



**UNAUDITED CONSOLIDATED BUSINESS
REPORT FOR THE SECOND QUARTER AND
THE FIRST HALF OF THE YEAR 2013**

Zagreb, July 2013

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I UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

ATTACHMENT 2.

Reporting period:

01.01.

to

30.06.2013.

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

Tax number(MB)	03276147	
Company registration number (MBS):	080051022	
Personal identification number (OIB):	26187994862	
Issuing company:	CROATIA osiguranje d.d.	
Postal code and place	10000	ZAGREB
Street and house number:	MIRAMARSKA 22	
E-mail address:		
Internet address	www.crosig.hr	
Municipality/city code and name	133	ZAGREB
County code and name	21	GRAD ZAGREB
Consolidated report:	YES	
	Number of employees:	3.937
	(quarter end)	
	NKD code:	65.12
Companies of the consolidation subject (according to):	Seat:	MB:
CROATIA LLOYD D.D.	ZAGREB	03276236
CROATIA OSIGURANJE D.D.	LJUBUŠKI	20097647
PBZ CROATIA OSIGURANJE D.D.	ZAGREB	01583999
CROATIA ZDRAVSTVENO OSIGURANJE D.D.	ZAGREB	01808435
CROATIA TEHNIČKI PREGLEDI D.D.	ZAGREB	01450930
CROATIA LEASING D.O.O.	ZAGREB	01892037
Bookkeeping service:		
Contact person:	Nevena Babić	
Telephone:	01/6333 112	Telefaks: 01/6332 073
E-mail address:	izdavatelj@crosig.hr	
Family name and name:	STARČEVIĆ KREŠIMIR, FABIJANČIĆ IVAN	
	(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

 Član Uprave Ivan Fabijančić	 Predsjednik Uprave Krešimir Starčević (potpis osobe ovlaštene za zastupanje)
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COMPREHENSIVE REPORT ON CONSOLIDATED PROFIT (PROFIT & LOSS ACCOUNT)

For the period 01.01.2013.-30.06.2013.

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	189.099.144	1.170.942.550	1.360.041.694	199.219.640	1.106.124.973	1.305.344.613
1. Gross written premiums	125	189.281.521	1.721.106.192	1.910.387.713	198.832.463	1.659.066.156	1.857.898.619
2. Coinsurance premium	126		907.477	907.477		653.137	653.137
3. Value adjustment and collected insurance/coinsurance premium value adjustment	127		-47.504.935	-47.504.935		-49.026.900	-49.026.900
4. Premiums ceded to reinsurance	128	-12.014	-212.569.114	-212.581.129	-191.539	-202.316.005	-202.507.544
5. Premiums ceded to coinsurance	129		-4.176.759	-4.176.759			
6. Change in gross unearned premium provision	130	-216.530	-333.696.617	-333.913.148	536.538	-353.791.982	-353.255.444
7. Change in unearned premium provision, reinsurer's share	131	46.168	46.876.306	46.922.474	42.178	41.735.425	41.777.603
8. Change in unearned premium provision, coinsurer's share	132					9.805.141	9.805.141
II. Income from investments (AOP 134 + 135 + 139 + 140 + 141 + 145 + 146)	133	66.432.868	111.102.111	177.534.980	57.591.512	83.483.398	141.074.910
1. Income from branch-offices, associated companies and joint ventures	134		905.517	905.517		601.469	601.469
2. Income from investments into land and buildings (136 to 138)	135	4.627	11.642.628	11.647.255	2.319	3.517.595	3.519.915
2.1. Income from rental fees	136	4.627	11.642.628	11.647.255	2.319	3.511.806	3.514.126
2.2. Income from increased value of land and buildings	137						
2.3. Income from real estate sale	138					5.789	5.789
3. Interest income	139	55.874.277	77.486.288	133.360.565	55.577.477	65.858.239	121.435.716
4. Unrealized profits from investment at fair value	140	8.632.697	9.524.570	18.157.267	835.918	2.456.258	3.292.176
5. Gain on sale (realization) of financial investments (142 to 145)	141	1.792.591	2.805.292	4.597.883	870.177	3.501.529	4.371.706
5.1. Investment at fair value through profit and loss account	142	973.718	1.384.447	2.358.165	547.578	3.137.595	3.685.173
5.2. Investment available for sale	143	497.284	1.420.845	1.918.129		363.934	363.934
5.3. Other gains on sale of financial investments	144	321.589		321.589	322.598		322.598
6. Net positive exchange rate differences	145		5.322.491	5.322.491			
7. Other investment income	146	128.676	3.415.325	3.544.001	305.621	7.548.307	7.853.928
III. Income from commissions and fees	147	14.228	24.402.154	24.416.383	10.337	25.702.199	25.712.536
IV. Other insurance-technical income, net of reinsurance	148	39.889	6.106.075	6.145.965	22.808	6.115.756	6.138.564
V. Other income	149	201.473	123.785.269	123.986.742	2.106.851	116.912.027	119.018.878
VI. Expenses for insured events, net of reinsurance (AOP 151 + 155)	150	-139.466.588	-686.618.931	-826.085.518	-195.803.715	-609.762.626	-805.566.341
1. Paid claims (AOP 152 to 154)	151	-145.999.442	-676.279.166	-822.278.608	-207.000.252	-617.180.959	-824.181.211
1.1. Gross amount	152	-145.999.442	-757.187.074	-903.186.515	-207.000.252	-725.135.878	-932.136.130
1.2. Coinsurer's share	153		1.310.642	1.310.642		460.657	460.657
1.3. Reinsurer's share	154		79.597.266	79.597.266		107.494.262	107.494.262
2. Change in claims provision (AOP 156 to 158)	155	6.532.854	-10.339.764	-3.806.911	11.196.537	7.418.333	18.614.871
2.1. Gross amount	156	6.532.854	58.655.805	65.188.659	11.196.537	19.918.733	31.115.270
2.2. Coinsurer's share	157		-65.448	-65.448		-206.715	-206.715
2.3. Reinsurer's share	158		-68.930.121	-68.930.121		-12.293.684	-12.293.684
VII. Change in mathematical reserve and other technical reserves (AOP 160 + 163)	159	-43.280.620	-5.500.000	-48.780.620	13.366.021	5.000.000	18.366.021
1. Change in mathematical insurance provision (AOP 161 + 162)	160	-43.280.620		-43.280.620	13.366.021		13.366.021
1.1. Gross amount	161	-43.258.951		-43.258.951	13.403.951		13.403.951
1.2. Reinsurer's share	162	-21.670		-21.670	-37.931		-37.931
2. Change in other technical provision, net of reinsurance (AOP 164 do 166)	163		-5.500.000	-5.500.000		5.000.000	5.000.000
2.1. Gross amount	164		-5.500.000	-5.500.000		5.000.000	5.000.000
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	2.212.761		2.212.761	2.146.559		2.146.559
1. Gross amount	168	2.212.761		2.212.761	2.146.559		2.146.559
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		2.057.985	2.057.985		1.682.064	1.682.064
1. Depending on results (bonuses)	172		2.170.362	2.170.362		1.621.173	1.621.173
2. Irrespective of results (discounts)	173		-112.377	-112.377		60.890	60.890

X. Business expenditures(AOP 175+179)	174	-51.189.812	-480.053.056	-531.242.867	-49.318.952	-514.788.135	-564.107.087
1. Sales expenses (AOP 176 to 178)	175	-14.655.221	-140.662.788	-155.318.009	-15.997.770	-152.476.128	-168.473.898
1.1. Commision	176	-10.975.680	-92.664.807	-103.640.487	-11.780.203	-93.306.971	-105.087.175
1.2. Other sales expenses	177	-3.679.541	-48.119.830	-51.799.372	-4.217.567	-62.001.264	-66.218.831
1.3. Change in split sales expenses	178		121.850	121.850		2.832.107	2.832.107
2. Management expenses (AOP 180 to 182)	179	-36.534.591	-339.390.268	-375.924.858	-33.321.182	-362.312.008	-395.633.189
2.1. Depreciation of tangible assets	180	-1.094.540	-28.036.203	-29.130.743	-1.012.436	-28.393.930	-29.406.366
2.2. Salaries, taxes and salary contributions (from and on salary)	181	-22.454.007	-192.435.407	-214.889.414	-23.985.401	-194.598.108	-218.583.508
2.3. Other management expenses	182	-12.986.043	-118.918.658	-131.904.701	-8.323.344	-139.319.970	-147.643.314
XI. Investment expenses(AOP 184 to 189)	183	-15.666.708	-60.076.388	-75.743.096	-21.825.539	-65.781.063	-87.606.601
1. Depreciation (buildings not intended for business activities of the company)	184						
2. Interest	185	-17.618		-17.618	-22.680	-77.777	-100.457
3. Investment impairments	186	-10.624.798	-12.322.090	-22.946.888		-23.736.208	-23.736.208
4. Losses from sale (realizations) of investment	187	-2.918.028	-346.602	-3.264.631		-217.869	-217.869
5. Adjustment of financial assets at fair value through P&L	188	-462.983	-754.074	-1.217.057	-7.477.486	-7.940.339	-15.417.825
6. Net foreign exchange losses	189	-1.293.883		-1.293.883	-14.043.059	-7.135.700	-21.178.759
7. Other investment costs	190	-349.398	-46.653.622	-47.003.020	-282.314	-26.673.170	-26.955.483
XII. Other tehcnical expenses, net of reinsurance (AOP 192 + 193)	191	-136.891	-44.652.836	-44.789.727	-125.071	-38.224.159	-38.349.230
1. Prevention activities expenses	192		-2.939.414	-2.939.414		-3.115.632	-3.115.632
2. Other technical expenses	193	-136.891	-41.713.421	-41.850.313	-125.071	-35.108.527	-35.233.598
XIII. Other expenses, including value adjustment	194		-66.923.934	-66.923.934	-189	-79.267.214	-79.267.404
XIV. Profit or loss before taxes (124+133+147+148+149+150+159+167+171+174+183+191+194)	195	8.259.745	94.571.000	102.830.745	7.390.261	37.197.219	44.587.481
XV. Taxation (AOP 197+198)	196	-1.018.565	-20.113.282	-21.131.847	-1.060.237	-21.359.440	-22.419.677
1. Current tax expenses	197	-1.018.565	-20.113.282	-21.131.847	-1.060.237	-21.359.440	-22.419.677
2. Deferred tax expenses	198						
XVI. Net profit or loss for the period(AOP 195-196)	199	7.241.180	74.457.718	81.698.898	6.330.025	15.837.779	22.167.804
1. Attributable to majority owners	200	6.646.169	71.882.591	78.528.760	5.967.237	14.959.805	20.927.043
2. Attributable to minority interests	201	595.011	2.575.127	3.170.138	362.788	877.974	1.240.761
XVII. TOTAL INCOME	202	255.787.603	1.436.338.159	1.692.125.763	258.951.148	1.338.338.352	1.597.289.500
XVIII. TOTAL EXPENSES	203	-248.546.423	-1.361.880.441	-1.610.426.865	-252.621.123	-1.322.500.573	-1.575.121.696
XIX. Other comprehensive profit (205 to 211 - 212)	204	8.356.232	-9.595.528	-1.239.296	9.065.620	-6.599.545	2.466.075
1. Profit / loss from translation of financial statements	205		-3.790.953	-3.790.953		-673.462	-673.462
2. Profit / loss from revaluation of financial assets available for sale	206	8.356.232	-4.175.162	4.181.070	9.065.620	-3.579.024	5.486.596
3. Profit / loss from revaluation of operational land and buildings	207		-1.629.413	-1.629.413		-2.347.059	-2.347.059
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	15.597.412	64.862.190	80.459.602	15.395.644	9.238.235	24.633.879
1. Attributable to majority owners	214	15.002.401	65.502.156	80.504.557	15.032.857	8.740.148	23.773.005
2. Attributable to minority interests	215	595.011	-639.966	-44.955	362.788	498.087	860.875
XXI. Reclassification adjustments	216						

CONSOLIDATED REPORT ON FINANCIAL POSITION (BALANCE SHEET) AS AT 30.06.2013

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	87.670	61.956.051	62.043.721	66.482	73.488.010	73.554.492
1. Goodwill	005		37.775.869	37.775.869		47.659.060	47.659.060
2. Other intangible assets	006	87.670	24.180.182	24.267.852	66.482	25.828.950	25.895.432
C. TANGIBLE ASSETS (008 to 010)	007	4.515.262	1.637.560.228	1.642.075.490	4.490.196	1.652.516.103	1.657.006.299
1. Land and buildings used for insurance activities	008	3.637.270	1.524.026.255	1.527.663.524	3.567.478	1.509.043.058	1.512.610.537
2. Equipment	009	791.706	68.242.236	69.033.942	837.510	52.230.828	53.068.338
3. Other tangible assets and reserves	010	86.286	45.291.738	45.378.024	85.208	91.242.216	91.327.424
D. INVESTMENTS (012+013+017+036)	011	2.238.295.255	3.945.083.973	6.183.379.227	2.231.676.181	3.909.055.518	6.140.731.700
I. Investments in land and buildings not intended for business activities of the company	012	438.081	798.517.620	798.955.701	432.607	802.760.391	803.192.997
II. Investments in branch-offices, associated companies and participating in joint investments (014 to 016)	013		13.555.756	13.555.756		18.891.682	18.891.682
1. Shares and stakes in branch-offices	014						
2. Shares and stakes in associate companies	015		13.416.562	13.416.562		17.416.562	17.416.562
3. Participating in joint investments	016		139.193	139.193		1.475.119	1.475.119
III. Other financial investments (018 + 021 + 026 + 032)	017	2.237.857.174	3.133.010.597	5.370.867.770	2.231.243.574	3.087.403.446	5.318.647.021
1. Investments kept till maturity date (019 + 020)	018	1.371.473.095	1.017.196.317	2.388.669.412	1.449.666.598	1.085.925.307	2.535.591.905
1.1. Debt securities and other securities with fixed income	019	1.371.473.095	985.897.009	2.357.370.104	1.449.666.598	1.055.426.681	2.505.093.279
1.2. Other investments kept till maturity date	020		31.299.308	31.299.308		30.498.626	30.498.626
2. Investments available for sale (022 to 025)	021	36.965.121	158.174.138	195.139.259	46.030.740	149.679.943	195.710.683
2.1. Stocks, shares and other securities with variable income	022	34.865.893	116.658.303	151.524.196	43.822.345	118.236.790	162.059.135
2.2. Debt securities and other securities with fixed income	023		3.522.450	3.522.450		3.464.160	3.464.160
2.3. Stakes in investment funds	024	2.099.228	37.993.386	40.092.613	2.208.396	27.978.992	30.187.388
2.4. Other investments available for sale	025						
3. Investments at fair value through the profit and loss account (027 to 031)	026	302.074.884	676.308.328	978.383.212	225.933.244	467.863.761	693.797.005
3.1. Stocks, shares and other securities with variable income	027		26.835.009	26.835.009		21.761.255	21.761.255
3.2. Debt securities and other securities with fixed income	028	122.744.891	161.489.247	284.234.138	126.028.502	131.264.225	257.292.727
3.3. Derivative financial instruments	029						
3.4. Stakes in investment funds	030	179.329.993	487.984.072	667.314.065	99.904.742	314.838.281	414.743.023
3.5. Other investments	031						
4. Deposits, loans and receivables (033 to 035)	032	527.344.074	1.281.331.814	1.808.675.888	509.612.992	1.383.934.436	1.893.547.427
4.1. Bank deposits	033	443.666.957	1.097.705.651	1.541.372.608	446.333.889	1.082.882.385	1.529.216.274
4.2. Loans	034	79.455.133	175.512.225	254.967.359	59.357.074	295.198.637	354.555.711
4.3. Other loans and receivables	035	4.221.984	8.113.937	12.335.921	3.922.029	5.853.414	9.775.442
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	11.425.214		11.425.214	9.393.986		9.393.986
F. REINSURANCE PORTION IN TECHNICAL RESERVES (039 to 045)	038	232.704	162.918.945	163.151.649	277.002	205.879.488	206.156.490
1. Unearned premiums, reinsurance share	039	2.654	25.340.658	25.343.312	84.883	78.416.029	78.500.912
2. Mathematical insurance provision, reinsurance share	040	230.049		230.049	192.119		192.119
3. Claims provision, reinsurance share	041		137.251.765	137.251.765		127.248.983	127.248.983
4. Provision for premium returns depending and not depending on result (bonuses and discounts), reinsurance share	042		326.523	326.523		214.477	214.477
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	2.638.059	25.239.114	27.877.173	2.638.059	22.825.035	25.463.094
1. Deferred tax assets	047	2.638.059	22.816.680	25.454.739	2.638.059	22.814.998	25.453.058
2. Current tax assets	048		2.422.434	2.422.434		10.036	10.036
H. RECEIVABLES (050 + 053 + 054)	049	11.925.311	1.096.669.872	1.108.595.183	11.580.882	1.419.471.613	1.431.052.494
1. Receivables from direct insurance activities (051 + 052)	050	258.453	630.619.802	630.878.255	298.389	978.111.819	978.410.208
1.1. Receivables from policyholders	051	163.405	625.320.729	625.484.134	247.001	971.676.837	971.923.838
1.2. Receivables from insurance agents	052	95.048	5.299.072	5.394.120	51.387	6.434.983	6.486.370
2. Receivables from coinsurance and reinsurance activities	053		58.005.866	58.005.866		61.502.055	61.502.055
3. Other receivables (055 to 057)	054	11.666.858	408.044.205	419.711.062	11.282.493	379.857.738	391.140.231
3.1. Receivables for other insurance activities	055		182.126.368	182.126.368		175.889.313	175.889.313
3.2. Receivables for returns on investments	056	2.443.023	10.154.492	12.597.515	3.345.858	10.474.618	13.820.476
3.3. Other receivables	057	9.223.835	215.763.345	224.987.179	7.936.635	193.493.806	201.430.441
I. OTHER ASSETS (059 + 063 + 064)	058	16.931.532	102.800.202	119.731.734	6.478.792	127.804.415	134.283.207
1. Money in bank and in cash (060 to 062)	059	16.866.138	90.690.426	107.556.563	6.454.433	117.096.494	123.550.927
1.1. Money on business account	060	3.257.157	90.374.615	93.631.772	2.926.281	116.770.673	119.696.955
1.2. Money on mathematical provision account	061	13.605.575	9.998	13.615.573	3.527.268		3.527.268
1.3. Cash money	062	3.406	305.813	309.218	884	325.821	326.705
2. Long-term assets intended for sale and business termination	063						
3. Other	064	65.395	12.109.776	12.175.171	24.359	10.707.921	10.732.280
J. PREPAID EXPENSES OF THE FUTURE PERIOD AND UNDUE COLLECTION OF INCOME (066 to 068)	065	27.499.641	64.877.005	92.376.646	26.955.913	65.236.503	92.192.416
1. Split interest and rental fees	066	27.258.055	18.984.354	46.242.409	26.740.138	20.618.037	47.358.176
2. Split sales costs	067		21.079.984	21.079.984		23.072.688	23.072.688
3. Other paid expenses of the future period and undue income collection	068	241.586	24.812.667	25.054.253	215.774	21.545.778	21.761.552
K. TOTAL ASSETS (001+004+007+011+037+038+046+049+058+065)	069	2.313.550.647	7.097.105.391	9.410.656.038	2.293.557.492	7.476.276.685	9.769.834.177
L. NON-BALANCE SHEET RECORDS	070	3.437.460	1.116.205.488	1.119.642.948	3.408.607	1.111.214.162	1.114.622.769

LIABILITIES							
A. CAPITAL AND RESERVES (072 + 076 + 077 + 081 + 085 + 088)	071	134.947.548	1.921.974.127	2.056.921.676	148.897.283	1.936.855.786	2.085.753.069
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	-12.335.250	500.680.252	488.345.003	-3.268.816	488.453.900	485.185.085
3.1. Revaluation of land and buildings	078	-65.126	519.371.788	519.306.662	-64.312	514.607.078	514.542.767
3.2. Revaluation of investments in financial assets	079	-12.270.123	-25.698.091	-37.968.214	-3.204.504	-29.299.776	-32.504.279
3.3. Other revaluation reserves	080		7.006.554	7.006.554		3.146.598	3.146.598
4. Reserves (082 to 084)	081	79.651.090	399.432.378	479.083.468	81.746.348	426.943.385	508.689.733
4.1. Legal provision	082	721.929	22.853.579	23.575.508	721.928	22.853.579	23.575.508
4.2. Statutory provision	083	3.429.161	109.867.971	113.297.132	5.524.420	137.378.978	142.903.398
4.3. Other reserves	084	75.500.000	266.710.828	342.210.828	75.500.000	266.710.827	342.210.827
5. Retained profit or loss (086 + 087)	085	11.873.546	511.313.435	523.186.981	20.163.793	607.900.215	628.064.008
5.1. Retained profit	086	11.873.546	511.313.435	523.186.981	20.163.793	607.900.215	628.064.008
5.2. Retained loss (-)	087						
6. Profit or loss for the period (089 + 090)	088	11.469.442	111.949.582	123.419.024	5.967.237	14.959.805	20.927.043
6.1. Profit for the period	089	11.469.442	111.949.582	123.419.024	5.967.237	14.959.806	20.927.043
6.2. Loss for the period (-)	090						
B. MINORITY INTEREST	091	8.190.518	69.572.463	77.762.981	7.818.233	44.846.735	52.664.968
C. TECHNICAL PROVISION (093 to 098)	092	2.105.904.330	4.233.883.329	6.339.787.658	2.078.191.107	4.560.792.952	6.638.984.059
1. Unearned premiums, gross amount	093	3.678.793	1.090.638.280	1.094.317.073	3.168.163	1.444.430.261	1.447.598.425
2. Mathematical insurance provision, gross amount	094	2.068.933.899		2.068.933.899	2.052.937.955		2.052.937.955
3. Claims provision, gross amount	095	33.291.638	3.055.379.936	3.088.671.574	22.084.988	3.035.461.203	3.057.546.191
4. Provision for premium returns dependent upon or independent of result (bonuses and discounts), gross amount	096		4.312.513	4.312.513		2.348.888	2.348.888
5. Provision for claims fluctuation, gross amount	097		1.725.600	1.725.600		1.725.600	1.725.600
6. Other technical insurance provision, gross amount	098		81.827.000	81.827.000		76.827.000	76.827.000
D. SPECIAL PROVISION FOR THE GROUP LIFE INSURANCE WHERE THE POLICYHOLDER ASSUMES THE INVESTMENT RISK, gross amount	099	11.425.214		11.425.214	9.393.986		9.393.986
E. OTHER PROVISION (101 + 102)	100	15.057.011	95.539.884	110.596.896	11.075.201	104.739.509	115.814.710
1. Provision for pensions	101	15.057.011	90.099.512	105.156.523	9.456.006	99.458.891	108.914.897
2. Other provision	102		5.440.373	5.440.373	1.619.195	5.280.618	6.899.813
F. DEFERED AND CURRENT TAX LIABILITY (104 + 105)	103	32.672	134.297.391	134.330.063	1.066.002	134.345.331	135.411.333
1. Deferred tax liability	104		120.965.179	120.965.179		120.296.425	120.296.425
2. Current tax liability	105	32.672	13.332.212	13.364.884	1.066.002	14.048.906	15.114.908
G. DEPOSITS RETAINED FROM BUSINESS CEDED TO REINSURANCE	106						
H. FINANCIAL LIABILITIES (108 to 110)	107	275.992	142.885.905	143.161.896	291.761	198.106.739	198.398.500
1. Loan liabilities	108		140.501.821	140.501.821		191.932.772	191.932.772
2. Outstanding securities	109						
3. Other financial liabilities	110	275.992	2.384.084	2.660.075	291.761	6.173.967	6.465.728
I. OTHER LIABILITIES (112 to 115)	111	34.743.027	282.475.588	317.218.615	36.552.755	313.603.895	350.156.650
1. Liabilities derived from direct insurance activities	112	3.982.651	95.403.551	99.386.202	5.406.819	106.988.750	112.395.569
2. Liabilities derived from coinsurance and reinsurance activities	113	3.196	58.120.239	58.123.435	14.657	89.582.818	89.597.475
3. Liabilities for misappropriation and discontinued operations	114						
4. Other liabilities	115	30.757.181	128.951.798	159.708.978	31.131.279	117.032.326	148.163.605
J. DEFERRED PAYMENT OF EXPENSES AND INCOME OF THE FUTURE PERIOD (117+118)	116	2.974.335	216.476.704	219.451.039	271.165	182.985.738	183.256.903
1. Reinsurance commission split	117		1.770.883	1.770.883			
2. Other deferred costs payment and future income	118	2.974.335	214.705.821	217.680.155	271.165	182.985.738	183.256.903
K. TOTAL LIABILITIES (071+091+092+099+100+103+106+107+111+116)	119	2.313.550.647	7.097.105.391	9.410.656.038	2.293.557.492	7.476.276.685	9.769.834.177
L. NON-BALANCE SHEET RECORDS	120	3.437.460	1.116.205.488	1.119.642.948	3.408.607	1.111.214.162	1.114.622.769
ADDITION TO BALANCE SHEET (only for consolidated financial statements)							
M. CAPITAL AND RESERVES (122+123)	121	143.138.066	1.991.546.590	2.134.684.657	156.715.516	1.981.702.521	2.138.418.036
1. Attributable to majority owners	122	134.947.548	1.921.974.127	2.056.921.676	148.897.283	1.936.855.786	2.085.753.069
2. Attributable to minority interests	123	8.190.518	69.572.463	77.762.981	7.818.233	44.846.735	52.664.968

CONSOLIDATED REPORT ON CHANGES IN EQUITY FOR THE PERIOD 01.01.2013 - 30.06.2013

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		496.993.709	456.466.779	455.659.139	107.047.105	1.959.053.932	75.445.694	2.034.499.626
1. Change in accounting policy	002						-926.649	-926.649	-853.656	-1.780.305
2. Correction of previous period errors	003			13.374.685			-13.958.063	-583.378		-583.378
II. Balance at 1 January - previous year (corrected) (AOP 001 to 003)	004	442.887.200		510.368.394	456.466.779	440.774.427	107.047.105	1.957.543.905	74.592.038	2.032.135.943
III. Comprehensive profit or loss - previous year (AOP 006+007)	005			-22.023.392		-1.037.863	123.419.023	100.357.768	4.952.059	105.309.827
1. Profit/loss of the previous period	006						123.419.023	123.419.023	3.798.752	127.217.775
2. Other comprehensive profit/loss of the previous year (AOP 008 do 011)	007			-22.023.392		-1.037.863		-23.061.255	1.153.307	-21.907.948
2.1. Unrealized profit/loss from tangible assets (land and buildings)	008			-14.609.393		6.743.432		-7.865.961	904.158	-6.961.803
2.2. Unrealized profit/loss from financial assets available for sale	009			-7.121.089				-7.121.089	-14.767	-7.135.856
2.3. Realized profit/loss from financial assets available for sale	010			-374.345				-374.345		-374.345
2.4. Other non-ownership changes in capital	011			81.435		-7.781.295		-7.699.860	263.916	-7.435.944
IV. Transactions with owners (previous period) (AOP 013 to 016)	012				22.616.689	83.450.416	-107.047.105	-980.000	-1.781.115	-2.761.115
1. Increase/decrease of share capital	013								-438.659	-438.659
2. Other payments by the owners	014									
3. Payment of shares in profit/dividends	015							-980.000	-980.000	-1.342.456
4. Other distribution to the owners	016				22.616.689	83.450.416	-106.067.105			-2.322.456
V. Balance at 31 December - previous period (AOP 004+005+012)	017	442.887.200		488.345.002	479.083.468	523.186.980	123.419.023	2.056.921.673	77.762.982	2.134.684.655
VI. Balance at 1 January - current year	018	442.887.200		488.345.002	479.083.468	523.186.981	123.419.023	2.056.921.674	77.762.982	2.134.684.655
1. Change in accounting policy	019									
2. Correction of previous period errors	020						-122.475	-122.475		-122.475
VII. Balance at 1 January - current period (corrected) (AOP 018 to 020)	021	442.887.200		488.345.002	479.083.468	523.064.506	123.419.023	2.056.799.199	77.762.982	2.134.562.180
VIII. Comprehensive profit or loss - current period (AOP 023+024)	022			-150.768		2.996.730	20.927.043	23.773.005	860.875	24.633.879
1. Profit/loss of the previous period	023						20.927.043	20.927.043	1.240.761	22.167.804
2. Other comprehensive profit/loss of the current year (AOP 025 to 028)	024			-150.768		2.996.730		2.845.962	-379.887	2.466.075
2.1. Unrealized profit/loss from tangible assets (land and buildings)	025			-5.690.827		3.343.768		-2.347.059		-2.347.059
2.2. Unrealized profit/loss from financial assets available for sale	026			5.183.987				5.183.987	-2.023	5.181.964
2.3. Realized profit/loss from financial assets available for sale	027			304.631				304.631		304.631
2.4. Other non-ownership changes in capital	028			51.440		-347.038		-295.598	-377.864	-673.462
IX. Transactions with owners (current period) (AOP 030 to 033)	029			-3.009.150	29.606.265	102.002.773	-123.419.023	5.180.866	-25.958.888	-20.778.022
1. Increase/decrease of share capital	030									
2. Other payments by the owners	031			1.027.298		8.932.545	-330.301	9.629.542	-14.197.453	-4.567.910
3. Payment of shares in profit/dividends	032						-1.538.413	-1.538.413	-1.166.548	-2.704.961
4. Other distribution to the owners	033			-4.036.448	29.606.265	93.070.228	-121.550.309	-2.910.263	-10.594.888	-13.505.151
X. Balance at 31 December - current period (AOP 021+022+029)	034	442.887.200		485.185.085	508.689.733	628.064.009	20.927.043	2.085.753.069	52.664.968	2.138.418.037

CONSOLIDATED REPORT ON CASH FLOWS – INDIRECT METHOD FOR THE PERIOD 01.01.2013 - 30.06.2013

in HRK

Position 1	AOP 2	Previous period 3	Current period 4
I. CASH FLOWS FROM OPERATING ACTIVITIES (002+013+031)	001	-224.280.840	168.377.439
1. Cash flow before change in business property and liabilities (AOP 003+004)	002	70.875.532	25.072.099
1.1. Profit before tax	003	102.830.745	44.587.481
1.2. Adjustment: (AOP 005 to 012)	004	-31.955.213	-19.515.382
1.2.1. Depreciation and amortization of immovables and equipment	005	36.613.921	31.898.089
1.2.2. Depreciation and amortization of intangible property	006	3.189.926	3.647.134
1.2.3. Impairment and profits/losses from adjustment to fair value	007	20.745.645	33.577.474
1.2.4. Interest expenses	008	17.802	98.052
1.2.5. Interest income	009	-111.727.677	-103.048.326
1.2.6. Share in profit of associated companies	010	-744.555	-579.053
1.2.7. Profits/losses from sale of tangible property (including real estate)	011	-851.602	50.430
1.2.8. Other adjustments	012	20.801.327	14.840.818
2. Increase/decrease in business property and liabilities (AOP 014 to 030)	013	-273.452.476	165.344.558
2.1. Increase /decrease in investments available for sale	014	54.790.253	-571.424
2.2. Increase /decrease in investmenst estimated at fair value	015	-445.452.044	234.752.318
2.3. Increase / decrease in deposits, loans and receivables	016	86.655.045	34.446.692
2.4. Increase/decrease of deposits at insurance activities ceded to reinsurance	017		0
2.5. Increase / decrease in investment for the account and own risk of life insurance policyholders	018	1.700.834	2.031.229
2.6. Increase /decrease of reinsurance stakes in tehcnical provision	019	22.859.215	-43.004.841
2.7. Increase/decrease of taxable property	020	65.453	2.414.079
2.8. Increase/decrease in receivables	021	-292.767.238	-336.187.471
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	3.446.754	184.230
2.11. Increase/decrease in tehcnical provision	024	305.007.409	299.196.401
2.12. Increase/decrease in life insurance tehcnical provision when the policyholder bears investment risk	025	-1.700.834	-2.031.229
2.13. Increase/decrease in tax liabilities	026	1.142.268	1.081.270
2.14. Increase/decrease in deposits held from activities ceded to reinsurance	027		0
2.15. Increase/decrease in financial liabilities	028	-16.299.312	-14.716.713
2.16. Increase/decrease in other liabilities	029	31.289.470	23.944.153
2.17. Increase/decrease in deferred payment of expenses and income of the future period	030	-24.189.749	-36.194.136
3. Income tax paid	031	-21.703.896	-22.039.218
II. CASH FLOW FROM INVESTMENT ACTIVITIES (AOP 033 to 046)	032	210.650.245	-243.832.898
1. Receipts from sale of tangible assets	033	1.934.458	22.075.950
2. Expenditures for the purchase of tangible assets	034	-9.423.263	-17.894.676
3. Receipts from sale of intangible assets	035	72.348	0
4. Expenditures for the purchase of intangible assets	036	-1.984.460	-5.574.991
5. Receipts from sale of land and buildings not intended for business activities of the company	037	564.795	4.453.317
6. Expenditures for the purchase of land and buildings not intended for business activities of the company	038	-14.043.633	-832.291
7. Increase/decrease of investments in branch-offices, associated companies and participation in joint investements	039	39.796.614	31.106.740
8. Receipts from investments kept till maturity	040	238.796.104	52.234.400
9. Expenditures for investments kept till maturity	041	-77.494.104	-212.000.480
10. Receipts from sale of securities and stakes	042		0
11. Expenditures for investments in securities and stakes	043	-191.996	0
12. Receipts from dividends and profit share	044		854.521
13. Receipts from long term and short term loans	045	137.181.879	145.090.998
14. Expenses for long term and short term loans	046	-104.558.497	-263.346.387
III. CASH FLOW FROM FINANCIAL ACTIVITIES (AOP 050 to 054)	047	-535.379	69.672.666
1. Receipts from capital stock increase	048		
2. Receipts from short-term and long-term loans	049	386.291	120.322.406
3. Expenditures for short-term and long-term loans	050	-217.794	-50.649.740
4. Expenditures for purchase of treasury shares	051		0
5. Expenditures for payment of profit share (dividends)	052	-703.876	0
NET CASH FLOW (AOP 001 + 032 + 049)	053	-14.165.974	-5.782.793
IV. EFFECTS OF CHANGES IN RATES OF FOREIGN CURRENCIES	054	-3.360.796	20.334.266
V. NET INCREASE/DECREASE IN CASH AND CASH EQUIVALENTS (055+056)	055	-17.526.770	14.551.473
Cash and cash equivalents at the beginning of the period	056	94.656.787	119.731.734
Cash and cash equivalents at the end of the period (AOP 057 + 058)	057	77.130.017	134.283.207

II MANAGEMENT INTERIM REPORT

During the first half of the year, now already fifth in row of financial crisis years, the Croatian insurers ended with a slight premium plus. This could be a sign of the insurance market recovery but the significant premium growth is not expected until the end of this year.

During the period I-VI 2013 the Croatia osiguranje Group realized income amounting to HRK1,597.3 mil. that is a decrease of 5.6% compared to realized income during the same period of the previous year. The total expenditures of the Group amounted to HRK 1,552.7 mil. that recorded decrease of 2.3%. Net profit after taxation and minority shareholders in net profit amounted to HRK 20.9 mil.

During the period I-VI 2013 the gross written premium for the Group amounted to HRK 1,857.9 mil. that recorded the decrease of 2.7%. The non-life gross written premium amounted to HRK 1,659 mil. that is a decrease of 3.6%, while gross written premium of life insurance amounted to HRK 198.8 mil. that is an increase of 5%.

During the period I-VI 2013 the earned premium amounted to HRK 1,305.3 mil. that makes 81.7% of total income and recorded a decrease of 4.0% compared to the same period of the previous year.

In life and non-life investment business the Group recorded investment income amounting to HRK 141.1 mil. that makes 8.8% of the total income.

During the period I-VI 2013, other income, consisting of the commission and compensation income, other insurance-technical income and other income amounted to HRK 150.9 mil that makes 9.4% of the total income and is a decrease of 2.4% compared to the same period of the previous period year.

During the period I-VI 2013 the gross paid claims amounted to HRK 932.1 mil that is an increase of 32% compared to the same period of the previous year. The non-life insurance recorded a decrease of 4.2% in gross paid claims while life insurance recorded the increase in paid claims amounting to 41.8% compared to the same period of the previous year.

During the period I-VI 2013 the employees expenses amounted to HRK 218.6 mil. that makes 14.1% of the total expenditures that is an increase of 1.7% compared to the same period of the previous year.

During the period I-VI 2013 the investment expenses amounted to HRK 87.6 mil. that makes 5.6% of total expenditures.

The gross profit margin amounted to 2.8% that is a decrease of 54.1% compared to the same period of the previous year.

On 30/06/2013 the total assets of the Group amounted to HRK 9,769.8 mil. that is an increase of 3.8% compared to 31 December 2012.

During the reporting period the counted technical provision amounted to HRK 6,639 mil. that is an increase of 4.7% compared to the counted technical provision on 31 December 2012.

Key business indicators for the Group are set out below:

in 000 HRK

DESCRIPTION	GROUP		
	1	2	3
PROFIT&LOSS ACCOUNT	I-VI 2012	I-VI 2013	INDEX 3/2
Total income	1,692,126	1,597,290	94.4
Total expenditure	1,589,295	1,552,702	97.7
Written gross premium	1,910,388	1,857,898	97.3
- non-life	1,721,106	1,659,066	96.4
- life	189,282	198,832	105.0
Paid claims (gross)	903,186	932,136	103.2
- non-life	757,187	725,136	95.8
- life	145,999	207,000	141.8
Profit before taxation	102,831	44,588	43.4
Profit after taxation	81,699	22,168	27.1
Profit after minority interest	78,529	20,927	26.6
BALANCE	31.12.2012	30.6.2013	INDEX 3/2
Total assets	9,410,656	9,769,834	103.8
Equity and provision	2,056,922	2,085,753	101.4
- subscribed capital	442,887	442,887	100.0
- revaluation provision	488,345	485,185	99.4
- legal provision	23,576	23,576	100.0
- statutory provision	113,297	142,903	126.1
- other provision	342,211	342,211	100.0
- retained profit	523,187	628,064	120.0
- current period profit	123,419	20,927	17.0
Technical provision	6,339,788	6,638,984	104.7
- unearned premium, gross	1,094,317	1,447,598	132.3
- LIMP	2,068,934	2,052,938	99.2
- claim provision	3,088,672	3,057,546	99.0
- provision for premium returns dependent and independent on the result (bonus & discount), gross	4,313	2,349	54.5
- provision for claims fluctuation, gross amount	1,726	1,726	100.0
- other technical insurance provision, gross	81,827	76,827	93.9
Life insurance special provision-policyholder's investment risk, gross	11,425	9,394	82.2
Investment	6,183,379	6,140,732	99.3
KEY BUSINESS INDICATORS	I-VI 2012	I-VI 2013	INDEX 3/2
ROA (%) (net profit / assets)	0.8	0.2	25.0
ROE (%) (net profit / equity and provision)	3.8	1.0	26.3
Gross profit margin (%) (gross profit / total income)	6.1	2.8	45.9

The unaudited consolidated financial statements for the period I-VI of the year 2013 will be available at the websites of Croatia osiguranje d.d. and the Zagreb Stock Exchange (Zagrebačka burza), in the Official Register of Prescribed Information and will be publicly revealed by the Croatian News Agency (HINA).

Major business events in the reporting period

On 4 February 2013, Croatia osiguranje d.d. announced a voluntary offer for taking over the remaining 7,777 shares of the company Croatia Lloyd d.d. On the basis of the offer, the number of 6,910 shares has been purchased that makes 4.76% shares in the capital stock of the company. Now, Croatia osiguranje d.d. holds the number of 144,209 shares that makes 99.40% of the capital stock of the company.

On 2 April 2013 the Commercial Court in Zagreb brought a decision which enabled to register the company CROATIA Leasing d.o.o. for services, Zagreb, Savska cesta 41/XXII in the court register under the new name of the company – Various services, company with limited liability for consulting and services, with the seat in Zagreb, Savska cesta 41/XXII; abbreviated: Various services d.o.o. Changing its name, the company changed its activities which will not include leasing any more. Mr. Zoran Šangut has been nominated as the only member of the Management Board as well as the director of the Company.

Expected development of the companies in consolidation as a whole

Croatia osiguranje d.d., as the parent company of the thirteen daughter companies expects the continuous growth and successful business in future. The exception is the company Croatia leasing d.o.o. which, according to the redefined outgoing strategy, ceased with its operations as at 31 March 2013. The optimistic view of the future specially relates to the newly founded companies abroad that started their business successfully, but on the market of the home countries they participate with a small market share now. With the aim to enlarge their market share it is necessary to enhance education and quality of employees, especially the young ones, expand the sales network, include new modern methods of insurance sales, especially on-line sales. The emphasis is on the business partnership with banks with the aim to sale insurance products on the basis of bank-insurance as well as on the step by step enhancing the business operations towards other financial industry segments as investment funds and obligatory as well as voluntary pension funds. As well, health insurance services will be offered to the market as new products in existing insurance companies in the region.

Research & development in the companies of the Group as a whole (R&D)

Research & development (R & D) as specially important part of marketing, mainly functions as centralized coordinated business function. The daughter companies start to manage it little by little and their independency in this field will be encouraged in connection with development of new insurance products as well as new ways of insurance sale, in accordance with those markets' needs. The aim is maximum harmonization of insurance offer and demand on the relevant market. In that way,

Croatia osiguranje d.d. and Croatia osiguranje Group companies will be oriented at the wishes of the insureds at most.

Description of main risks and uncertainties



The basic goal of the Group in managing financial and insurance risks is to keep the capital level adequate to the scope and type of insurance business it underwrites while taking into account the risks to which it is exposed.

The Management Board recognizes the significance of the existence of an efficient and effective risk management system. The Group introduces the centralized risk management system as well. The legal entities supervise the Group's solvency to ensure obligations which could arise in case of unforeseeable economic changes or natural disasters.

The Group 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 Management Board examines and approves target portfolios, determines investment guidelines and limits, supervises the process of managing assets and liabilities periodically. Due attention is also paid to the compliance with the regulations defined by the Insurance Act.

The Group actively manages its financial instrument transactions by taking over the financial risks. These risks include market risk, credit risk and solvency risk. The most important risks and uncertainties are described in the 2012 Annual Audited Report.

Zagreb, 30 July 2013

 Član Uprave Ivan Fabijančić	 Predsjednik Uprave Krešimir Starčević
Member of the Management Board	President of the Management Board

III NOTES TO THE UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD I-VI 2013

1. GENERAL DATA

CROATIA OSIGURANJE GROUP ("Group") consists of the parent company Croatia osiguranje d.d. Zagreb and 24 daughter companies as is set below:

Daughter companies	Activity	Country
Croatia Lloyd d.d., Zagreb	Reinsurance	Croatia
- Croatia mirovni dom d.o.o., Zagreb	Building engineering	Croatia
- Plančić d.o.o., Vrbanj	Viticulture	Croatia
Croatia Leasing d.o.o., Zagreb	Leasing	Croatia
Croatia-Tehnički pregledi d.o.o., Zagreb	MOT tests	Croatia
- STP Pitomača, Pitomača	MOT tests	Croatia
Herz d.d., Požega	MOT tests	Croatia
Croatia osiguranje mirovinsko društvo d.o.o., Zagreb	Pension fund management	Croatia
Croatia zdravstveno osiguranje d.d., Zagreb	Insurance	Croatia
- Poliklinika Ars Medica, Pula	Health insurance	Croatia
- Poliklinika Croatia zdravstveno osiguranje, Zagreb	Health insurance	Croatia
PBZ Croatia osiguranje d.d., Zagreb	Pension fund management	Croatia
Slavonijatrans-Tehnički pregledi d.o.o., Sl. Brod	MOT tests	Croatia
Croatia Sigurimi sh.a., Priština	Insurance	Kosovo
Milenijum osiguranje a.d., Beograd	Insurance	Serbia
Croatia osiguranje d.d., Ljubuški	Insurance	Bosnia&Herzegovina
- Crotehna d.o.o., Ljubuški	MOT tests	Bosnia&Herzegovina
- Croatia remont d.d., Čapljina	MOT tests	Bosnia&Herzegovina
- Croauto d.o.o., Mostar	MOT tests	Bosnia&Herzegovina
- Croatia Vitez d.o.o., Vitez	MOT tests	Bosnia&Herzegovina
- Hotel Hum d.o.o., Ljubuški	Hotel-and catering services	Bosnia&Herzegovina
- Ponte d.o.o., Mostar	Insurance representation	Bosnia&Herzegovina
Croatia osiguranje a.d., društvo za osiguranje života, Skopje	Insurance	Macedonia
Croatia osiguranje a.d. društvo za osiguranje neživota, Skopje	Insurance	Macedonia

CROATIA osiguranje d.d. (parent 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.

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:

Mladen Blažević, Chairman
Vesna Trnokop - Tanta, Deputy Chairwoman
Prof. D.Sc. Josip Tica, Member
Prof. D.Sc. Petar Miladin, Member
Đurđa Hunjet, Member
Miroslav Hrašćanec, Member

Management Board

Krešimir Starčević, President
Ivan Fabijančić, Member

Capital stock and shares

As at 31 March 2013 the capital stock of the Company 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 30 June 2013

Shareholder	Number of Shares	30/06/2013	
		Amount HRK	% Share
1. AUDIO / Republic of Croatia	253,697	355,175,800	80.20
2. Raiffeisenbank Austria d.d.- custody account	19,708	27,591,200	6.23
3. Hrvatska poštanska banka d.d.- basic and custody account	6,627	9,277,800	2.09
4. Societe Generale- Splitska banka d.d.- custody account	6,424	8,993,600	2.03
5. Hypo alpe-adria-bank d.d.- custody account	2,579	3,610,600	0.82
6. PBZ d.d.- custody account	2,311	3,235,400	0.73
7. Erste&Steiermärkische Bank d.d. - basic and custody account	1,728	2,419,200	0.55
8. Kraš d.d.	1,400	1,960,000	0.44
9. Auto Hrvatska d.d.	1,004	1,405,600	0.32
10. Komercijalna banka d.d. in liquidation	700	980,000	0.22
11. Bahovec Srećko	572	800,800	0.18
12. Adriacommerce	500	700,000	0.16
13. Radić Antun	412	576,800	0.13
14. Tankerska plovdba	400	560,000	0.13
15. Škaro Miroslav	380	532,000	0.12
16. Fran Mihaljević - klinika za infekt. bolesti	330	462,000	0.10
17. Cemex Hrvatska d.d.	249	348,600	0.08
18. Končar-elektroindustrija d.d.	230	322,000	0.07
19. Eko Međimurje d.d.	226	316,400	0.07
20. Kotoras Marino	223	312,200	0.07
21. Other shareholders	16,648	23,307,200	5.26
UKUPNO:	316,348	442,887,200	100.00

2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

Basis of preparation and consolidation

Financial statements are prepared pursuant to the provisions of the Capital Market Act (Official Gazette 88/08, 146/08 and 74/09) and the Zagreb Stock Exchange Regulations as well as pursuant to the Ordinance on the structure and contents of the financial statements of the issuer for the periods during the year (Official Gazette 132/10, 39/2012) brought by the CFSSA.

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 as well as by applying the fundamental accounting going-concern assumption.

The consolidated financial statements include the parent company (Croatia osiguranje d.d.) as well as the daughter companies it controls. This control is normal as the Company owns, directly or indirectly, over 50% of voting rights of the company, in that way being able to manage financial and business policy of the company with the aim to realize benefit from its activities. All significant transactions and amounts between the members of the Group are eliminated.

Reporting currency

The financial statements are presented in Croatian kuna (HRK). On 30 June 2013 the official exchange rate of the Croatian kuna was HRK 7.45 to 1 Euro and HRK 5.71 to 1 USD.

Use of estimate

The preparation of financial statements in conformity with the IFRS 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 which 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 may differ from these estimates. The estimates and the underlying assumptions are continuously examined. Changes in accounting estimates are recognized in the period in which they were made as well as in the future periods if the changes affect them too.

Accounting Policies

The accounting policies used in the preparation of the unaudited consolidated financial statements for the second quarter and the first half of the year 2013 are consistent with the accounting policies used in the preparation of the audited financial statements for the year 2012.





Based on Article 20 of the Articles of Association of CROATIA osiguranje d.d. of 27 September 2012 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 consolidated financial statements for the second quarter and the first half of the year 2013, prepared by the application of the relevant FRS, offer a wholesome and true presentation of assets and liabilities, losses and gains, financial position and business operations of the issuer and the companies included in the consolidation as a whole,
- the Management Report contains a true presentation of the development, business operation results and the financial position of the issuer and the companies included in the consolidation, as well as a description of major risks and uncertainties to which the issuer and the companies are exposed as a whole.

Zagreb, 30 July 2013

Član Uprave  Ivan Fabijančić	Predsjednik Uprave  Krešimir Starčević
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Member of the
Management Board

President of the
Management Board