



**UNAUDITED UNCONSOLIDATED
BUSINESS REPORT FOR THE FIRST QUARTER
OF THE YEAR 2013**

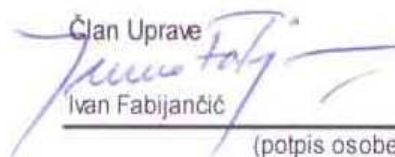
Zagreb, April 2013

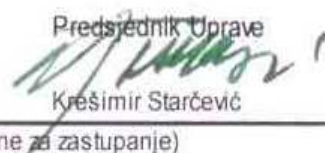
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I UNAUDITED FINANCIAL STATEMENTS

| | | | |
|--|---|-------------|---|
| Reporting period: | 01.01. | to | 31.03.2013. |
| 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 | Number of employees: 2.822 (quarter end) NKD code: 6512 |
| Consolidated report: | NO | | |
| Companies of the consolidation subject (according to): | Seat: | MB: | |
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| Bookkeeping service: | | | |
| Contact person: | KATICA KUZMANOVIĆ | | |
| Telephone: | 01/6333-117 | Telefaks: | 01/6332-073 |
| E-mail address: | katica.kuzmanovic@crosig.hr | | |
| Family name and name: | FABIJANČIĆ IVAN, STARČEVIĆ KREŠIMIR (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)

**COMPREHENSIVE PROFIT REPORT
(PROFIT & LOSS ACCOUNT)
For the period 01.01.2013.-31.03.2013.**

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 | 80.672.105 | 452.797.168 | 533.469.272 | 91.251.991 | 420.522.457 | 511.774.448 |
| 1. Gross written premiums | 125 | 81.190.280 | 869.967.784 | 951.158.064 | 91.003.029 | 807.965.993 | 898.969.022 |
| 2. Coinsurance premium | 126 | | | | | | |
| 3. Value adjustment and collected insurance/coinsurance premium value adjustment | 127 | | -25.822.489 | -25.822.489 | | -21.413.499 | -21.413.499 |
| 4. Premiums ceded to reinsurance | 128 | -86.283 | -152.599.254 | -152.685.537 | -93.846 | -143.459.551 | -143.553.397 |
| 5. Premiums ceded to coinsurance | 129 | | -3.950.576 | -3.950.576 | | | |
| 6. Change in gross unearned premium provision | 130 | -497.315 | -290.819.094 | -291.316.409 | 276.780 | -273.779.523 | -273.502.743 |
| 7. Change in unearned premium provision, reinsurer's share | 131 | 65.422 | 56.020.796 | 56.086.218 | 66.028 | 51.209.037 | 51.275.065 |
| 8. Change in unearned premium provision, reinsurer's share | 132 | | | | | | |
| II. Income from investments (AOP 134 + 135 + 139 + 140 + 141 + 145 + 146) | 133 | 31.922.885 | 44.222.663 | 76.145.548 | 32.499.000 | 43.308.234 | 75.807.234 |
| 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 | | 5.484.969 | 5.484.969 | | 6.180.998 | 6.180.998 |
| 2.1. Income from rental fees | 136 | | 5.484.969 | 5.484.969 | | 6.180.998 | 6.180.998 |
| 2.2. Income from increased value of land and buildings | 137 | | | | | | |
| 2.3. Income from real estate sale | 138 | | | | | | |
| 3. Interest income | 139 | 26.319.514 | 29.329.354 | 55.648.868 | 25.522.125 | 26.701.273 | 52.223.399 |
| 4. Unrealized profits from investment at fair value | 140 | 5.270.564 | 4.640.550 | 9.911.114 | 810.587 | 1.810.415 | 2.621.002 |
| 5. Gain on sale (realization) of financial investments (142 to 145) | 141 | 330.928 | 841.571 | 1.172.500 | 178.006 | 673.666 | 851.672 |
| 5.1. Investment at fair value through profit and loss account | 142 | 277.217 | 239.220 | 516.437 | 178.006 | 520.970 | 698.976 |
| 5.2. Investment available for sale | 143 | 53.711 | 602.351 | 656.063 | | 152.696 | 152.696 |
| 5.3. Other gains on sale of financial investments | 144 | | | | | | |
| 6. Net positive exchange rate differences | 145 | | | | 5.832.062 | 4.696.502 | 10.528.564 |
| 7. Other investment income | 146 | 1.879 | 1.299.751 | 1.301.630 | 156.220 | 3.245.378 | 3.401.598 |
| III. Income from commissions and fees | 147 | 7.737 | 9.481.123 | 9.488.860 | 5.107 | 8.314.834 | 8.319.941 |
| IV. Other insurance-technical income, net of reinsurance | 148 | 38.617 | 5.163.451 | 5.202.068 | 10.168 | 2.394.998 | 2.405.166 |
| V. Other income | 149 | 143.750 | 17.480.968 | 17.624.718 | 88.843 | 18.284.092 | 18.372.935 |
| VI. Expenses for insured events, net of reinsurance (AOP 151 + 155) | 150 | -68.382.145 | -296.123.593 | -364.505.739 | -87.460.125 | -229.831.115 | -317.291.240 |
| 1. Paid claims (AOP 152 to 154) | 151 | -74.443.533 | -261.265.333 | -335.708.866 | -97.677.219 | -263.868.237 | -361.545.456 |
| 1.1. Gross amount | 152 | -74.443.533 | -301.624.411 | -376.067.944 | -97.677.219 | -286.895.078 | -384.572.297 |
| 1.2. Reinsurer's share | 153 | | | | | | |
| 1.3. Reinsurer's share | 154 | | 40.359.078 | 40.359.078 | | 23.026.841 | 23.026.841 |
| 2. Change in claims provision (AOP 156 to 158) | 155 | 6.061.388 | -34.858.260 | -28.796.872 | 10.217.094 | 34.037.122 | 44.254.216 |
| 2.1. Gross amount | 156 | 6.061.388 | -60.261.842 | -54.200.454 | 10.217.094 | 16.473.485 | 26.690.579 |
| 2.2. Reinsurer's share | 157 | | | | | | |
| 2.3. Reinsurer's share | 158 | | 25.403.582 | 25.403.582 | | 17.563.637 | 17.563.637 |
| VII. Change in mathematical reserve and other technical reserves (AOP 160 + 163) | 159 | -169.509 | | -169.509 | -1.636.587 | | -1.636.587 |
| 1. Change in mathematical insurance provision (AOP 161 + 162) | 160 | -169.509 | | -169.509 | -1.636.587 | | -1.636.587 |
| 1.1. Gross amount | 161 | -160.252 | | -160.252 | -1.623.544 | | -1.623.544 |
| 1.2. Reinsurer's share | 162 | -9.258 | | -9.258 | -13.044 | | -13.044 |
| 2. Change in other technical provision, net of reinsurance (AOP 164 do 166) | 163 | | | | | | |
| 2.1. Gross amount | 164 | | | | | | |
| 2.2. Reinsurer'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 | 1.342.658 | | 1.342.658 | 1.201.442 | | 1.201.442 |
| 1. Gross amount | 168 | 1.342.658 | | 1.342.658 | 1.201.442 | | 1.201.442 |
| 2. Reinsurer'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 | -32.783.081 | -177.280.233 | -210.063.314 | -22.067.324 | -184.874.837 | -206.942.161 |
| 1. Sales expenses (AOP 176 to 178) | 175 | -5.308.313 | -47.879.101 | -53.187.414 | -4.833.742 | -45.108.702 | -49.942.445 |
| 1.1. Commision | 176 | -3.827.335 | -35.328.786 | -39.156.121 | -3.771.972 | -36.625.684 | -40.397.656 |
| 1.2. Other sales expenses | 177 | -1.480.978 | -12.550.315 | -14.031.292 | -1.061.770 | -8.483.019 | -9.544.789 |
| 1.3. Change in split sales expenses | 178 | | | | | | |
| 2. Management expenses (AOP 180 to 182) | 179 | -27.474.768 | -129.401.132 | -156.875.900 | -17.233.582 | -139.766.134 | -156.999.716 |
| 2.1. Depreciation of tangible assets | 180 | -488.265 | -11.950.006 | -12.438.272 | -422.480 | -11.155.945 | -11.578.425 |
| 2.2. Salaries, taxes and salary contributions (from and on salary) | 181 | -10.344.882 | -79.022.845 | -89.367.727 | -10.316.305 | -76.981.571 | -87.297.877 |
| 2.3. Other management expenses | 182 | -16.641.621 | -38.428.281 | -55.069.902 | -6.494.797 | -51.628.617 | -58.123.415 |
| XI. Investment expenses(AOP 184 to 189) | 183 | -3.814.833 | -17.803.111 | -21.617.944 | -2.497.922 | -40.867.932 | -43.365.854 |
| 1. Depreciation (buildings not intended for business activities of the company) | 184 | | | | | | |
| 2. Interest | 185 | | | | | -36.961 | -36.961 |
| 3. Investment impairments | 186 | | -124.731 | -124.731 | | -21.977.685 | -21.977.685 |
| 4. Losses from sale (realizations) of investment | 187 | -1.000 | -8.499 | -9.499 | | -15.043 | -15.043 |
| 5. Adjustment of financial assets at fair value through P&L | 188 | -264.334 | -292.597 | -556.932 | -2.349.924 | -1.589.268 | -3.939.192 |
| 6. Net foreign exchange losses | 189 | -3.320.484 | -2.600.907 | -5.921.392 | | | |
| 7. Other investment costs | 190 | -229.014 | -14.776.377 | -15.005.391 | -147.999 | -17.248.975 | -17.396.974 |
| XII. Other tehncial expenses, net of reinsurance (AOP 192 + 193) | 191 | -86.719 | -20.217.545 | -20.304.264 | -62.531 | -12.939.236 | -13.001.766 |
| 1. Prevention activities expenses | 192 | | | | | | |
| 2. Other technical expenses | 193 | -86.719 | -20.217.545 | -20.304.264 | -62.531 | -12.939.236 | -13.001.766 |
| XIII. Other expenses, including value adjustment | 194 | | -177.719 | -177.719 | | -91.022 | -91.022 |
| XIV. Profit or loss before taxes (124+133+147+148+149+150+159+167+171+174+183+191+194) | 195 | 8.891.463 | 17.543.171 | 26.434.634 | 11.332.061 | 24.220.474 | 35.552.535 |
| XV. Taxation (AOP 197+198) | 196 | -1.778.293 | -3.508.634 | -5.286.927 | -2.266.412 | -4.844.095 | -7.110.507 |
| 1. Current tax expenses | 197 | -1.778.293 | -3.508.634 | -5.286.927 | -2.266.412 | -4.844.095 | -7.110.507 |
| 2. Deferred tax expenses | 198 | | | | | | |
| XVI. Net profit or loss for the period(AOP 195-196) | 199 | 7.113.171 | 14.034.537 | 21.147.707 | 9.065.649 | 19.376.379 | 28.442.028 |
| 1. Attributable to majority owners | 200 | | | | | | |
| 2. Attributable to minority interests | 201 | | | | | | |
| XVII. TOTAL INCOME | 202 | 112.785.093 | 529.145.372 | 641.930.465 | 123.855.109 | 492.824.614 | 616.679.724 |
| XVIII. TOTAL EXPENSES | 203 | -105.671.923 | -515.110.835 | -620.782.758 | -114.789.460 | -473.448.235 | -588.237.695 |
| IX. Other comprehensive profit (205 to 211 - 212) | 204 | 4.227.115 | 6.587.910 | 10.815.025 | 11.549.145 | 14.826.640 | 26.375.785 |
| 1. Profit / loss from translation of financial statements | 205 | | | | | | |
| 2. Profit / loss from revaluation of financial assets available for sale | 206 | 4.227.115 | 7.925.707 | 12.152.822 | 11.549.145 | 14.887.290 | 26.436.436 |
| 3. Profit / loss from revaluation of operational land and buildings | 207 | | -1.337.797 | -1.337.797 | | -60.651 | -60.651 |
| 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 w ith 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 | 11.340.285 | 20.622.447 | 31.962.732 | 20.614.794 | 34.203.019 | 54.817.813 |
| 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 FINANCIAL POSITION (BALANCE SHEET)
AS AT 31.03.2013.**

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 | | 7.216.673 | 7.216.673 | | 12.349.498 | 12.349.498 |
| 1. Goodwill | 005 | | | | | | |
| 2. Other intangible assets | 006 | | 7.216.673 | 7.216.673 | | 12.349.498 | 12.349.498 |
| C. TANGIBLE ASSETS (008 to 010) | 007 | | 1.206.066.728 | 1.206.066.728 | | 1.167.393.279 | 1.167.393.279 |
| 1. Land and buildings used for insurance activities | 008 | | 1.168.877.158 | 1.168.877.158 | | 1.136.840.730 | 1.136.840.730 |
| 2. Equipment | 009 | | 31.426.873 | 31.426.873 | | 24.904.382 | 24.904.382 |
| 3. Other tangible assets and reserves | 010 | | 5.762.697 | 5.762.697 | | 5.648.167 | 5.648.167 |
| D. INVESTMENTS (012+013+017+036) | 011 | 1.972.324.395 | 3.395.808.400 | 5.368.132.795 | 2.094.370.223 | 3.497.106.574 | 5.591.476.797 |
| I. Investments in land and buildings not intended for business activities of the company | 012 | | 819.470.286 | 819.470.286 | | 854.568.928 | 854.568.928 |
| II. Investments in branch-offices, associated companies and participating in joint investments (014 to 016) | 013 | | 430.736.924 | 430.736.924 | | 428.932.639 | 428.932.639 |
| 1. Shares and stakes in branch-offices | 014 | | 423.510.824 | 423.510.824 | | 424.672.939 | 424.672.939 |
| 2. Shares and stakes in associate companies | 015 | | 7.226.100 | 7.226.100 | | 4.629.700 | 4.259.700 |
| 3. Participating in joint investments | 016 | | | | | | |
| III. Other financial investments (018 + 021 + 026 + 032) | 017 | 1.972.324.395 | 2.145.601.190 | 4.117.925.585 | 2.094.370.223 | 2.213.605.007 | 4.307.975.230 |
| 1. Investments kept till maturity date (019 + 020) | 018 | 1.283.947.128 | 792.270.531 | 2.076.217.659 | 1.400.119.072 | 925.194.780 | 2.325.313.853 |
| 1.1. Debt securities and other securities with fixed income | 019 | 1.283.947.128 | 792.270.531 | 2.076.217.659 | 1.400.119.072 | 925.194.780 | 2.325.313.853 |
| 1.2. Other investments kept till maturity date | 020 | | | | | | |
| 2. Investments available for sale (022 to 025) | 021 | 63.201.860 | 197.006.829 | 260.208.689 | 48.514.266 | 146.189.743 | 194.704.009 |
| 2.1. Stocks, shares and other securities with variable income | 022 | 27.279.714 | 119.704.366 | 146.984.080 | 46.111.413 | 107.500.218 | 153.611.631 |
| 2.2. Debt securities and other securities with fixed income | 023 | | | | | | |
| 2.3. Stakes in investment funds | 024 | 35.922.147 | 77.302.463 | 113.224.610 | 2.402.853 | 38.689.525 | 41.092.378 |
| 2.4. Other investments available for sale | 025 | | | | | | |
| 3. Investments at fair value through the profit and loss account (027 to 031) | 026 | 187.131.344 | 198.690.398 | 385.821.742 | 268.423.835 | 343.702.938 | 612.126.773 |
| 3.1. Stocks, shares and other securities with variable income | 027 | | 8.384.715 | 8.384.715 | | 12.744.244 | 12.744.244 |
| 3.2. Debt securities and other securities with fixed income | 028 | 87.602.594 | 96.604.931 | 184.207.525 | 116.607.033 | 138.865.324 | 255.472.357 |
| 3.3. Derivative financial instruments | 029 | | | | | | |
| 3.4. Stakes in investment funds | 030 | 99.528.750 | 93.700.752 | 193.229.502 | 151.816.802 | 192.093.370 | 343.910.171 |
| 3.5. Other investments | 031 | | | | | | |
| 4. Deposits, loans and receivables (033 to 035) | 032 | 438.044.063 | 957.633.432 | 1.395.677.495 | 377.313.050 | 798.517.546 | 1.175.830.596 |
| 4.1. Bank deposits | 033 | 391.300.000 | 650.086.004 | 1.041.386.004 | 329.483.413 | 561.127.528 | 890.610.940 |
| 4.2. Loans | 034 | 46.744.063 | 307.547.428 | 354.291.490 | 47.829.637 | 237.390.018 | 285.219.656 |
| 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 | 15.681.784 | | 15.681.784 | 10.629.483 | | 10.629.483 |
| F. REINSURANCE PORTION IN TECHNICAL RESERVES (039 to 045) | 038 | 220.793 | 493.194.093 | 493.414.885 | 285.688 | 417.833.740 | 418.119.428 |
| 1. Unearned premiums, reinsurance share | 039 | 65.560 | 102.724.201 | 102.789.761 | 68.682 | 98.918.075 | 98.986.758 |
| 2. Mathematical insurance provision, reinsurance share | 040 | 155.232 | | 155.232 | 217.006 | | 217.006 |
| 3. Claims provision, reinsurance share | 041 | | 390.469.892 | 390.469.892 | | 318.915.664 | 318.915.664 |
| 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 | 2.638.059 | 13.976.486 | 16.614.546 |
| 1. Deferred tax assets | 047 | 2.408.707 | 2.756.393 | 5.165.100 | 2.638.059 | 13.976.486 | 16.614.546 |
| 2. Current tax assets | 048 | | | | | | |
| H. RECEIVABLES (050 + 053 + 054) | 049 | 5.207.580 | 996.096.238 | 1.001.303.818 | 13.311.131 | 1.090.543.303 | 1.103.854.434 |
| 1. Receivables from direct insurance activities (051 + 052) | 050 | 45.205 | 873.033.304 | 873.078.509 | 9.008 | 802.047.919 | 802.056.927 |
| 1.1. Receivables from policyholders | 051 | | 869.799.813 | 869.799.813 | | 800.272.400 | 800.272.400 |
| 1.2. Receivables from insurance agents | 052 | 45.205 | 3.233.491 | 3.278.697 | 9.008 | 1.775.519 | 1.784.527 |
| 2. Receivables from coinsurance and reinsurance activities | 053 | | 456.263 | 456.263 | | | |
| 3. Other receivables (055 to 057) | 054 | 5.162.375 | 122.606.672 | 127.769.046 | 13.302.123 | 288.495.384 | 301.797.507 |
| 3.1. Receivables for other insurance activities | 055 | | 28.263.356 | 28.263.356 | | 182.826.885 | 182.826.885 |
| 3.2. Receivables for returns on investments | 056 | 1.965.689 | 6.073.589 | 8.039.277 | 1.907.913 | 6.667.302 | 8.575.215 |
| 3.3. Other receivables | 057 | 3.196.686 | 88.269.727 | 91.466.413 | 11.394.210 | 99.001.196 | 110.395.406 |
| I. OTHER ASSETS (059 + 063 + 064) | 058 | 1.392.535 | 38.742.025 | 40.134.560 | 6.675.707 | 63.981.333 | 70.657.040 |
| 1. Money in bank and in cash (060 to 062) | 059 | 1.335.021 | 21.945.014 | 23.280.035 | 6.643.297 | 48.420.240 | 55.063.537 |
| 1.1. Money on business account | 060 | | 21.579.302 | 21.579.302 | | 48.301.412 | 48.301.412 |
| 1.2. Money on mathematical provision account | 061 | 1.333.297 | | 1.333.297 | 6.642.691 | | 6.642.691 |
| 1.3. Cash money | 062 | 1.724 | 365.712 | 367.436 | 606 | 118.828 | 119.434 |
| 2. Long-term assets intended for sale and business termination | 063 | | | | | | |
| 3. Other | 064 | 57.514 | 16.797.011 | 16.854.525 | 32.409 | 15.561.093 | 15.593.503 |
| J. PREPAID EXPENSES OF THE FUTURE PERIOD AND UNDUE COLLECTION OF INCOME (066 to 068) | 065 | 20.745.483 | 33.115.078 | 53.860.561 | 19.263.926 | 30.294.024 | 49.557.949 |
| 1. Split interest and rental fees | 066 | 20.725.189 | 14.198.584 | 34.923.773 | 19.235.320 | 12.395.634 | 31.630.954 |
| 2. Split sales costs | 067 | | | | | | |
| 3. Other paid expenses of the future period and undue income collection | 068 | 20.295 | 18.916.493 | 18.936.788 | 28.606 | 17.898.389 | 17.926.995 |
| K. TOTAL ASSETS (001+004+007+011+037+038+046+049+058+065) | 069 | 2.017.981.276 | 6.172.995.627 | 8.190.976.904 | 2.147.174.216 | 6.293.478.237 | 8.440.652.454 |
| L. NON-BALANCE SHEET RECORDS | 070 | | 660.553.959 | 660.553.959 | | 1.039.904.399 | 1.039.904.399 |

| LIABILITIES | | | | | | | | |
|---|------------|---------------|---------------|---------------|---------------|---------------|---------------|--|
| A. CAPITAL AND RESERVES (072 + 076 + 077 + 081 + 085 + 088) | 071 | 126.928.364 | 1.547.684.226 | 1.674.612.591 | 147.967.518 | 1.658.811.521 | 1.806.779.038 | |
| 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 | 398.598.480 | 430.637.200 | 44.288.720 | 398.598.480 | 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 | -11.426.621 | 482.333.205 | 470.906.584 | -720.978 | 472.481.243 | 471.760.265 | |
| 3.1. Revaluation of land and buildings | 078 | | 485.138.959 | 485.138.959 | | 479.393.903 | 479.393.903 | |
| 3.2. Revaluation of investments in financial assets | 079 | -11.426.621 | -2.805.753 | -14.232.374 | -720.978 | -6.912.660 | -7.633.638 | |
| 3.3. Other revaluation reserves | 080 | | | | | | | |
| 4. Reserves (082 to 084) | 081 | 78.314.936 | 378.151.842 | 456.466.778 | 79.651.090 | 399.432.377 | 479.083.468 | |
| 4.1. Legal provision | 082 | 489.554 | 19.152.617 | 19.642.171 | 721.929 | 22.853.579 | 23.575.508 | |
| 4.2. Statutory provision | 083 | 2.325.382 | 92.288.398 | 94.613.780 | 3.429.161 | 109.867.971 | 113.297.132 | |
| 4.3. Other reserves | 084 | 75.500.000 | 266.710.827 | 342.210.827 | 75.500.000 | 266.710.827 | 342.210.827 | |
| 5. Retained profit or loss (086 + 087) | 085 | 8.638.159 | 274.566.162 | 283.204.321 | 15.683.037 | 368.923.041 | 384.606.077 | |
| 5.1. Retained profit | 086 | 8.638.159 | 274.566.162 | 283.204.321 | 15.683.037 | 368.923.041 | 384.606.077 | |
| 5.2. Retained loss (-) | 087 | | | | | | | |
| 6. Profit or loss for the period (089 + 090) | 088 | 7.113.171 | 14.034.537 | 21.147.707 | 9.065.649 | 19.376.379 | 28.442.028 | |
| 6.1. Profit for the period | 089 | 7.113.171 | 14.034.537 | 21.147.707 | 9.065.649 | 19.376.379 | 28.442.028 | |
| 6.2. Loss for the period (-) | 090 | | | | | | | |
| B. MINORITY INTEREST | 091 | | | | | | | |
| C. TECHNICAL PROVISION (093 to 098) | 092 | 1.850.575.621 | 4.201.339.119 | 6.051.914.740 | 1.946.912.957 | 4.022.266.214 | 5.969.179.171 | |
| 1. Unearned premiums, gross amount | 093 | 3.857.746 | 1.237.228.611 | 1.241.086.357 | 2.753.299 | 1.187.281.934 | 1.190.035.232 | |
| 2. Mathematical insurance provision, gross amount | 094 | 1.816.742.163 | | 1.816.742.163 | 1.921.884.613 | | 1.921.884.613 | |
| 3. Claims provision, gross amount | 095 | 29.975.713 | 2.940.683.508 | 2.970.659.220 | 22.275.045 | 2.795.431.680 | 2.817.706.725 | |
| 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 | | | | | 1.725.600 | 1.725.600 | |
| 6. Other technical insurance provision, gross amount | 098 | | 23.427.000 | 23.427.000 | | 37.827.000 | 37.827.000 | |
| D. SPECIAL PROVISION FOR THE GROUP LIFE INSURANCE WHERE THE POLICYHOLDER ASSUMES THE INVESTMENT RISK, gross amount | 099 | 15.681.784 | | 15.681.784 | 10.629.483 | | 10.629.483 | |
| E. OTHER PROVISION (101 + 102) | 100 | 13.443.980 | 68.531.739 | 81.975.719 | 15.643.980 | 87.533.377 | 103.177.357 | |
| 1. Provision for pensions | 101 | 13.443.980 | 66.651.358 | 80.095.338 | 15.643.980 | 85.652.996 | 101.296.976 | |
| 2. Other provision | 102 | | 1.880.381 | 1.880.381 | | 1.880.381 | 1.880.381 | |
| F. DEFERED AND CURRENT TAX LIABILITY (104 + 105) | 103 | 1.778.293 | 124.963.504 | 126.741.797 | 2.266.412 | 124.961.458 | 127.227.870 | |
| 1. Deferred tax liability | 104 | | 121.454.870 | 121.454.870 | | 120.117.363 | 120.117.363 | |
| 2. Current tax liability | 105 | 1.778.293 | 3.508.634 | 5.286.927 | 2.266.412 | 4.844.095 | 7.110.507 | |
| G. DEPOSITS RETAINED FROM BUSINESS CEDED TO REINSURANCE | 106 | | | | | | | |
| H. FINANCIAL LIABILITIES (108 to 110) | 107 | | 93.507 | 93.507 | | | | |
| 1. Loan liabilities | 108 | | 93.507 | 93.507 | | | | |
| 2. Outstanding securities | 109 | | | | | | | |
| 3. Other financial liabilities | 110 | | | | | | | |
| I. OTHER LIABILITIES (112 to 115) | 111 | 9.559.081 | 212.953.181 | 222.512.263 | 21.945.529 | 213.861.017 | 235.806.546 | |
| 1. Liabilities derived from direct insurance activities | 112 | 1.396.952 | 116.927.321 | 118.324.273 | 11.331.988 | 87.802.109 | 99.134.098 | |
| 2. Liabilities derived from coinsurance and reinsurance activities | 113 | 364 | 18.315.820 | 18.316.184 | | 45.378.804 | 45.378.804 | |
| 3. Liabilities for misappropriation and discontinued operations | 114 | | | | | | | |
| 4. Other liabilities | 115 | 8.161.766 | 77.710.041 | 85.871.806 | 10.613.541 | 80.680.104 | 91.293.645 | |
| J. DEFERRED PAYMENT OF EXPENSES AND INCOME OF THE FUTURE PERIOD (117+118) | 116 | 14.153 | 17.430.350 | 17.444.503 | 1.808.338 | 186.044.651 | 187.852.989 | |
| 1. Reinsurance commission split | 117 | | | | | | | |
| 2. Other deferred costs payment and future income | 118 | 14.153 | 17.430.350 | 17.444.503 | 1.808.338 | 186.044.651 | 187.852.989 | |
| K. TOTAL LIABILITIES (071+091+092+099+100+103+106+107+111+116) | 119 | 2.017.981.276 | 6.172.995.627 | 8.190.976.904 | 2.147.174.216 | 6.293.478.237 | 8.440.652.454 | |
| L. NON-BALANCE SHEET RECORDS | 120 | | 660.553.959 | 660.553.959 | | 1.039.904.399 | 1.039.904.399 | |
| 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 | | | | |
| 2. Attributable to minority interests | 123 | | | 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 01.01.2013. - 31.03.2013.

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 | | 460.091.559 | 456.466.778 | 202.973.853 | 78.666.745 | 1.641.086.136 | | 1.641.086.136 |
| 1. Change in accounting policy | 002 | | | | | | | | | |
| 2. Correction of previous period errors | 003 | | | | | -583.377 | | -583.377 | | -583.377 |
| II. Balance at 1 January - previous year (corrected) (AOP 001 to 003) | 004 | 442.887.200 | | 460.091.559 | 456.466.778 | 202.390.476 | 78.666.745 | 1.640.502.758 | | 1.640.502.758 |
| III. Comprehensive profit or loss - previous year (AOP 006+007) | 005 | | | -13.035.195 | | 6.687.898 | 118.425.061 | 112.077.764 | | 112.077.764 |
| 1. Profit/loss of the previous period | 006 | | | | | | 118.425.061 | 118.425.061 | | 118.425.061 |
| 2. Other comprehensive profit/loss of the previous year (AOP 008 do 011) | 007 | | | -13.035.195 | | 6.687.898 | | -6.347.297 | | -6.347.297 |
| 2.1. Unrealized profit/loss from tangible assets (land and buildings) | 008 | | | -5.350.318 | | 6.687.898 | | 1.337.580 | | 1.337.580 |
| 2.2. Unrealized profit/loss from financial assets available for sale | 009 | | | -7.310.533 | | | | -7.310.533 | | -7.310.533 |
| 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 | | | | | | | | | |
| IV. Transactions with owners (previous period) (AOP 013 to 016) | 012 | | | | 22.616.689 | 55.070.056 | -78.666.745 | -980.000 | | -980.000 |
| 1. Increase/decrease of share capital | 013 | | | | | | | | | |
| 2. Other payments by the owners | 014 | | | | | | | | | |
| 3. Payment of shares in profit/dividends | 015 | | | | | | -980.000 | -980.000 | | -980.000 |
| 4. Other distribution to the owners | 016 | | | | 22.616.689 | 55.070.056 | -77.686.745 | | | |
| V. Balance at 31 December - previous period (AOP 004+005+012) | 017 | 442.887.200 | | 447.056.364 | 479.083.468 | 264.148.429 | 118.425.061 | 1.751.600.522 | | 1.751.600.522 |
| VI. Balance at 1 January - current year | 018 | 442.887.200 | | 447.056.364 | 479.083.468 | 264.148.429 | 118.425.061 | 1.751.600.522 | | 1.751.600.522 |
| 1. Change in accounting policy | 019 | | | | | | | | | |
| 2. Correction of previous period errors | 020 | | | | | 360.703 | | 360.703 | | 360.703 |
| VII. Balance at 1 January - current period (corrected) (AOP 018 to 020) | 021 | 442.887.200 | | 447.056.364 | 479.083.468 | 264.509.132 | 118.425.061 | 1.751.961.225 | | 1.751.961.225 |
| VIII. Comprehensive profit or loss - current period (AOP 023+024) | 022 | | | 24.703.901 | | 1.671.884 | 28.442.028 | 54.817.813 | | 54.817.813 |
| 1. Profit/loss of the previous period | 023 | | | | | | 28.442.028 | 28.442.028 | | 28.442.028 |
| 2. Other comprehensive profit/loss of the current year (AOP 025 to 028) | 024 | | | 24.703.901 | | 1.671.884 | | 26.375.785 | | 26.375.785 |
| 2.1. Unrealized profit/loss from tangible assets (land and buildings) | 025 | | | -1.732.534 | | 1.671.884 | | -60.651 | | -60.651 |
| 2.2. Unrealized profit/loss from financial assets available for sale | 026 | | | 26.291.778 | | | | 26.291.778 | | 26.291.778 |
| 2.3. Realized profit/loss from financial assets available for sale | 027 | | | 144.658 | | | | 144.658 | | 144.658 |
| 2.4. Other non-ownership changes in capital | 028 | | | | | | | | | |
| IX. Transactions with owners (current period) (AOP 030 to 033) | 029 | | | | | 118.425.061 | -118.425.061 | | | |
| 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 | | | | | 118.425.061 | -118.425.061 | | | |
| X. Balance at 31 December - current period (AOP 021+022+029) | 034 | 442.887.200 | | 471.760.265 | 479.083.468 | 384.606.077 | 28.442.028 | 1.806.779.038 | | 1.806.779.038 |

REPORT ON CASH FLOWS – INDIRECT METHOD FOR THE PERIOD 01.01.2013. - 31.03.2013.

in HRK

| Position | AOP | Previous period | Current period |
|--|------------|-----------------|----------------|
| 1 | 2 | 3 | 4 |
| I. CASH FLOWS FROM OPERATING ACTIVITIES (002+013+031) | 001 | 54.741.347 | 316.084.506 |
| 1. Cash flow before change in business property and liabilities (AOP 003+004) | 002 | -12.129.207 | 51.250.762 |
| 1.1. Profit before tax | 003 | 26.434.634 | 35.552.535 |
| 1.2. Adjustment: (AOP 005 to 012) | 004 | -38.563.841 | 15.698.227 |
| 1.2.1. Depreciation and amortization of immovables and equipment | 005 | 11.671.638 | 10.544.749 |
| 1.2.2. Depreciation and amortization of intangible property | 006 | 766.633 | 1.033.676 |
| 1.2.3. Impairment and profits/losses from adjustment to fair value | 007 | -9.229.451 | 23.295.874 |
| 1.2.4. Interest expenses | 008 | 0 | 36.961 |
| 1.2.5. Interest income | 009 | -55.648.868 | -52.223.399 |
| 1.2.6. Share in profit of associated companies | 010 | -2.626.468 | 0 |
| 1.2.7. Profits/losses from sale of tangible property (including real estate) | 011 | -1.163.001 | -836.629 |
| 1.2.8. Other adjustments | 012 | 17.665.674 | 33.846.995 |
| 2. Increase/decrease in business property and liabilities (AOP 014 to 030) | 013 | 72.157.481 | 271.944.252 |
| 2.1. Increase /decrease in investments available for sale | 014 | -7.245.538 | -7.877.338 |
| 2.2. Increase /decrease in investment estimated at fair value | 015 | 30.722.614 | 143.786.267 |
| 2.3. Increase / decrease in deposits, loans and receivables | 016 | 4.598.465 | 144.957.068 |
| 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 | 638.843 | 795.732 |
| 2.6. Increase /decrease of reinsurance stakes in technical provision | 019 | -81.480.543 | -68.825.658 |
| 2.7. Increase/decrease of taxable property | 020 | 0 | 0 |
| 2.8. Increase/decrease in receivables | 021 | -226.665.313 | -225.659.790 |
| 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 | -833.762 | 11.285.920 |
| 2.11. Increase/decrease in technical provision | 024 | 345.677.116 | 248.435.707 |
| 2.12. Increase/decrease in life insurance technical provision when the policyholder bears investment risk | 025 | -638.843 | -795.732 |
| 2.13. Increase/decrease in tax liabilities | 026 | -1.462.953 | -4.204.867 |
| 2.14. Increase/decrease in deposits held from activities ceded to reinsurance | 027 | 0 | 0 |
| 2.15. Increase/decrease in financial liabilities | 028 | 0 | 0 |
| 2.16. Increase/decrease in other liabilities | 029 | 26.005.292 | 41.215.211 |
| 2.17. Increase/decrease in deferred payment of expenses and income of the future period | 030 | -17.157.897 | -11.168.269 |
| 3. Income tax paid | 031 | -5.286.927 | -7.110.507 |
| II. CASH FLOW FROM INVESTMENT ACTIVITIES (AOP 033 to 046) | 032 | -59.319.520 | -262.563.052 |
| 1. Receipts from sale of tangible assets | 033 | 0 | 8.651.185 |
| 2. Expenditures for the purchase of tangible assets | 034 | -2.725.936 | -10.544.749 |
| 3. Receipts from sale of intangible assets | 035 | 0 | 0 |
| 4. Expenditures for the purchase of intangible assets | 036 | -866.867 | -1.896.962 |
| 5. Receipts from sale of land and buildings not intended for business activities of the company | 037 | 0 | 0 |
| 6. Expenditures for the purchase of land and buildings not intended for business activities of the company | 038 | -5.327.305 | -1.188.002 |
| 7. Increase/decrease of investments in branch-offices, associated companies and participation in joint investments | 039 | 3.262.298 | -15.587.830 |
| 8. Receipts from investments kept till maturity | 040 | 0 | 0 |
| 9. Expenditures for investments kept till maturity | 041 | -67.009.996 | -158.015.538 |
| 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 | 2.433.857 | 241.035 |
| 13. Receipts from long term and short term loans | 045 | 83.224.570 | 103.250.397 |
| 14. Expenses for long term and short term loans | 046 | -72.310.141 | -187.472.589 |
| III. CASH FLOW FROM FINANCIAL ACTIVITIES (AOP 050 to 054) | 047 | -12.553 | -50.125.575 |
| 1. Receipts from capital stock increase | 048 | 0 | 0 |
| 2. Receipts from short-term and long-term loans | 049 | 1.280 | 41.837 |
| 3. Expenditures for short-term and long-term loans | 050 | -12.966 | -50.164.276 |
| 4. Expenditures for purchase of treasury shares | 051 | 0 | 0 |
| 5. Expenditures for payment of profit share (dividends) | 052 | -868 | -3.136 |
| NET CASH FLOW (AOP 001 + 032 + 049) | 053 | -4.590.726 | 3.395.879 |
| IV. EFFECTS OF CHANGES IN RATES OF FOREIGN CURRENCIES | 054 | 5.921.392 | -10.528.564 |
| V. NET INCREASE/DECREASE IN CASH AND CASH EQUIVALENTS (055+056) | 055 | 1.330.665 | -7.132.685 |
| Cash and cash equivalents at the beginning of the period | 056 | 38.803.894 | 77.789.725 |
| Cash and cash equivalents at the end of the period (AOP 057 + 058) | 057 | 40.134.560 | 70.657.040 |

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

II MANAGEMENT INTERIM REPORT

During the first quarter of the year 2013, the Croatian insurance industry recorded decrease in premium, thus justifying views that the year 2013 would not be less challenging than the previous year. In accordance with economic situation, the Croatian insurance market does not expect any significant increase in premium in the year 2013 as a whole.

During the first quarter of the year 2013, CROATIA osiguranje d.d. realized the total written premium amounting to HRK 899.0 mil., that is a decrease of 5.5% compared to the same period of the previous year. The non-life insurance written premium decreased by 7.1%, while life insurance written premium increased by 12.1% compared to the same period of the previous year. Compared to plan for 2013, the written premium is realized by 34.3%.

During the period I-III 2013, the earned premium amounted to HRK 511.8 mil. that is a decrease of 4.1% compared to the same period of the previous year. The share of the earned premium in total income amounted by 83%.

During the first quarter of the year 2013 the market share of CROATIA osiguranja d.d. in the total written premium including all insurance companies in the Republic of Croatia amounted to 35.7%, while the daughter company Croatia zdravstveno osiguranje recorded the share of 1.3%.

During the period I-III of the year 2013 the gross paid claims amounted to HRK 384.6 mil. that is an increase of 2.3%, i.e. HRK 8.5 mil. compared to the same period of the previous year. The non-life insurance recorded a decrease of 4.9% in gross paid claims, while life insurance recorded an increase of 31.2% in gross paid claims compared to the same period of the previous year.

The total income of CROATIA osiguranje d.d. amounted to HRK 616.7 mil. that is a decrease of 3.9% i.e. nominally HRK 25.3 mil. compared to the same period of the previous year. The total expenditures amounted to HRK 581.1 mil. that is a decrease of 5.6% i.e. nominally HRK 34.4 mil. compared to the same period of the previous year.

In total business expenditures, the employees' expenses participate by 15% i.e. nominally by HRK 87.3 mil. that is a decrease of 2.3% compared to the same period of the previous year.

Other income of the Company, consisting of commission and compensation income, other insurance-technical income, net of reinsurance and other income amounted to HRK 29.1 mil. that is a decrease of 10% compared to the same period of the previous year. In total income they participate with 4.7%.

The gross profit of the Company amounted to HRK 35.6 mil. that is an increase of 34.5% compared to the same period of the previous year.

The consolidated gross profit of the Group before elimination amounted to HRK 56.9 mil. that is an increase of 9.6% compared to the same period of the previous year. The profit of the Group after elimination, taxation and minority shares amounted to HRK 43.6 mil.

Solvency indicator as at 31 March 2013 amounted to 15.9.

The gross profit margin amounted to 5.77% that is an increase of 40% compared to the same period of the previous year.

CROATIA osiguranje d.d. cooperates and gives its contribution to the community more than 129 years so culture and its values it will support and promote furthermore . In accordance with that, in March, in the gallery Klovičevi dvori, the exhibition „Museum Picasso-Paris Masterpiece“ was opened whose Official Sponsor was CROATIA osiguranje d.d.. The most expensive exhibition in the Republic of Croatia visited several thousand of people.

CROATIA osiguranje d.d. endeavours to enhance and improve the scope and quality of its services by monitoring trends on and needs of the market. The new MOT-test station opened in Karlovac from the side of the daughter company CROATIA tehnički pregledi shows this, at the same time contributing to the raising of the quality of the MOT tests as well as to enable better security on the roads.

During the first quarter of the year 2013, CROATIA osiguranje has, in accordance with legal regulations maintained already invested means as well as invested new free money in available financial instruments, considering the principles of investment security, marketableness, profitability, liquidity as well as adequate investment diversification and dispersion.

At the end of the first quarter of the year 2013, the value of total investment amounted to HRK 5.59 bil that is an increase of HRK 223,3 mil compared to the end of the year 2012 i.e. the total assets increased by 4.2%.

During this reporting period the investment expenses amounted to HRK 43.4 mil. that is an increase of 100.6% i.e., HRK 21.7 mil. compared to the same period of the previous year. In the total expenditures they participate with 7.5%. The growth of investment expenses mostly was influenced by decrease in book value of investment in shares amounting to HRK 19.1 mil. as well as bond investment amounting to HRK 2.8 mil.

The Company plans to introduce a number of new insurance products. In motor insurance the aim will be the preparation for TPL insurance market liberalization, property insurance prepares new products in property liability and all risk insurance, life insurance plans to introduce new savings products and products for the third age people. As regards personal non-life insurance new risks for health travel insurance and accident insurance will be included.

CROATIA osiguranje d.d. consists of 23 subsidiaries covering the territory of the whole Republic of Croatia and are regionally grouped:

REGION 1: Branch offices in Dubrovnik, Split, Šibenik and Zadar
 REGION 2: Branch offices in Gospić, Karlovac, Pula and Rijeka
 REGION 3: Branch offices in Čakovec, Koprivnica, Varaždin and Zabok
 REGION 4: Branch offices in Bjelovar, Kutina, Sisak and Virovitica
 REGION 5: Branch offices in Osijek, Požega, Slavonski Brod and Vinkovci
 REGION 6: Branch offices in Zagreb, Zagrebački prsten - Velika Gorica and PIK Zagreb

KEY BUSINESS INDICATORS:

In HRK

| DESCRIPTION | I-III 2012. | I-III 2013. | Index 3 : 2 |
|---|---------------|---------------|----------------|
| 1 | 2 | 3 | 4 |
| PROFIT AND LOSS ACCOUNT | | | |
| Total income | 641.930.465 | 616.679.724 | 96,1 |
| Written gross premium | 951.158.064 | 898.969.022 | 94,5 |
| Total expenditure | 615.495.831 | 581.127.188 | 94,4 |
| Paid claims (gross) | 376.067.944 | 384.572.297 | 102,3 |
| Profit before taxation (gross profit) | 26.434.634 | 35.552.535 | 134,5 |
| Profit after taxation (net profit) | 21.147.707 | 28.442.028 | 134,5 |
| BALANCE | | | |
| Total assets | 8.190.976.904 | 8.440.652.454 | 103,0 |
| Equity and provision | 1.674.612.591 | 1.806.779.038 | 107,9 |
| Technical provision | 6.051.914.740 | 5.969.179.171 | 98,6 |
| Life insurance special provision-policyholder's investment risk | 15.681.784 | 10.629.483 | 67,8 |
| Investments | 5.368.132.795 | 5.591.476.797 | 104,2 |
| INDICATORS OF PROFITABILITY | | | |
| ROA (%) (net profit / assets) | 0,26 | 0,34 | 130,5 |
| ROE (%) (net profit / equity and provision) | 1,26 | 1,57 | 124,7 |
| Gross profit margin (%) (gross profit / total income) | 4,12 | 5,77 | 140,0 |
| NON-LIFE INSURANCE INDICATORS | | | |
| Loss ratio | 62,5 | 50,6 | 81,0 |
| Expense ratio | 19,3 | 21,9 | 113,3 |
| Combined ratio | 81,8 | 72,5 | 88,6 |
| ECONOMY INDICATOR | | | |
| Total cost of operations (tot.income /tot.expenditure %) | 104,3 | 106,1 | 101,7 |
| OTHER INDICATORS | | | |
| Number of employees | 2.864 | 2.822 | 98,5 |
| Total income per employee | 224.138 | 218.526 | 97,5 |
| Total assets per employee | 2.859.978 | 2.991.018 | 104,6 |
| Written premium per employee | 332.108 | 318.557 | 95,9 |
| Profit (before taxation) per employee | 9.230 | 12.598 | 136,5 |

The unaudited unconsolidated financial statements for the first quarter 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).

Description of main risks and uncertainties

The Company recognizes the significance of the existence of an efficient and effective risk management system. The basic goal in managing financial, insurance, operational and other 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 the company is exposed. The Company also needs to ensure the continuity of business operations in unforeseeable situations (unexpected economic changes, natural disasters and the like)

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

The Company also actively manages its liabilities by regularly keeping track of them in the manner prescribed by the professional rules and the Insurance Act. The most important risks and uncertainties are described in the 2012 Annual Report.

Zagreb, 30 April 2013

Član Uprave

Ivan Fabijančić

Predsjednik Uprave

Krešimir Starčević

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

1. General Data

CROATIA osiguranje d.d. was founded in 1884. Ever since its foundation CROATIA osiguranje d.d. has maintained its leading position in the insurance market, which makes it the most successful insurance company in the country as well as in the region.

CROATIA osiguranje d.d. (Company) with the seat in Zagreb, Miramarska 22, is entered into the Commercial Court Register in Zagreb under the subject registration number (MBS): 080051022. The principal activity of the Company is made up of all types of life and non-life insurance business as well as other closely connected business activities.

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

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

Supervisory Board and Management 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:

Mr. Mladen Blažević, Chairman,
Mrs. Vesna Trnokop – Tanta, Deputy Chair-woman,
Prof.D.Sc. Petar Miladin, member,
Prof.D.Sc. Josip Tica, member,
Mrs. Đurđa Hunjet, member and
Mr. Miroslav Hrašćanec, member – employees' representative.

Members of the Management Board:

Mr. Krešimir Starčević, President and
Mr. Ivan Fabijančić, Member

In the period from 1 January until 31 March 2013, the Management Board held 13 meetings at which it discussed and made decisions pursuant to the Acts, Rules of procedure for the Management Board and the Company's Articles of Association. The Supervisory Board held three meetings until 31 March 2013.

Capital stock and shares

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. Croatia osiguranje d.d. has no ownership stake in its shares.

Ownership structure of CROATIA osiguranje d.d. as at 31 March 2013

| Shareholder | Number of Shares | 31/03/2013 | |
|--|------------------------|-----------------------|---------------|
| | | Amount HRK | % Share |
| 1. AUDIO / Republic of Croatia | 253.697 | 355.175.800,00 | 80,20 |
| 2. Raiffeisenbank Austria d.d.- custody account | 19.744 | 27.641.600,00 | 6,24 |
| 3. Hrvatska poštanska banka d.d.- basic and custody account | 6.631 | 9.283.400,00 | 2,10 |
| 4. Societe Generale- Splitska banka d.d.- custody account | 6.507 | 9.109.800,00 | 2,06 |
| 5. Hypo alpe-adria-bank d.d.- custody account | 3.593 | 5.030.200,00 | 1,14 |
| 6. PBZ d.d.- custody account | 2.310 | 3.234.000,00 | 0,73 |
| 7. Kraš d.d. | 1.400 | 1.960.000,00 | 0,44 |
| 8. Auto Hrvatska d.d. | 1.004 | 1.405.600,00 | 0,32 |
| 9. Erste&Steiermärkische Bank d.d. - basic and custody account | 709 | 992.600,00 | 0,22 |
| 10. Komercijalna banka d.d. in liquidation | 700 | 980.000,00 | 0,22 |
| 11. Bahovec Srećko | 568 | 795.200,00 | 0,18 |
| 12. Adriacommerce | 500 | 700.000,00 | 0,16 |
| 13. Radić Antun | 412 | 576.800,00 | 0,13 |
| 14. Tankerska plovdba | 400 | 560.000,00 | 0,13 |
| 15. Škaro Miroslav | 380 | 532.000,00 | 0,12 |
| 16. Fran Mihaljević - klinika za infekt. bolesti | 330 | 462.000,00 | 0,10 |
| 17. Cemex Hrvatska d.d. | 249 | 348.600,00 | 0,08 |
| 18. Končar-elektroindustrija d.d. | 230 | 322.000,00 | 0,07 |
| 19. Eko Međimurje d.d. | 226 | 316.400,00 | 0,07 |
| 20. Hrvatski duhani d.d. | 200 | 280.000,00 | 0,06 |
| 21. Other shareholders | 16.558 | 23.181.200,00 | 5,23 |
| TOTAL: | 316.348 | 442.887.200,00 | 100,00 |

2. Basis of preparation of financial statements

Financial statements are prepared pursuant to the provisions of the Insurance Act (Official Gazette: 151/05, 87/08, 82/09), the Accounting Act (Official Gazette 109/07) and the International Financial Reporting Standards (IFRS) published by the International Financial Reporting Standards Committee (Official Gazette: 140/06, 30/08, 130/08, 137/08, 29/09), and pursuant to the Ordinance on the structure and contents of supervisory statements of insurance companies (Official Gazette 132/10, 39/2012.).

Financial statements are prepared by applying the fundamental accounting assumption of recognizing the business transaction effects as they occur and recording them in respective periodic financial statements as well as by applying the fundamental accounting going-concern assumption.

Reporting currency

The financial statements are presented in Croatian kuna (HRK). On 31 March 2013 the official exchange rate of the Croatian kuna was HRK 7.59 to 1 Euro and HRK 5.92 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 and 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 the 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 unconsolidated financial statements for the first quarter of the year 2013 are consistent with the accounting policies used in the preparation of the audited financial statements for the year 2012.



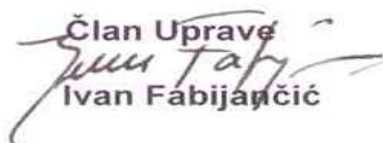
Based on Article 20 of the Articles of Association of CROATIA osiguranje d.d. of 27 September 2012 and Article 410 of the Capital Market Act (Official Gazette 88/08) the Management Board of the Company issues the following

STATEMENT

that to the best of its knowledge:

- the unaudited financial statements of the issuer for the first quarter of the year 2013, prepared by applying the relevant financing reporting standards offer a wholesome and true presentation of assets and liabilities, losses and gains, financial position and business operations of the issuer,
- the Management Report contains a true presentation of the development and business operation results and the financial position of the issuer, as well as a description of major risks and uncertainties to which the issuer is exposed.

Zagreb, 30 April 2013

Član Uprave

Ivan Fabijančić

Predsjednik Uprave

Krešimir Starčević

Member of the Management Board

President of the Management Board