

1. Financial Statements¹⁰⁹

1.1 Statement of financial position

		Triglav Group		Zavarovalnica Triglav	
		31 Dec. 2017	31 Dec. 2016	31 Dec. 2017	31 Dec. 2016
		in EUR			
	Notes	31 Dec. 2017	31 Dec. 2016	31 Dec. 2017	31 Dec. 2016
ASSETS		3,674,676,193	3,574,885,423	2,786,489,540	2,740,333,045
Intangible assets	3.1	78,840,612	73,823,588	59,786,283	55,884,567
Property, plant and equipment	3.2	111,210,437	107,933,428	67,526,775	66,230,456
Deferred tax assets	3.17	13,769,115	15,793,114	0	0
Investment property	3.3	94,007,483	95,842,720	48,214,401	49,611,417
Investments in subsidiaries	3.4	0	0	118,167,937	130,632,438
Investments in associates	3.5	6,449,324	6,826,400	10,002,047	9,503,047
Financial assets	3.6	3,038,086,748	2,974,303,281	2,278,606,115	2,246,543,870
Financial investments		2,587,850,704	2,514,320,459	1,860,998,156	1,812,500,601
– loans and deposits		125,251,487	148,731,638	91,428,595	82,397,894
– held to maturity		221,390,576	231,342,393	166,993,807	168,983,706
– available for sale		1,815,323,900	1,738,043,072	1,400,652,988	1,365,449,446
– recognised at fair value through profit and loss		425,884,741	396,203,356	201,922,766	195,669,555
Unit-linked insurance assets		450,236,044	459,982,822	417,607,959	434,043,269
Reinsurers' share of technical provisions	3.7	83,815,576	77,084,783	85,327,645	76,455,107
Receivables	3.8	163,878,354	152,921,089	81,350,417	75,869,085
– receivables from direct insurance operations		85,722,492	84,059,166	54,731,853	58,491,603
– receivables from reinsurance and coinsurance operations		44,939,702	35,099,850	13,889,792	7,538,096
– current tax receivables		32,211	890,276	0	0
– other receivables		33,183,949	32,871,797	12,728,772	9,839,386
Other assets	3.9	3,922,257	3,622,253	1,993,174	1,949,412
Cash and cash equivalents	3.10	78,417,847	65,714,474	35,514,746	27,653,646
Non-current assets held for sale	3.11	2,278,440	1,020,293	0	0
EQUITY AND LIABILITIES		3,674,676,193	3,574,885,423	2,786,489,540	2,740,333,045
Equity	3.12	756,645,683	744,349,747	571,412,305	563,389,117
Controlling interests		749,838,244	733,955,514	571,412,305	563,389,117
– share capital		73,701,392	73,701,392	73,701,392	73,701,392
– share premium		50,403,656	53,488,690	53,412,884	53,412,884
– reserves from profit		333,407,073	305,535,457	318,962,643	288,962,643
– treasury share reserves		364,680	364,680	0	0
– treasury shares		-364,680	-364,680	0	0
– fair value reserve		95,398,236	87,735,128	67,250,264	64,890,318
– net profit brought forward		160,647,992	173,192,869	25,563,172	44,688,278
– net profit/loss for the year		39,133,955	44,216,477	32,521,950	37,733,602
– currency translation differences		-2,854,060	-3,914,499	0	0
– reserve of disposal group held for sale		0	0	0	0
Non-controlling interests	2.7	6,807,439	10,394,233	0	0
Subordinated liabilities	3.13	15,459,132	16,869,102	20,608,180	21,103,108
Insurance technical provisions	3.14	2,282,701,026	2,203,105,224	1,687,109,267	1,645,177,811
– unearned premiums		278,112,719	263,639,620	196,528,185	188,487,876
– mathematical provisions		1,333,055,389	1,273,538,608	994,737,498	959,268,937
– claims provisions		638,473,713	635,240,895	469,230,900	471,240,775
– other insurance technical provisions		33,059,205	30,686,101	26,612,684	26,180,223
Insurance technical provisions for unit-linked insurance contracts		449,544,565	457,683,091	416,250,767	431,125,308
Employee benefits	3.15	13,979,843	13,550,264	10,700,463	10,547,514
Other provisions	3.16	3,794,647	3,971,217	724,961	689,669
Deferred tax liabilities	3.17	26,396,579	25,400,544	9,301,053	7,065,409
Other financial liabilities	3.18	5,589,381	5,288,693	1,845,184	1,852,710
Operating liabilities	3.19	49,381,602	42,028,195	27,740,050	24,451,951
– liabilities from direct insurance operations		18,875,323	16,020,020	11,354,265	11,202,342
– liabilities from reinsurance and co-insurance operations		28,758,158	23,129,245	15,249,797	11,507,586
– current tax liabilities		1,748,121	2,878,930	1,135,988	1,742,023
Other liabilities	3.20	71,183,735	62,639,346	40,797,310	34,930,448
Non-current liabilities held for sale and discontinued operations		0	0	0	0

¹⁰⁹ Notes on pages from 177 to 298 are part of financial statements.

1.2 Income statement

	Notes	in EUR			
		Triglav Group		Zavarovalnica Triglav	
		2017	2016	2017	2016
Net premium income	4.1	891,197,369	849,594,001	522,057,353	509,765,204
– gross written premium		999,916,626	936,003,815	621,971,336	593,129,011
– ceded written premium		-97,550,733	-79,080,949	-93,522,581	-78,508,398
– change in unearned premiums		-11,168,524	-7,328,865	-6,391,402	-4,855,409
Income from financial assets	4.2	139,837,442	146,017,485	112,144,711	115,997,114
Income from financial assets in subsidiaries and associates		224,605	3,116,574	7,106,829	9,836,781
– profit on equity investments accounted for using the equity method		224,605	188,105	0	0
– interest income		0	0	845,981	857,579
– dividends		0	0	6,172,954	62,153
– fair value gains	4.4	0	0	0	0
– realised gains on disposals	4.5	0	2,928,469	83,290	8,911,599
– other financial income		0	0	4,604	5,450
Income from other financial assets		111,165,371	119,446,634	77,277,446	83,084,119
– interest income		63,990,562	68,835,574	44,655,685	48,356,136
– dividends		5,346,451	3,356,769	2,787,574	2,367,645
– fair value gains	4.4	8,172,265	7,813,764	2,767,288	1,708,114
– realised gains on disposals	4.5	29,790,480	33,979,089	25,370,295	29,252,705
– other financial income		3,865,613	5,461,438	1,696,604	1,399,519
Net unrealised gains on unlinked life insurance assets	4.4	28,447,466	23,454,277	27,760,436	23,076,214
Other income from insurance operations	4.6	22,568,835	5,392,172	21,938,604	19,160,149
– fees and commission income		16,487,470	252,793	18,011,730	15,201,866
– other income from insurance operations		6,081,365	5,139,379	3,926,874	3,958,283
Other income	4.7	34,033,116	53,537,175	10,951,423	12,645,615
Net claims incurred	4.8	619,958,781	577,102,418	376,292,830	350,739,765
– gross claims settled		642,162,569	606,019,569	411,305,524	391,236,320
– reinsurers' share		-24,573,610	-21,692,020	-24,624,035	-20,679,367
– changes in claims provisions		-3,915,964	-14,175,200	-10,388,659	-19,817,188
– equalisation scheme expenses for supplementary health insurance		6,285,786	6,950,069	0	0
Change in other insurance technical provisions	4.10	60,281,190	47,211,325	35,366,975	28,758,525
Change in insurance technical provisions for unit-linked insurance contracts	4.10	-8,250,712	776,648	-14,678,837	-7,469,473
Expenses for bonuses and discounts	4.11	9,342,891	11,331,630	8,073,088	9,108,703
Change in liabilities from financial contracts		0	0	0	0
Operating expenses	4.12	220,762,633	208,675,708	145,922,909	142,229,598
– acquisition costs		147,942,412	141,003,013	105,301,136	102,587,533
– other operating costs		72,820,221	67,672,695	40,621,773	39,642,065
Expenses from financial assets and liabilities	4.3	33,611,711	42,533,879	21,992,479	30,163,394
Expenses from financial assets and liabilities in subsidiaries and associates		3,126,853	3,174,191	4,435	551,754
– loss on investments accounted for using the equity method		1,981,853	247,812	0	0
– interest expense		0	0	0	0
– fair value losses	4.4	0	0	0	0
– realised loss on disposals	4.5	1,145,000	2,926,379	0	544,414
– loss on impairment of financial assets		0	0	0	0
– other expenses from financial assets and liabilities		0	0	4,435	7,340
Expenses from other financial assets and liabilities		30,173,975	37,853,884	21,845,151	28,252,856
– interest expense		1,631,023	1,314,505	1,549,066	1,383,064
– fair value losses	4.4	4,217,218	6,888,471	1,614,514	1,885,016
– realised loss on disposals	4.5	11,083,596	19,451,022	10,588,355	18,158,535
– loss on impairment of financial assets		335,255	3,197,025	200,000	3,097,058
– other expenses from financial assets and liabilities		12,906,883	7,002,861	7,893,216	3,729,183
Net unrealised losses on unit-linked life insurance assets	4.4	310,883	1,505,804	142,893	1,358,784
Other insurance expenses	4.13	26,855,289	17,038,345	6,980,751	8,476,079
Other expenses	4.14	40,629,897	54,732,790	13,319,580	12,143,689
Profit before tax		84,445,082	95,138,090	73,822,316	83,417,802
Income tax expense	4.15	14,737,130	12,806,316	11,300,366	8,084,200
NET PROFIT FOR THE ACCOUNTING PERIOD		69,707,952	82,331,774	62,521,950	75,333,602
Earnings per share (basic and diluted)		3,07	3,62	-	-
Net profit attributable to the controlling company		69,256,560	81,935,753	-	-
Net profit attributable to non-controlling interest holders	2.7	451,391	396,021	-	-

1.3 Comprehensive income

	Notes	Triglav Group		Zavarovalnica Triglav	
		2017	2016	2017	2016
					in EUR
Net profit for the year after tax	3.12	69,707,952	82,331,774	62,521,950	75,333,602
Other comprehensive income after tax		9,018,012	10,590,011	2,339,106	9,128,515
Items which will not be transferred in income statement in future periods		391,597	-532,629	350,717	-492,789
Actuarial gains/losses on defined benefit pension plans	3.15	391,597	-441,038	350,717	-401,198
Tax on items which will not be transferred in income statement		0	-91,591	0	-91,591
Items which could be transferred into income statement in future periods		8,626,415	11,122,640	1,988,389	9,621,304
Fair value gains/losses on available-for-sale financial assets	3.12	7,982,377	23,768,954	2,935,382	22,189,955
– net gains/losses recognized directly in equity		32,023,082	33,188,122	24,405,582	28,580,317
– transfers from equity to income statement		-24,040,705	-9,419,168	-21,470,200	-6,390,362
Fair value gains/losses on non-current assets held for sale		204,793	89	0	0
Fair value gains/losses on cashflow hedges		0	0	0	0
Share of OCI of entities accounted for using the equity method		603,255	402,548	0	0
Liabilities from insurance contracts with DPF		-487,190	-6,554,570	-487,190	-6,554,570
Currency translation differences		1,080,805	585,108	0	0
Tax on other comprehensive income	4.15	-757,625	-7,079,489	-459,803	-6,014,081
COMPREHENSIVE INCOME OR LOSS FOR THE YEAR AFTER TAX		78,725,963	92,921,785	64,861,056	84,462,117
Controlling interest		78,173,753	92,689,187		
Non-controlling interest		552,210	232,598		

1.4 Statement of changes in equity

in EUR

Triglav Group	Reserves from profit											TOTAL EQUITY ATTRIBUTABLE TO THE CONTROLLING COMPANY	Non-controlling interests	TOTAL		
	Share capital	Share premium	Contingency reserves	Treasury share reserves	Legal and statutory reserves	Treasury shares	Credit risk reserves	Other reserves from profit	Fair value reserve	Reserve of disposal group held for sale	Net profit brought forward				Net profit/loss	Currency translation differences
As at 1 January 2016	73,701,392	54,955,912	592,269	20,371,784	452,880	-452,880	33,281,412	246,700,000	77,567,319	-40,167	104,503,874	85,802,552	-4,510,483	692,925,865	11,118,634	704,044,499
Comprehensive income for the year after tax	0	0	0	0	0	0	0	0	10,167,809	0	-10,359	81,935,753	595,984	92,689,187	232,598	92,921,785
New paid-in capital	0	0	0	0	0	0	0	0	0	0	0	0	0	0	5,403	5,403
Transfer to retained earnings	0	0	0	0	0	0	0	0	0	0	85,802,552	-85,802,552	0	0	0	0
Dividend payment	0	0	0	0	0	0	0	0	0	0	-56,776,976	0	0	-56,776,976	0	-56,776,976
Release of Credit risk provisions	0	0	0	0	0	0	-33,280,648	0	0	0	33,280,648	0	0	0	0	0
Transfer of net profit to reserves from profit	0	0	0	270,638	0	0	0	37,600,000	0	0	-151,362	-37,719,276	0	0	0	0
Offset of loss from previous years	0	-1,339,895	0	0	0	0	0	0	0	0	1,339,895	0	0	0	0	0
Change in Group	0	-127,327	0	0	-88,200	88,200	0	0	0	0	0	0	0	-127,327	-959,404	-1,086,731
Other	0	0	0	0	0	0	0	0	0	40,167	5,204,598	0	0	5,244,765	-2,998	5,241,767
As at 31 December 2016	73,701,392	53,488,690	592,269	20,642,424	364,680	-364,680	764	284,300,000	87,735,128	0	173,192,869	44,216,477	-3,914,499	733,955,514	10,394,233	744,349,747
Comprehensive income for the year after tax	0	0	0	0	0	0	0	0	7,663,108	0	193,644	69,256,560	1,060,439	78,173,753	552,210	78,725,963
Transfer to retained earnings	0	0	0	0	0	0	0	0	0	0	44,216,477	-44,216,477	0	0	0	0
Dividend payment	0	0	0	0	0	0	0	0	0	0	-56,777,086	0	0	-56,777,086	-4,312	-56,781,398
Transfer of net profit to reserves from profit	0	0	0	553,416	0	0	0	30,000,000	0	0	-430,811	-30,122,605	0	0	0	0
Offset of loss from previous years	0	0	0	-252,900	0	0	0	0	0	0	252,900	0	0	0	0	0
Change in Group	0	-3,186,028	0	-2,428,901	0	0	0	0	0	0	0	0	0	-5,614,929	-4,134,692	-9,749,621
Other	0	100,994	0	0	0	0	0	0	0	0	0	0	0	100,994	0	100,994
As at 31 December 2017	73,701,392	50,403,656	592,269	18,514,040	364,680	-364,680	764	314,300,000	95,398,236	0	160,647,992	39,133,955	-2,854,060	749,838,244	6,807,439	756,645,686

Zavarovalnica Triglav	Reserves from profit					Fair value reserve	Net profit brought forward	Net profit/loss	TOTAL
	Share capital	Share premium	Legal and statutory reserves	Credit risk reserves	Other reserves form profit				
As at 1 January 2016	73,701,392	53,412,884	4,662,643	31,303,638	246,700,000	55,751,443	7,210,810	57,817,462	530,560,272
Comprehensive income for the year after tax	0	0	0	0	0	9,138,875	-10,360	75,333,602	84,462,117
Dividend payment	0	0	0	0	0	0	-56,837,870	0	-56,837,870
Net profit allocations to reserves from profit	0	0	0	0	37,600,000	0	0	-37,600,000	0
Distribution of net profit/loss	0	0	0	0	0	0	57,817,462	-57,817,462	0
Release of Credit risk provisions	0	0	0	-31,303,638	0	0	31,303,638	0	0
Other	0	0	0	0	0	0	5,204,598	0	5,204,598
As at 31 December 2016	73,701,392	53,412,884	4,662,643	0	284,300,000	64,890,318	44,688,278	37,733,602	563,389,117
Comprehensive income for the year after tax	0	0	0	0	0	2,359,946	-20,839	62,521,950	64,861,056
Dividend payment	0	0	0	0	0	0	-56,837,869	0	-56,837,869
Net profit allocations to reserves from profit	0	0	0	0	30,000,000	0	0	-30,000,000	0
Distribution of net profit/loss	0	0	0	0	0	0	37,733,602	-37,733,602	0
As at 31 December 2017	73,701,392	53,412,884	4,662,643	0	314,300,000	67,250,264	25,563,172	32,521,950	571,412,305

1.5 Cash flow statement

		Triglav Group		Zavarovalnica Triglav	
		2017	2016	2017	2016
		v EUR			
	Notes				
A.	OPERATING CASH FLOW				
	Income statement items	47,763,405	35,691,434	2,402,118	12,967,999
	Net written premium for the period	4.1 931,192,941	882,520,102	528,448,755	514,620,613
	Investment income (excluding financial income)	4.2 21,583,243	20,342,436	12,038,000	11,735,662
	Other operating income (excluding revaluation and provisions reductions) operating revenues and financial income from operating receivables	34,492,062	46,483,550	10,097,825	11,428,031
	Net claims paid	4.8 -626,345,459	-592,586,186	-386,681,490	-370,556,953
	Bonuses and rebates paid	4.11 -9,258,381	-9,655,595	-8,218,663	-7,430,852
	Net operating expenses excluding depreciation charge and changes in the accrued acquisition expenses	4.12 -220,091,770	-212,539,933	-120,912,122	-117,604,669
	Investment expenses (excluding financial expenses)	4.13 -10,115,412	-8,550,474	-7,077,627	-5,246,499
	Other operating expenses excluding depreciation charge (except for revaluations and without increasing provisions)	4.14 -59,658,304	-76,933,187	-15,161,832	-14,894,803
	Corporate income tax and other taxes excluded from operating expenses	-14,035,515	-13,389,279	-10,130,728	-9,082,531
	Changes in net current assets-operating balance sheet items	1,918,944	6,094,910	4,592,420	4,049,554
	Movements in receivables from direct insurance operations	3.8 2,408,225	-1,284,824	4,875,196	-821,906
	Movements in receivables from reinsurance operations	-8,946,527	14,254,438	-6,351,696	4,681,101
	Movements in other receivables from (re)insurance operations	-2,058,178	-228,375	1,147,648	-308,923
	Movements in other receivables and assets	-352,320	3,970,832	-585,626	2,473,307
	Movements in deferred tax assets	54,034	-206,566	0	0
	Movements in inventories	170,131	54,976	-24,706	22,093
	Movements in debts from direct insurance operations	3.19 2,519,871	-1,039,716	151,923	216,761
	Movements in debts from reinsurance operations	1,738,719	-10,862,237	3,742,212	1,242,990
	Movements in operating debts	1,921,919	2,240,426	-494,928	-42,549
	Movements in other liabilities (excluding unearned premiums)	3.20 2,972,253	-901,051	2,132,397	-3,413,320
	Movements in deferred tax liabilities	1,490,817	97,007	0	0
	Operating cash flow	49,682,349	41,786,344	6,994,538	17,017,553
B.	CASH FLOWS FROM INVESTING ACTIVITIES				
	Cash inflows from investing activities	1,295,036,003	1,363,785,772	1,077,968,813	1,065,220,751
	Cash inflows from interest from investing activities	3.6 56,592,362	58,759,633	39,336,018	41,148,157
	Cash inflows from dividends received and profit sharing	3.6 4,900,674	4,848,278	8,868,008	12,410,440
	Cash inflows from the disposal of intangible assets	3.1 0	100,000	0	0
	Cash inflows from the disposal of property, plant and equipment	3.2 2,947,661	20,761,444	952,716	3,100,205
	Cash inflows from the disposal of financial investments	3.6 1,216,090,016	1,263,835,341	1,014,306,782	994,372,234
	Cash inflows from the disposal of investments in subsidiaries and associates	3.4, 3.5 14,505,290	15,481,076	14,505,290	14,189,715
	Cash outflows from investing activities	-1,271,700,986	-1,329,853,353	-1,018,983,429	-1,004,173,370
	Cash outflows for the purchase of intangible assets	3.1 -7,013,310	-6,990,545	-5,164,016	-5,968,630
	Cash outflows for the purchase of property, plant and equipment	3.2 -11,294,823	-6,137,586	-4,285,331	-3,407,363
	Cash outflows for the purchase of financial investments	3.6 -1,241,825,690	-1,315,837,615	-1,003,409,933	-993,032,445
	Cash outflows for the purchase of investments in subsidiaries and associates	3.4, 3.5 -11,567,163	-887,607	-6,124,150	-1,764,932
	Total cash flow from investing activities	23,335,017	33,932,419	58,985,384	61,047,381
C.	CASH FLOWS FROM FINANCING ACTIVITIES				
	Cash inflows from financing activities	0	0	0	0
	Cash inflows from paid-in capital	0	0	0	0
	Cash inflows from long-term loans received	0	0	0	0
	Cash inflows from short-term loans received	0	0	0	0
	Cash outflows from financing activities	-60,407,207	-57,900,352	-58,118,823	-57,961,246
	Cash outflows for paid interest	-1,227,366	-1,257,116	-1,227,366	-1,257,116
	Cash outflows for purchase of treasury shares	-2,349,109	0	0	0
	Cash outflows for payments of long-term financial liabilities	3.18 0	0	0	0
	Cash outflows for payments of short-term financial liabilities	3.18 0	0	0	0
	Cash outflows from dividends paid and profit sharing	3.12 -56,830,732	-56,643,236	-56,891,457	-56,704,130
	Total cash flow from financing activities	-60,407,207	-57,900,352	-58,118,823	-57,961,246
D.	Opening balance of cash and cash equivalents	65,714,474	47,928,768	27,653,646	7,549,958
E1.	Net cash flow for the period	12,610,159	17,818,411	7,861,100	20,103,688
E2.	Foreign exchange differences	93,214	-32,705	0	0
F.	Closing balance of cash and cash equivalents	78,417,847	65,714,474	35,514,746	27,653,646