200		460.091.560	456.466.778	202.973.853	78.666.745	1.641.086.136		1.641.086.136
VI. Balance at 1 January - current year	018	442.887.200		460.091.560	456.466.778	202.973.853	78.666.745	1.641.086.136		1.641.086.136
1. Change in accounting policy	019									
2. Correction of previous period errors	020					-583.377		-583.377		-583.377
VII. Balance at 1 January - current period (corrected) (AOP 018 to 020)	021	442.887.200		460.091.560	456.466.778	202.390.476	78.666.745	1.640.502.759		1.640.502.759
VIII. Comprehensive profit or loss - current period (AOP 023+024)	022			1.454.195		3.344.130	51.890.456	56.688.781		56.688.781
1. Profit/loss of the previous period	023						51.890.456	51.890.456		51.890.456
2. Other comprehensive profit/loss of the current year (AOP 025 to 028)	024			1.454.195		3.344.130		4.798.325		4.798.325
2.1. Unrealized profit/loss from tangible assets (land and buildings)	025			-2.675.304		3.344.130		668.826		668.826
2.2. Unrealized profit/loss from financial assets available for sale	026			5.200.781				5.200.781		5.200.781
2.3. Realized profit/loss from financial assets available for sale	027			-1.071.282				-1.071.282		-1.071.282
2.4. Other non-ownership changes in capital	028									
IX. Transactions with owners (current period) (AOP 030 to 033)	029				22.616.689	55.070.056	-78.666.745	-980.000		-980.000
1. Increase/decrease of share capital	030									
2. Other payments by the owners	031									
3. Payment of shares in profit/dividends	032						-980.000	-980.000		-980.000
4. Other distribution to the owners	033				22.616.689	55.070.056	-77.686.745			
X. Balance at 31 December - current period (AOP 021+022+029)	034	442.887.200		461.545.755	479.083.467	260.804.662	51.890.456	1.696.211.540		1.696.211.540

REPORT ON MONEY FLOW – INDIRECT METHOD for the period from 01.01.2012. until 30.06.2012.

in HRK

Position	AOP	Previous period	Current period
1	2	3	4
I. CASH FLOWS FROM OPERATING ACTIVITIES (002+013+031)	001	-31.165.673	-239.597.758
1. Cash flow before change in business property and liabilities (AOP 003+004)	002	68.549.400	-5.967.838
1.1. Profit before tax	003	45.467.643	64.863.070
1.2. Adjustment: (AOP 005 to 012)	004	23.081.757	-70.830.908
1.2.1. Depreciation and amortization of immovables and equipment	005	22.073.435	22.893.532
1.2.2. Depreciation and amortization of intangible property	006	1.335.677	1.549.661
1.2.3. Impairment and profits/losses from adjustment to fair value	007	-4.355.711	23.738.643
1.2.4. Interest expenses	008		
1.2.5. Interest income	009		-109.881.965
1.2.6. Share in profit of associated companies	010		-24.569.938
1.2.7. Profits/losses from sale of tangible property (including real estate)	011		-768.403
1.2.8. Other adjustments	012	4.028.356	16.207.562
2. Increase/decrease in business property and liabilities (AOP 014 to 030)	013	-88.676.635	-220.657.306
2.1. Increase /decrease in investments available for sale	014	24.380.141	54.487.067
2.2. Increase /decrease in investment estimated at fair value	015	-187.040.656	-400.527.902
2.3. Increase / decrease in deposits, loans and receivables	016	5.484.682	64.374.709
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	1.500.626	1.700.834
2.6. Increase /decrease of reinsurance stakes in technical provision	019	-139.396.694	12.692.666
2.7. Increase/decrease of taxable property	020	3.897.244	
2.8. Increase/decrease in receivables	021	-317.897.447	-264.954.358
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	1.411.125	1.975.212
2.11. Increase/decrease in technical provision	024	474.442.846	299.763.101
2.12. Increase/decrease in life insurance technical provision when the policyholder bears investment risk	025	-1.500.626	-1.700.834
2.13. Increase/decrease in tax liabilities	026	6.152.722	5.888.358
2.14. Increase/decrease in deposits held from activities ceded to reinsurance	027		
2.15. Increase/decrease in financial liabilities	028	-21.908	
2.16. Increase/decrease in other liabilities	029	18.634.972	30.964.776
2.17. Increase/decrease in deferred payment of expenses and income of the future period	030	21.276.338	-25.320.935
3. Income tax paid	031	-11.038.438	-12.972.614
II. CASH FLOW FROM INVESTMENT ACTIVITIES (AOP 033 to 046)	032	54.996.736	235.291.196
1. Receipts from sale of tangible assets	033	2.565	
2. Expenditures for the purchase of tangible assets	034	-24.615.501	-4.135.618
3. Receipts from sale of intangible assets	035		
4. Expenditures for the purchase of intangible assets	036	-1.254.228	-968.937
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	-65.098.749	-14.043.633
7. Increase/decrease of investments in branch-offices, associated companies and participation in joint investments	039	2.240.295	39.884.562
8. Receipts from investments kept till maturity	040	123.977.823	171.585.925
9. Expenditures for investments kept till maturity	041	-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	34.335.525	10.356.185
13. Receipts from long term and short term loans	045		133.295.115
14. Expenses for long term and short term loans	046		-100.682.403
III. CASH FLOW FROM FINANCIAL ACTIVITIES (AOP 050 to 054)	047	-6.384	-27.504
1. Receipts from capital stock increase	048		
2. Receipts from short-term and long-term loans	049		2.300
3. Expenditures for short-term and long-term loans	050		-25.772
4. Expenditures for purchase of treasury shares	051		
5. Expenditures for payment of profit share (dividends)	052	-6.384	-4.032
NET CASH FLOW (AOP 001 + 032 + 049)	053	23.824.679	-4.334.066
IV. EFFECTS OF CHANGES IN RATES OF FOREIGN CURRENCIES	054	-620.612	1.310.355
V. NET INCREASE/DECREASE IN CASH AND CASH EQUIVALENTS (055+056)	055	23.204.067	-3.023.711
Cash and cash equivalents at the beginning of the period	056	38.817.213	38.803.894
Cash and cash equivalents at the end of the period (AOP 057 + 058)	057	62.021.280	35.780.183

Note: The positions that reduce the cash flows are entered with a negative sign

II MANAGEMENT INTERIM REPORT

During the second quarter of 2012 the Croatian insurance sector recorded a decrease in premium thus justifying the expectations claiming that 2012 was not going to be less challenging than the previous year. Following the current economic trends, greatly dependant on the actual global financial crisis, the premium of the Croatian insurance market is not expected to grow significantly in 2012, either.

In the first half of 2012 CROATIA osiguranje d.d. realized the total written premium amounting to HRK 1,670.1 million, which is a decrease of 3.5% in comparison to the same period of the previous year. The non-life written premium recorded a decrease by 3.9%, whereas for the life insurance segment the decrease amounted to 0.7% in comparison to the same period of the previous year. The realization of the written premium plan for 2012 amounted to 59.5%.

In the second quarter of 2012 the written premium market share of CROATIA osiguranje d.d. in the total written premium of all insurance companies in the Republic of Croatia was 34.1%, while the daughter company Croatia zdravstveno osiguranje recorded a market share of 1.3% in the same period.

The gross paid claims in the first half of 2012 amounted to HRK 789.7 million, which is an increase of 0.5%, i.e. HRK 3.7 million, in comparison to the same period of the previous year. Non-life gross paid claims rose, with the increase amounting to 4.8%, whereas life business recorded a decrease of 16.4% in comparison to the same period of the previous year.

The total revenues of CROATIA osiguranje d.d. amounted to HRK 1.325,6 million which is an increase of 0.7 %, i.e. HRK 9.2 million, in comparison to the same period of the previous year. The total expenditures amounted to HRK 1,260.7 million which is a decrease of 0.8%, i.e. HRK 10.2 million, in comparison to the same period of the previous year.

The gross profit of the Company amounted to HRK 64.9 million which is an increase of 42.7% in comparison to the same period of the previous year.

The consolidated gross profit of the Group before elimination amounted to HRK 111.5 million, which is an increase of 1.1% in comparison to the same period of the previous year. The profit of the Group after elimination, tax and minority interest amounted to HRK 78.5 million.

On 30th June, 2012 Company's liquidity ratio was 21.7.

Aiming at further sales growth and increased profit of the Company in 2012 we shall continue to introduce new innovative insurance products and redesign old ones in accordance with the latest trends in the global insurance industry.

Key business indicators:

In HRK

DESCRIPTION	I-VI 2011.	I-VI 2012.	Index 3 : 2
1	2	3	4
PROFIT AND LOSS ACCOUNT			
Total income	1.316.401.365	1.325.570.625	100,7
Written gross premium	1.731.494.147	1.670.057.516	96,5
Total expenditure	1.270.933.721	1.260.707.555	99,2
Paid claims (gross)	786.036.387	789.708.084	100,5
Profit before taxation (gross profit)	45.467.643	64.863.070	142,7
Profit after taxation (net profit)	36.374.115	51.890.456	142,7
BALANCE			
Total assets	8.322.123.697	8.177.418.341	98,3
Equity and provision	1.669.033.696	1.696.211.540	101,6
Technical provision	6.098.532.758	6.006.000.725	98,5
Life insurance special provision-policyholder's investment risk	20.874.341	14.619.793	70,0
Investments	5.364.183.878	5.382.866.139	100,3
INDICATORS OF PROFITABILITY			
ROA (%) (net profit / assets)	0,44	0,63	145,2
ROE (%) (net profit / equity and provision)	2,18	3,06	140,4
Gross profit margin (%) (gross profit / total income)	3,45	4,89	141,7
ECONOMY INDICATOR			
Total cost of operations (tot.income /tot.expenditure %)	103,6	105,1	101,5
Cost selling (operating income /operating expenditure %)	92,4	98,5	106,6
OTHER INDICATORS			
Number of employees	2.895	2.866	99,0
Total income per employee	454.715	462.516	101,7
Total assets per employee	2.874.654	2.853.251	99,3
Written premium per employee	598.098	582.714	97,4
Profit (before taxation) per employee	15.706	22.632	144,1

The unaudited unconsolidated financial statements for the second quarter and the first half of 2012 shall be available at the websites of Croatia osiguranje d.d., and the Zagreb Stock Exchange (Zagrebačka burza), as well as published in the Official Register of Prescribed Information and publicly disclosed by the Croatian News Agency (HINA).

Key events

At the meeting of the Supervisory Board of Croatia osiguranje held on 27th April, 2012, the approval of the following reports was granted: the Annual Report on the position of the Company in 2011, the Annual financial statements for 2011, as well as the Consolidated Annual Report of the Company and the Consolidated Annual Financial Statements for 2011. The Supervisory Board also granted approval of the proposal Decision on the distribution of profit for 2011.

The Decision on the distribution of profit was submitted for approval to the 36th General Assembly of Croatia osiguranje d.d. held on 15th June 2012.

On 15th June, 2012 36th General Assembly of CROATIA osiguranje d.d was held. The General Assembly considered the Annual Report on the position of Croatia osiguranje d.d. and the Consolidated Annual Report of Croatia osiguranje d.d. The report of the Supervisory Board and the Annual Financial Statements of Croatia osiguranje d.d. for 2011 were also considered as well as the Consolidated Annual Financial Statements of Croatia osiguranje d.d. for 2011 that were approved by both the Management Board and the Supervisory Board of Croatia osiguranje d.d.

The following decisions that were on the agenda of the 36th General Assembly were adopted by a majority of the voting rights held by the shareholders present:

1. a) Decision on the distribution of profit for the year 2011
b) Decision on granting discharge to the Management Board of Croatia osiguranje d.d.
c) Decision on granting discharge to the Supervisory Board of Croatia osiguranje d.d.
2. Decision on the appointment of the auditor of CROATIA osiguranje d.d. for the year 2012
3. Decision on the recall of the members of the Supervisory Board of Croatia osiguranje d.d.
4. Decision on the appointment of members of the Supervisory Board of Croatia osiguranje d.d.

The realized profit of CROATIA osiguranje d.d. amounting to HRK 78,666,744.93 shall be distributed as follows:

1. Legal provisions	HRK	3,933,337.25
2. Statutory reserves	HRK	18,683,351.92
3. Dividend on preferred stock	HRK	980,000.00
4. Retained profit	HRK	55,070,055.76

The dividend on preferred stock amounts to HRK 112.00 per share.

Description of main risks and uncertainties

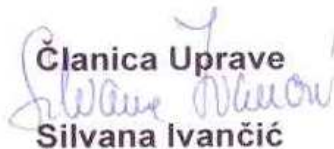
The Company recognizes the significance of the existence of an efficient and effective risk management system. The basic goal of the Company in managing financial, operative, insurance and other risks is to keep the capital level adequate to the scope and type of insurance business it writes, as well as taking into account the

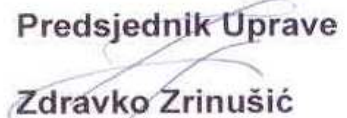
risks to which it is exposed. Also, The Company needs to ensure the continuity of business operations in unforeseeable situations (unexpected economic changes, natural disasters and the like)

The Company actively manages the assets using the approach that creates a balance between the quality, diversification, coordination of assets and liabilities, solvency and return on investments. The Company examines and approves target portfolios periodically, determines investment guidelines and limits, and supervises the process of managing assets and liabilities. Due attention is also paid to the compliance with the regulations defined by the Insurance Act.

The Company actively manages its liabilities by regularly keeping track of them in the manner prescribed by the professional rules and the Insurance Act. The most important risks and uncertainties are described in the Audited 2011 Annual Report.

Zagreb, 27th July, 2012

Članica Uprave

Silvana Ivančić

Predsjednik Uprave

Zdravko Zrinušić

III NOTES TO THE UNAUDITED FINANCIAL STATEMENTS FOR THE PERIOD I-VI 2012

1. General

CROATIA osiguranje d.d. was established in 1884. Ever since its foundation CROATIA osiguranje d.d. takes up the leading position at the insurance market, which makes it is most successful insurance company in the country as well 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 principal activity of the Company is made up of all types of life and non-life insurance business as well as other closely connected business activities.

The Company also performs the following activities directly or indirectly related to the insurance business:

- mediation at sale, i.e. the sale of property acquired by the Company through insurance activities,
- taking measures aimed at prevention and elimination of perils endangering insured persons and property,
- estimation of the level of risk exposure of an insured object, as well as loss assessment,
- other intellectual and technical services related to the insurance business.

Management Board and Supervisory Board

Pursuant to the Companies' Act, Insurance Act and the Articles of Association the bodies of the Company are as follows: the Management Board, The Supervisory Board and the General Assembly. The liability and responsibility of the members of these bodies are regulated by the above mentioned acts.

Members of the Supervisory Board of the Company:

On 15th June 2012 36th General Assembly of Croatia osiguranje d.d. passed the Decision on the recall of the members of the Supervisory Board of Croatia osiguranje d.d., as well as the Decision on the appointment of members of the Supervisory Board of Croatia osiguranje d.d.

The following members of the Supervisory Board were recalled:

D.Sc. Nikola Mijatović, Chairman
Nataša Duspara, Deputy Chairwoman
D.Sc Gzim Redžepi, Member
Josip Zaher, Member
Ante Obuljen, Member

Newly appointed members of the Supervisory Board are:

Mladen Blažević, Chairman

Vesna Trnokop - Tanta, Deputy Chairwoman

D.Sc. Josip Tica, Member

D.Sc. Petar Miladin, Member

Đurđa Hunjet, Member

Miroslav Hrašćanec, Member, Representative of the employees

Members of the Management Board:

Zdravko Zrinušić, President

Silvana Ivančić, Member

In the period 1st January to 30th June, 2012 the Company's Management Board held 23 meetings on which it discussed and passed the decisions pursuant to the relevant Acts and the Company's Articles of Association. By 30th June, 2012 the Supervisory Board had four meetings, two of which were held by the newly elected Supervisory Board.

Capital stock and shares

On 30th June, 2012 the capital stock amounts to HRK 442,887,200.00 and is divided in 316,348 shares with 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, either the ordinary or the preferred one, entitles to 1 (one) vote at the General Assembly of the Company. All shares are paid in total, issued in a dematerialized form, freely transferable and recorded in the depository of the Central Depository & Clearing Company Inc. The Group has no ownership stake in its shares.

Ownership structure as at 30th June 2012:

Shareholder	Number of Shares	30/06/2012	
		Amount HRK	% Share
1. AUDIO / Republic of Croatia	253.807	355.329.800,00	80,23
2. Raiffeisenbank Austria d.d.- custody account	19.747	27.645.800,00	6,24
3. Hrvatska poštanska banka d.d.- basic and custody account	6.510	9.114.000,00	2,06
4. Societe Generale- Splitska banka d.d.- custody account	6.488	9.083.200,00	2,05
5. Zvon ena holding d.d.	2.122	2.970.800,00	0,67
6. PBZ d.d.- custody account	1.804	2.525.600,00	0,57
7. Hypo alpe-adria-bank d.d.- custody account	1.498	2.097.200,00	0,47
8. Kraš d.d.	1.400	1.960.000,00	0,44
9. Auto Hrvatska d.d.	1.004	1.405.600,00	0,32
10. Erste&Steiermärkische Bank d.d. - basic and custody account	709	992.600,00	0,22
11. Komercijalna banka d.d. in liquidation	700	980.000,00	0,22
12. Bahovec Srečko	567	793.800,00	0,18
13. Adriacommerce	500	700.000,00	0,16
14. Radić Antun	408	571.200,00	0,13
15. Tankerska plovdba	400	560.000,00	0,13
16. Škaro Miroslav	380	532.000,00	0,12
17. Fran Mihaljević - klinika za infekt. bolesti	330	462.000,00	0,10
18. Cemex Hrvatska d.d.	249	348.600,00	0,08
19. Interkapital vrijednosni papiri d.o.o.-os.i skr.m.	235	329.000,00	0,07
20. Končar-elektroindustrija d.d.	230	322.000,00	0,07
21. Other shareholders	17.260	24.164.000,00	5,47
UKUPNO:	316.348	442.887.200,00	100,00

2. Basis for preparation of financial statements

Financial statements are prepared pursuant to the provisions of the Insurance Act (Official Gazette: 151/05, 87/08, 82/09), The Accounting Act (Official Gazette 109/07) and the International Financial Reporting Standards (IFRS) published by the International Financial Reporting Standards Committee (Official Gazette: 140/06, 30/08, 130/08, 137/08, 29/09), as well as pursuant to the Ordinance on the structure and contents of supervisory statements of insurance and reinsurance companies (Official Gazette 132/10).

Financial statements are prepared by considering the fundamental accounting assumption of recognizing the business transaction effects as they occur and recording them in the respective periodic financial statements. Another fundamental accounting assumption considered when preparing financial statements is that of the going concern.

Reporting currency

The financial statements are presented in Croatian kuna (HRK). On 30th June, 2012 the official exchange rate of the Croatian kuna was HRK 7.51 to 1 Euro and HRK 5.97 to 1 USD.

Use of estimate

The preparation of financial statements in conformity with IFRSs requires the management to pass judgements, make use of estimates and assumptions that affect the application of accounting policies and the presented amounts of assets, liabilities, revenues and expenditures. The estimates and the underlying assumptions are based on historical experience, various other factors considered reasonable under the given circumstances and the information available by the day of the preparation of financial statements. The result of all these factors makes up the basis for judging the book value of assets and liabilities that is otherwise not easy to determine from other sources. The actual results can differ from these estimates. The estimates and the underlying assumptions are continuously questioned. Changes in accounting estimates are recognized in the period in which they were made as well as in the future periods, if they affect them, too.

Accounting Policies

The accounting policies used in the preparation of the financial statements for the second quarter and the first half of 2012 are consistent to the accounting policies used in the preparation of the audited financial statements for the year 2011.



Based on article 20 of the Articles of Association of CROATIA osiguranje d.d. from 30th April, 2008 and article 410 of the Capital Market Act (Official Gazette 88/08) the Management Board of the Company issues the following

STATEMENT

that to the best of its knowledge:

- the unaudited financial statements for the second quarter and the first half of 2012, prepared by application of the relevant FRSs, offer a wholesome and true presentation of assets and liabilities, losses and gains, financial position and business operations of the Issuer,
- the Management Interim Report contains a true presentation of the development, business operation results and the financial position of the Issuer, as well as the description of major risks and uncertainties that the Issuer is exposed to.

Zagreb, 27th July, 2012

Članica Uprave
Silvana Ivančić
Silvana Ivančić

Predsjednik Uprave
Zdravko Zrnušić
Zdravko Zrnušić