



**UNAUDITED UNCONSOLIDATED BUSINESS
REPORT FOR THE FIRST QUARTER OF THE
YEAR 2012**

Zagreb, April 2012

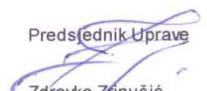
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I UNAUDITED FINANCIAL STATEMENTS

Reporting period:		01.01.2012.	to	31.03.2012.
Quarterly financial statement for insurance and reinsurance companies - TFI-OSIG				
Tax number(MB)	<input type="text" value="03276147"/>			
Company registration number (MBS):	<input type="text" value="080051022"/>			
Personal identification number (OIB):	<input type="text" value="26187994862"/>			
Issuing company:	<input type="text" value="CROATIA osiguranje d.d."/>			
Postal code and place	<input type="text" value="10000"/>	<input type="text" value="ZAGREB"/>		
Street and house number:	<input type="text" value="MIRAMARSKA 22"/>			
E-mail address:	<input type="text"/>			
Internet address	<input type="text" value="www.crosig.hr"/>			
Municipality/city code and name	<input type="text" value="133"/>	<input type="text" value="ZAGREB"/>		
County code and name	<input type="text" value="21"/>	<input type="text" value="GRAD ZAGREB"/>	Number of employees:	<input type="text" value="2.864"/>
Consolidated report:	<input type="text" value="NO"/>		(quarter end) NKD code:	<input type="text" value="6512"/>
Companies of the consolidation subject (according to):	Seat:	MB:		
Bookkeeping service:	<input type="text"/>			
Contact person:	<input type="text" value="KATICA KUZMANOVIĆ"/>			
Telephone:	<input type="text" value="01/6333-117"/>	Telefaks:	<input type="text" value="01/6332-073"/>	
E-mail address:	<input type="text" value="katica.kuzmanovic@crosig.hr"/>			
Family name and name:	<input type="text" value="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 31.03.2012.

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	85.028.965	452.965.327	537.994.292	80.672.105	452.797.168	533.469.272
1. Gross written premiums	125	84.894.737	895.241.811	980.136.548	81.190.280	869.967.784	951.158.064
2. Coinsurance premium	126		1.459.599	1.459.599			
3. Value adjustment and collected insurance/coinsurance premium value adjustment	127		-25.318.210	-25.318.210		-25.822.489	-25.822.489
4. Premiums ceded to reinsurance	128	-165.510	-173.458.299	-173.623.809	-86.283	-152.599.254	-152.685.537
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	243.284	-302.673.092	-302.429.807	-497.315	-290.819.094	-291.316.409
7. Change in unearned premium provision, reinsurer's share	131	56.454	62.017.765	62.074.219	65.422	56.020.796	56.086.218
8. Change in unearned premium provision, coinsurer's share	132						
II. Income from investments (AOP 134 + 135 + 139 + 140 + 141 + 145 + 146)	133	26.479.452	50.542.590	77.022.041	31.922.885	44.222.663	76.145.548
1. Income from branch-offices, associated companies and joint ventures	134					2.626.468	2.626.468
2. Income from investments into land and buildings (136 to 138)	135		2.919.460	2.919.460		5.484.969	5.484.969
2.1. Income from rental fees	136		1.487.110	1.487.110		5.484.969	5.484.969
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	24.310.397	27.899.643	52.210.041	26.319.514	29.329.354	55.648.868
4. Unrealized profits from investment at fair value	140	1.731.347	1.881.195	3.612.542	5.270.564	4.640.550	9.911.114
5. Gain on sale (realization) of financial investments (142 to 145)	141	435.743	525.270	961.013	330.928	841.571	1.172.500
5.1. Investment at fair value through profit and loss account	142	435.743	498.488	934.231	277.217	239.220	516.437
5.2. Investment available for sale	143		26.783	26.783	53.711	602.351	656.063
5.3. Other gains on sale of financial investments	144						
6. Net positive exchange rate differences	145						
7. Other investment income	146	1.964	17.317.021	17.318.986	1.879	1.299.751	1.301.630
III. Income from commissions and fees	147	30.729	8.493.236	8.523.965	7.737	9.481.123	9.488.860
IV. Other insurance-technical income, net of reinsurance	148	70.417	2.391.770	2.462.187	38.617	5.163.451	5.202.068
V. Other income	149	37.355	5.951.119	5.988.474	143.750	17.480.968	17.624.718
VI. Expenses for insured events, net of reinsurance (AOP 151 + 155)	150	-78.336.198	-289.540.604	-367.876.803	-68.382.145	-296.123.593	-364.505.739
1. Paid claims (AOP 152 to 154)	151	-80.650.430	-274.379.117	-355.029.548	-74.443.533	-261.265.333	-335.708.866
1.1. Gross amount	152	-80.650.430	-309.530.160	-390.180.590	-74.443.533	-301.624.411	-376.067.944
1.2. Coinsurer's share	153		-17.419	-17.419			
1.3. Reinsurer's share	154		35.168.461	35.168.461		40.359.078	40.359.078
2. Change in claims provision (AOP 156 to 158)	155	2.314.232	-15.161.487	-12.847.255	6.061.388	-34.858.260	-28.796.872
2.1. Gross amount	156	2.314.232	-29.498.584	-27.184.352	6.061.388	-60.261.842	-54.200.454
2.2. Coinsurer's share	157						
2.3. Reinsurer's share	158		14.337.096	14.337.096		25.403.582	25.403.582
VII. Change in mathematical reserve and other technical reserves (AOP 160 + 163)	159	-1.482.804		-1.482.804	-169.509		-169.509
1. Change in mathematical insurance provision (AOP 161 + 162)	160	-1.482.804		-1.482.804	-169.509		-169.509
1.1. Gross amount	161	-1.557.948		-1.557.948	-160.252		-160.252
1.2. Reinsurer's share	162	75.144		75.144	-9.258		-9.258
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	1.466.209		1.466.209	1.342.658		1.342.658
1. Gross amount	168	1.466.209		1.466.209	1.342.658		1.342.658
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	-26.301.229	-188.184.078	-214.485.306	-32.783.081	-177.280.233	-210.063.314
1. Sales expenses (AOP 176 to 178)	175	-6.132.115	-46.328.724	-52.460.839	-5.308.313	-47.879.101	-53.187.414
1.1. Commission	176	-4.559.577	-31.360.695	-35.920.272	-3.827.335	-35.328.786	-39.156.121
1.2. Other sales expenses	177	-1.572.538	-14.968.029	-16.540.567	-1.480.978	-12.550.315	-14.031.292
1.3. Change in split sales expenses	178						
2. Management expenses (AOP 180 to 182)	179	-20.169.114	-141.855.353	-162.024.467	-27.474.768	-129.401.132	-156.875.900
2.1. Depreciation of tangible assets	180	-410.334	-11.391.063	-11.801.397	-488.265	-11.950.006	-12.438.272
2.2. Salaries, taxes and salary contributions (from and on salary)	181	-10.144.739	-79.912.073	-90.056.812	-10.344.882	-79.022.845	-89.367.727
2.3. Other management expenses	182	-9.614.041	-50.552.218	-60.166.258	-16.641.621	-38.428.281	-55.069.902
XI. Investment expenses(AOP 184 to 189)	183	-580.937	-12.912.714	-13.493.651	-3.814.833	-17.803.111	-21.617.944
1. Depreciation (buildings not intended for business activities of the company)	184						
2. Interest	185						
3. Investment impairments	186					-124.731	-124.731
4. Losses from sale (realizations) of investment	187		-1.668.830	-1.668.830	-1.000	-8.499	-9.499
5. Adjustment of financial assets at fair value through P&L	188	-123.350	-77.930	-201.280	-264.334	-292.597	-556.932
6. Net foreign exchange losses	189	-329.494	-1.996.865	-2.326.359	-3.320.484	-2.600.907	-5.921.392
7. Other investment costs	190	-128.093	-9.169.089	-9.297.182	-229.014	-14.776.377	-15.005.391
XII. Other tehcnical expenses, net of reinsurance (AOP 192 + 193)	191	-5.737	-16.800.846	-16.806.583	-86.719	-20.217.545	-20.304.264
1. Prevention activities expenses	192						
2. Other technical expenses	193	-5.737	-16.800.846	-16.806.583	-86.719	-20.217.545	-20.304.264
XIII. Other expenses, including value adjustment	194		-55.031	-55.031		-177.719	-177.719
XIV. Profit or loss before taxes (124+133+147+148+149+150+159+167+171+174+183+191+194)	195	6.406.221	12.850.768	19.256.990	8.891.463	17.543.171	26.434.634
XV. Taxation (AOP 197+198)	196	-1.281.244	-2.570.154	-3.851.398	-1.778.293	-3.508.634	-5.286.927
1. Current tax expenses	197	-1.281.244	-2.570.154	-3.851.398	-1.778.293	-3.508.634	-5.286.927
2. Deferred tax expenses	198						
XVI. Net profit or loss for the period(AOP 195-196)	199	5.124.977	10.280.615	15.405.592	7.113.171	14.034.537	21.147.707
1. Attributable to majority owners	200						
2. Attributable to minority interests	201						
XVII. TOTAL INCOME	202	111.646.918	520.344.041	631.990.959	112.785.093	529.145.372	641.930.465
XVIII. TOTAL EXPENSES	203	-106.521.941	-510.063.427	-616.585.368	-105.671.923	-515.110.835	-620.782.758
IX. Other comprehensive profit (205 to 211 - 212)	204	1.916.759	4.446.703	6.363.462	4.227.115	6.587.910	10.815.025
1. Profit / loss from translation of financial statements	205						
2. Profit / loss from revaluation of financial assets available for sale	206	1.916.759	5.955.635	7.872.393	4.227.115	7.925.707	12.152.822
3. Profit / loss from revaluation of operational land and buildings	207		-1.508.931	-1.508.931		-1.337.797	-1.337.797
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	7.041.736	14.727.318	21.769.054	11.340.285	20.622.447	31.962.732
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 31.03.2012.

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)
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		7.216.673	7.216.673
1. Goodwill	005						
2. Other intangible assets	006		7.116.440	7.116.440		7.216.673	7.216.673
C. TANGIBLE ASSETS (008 to 010)	007		1.215.012.430	1.215.012.430		1.206.066.728	1.206.066.728
1. Land and buildings used for insurance activities	008		1.175.813.525	1.175.813.525		1.168.877.158	1.168.877.158
2. Equipment	009		33.736.317	33.736.317		31.426.873	31.426.873
3. Other tangible assets and reserves	010		5.462.588	5.462.588		5.762.697	5.762.697
D. INVESTMENTS (012+013+017+036)	011	1.940.782.115	3.390.168.120	5.330.950.235	1.972.324.395	3.395.808.400	5.368.132.795
I. Investments in land and buildings not intended for business activities of the company	012		814.142.982	814.142.982		819.470.286	819.470.286
II. Investments in branch-offices, associated companies and participating in joint investments (014 to 016)	013		431.372.755	431.372.755		430.736.924	430.736.924
1. Shares and stakes in branch-offices	014		424.146.655	424.146.655		423.510.824	423.510.824
2. Shares and stakes in associate companies	015		7.226.100	7.226.100		7.226.100	7.226.100
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	1.972.324.395	2.145.601.190	4.117.925.585
1. Investments kept till maturity date (019 + 020)	018	1.253.893.760	755.313.902	2.009.207.662	1.283.947.128	792.270.531	2.076.217.659
1.1. Debt securities and other securities with fixed income	019	1.253.893.760	755.313.902	2.009.207.662	1.283.947.128	792.270.531	2.076.217.659
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	63.201.860	197.006.829	260.208.689
2.1. Stocks, shares and other securities with variable income	022	24.314.237	113.622.134	137.936.371	27.279.714	119.704.366	146.984.080
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	35.922.147	77.302.463	113.224.610
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	187.131.344	198.690.398	385.821.742
3.1. Stocks, shares and other securities with variable income	027		7.515.667	7.515.667		8.384.715	8.384.715
3.2. Debt securities and other securities with fixed income	028	83.590.987	92.961.341	176.552.328	87.602.594	96.604.931	184.207.525
3.3. Derivative financial instruments	029						
3.4. Stakes in investment funds	030	116.910.916	111.094.385	228.005.300	99.528.750	93.700.752	193.229.502
3.5. Other investments	031						
4. Deposits, loans and receivables (033 to 035)	032	425.964.418	985.225.970	1.411.190.388	438.044.063	957.633.432	1.395.677.495
4.1. Bank deposits	033	383.060.840	662.923.629	1.045.984.469	391.300.000	650.086.004	1.041.386.004
4.2. Loans	034	42.903.578	322.302.341	365.205.919	46.744.063	307.547.428	354.291.490
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	15.681.784		15.681.784
F. REINSURANCE PORTION IN TECHNICAL RESERVES (039 to 045)	038	164.628	411.769.714	411.934.342	220.793	493.194.093	493.414.885
1. Unearned premiums, reinsurance share	039	138	46.703.405	46.703.543	65.560	102.724.201	102.789.761
2. Mathematical insurance provision, reinsurance share	040	164.490		164.490	155.232		155.232
3. Claims provision, reinsurance share	041		365.066.310	365.066.310		390.469.892	390.469.892
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	5.207.580	996.096.238	1.001.303.818
1. Receivables from direct insurance activities (051 + 052)	050	43.746	588.277.703	588.321.449	45.205	873.033.304	873.078.509
1.1. Receivables from policyholders	051		585.059.115	585.059.115		869.799.813	869.799.813
1.2. Receivables from insurance agents	052	43.746	3.218.587	3.262.333	45.205	3.233.491	3.278.697
2. Receivables from coinsurance and reinsurance activities	053		16.129.222	16.129.222		456.263	456.263
3. Other receivables (055 to 057)	054	7.772.865	109.199.959	116.972.823	5.162.375	122.606.672	127.769.046
3.1. Receivables for other insurance activities	055		26.964.094	26.964.094		28.263.356	28.263.356
3.2. Receivables for returns on investments	056	1.935.304	5.862.135	7.797.439	1.965.689	6.073.589	8.039.277
3.3. Other receivables	057	5.837.561	76.373.730	82.211.290	3.196.686	88.269.727	91.466.413
I. OTHER ASSETS (059 + 063 + 064)	058	1.889.059	36.914.836	38.803.894	1.392.535	38.742.025	40.134.560
1. Money in bank and in cash (060 to 062)	059	1.824.734	24.128.164	25.952.898	1.335.021	21.945.014	23.280.035
1.1. Money on business account	060		23.951.866	23.951.866		21.579.302	21.579.302
1.2. Money on mathematical provision account	061	1.819.331		1.819.331	1.333.297		1.333.297
1.3. Cash money	062	5.403	176.298	181.700	1.724	365.712	367.436
2. Long-term assets intended for sale and business termination	063						
3. Other	064	64.325	12.786.672	12.850.996	57.514	16.797.011	16.854.525
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	20.745.483	33.115.078	53.860.561
1. Split interest and rental fees	066	22.185.161	14.966.325	37.151.486	20.725.189	14.198.584	34.923.773
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	20.295	18.916.493	18.936.788
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	2.017.981.276	6.172.995.627	8.190.976.904
L. NON-BALANCE SHEET RECORDS	070		670.302.250	670.302.250		660.553.959	660.553.959

LIABILITIES							
A. CAPITAL AND RESERVES (072 + 076 + 077 + 081 + 085 + 088)	071	115.588.079	1.525.498.057	1.641.086.136	126.928.364	1.547.684.226	1.674.612.591
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	-11.426.621	482.333.205	470.906.584
3.1. Revaluation of land and buildings	078		486.476.755	486.476.755		485.138.959	485.138.959
3.2. Revaluation of investments in financial assets	079	-15.653.736	-10.731.460	-26.385.196	-11.426.621	-2.805.753	-14.232.374
3.3. Other revaluation reserves	080						
4. Reserves (082 to 084)	081	78.314.936	378.151.842	456.466.778	78.314.936	378.151.842	456.466.778
4.1. Legal provision	082	489.554	19.152.617	19.642.171	489.554	19.152.617	19.642.171
4.2. Statutory provision	083	2.325.382	92.288.398	94.613.780	2.325.382	92.288.398	94.613.780
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	8.638.159	274.566.162	283.204.321
5.1. Retained profit	086	3.990.667	198.983.187	202.973.853	8.638.159	274.566.162	283.204.321
5.2. Retained loss (-)	087						
6. Profit or loss for the period (089 + 090)	088	4.647.492	74.019.253	78.666.745	7.113.171	14.034.537	21.147.707
6.1. Profit for the period	089	4.647.492	74.019.253	78.666.745	7.113.171	14.034.537	21.147.707
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	1.850.575.621	4.201.339.119	6.051.914.740
1. Unearned premiums, gross amount	093	3.360.431	946.409.517	949.769.947	3.857.746	1.237.228.611	1.241.086.357
2. Mathematical insurance provision, gross amount	094	1.816.581.911		1.816.581.911	1.816.742.163		1.816.742.163
3. Claims provision, gross amount	095	36.037.101	2.880.421.665	2.916.458.766	29.975.713	2.940.683.508	2.970.659.220
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	15.681.784		15.681.784
E. OTHER PROVISION (101 + 102)	100	2.443.980	80.050.105	82.494.085	13.443.980	68.531.739	81.975.719
1. Provision for pensions	101	2.443.980	78.169.725	80.613.705	13.443.980	66.651.358	80.095.338
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	1.778.293	124.963.504	126.741.797
1. Deferred tax liability	104		121.789.319	121.789.319		121.454.870	121.454.870
2. Current tax liability	105		6.415.430	6.415.430	1.778.293	3.508.634	5.286.927
G. DEPOSITS RETAINED FROM BUSINESS CEDED TO REINSURANCE	106						
H. FINANCIAL LIABILITIES (108 to 110)	107		105.193	105.193		93.507	93.507
1. Loan liabilities	108		105.193	105.193		93.507	93.507
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	9.559.081	212.953.181	222.512.263
1. Liabilities derived from direct insurance activities	112	1.223.389	96.882.454	98.105.843	1.396.952	116.927.321	118.324.273
2. Liabilities derived from coinsurance and reinsurance activities	113	1.693	5.602.704	5.604.397	364	18.315.820	18.316.184
3. Liabilities for misappropriation and discontinued operations	114						
4. Other liabilities	115	33.403	86.958.902	86.992.305	8.161.766	77.710.041	85.871.806
J. DEFERRED PAYMENT OF EXPENSES AND INCOME OF THE FUTURE PERIOD (117+118)	116	20.929	34.581.471	34.602.400	14.153	17.430.350	17.444.503
1. Reinsurance commission split	117						
2. Other deferred costs payment and future income	118	20.929	34.581.471	34.602.400	14.153	17.430.350	17.444.503
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	2.017.981.276	6.172.995.627	8.190.976.904
L. NON-BALANCE SHEET RECORDS	120		670.302.250	670.302.250		660.553.959	660.553.959
ADDITION TO BALANCE SHEET (only for consolidated financial statements)							
M. CAPITAL AND RESERVES (122+123)	121	0	0	0	0	0	0
1. Attributable to majority owners	122			0			0
2. Attributable to minority interests	123			0			0

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 31.03.2012.

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	43.603.886	1.653.193.119		1.653.193.119
1. Change in accounting policy	002									
2. Correction of previous period errors	003			-783.466		825.966		42.500		42.500
II. Balance at 1 January - previous year (corrected) (AOP 001 to 003)	004	442.887.200		529.914.942	443.930.661	192.898.929	43.603.886	1.653.235.619		1.653.235.619
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		661.684		661.684
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	-43.603.886	-28.663.820		-28.663.820
1. Increase/decrease of share capital	013									
2. Other payments by the owners	014									
3. Payment of shares in profit/dividends	015							-28.663.820		-28.663.820
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		460.091.559	456.466.778	202.973.854	78.666.745	1.641.086.137		1.641.086.137
VI. Balance at 1 January - current year	018	442.887.200		460.091.559	456.466.778	202.973.854	78.666.745	1.641.086.137		1.641.086.137
1. Change in accounting policy	019									
2. Correction of previous period errors	020					-108.523		-108.523		-108.523
VII. Balance at 1 January - current period (corrected) (AOP 018 to 020)	021	442.887.200		460.091.559	456.466.778	202.865.330	78.666.745	1.640.977.613		1.640.977.613
VIII. Comprehensive profit or loss - current period (AOP 023+024)	022			10.815.026		1.672.245	21.147.707	33.634.978		33.634.978
1. Profit/loss of the previous period	023						21.147.707	21.147.707		21.147.707
2. Other comprehensive profit/loss of the current year (AOP 025 to 028)	024			10.815.026		1.672.245		12.487.271		12.487.271
2.1. Unrealized profit/loss from tangible assets (land and buildings)	025			-1.337.797		1.672.245		334.448		334.448
2.2. Unrealized profit/loss from financial assets available for sale	026			11.506.258				11.506.258		11.506.258
2.3. Realized profit/loss from financial assets available for sale	027			646.564				646.564		646.564
2.4. Other non-ownership changes in capital	028									
IX. Transactions with owners (current period) (AOP 030 to 033)	029					78.666.745	-78.666.745			
1. Increase/decrease of share capital	030									
2. Other payments by the owners	031									
3. Payment of shares in profit/dividends	032									
4. Other distribution to the owners	033					78.666.745	-78.666.745			
X. Balance at 31 December - current period (AOP 021+022+029)	034	442.887.200		470.906.585	456.466.778	283.204.321	21.147.707	1.674.612.591		1.674.612.591

REPORT ON MONEY FLOW – INDIRECT METHOD for the period from 01.01.2012. until 31.03.2012.

in HRK

Position	AOP	Previous period	Current period
1	2	3	4
I. CASH FLOWS FROM OPERATING ACTIVITIES (002+013+031)	001	-90.057.290	54.741.347
1. Cash flow before change in business property and liabilities (AOP 003+004)	002	49.863.526	-12.129.207
1.1. Profit before tax	003	19.256.990	26.434.634
1.2. Adjustment: (AOP 005 to 012)	004	30.606.536	-38.563.841
1.2.1. Depreciation and amortization of immovables and equipment	005	9.630.713	11.671.638
1.2.2. Depreciation and amortization of intangible property	006	661.753	766.633
1.2.3. Impairment and profits/losses from adjustment to fair value	007	18.296.866	-9.229.451
1.2.4. Interest expenses	008	0	0
1.2.5. Interest income	009	0	-55.648.868
1.2.6. Share in profit of associated companies	010	0	-2.626.468
1.2.7. Profits/losses from sale of tangible property (including real estate)	011	0	-1.163.001
1.2.8. Other adjustments	012	2.017.204	17.665.674
2. Increase/decrease in business property and liabilities (AOP 014 to 030)	013	-133.746.938	72.157.481
2.1. Increase/decrease in investments available for sale	014	-4.817.576	-7.245.538
2.2. Increase /decrease in investment estimated at fair value	015	-115.116.333	30.722.614
2.3. Increase / decrease in deposits, loans and receivables	016	-52.382.964	4.598.465
2.4. Increase/decrease of deposits at insurance activities ceded to reinsurance	017	0	0
2.5. Increase / decrease in investment for the account and own risk of life insurance policyholders	018	415.060	638.843
2.6. Increase /decrease of reinsurance stakes in tehcnical provision	019	-76.486.459	-81.480.543
2.7. Increase/decrease of taxable property	020	1.621.515	0
2.8. Increase/decrease in receivables	021	-256.093.886	-226.665.313
2.9. Increase/decrease in other assets	022	0	0
2.10. Increase/decrease in prepaid expenses of the future period and undue collection of income	023	-781.431	-833.762
2.11. Increase/decrease in tehcnical provision	024	331.172.107	345.677.116
2.12. Increase/decrease in life insurance tehcnical provision when the policyholder bears investment risk	025	-415.060	-638.843
2.13. Increase/decrease in tax liabilities	026	1.575.219	-1.462.953
2.14. Increase/decrease in deposits held from activities ceded to reinsurance	027	0	0
2.15. Increase/decrease in financial liabilities	028	-10.908	0
2.16. Increase/decrease in other liabilities	029	39.162.674	26.005.292
2.17. Increase/decrease in deferred payment of expenses and income of the future period	030	-1.588.896	-17.157.897
3. Income tax paid	031	-6.173.878	-5.286.927
II. CASH FLOW FROM INVESTMENT ACTIVITIES (AOP 033 to 046)	032	74.998.340	-59.319.520
1. Receipts from sale of tangible assets	033	2.350	0
2. Expenditures for the purchase of tangible assets	034	-519.321	-2.725.936
3. Receipts from sale of intangible assets	035	0	0
4. Expenditures for the purchase of intangible assets	036	-243.435	-866.867
5. Receipts from sale of land and buildings not intended for business activities of the company	037	433.119	0
6. Expenditures for the purchase of land and buildings not intended for business activities of the company	038	-25.597.949	-5.327.305
7. Increase/decrease of investments in branch-offices, associated companies and participation in joint investemnts	039	461.263	3.262.298
8. Receipts from investments kept till maturity	040	100.371.989	0
9. Expenditures for investments kept till maturity	041	0	-67.009.996
10. Receipts from sale of securities and stakes	042	0	0
11. Expenditures for investments in securities and stakes	043	0	0
12. Receipts from dividends and profit share	044	90.324	2.433.857
13. Receipts from long term and short term loans	045	0	83.224.570
14. Expenses for long term and short term loans	046	0	-72.310.141
III. CASH FLOW FROM FINANCIAL ACTIVITIES (AOP 050 to 054)	047	3.024	-12.553
1. Receipts from capital stock increase	048	0	0
2. Receipts from short-term and long-term loans	049	0	1.280
3. Expenditures for short-term and long-term loans	050	0	-12.966
4. Expenditures for purchase of treasury shares	051	0	0
5. Expenditures for payment of profit share (dividends)	052	3.024	-868
NET CASH FLOW (AOP 001 + 032 + 049)	053	-15.055.926	-4.590.726
IV. EFFECTS OF CHANGES IN RATES OF FOREIGN CURRENCIES	054	309.156	5.921.392
V. NET INCREASE/DECREASE IN CASH AND CASH EQUIVALENTS (055+056)	055	-14.746.770	1.330.666
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	24.070.443	40.134.560

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

II BOARD OF MANAGEMENT'S REPORT

During the first quarter of the year 2012, the Croatian insurance industry recorded decrease in the written premium that justifies the assumptions that the year 2012 will be as much challenging as the previous year. In accordance with economic movements largely depending on the actual global financial crisis, the Croatian insurance industry expects no significant growth of premium during the year 2012 either.

During the first three months of the year 2012, CROATIA osiguranje d.d. realized total written premium amounting to HRK 951.2 mil., that represents a decrease of 3.0% compared to the same period of the previous year. The non-life written premium recorded a decrease of 2.8%, while life insurance recorded the decrease of 4.4% compared to the same period of the previous year. The written premium was realized by 33.9% compared to plan for 2012.

In total written premium of all insurance companies in the Republic of Croatia the market share of CROATIA osiguranje d.d. amounted to 37.5% during the first quarter of the year 2012, while the daughter company Croatia zdravstveno osiguranje recorded the share of 1.3%.

During the period I-III 2012, the gross paid claims amounted to HRK 376.1 mil. that is a decrease of 3.6% i.e. HRK 14.1 mil. compared to the same period of the previous year. The non-life insurance business recorded the decrease in gross paid claims by 2.6% while the life insurance business recorded the decrease in paid claims amounting to 7.7% compared to the same period of the previous year.

The total income of CROATIA osiguranje d.d. amounted to HRK 641.9 mil. that is an increase of 1.6 % i.e. nominally HRK 9.9 mil. compared to the same period of the previous year. The total expenditures amounted to HRK 615.5 mil. that is an increase of 0.5% i.e. nominally HRK 2.8 mil. compared to the same period of the previous year.

The gross profit of the Company amounted to HRK 26.4 mil. that is an increase of 37.3% compared to the same period of the previous year.

The consolidated gross profit of the Group before elimination amounted to HRK 51.9 mil. that is a decrease of 10.3% compared to the same period of the previous year. The profit of the Group after elimination, taxation and minority shares amounted to HRK 40.3 mil.

On 31 March 2012 the solvency indicator was 14.8.

With the aim to realize the growth of sale and improvement of profitability of the Company in 2012 it continues with innovative products, redesign of the existing ones as well as with introducing new products in accordance with global trends in insurance development.

KEY PERFORMANCE INDICATORS:

HRK

DESCRIPTION	I-III 2011.	I-III 2012.	Index 3 : 2
1	2	3	4
Total income	631.990.959	641.930.465	101,6
Written gross premium	980.136.548	951.158.064	97,0
Total expenditure	612.733.970	615.495.831	100,5
Paid claims (gross)	390.180.590	376.067.944	96,4
Profit before taxation (gross profit)	19.256.990	26.434.634	137,3
Profit after taxation (net profit)	15.405.592	21.147.707	137,3
Total assets	8.155.026.127	8.190.976.904	100,4
Equity and provision	1.674.962.173	1.674.612.591	100,0
Technical provision	5.955.262.019	6.051.914.740	101,6
Life insurance special provision- policyholder's investment risk	21.959.907	15.681.784	71,4
Investments	5.349.373.913	5.368.132.795	100,4
Life insurance regulatory capital	138.171.016	126.966.524	91,9
Non life insurance regulatory capital	942.801.600	967.274.805	102,6
ROA (%) (net profit / assets)	0,19	0,26	136,7
ROE (%) (net profit / equity and provision)	0,92	1,26	137,3
Gross profit margin (%) (gross profit / total income)	3,05	4,12	135,1
Number of employees	2.836	2.864	101,0
Total income per employee	222.846	224.138	100,6
Total assets per employee	2.875.538	2.859.978	99,5
Written premium per employee	345.605	332.108	96,1
Profit (before taxation) per employee	6.790	9.230	135,9

Unaudited unconsolidated financial statements for the first quarter of the current year will be available on CROATIA osiguranje d.d.'s, the Zagreb Stock-Exchange's and the Prescribed Information register's web sites as well as publicly disclosed by HINA.

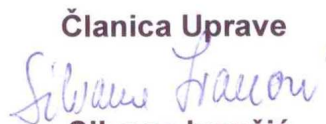
Description of the main risks and uncertainties

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, 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 Act on Insurance.

The Company manages its liabilities actively by timely determining its obligations in the manner prescribed by the insurance regulations as well as by the Insurance Act. The main risks and uncertainties are described in the Annual Report 2011.

Zagreb, 26.04.2012

Članica Uprave

Silvana Ivančić

Predsjednik Uprave

Zdravko Zrinušić

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

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 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 Act on Commercial Companies, the Insurance Act and the Company's Acts, 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 until 31 March 2012 the Management Board of the Company held 17 meetings discussing and bringing decisions in accordance with Acts and Company's Act. Until 31 March 2012, the Supervisory Board held one meeting.

Capital stock and shares

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

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

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

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

Ownership structure of CROATIA osiguranje d.d. on 31.03.2012.

	Shareholder	Number of Shares	31/03/2012	
			Amount HRK	% Share
1.	AUDIO / Republic of Croatia	253,807	355,329,800	80.23
2.	Raiffeisenbank Austria d.d.- custody account	19,720	27,608,000	6.23
3.	Hrvatska poštanska banka d.d.- basic and custody account	6,510	9,114,000	2.06
4.	Societe Generale- Splitska banka d.d.- custody account	6,182	8,654,800	1.95
5.	PBZ d.d.- custody account	2,189	3,064,600	0.69
6.	Zvon ena holding d.d.	2,122	2,970,800	0.67
7.	Hypo alpe-adria-bank d.d.- custody account	1,505	2,107,000	0.48
8.	Kraš d.d.	1,400	1,960,000	0.44
9.	Auto Hrvatska d.d.	1,004	1,405,600	0.32
10.	Erste&Steiermärkische Bank d.d. - basic and custody account	709	992,600	0.22
11.	Komercijalna banka d.d. in liquidation	700	980,000	0.22
12.	Bahovec Srećko	566	792,400	0.18
13.	Adriacommerce	500	700,000	0.16
14.	Radić Antun	408	571,200	0.13
15.	Tankerska plovdba	400	560,000	0.13
16.	Škaro Miroslav	380	532,000	0.12
17.	Fran Mihaljević - klinika za infekt. bolesti	330	462,000	0.10
18.	Cemex Hrvatska d.d.	249	348,600	0.08
19.	Končar-elektroindustrija d.d.	230	322,000	0.07
20.	Eko Međimurje d.d.	226	316,400	0.07
21.	Other shareholders	17,211	24,095,400	5.45
UKUPNO:		316,348	442,887,200	100.00

2. 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 appliance of the basic accounting assumption of the occurrence of the 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 basic accounting assumption of unlimitedness of business operations

Reporting Currency

The financial statements are presented in Croatian kuna (HRK). On 31 March 2012 the official exchange rate of the Croatian kuna was HRK 7.51 to 1 Euro and HRK 5.62 to 1 USD.

Use of Estimate

The making of the financial statements in accordance with IFRS requires the making of judgments, estimates and assumptions influencing the appliance of policies as well the presented amounts of assets, liabilities, income and expenditure. The estimates and assumptions are based on experience and other various factors considered rational in given circumstances accompanied by information available at the time of making the 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 first quarter of 2012 correspond to the accounting policies used during making the audited financial statements 2011.




On the basis of the Article 20 of the Statute of CROATIA osiguranje d.d. of 30 April 2008 and the Article 410 of the Act 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 first quarter of 2012, made by applying the relevant FRS, gives the whole and true presentation of assets and liabilities, losses and gains, financial status and business operation of the issuer,
- The Management Board's report consists of true presentation of the development and results of the business operations as well as the status of the issuer, accompanied by the description of major risks and uncertainties the issuer is exposed to.

Zagreb, 26/04/2012

Članica Uprave

Silvana Ivančić

Predsjednik Uprave

Zdravko Zrinušić