

1. Financial Statements¹⁰⁵

1.1 Statement of financial position

		Triglav Group		Zavarovalnica Triglav	
		31 Dec. 2018	31 Dec. 2017	31 Dec. 2018	31 Dec. 2017
		in EUR			
	Notes				
ASSETS		3,645,277,487	3,674,676,193	2,730,187,525	2,786,489,540
Intangible assets	3.1	84,060,048	78,840,612	62,162,502	59,786,283
Property, plant and equipment	3.2	113,296,053	111,210,437	67,986,100	67,526,775
Non-current assets held for sale	3.11	2,067,399	2,278,440	0	0
Deferred tax assets	3.17	12,893,732	13,769,115	0	0
Investment property	3.3	89,840,456	94,007,483	45,270,540	48,214,401
Investments in subsidiaries	3.4	0	0	131,938,667	118,167,937
Investments in associates	3.5	14,125,973	6,449,324	16,959,355	10,002,047
– accounted for using the equity method		14,125,973	6,449,324	0	0
– measured at fair value		0	0	16,959,355	10,002,047
Financial investments	3.6	2,588,904,297	2,587,850,704	1,840,036,950	1,860,998,156
– loans and deposits		138,857,972	125,251,487	92,670,309	91,428,595
– held to maturity		196,773,185	221,390,576	159,463,950	166,993,807
– available for sale		1,802,568,767	1,815,323,900	1,383,855,505	1,400,652,988
– recognised at fair value through profit and loss		450,704,373	425,884,741	204,047,186	201,922,766
Unit-linked insurance assets		402,515,770	450,236,044	366,664,078	417,607,959
Reinsurers' share of technical provisions	3.7	85,920,499	83,815,576	87,893,306	85,327,645
Receivables	3.8	178,654,878	163,878,354	89,980,951	81,350,417
– receivables from direct insurance operations		96,601,328	85,722,492	62,635,337	54,731,853
– receivables from reinsurance and coinsurance operations		51,299,903	44,939,702	18,157,611	13,889,792
– current tax receivables		579,645	32,211	0	0
– other receivables		30,174,002	33,183,949	9,188,003	12,728,772
Other assets	3.9	5,396,722	3,922,257	3,296,589	1,993,174
Cash and cash equivalents	3.10	67,601,660	78,417,847	17,998,487	35,514,746
<i>Off balance sheet items</i>		<u>251,429,127</u>	<u>240,363,102</u>	<u>178,359,227</u>	<u>174,448,801</u>

in EUR					
	Notes	Triglav Group		Zavarovalnica Triglav	
		31 Dec. 2018	31 Dec. 2017	31 Dec. 2018	31 Dec. 2017
EQUITY AND LIABILITIES		3,645,277,487	3,674,676,193	2,730,187,525	2,786,489,540
Equity	3.12	746,862,805	756,645,683	560,120,736	571,412,305
Controlling interests		744,566,806	749,838,244	560,120,736	571,412,305
– share capital		73,701,392	73,701,392	73,701,392	73,701,392
– share premium		50,206,540	50,403,656	53,412,884	53,412,884
– reserves from profit		334,121,464	333,407,073	318,962,643	318,962,643
– treasury share reserves		364,680	364,680	0	0
– treasury shares		-364,680	-364,680	0	0
– fair value reserve		66,237,889	95,398,236	47,260,189	67,250,264
– net profit brought forward		142,483,579	160,647,992	1,239,764	25,563,172
– net profit/loss for the year		80,533,643	39,133,955	65,543,864	32,521,950
– currency translation differences		-2,717,701	-2,854,060	0	0
– reserve of disposal group held for sale		0	0	0	0
Non-controlling interests	2.7	2,295,999	6,807,439	0	0
Subordinated liabilities	3.13	15,462,711	15,459,132	20,612,951	20,608,180
Insurance technical provisions	3.14	2,310,503,061	2,282,701,026	1,696,143,475	1,687,109,267
– unearned premiums		300,166,946	278,112,719	213,919,937	196,528,185
– mathematical provisions		1,357,233,017	1,333,055,389	1,009,712,605	994,737,498
– claims provisions		614,943,915	638,473,713	442,560,188	469,230,900
– other insurance technical provisions		38,159,183	33,059,205	29,950,745	26,612,684
Insurance technical provisions for unit-linked insurance contracts		402,598,039	449,544,565	365,238,075	416,250,767
Provisions for employee benefits	3.15	14,804,574	13,979,843	11,167,156	10,700,463
Other provisions	3.16	1,919,555	3,794,647	758,435	724,961
Non-current liabilities held for sale and discontinued operations		0	0	0	0
Deferred tax liabilities	3.17	17,203,576	26,396,579	2,813,736	9,301,053
Other financial liabilities	3.18	5,620,904	5,589,381	1,587,443	1,845,184
Operating liabilities	3.19	54,792,055	49,381,602	28,523,572	27,740,050
– liabilities from direct insurance operations		19,717,929	18,875,323	11,306,835	11,354,265
– liabilities from reinsurance and co-insurance operations		30,465,655	28,758,158	13,819,946	15,249,797
– current tax liabilities		4,608,471	1,748,121	3,396,791	1,135,988
Other liabilities	3.20	75,510,207	71,183,735	43,221,946	40,797,310
<i>Off balance sheet items</i>		<i>251,429,127</i>	<i>240,363,102</i>	<i>178,359,227</i>	<i>174,448,801</i>

Business
ReportRisk
ManagementAccounting
ReportTable
of ContentsThe Triglav
Group and
Zavarovalnica
Triglav d.d.
Annual Report
2018

1.2 Income statement

in EUR					
	Notes	Triglav Group		Zavarovalnica Triglav	
		2018	2017 restated ¹⁰⁶	2018	2017 restated
Net premium income	4.1	951,762,862	891,197,369	551,940,868	522,057,353
– gross written premium		1,068,394,407	999,916,626	660,210,432	621,971,336
– ceded written premium		-106,624,908	-97,550,733	-101,297,110	-93,522,581
– change in unearned premium reserve		-10,006,637	-11,168,524	-6,972,454	-6,391,402
Income from investments in subsidiaries and associates	4.2	1,021,159	224,605	5,305,545	7,106,829
– profit on equity investments accounted for using the equity method		1,021,159	224,605	0	0
– other income from investments in subsidiaries and associates		0	0	5,305,545	7,106,829
Income from investments	4.2	88,889,077	132,944,438	61,755,135	99,243,902
– interest income calculated using the effective interest method		55,573,242	58,196,582	36,890,019	38,861,704
– gains on disposals		23,777,837	29,790,480	18,521,649	25,370,295
– other income from investments		9,537,998	44,957,376	6,343,467	35,011,903
Other income from insurance operations	4.6	29,837,981	29,237,231	27,448,384	27,732,584
– fees and commission income		15,806,181	16,487,470	17,004,132	18,011,729
– other income from insurance operations		14,031,800	12,749,762	10,444,252	9,720,855
Other income	4.7	36,149,533	34,033,116	12,491,979	10,951,423
Net claims incurred	4.8	626,560,398	619,958,781	359,941,674	376,292,830
– gross claims settled		679,600,218	642,162,569	421,002,582	411,305,524
– reinsurers' share		-39,988,966	-24,573,610	-37,767,613	-24,624,035
– changes in claims provisions		-19,248,552	-3,915,964	-23,293,295	-10,388,659
– equalisation scheme expenses for supplementary health insurance		6,197,698	6,285,786	0	0
Change in other insurance technical provisions (excluding ULI)	4.10	39,860,373	60,281,190	29,499,390	35,366,975
Change in insurance technical provisions for unit-linked insurance contracts	4.10	-46,889,547	-8,250,712	-50,884,979	-14,678,837
Expenses for bonuses and discounts	4.11	11,417,685	9,342,891	10,571,287	8,073,088
Change in financial contract liabilities		0	0	0	0
Operating expenses	4.12	233,637,425	220,762,633	153,008,918	145,922,909
– acquisition costs		159,245,093	147,942,412	110,230,112	105,301,136
– other operating costs		74,392,332	72,820,221	42,778,806	40,621,773
Expenses from investments in subsidiaries and associates	4.3	137,092	3,126,853	4,759	4,435
– loss on investments accounted for using the equity method		137,092	1,981,853	0	0
– other expenses from financial assets and liabilities		0	1,145,000	4,759	4,435
Expenses from investments	4.3	67,118,486	27,651,058	50,929,727	20,438,978
– loss on impairment of investments		1,497,483	335,255	1,248,877	200,000
– loss on disposal of investments		13,128,928	11,083,596	12,566,364	10,588,356
– other expenses from investments		52,492,075	16,232,207	37,114,486	9,650,622
Other insurance expenses	4.13	33,744,135	28,058,062	11,819,639	6,980,751
Other expenses	4.14	44,618,763	42,260,921	15,594,244	14,868,646
– expenses from financing		1,384,361	1,631,023	1,507,022	1,549,066
– other expenses		43,234,402	40,629,898	14,087,222	13,319,580
Profit before tax		97,455,802	84,445,082	78,457,252	73,822,316
Income tax expense	4.15	16,629,557	14,737,130	12,913,388	11,300,366
NET PROFIT FOR THE PERIOD		80,826,245	69,707,952	65,543,864	62,521,950
Earnings per share (basic and diluted)		3.56	3.07	-	-
Net profit/loss attributable to the controlling company		80,662,754	69,256,560	-	-
Net profit/loss attributable to the non-controlling interest holders	2.7	163,491	451,391	-	-

Business
ReportRisk
ManagementAccounting
ReportTable of
ContentsThe Triglav
Group and
Zavarovalnica
Triglav d.d.
Annual Report
2018¹⁰⁶The data for the previous reference period were reclassified due to a change in the structure of income statement. Details are presented [→ in Chapter 2.4].

1.3 Comprehensive income

		in EUR			
		Triglav Group		Zavarovalnica Triglav	
	Notes	2018	2017	2018	2017
Net profit for the year after tax	3.12	80,826,245	69,707,952	65,543,864	62,521,950
Other comprehensive income after tax		-28,931,958	9,018,012	-19,997,563	2,339,106
Items which will not be transferred in income statement in future periods					
Actuarial gains/losses on defined benefit pension plans	3.15	-303,425	391,597	-266,153	350,717
Tax on items which will not be transferred in income statement		-303,550	391,597	-266,153	350,717
Items which could be transferred into income statement in future periods					
Fair value gains/losses on available-for-sale financial assets	2	125	0	0	0
– net gains/losses recognized directly in equity		-28,628,533	8,626,415	-19,731,410	1,988,389
– transfers from equity to income statement		-50,091,501	7,982,377	-39,514,888	2,935,382
Fair value gains/losses on non-current assets held for sale		-32,052,599	32,023,082	-25,811,542	24,405,582
Fair value gains/losses on cashflow hedges		-18,038,902	-24,040,705	-13,703,346	-21,470,200
Share of OCI of entities accounted for using the equity method		0	204,793	0	0
Liabilities from insurance contracts with DPF		0	0	0	0
Currency translation differences		-310,367	603,255	0	0
Tax on other comprehensive income		12,510,378	-487,190	12,510,379	-487,190
COMPREHENSIVE INCOME OR LOSS FOR THE YEAR AFTER TAX		9,135,474	1,080,805	7,273,099	-459,803
Controlling interest		51,894,287	78,725,963	45,546,301	64,861,056
Non-controlling interest		191,518	552,210	-	-

1.4 Statement of changes in equity

in EUR

Triglav Group	Share capital	Share premium	Reserves from profit						Fair value reserve	Reserve of disposal group held for sale	Net profit brought forward	Net profit/loss	Currency translation differences	TOTAL EQUITY ATTRIBUTABLE TO THE CONTROLLING COMPANY	Non-controlling interests	TOTAL
			Contingency reserves	Legal and statutory reserves	Treasury share reserves	Treasury shares	Credit risk reserves	Other reserves from profit								
As at 1 January 2017	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
a) Net profit	0	0	0	0	0	0	0	0	0	0	0	69,256,560	0	69,256,560	451,391	69,707,952
b) Other comprehensive income	0	0	0	0	0	0	0	0	7,663,108	0	193,644	0	1,060,439	8,917,191	100,819	9,018,010
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	756,645,683
Comprehensive income for the year after tax	0	0	0	0	0	0	0	0	-29,160,347	0	64,002	80,662,754	136,359	51,702,768	191,518	51,894,287
a) Net profit	0	0	0	0	0	0	0	0	0	0	0	80,662,754	0	80,662,754	163,491	80,826,245
b) Other comprehensive income	0	0	0	0	0	0	0	0	-29,160,347	0	64,002	0	136,359	-28,959,986	28,027	-28,931,959
Repayment of equity	0	0	0	0	0	0	0	0	0	0	0	0	0	0	-133,062	-133,062
Transfer to retained earnings	0	0	0	0	0	0	0	0	0	0	39,133,955	-39,133,955	0	0	0	0
Dividend payment	0	0	0	0	0	0	0	0	0	0	-56,777,086	0	0	-56,777,086	-102,094	-56,879,180
Transfer of net profit to reserves from profit	0	0	6,819	707,572	0	0	0	0	0	0	-585,282	-129,109	0	0	0	0
Change in Group	0	-197,116	0	0	0	0	0	0	0	0	0	0	0	-197,116	-4,467,802	-4,664,918
As at 31 December 2018	73,701,392	50,206,540	599,088	19,221,612	364,680	-364,680	764	314,300,000	66,237,889	0	142,483,579	80,533,643	-2,717,701	744,566,806	2,295,999	746,862,805

in EUR

Zavarovalnica Triglav	Share capital	Share premium	Reserves from profit			Fair value reserve	Net profit brought forward	Net profit/loss	TOTAL
			Legal and statutory reserves	Credit risk reserves	Other reserves from profit				
As at 1 January 2017	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
a) Net profit	0	0	0	0	0	0	0	62,521,950	62,521,950
b) Other comprehensive income	0	0	0	0	0	2,359,946	-20,839	0	2,339,107
Dividend payment	0	0	0	0	0	0	-56,837,869	0	-56,837,869
Transfer of net profit to other reserves from profit	0	0	0	0	30,000,000	0	0	-30,000,000	0
Transfer to retained earnings	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
Comprehensive income for the year after tax	0	0	0	0	0	-19,990,075	-7,488	65,543,864	45,546,301
a) Net profit	0	0	0	0	0	0	0	65,543,864	65,543,864
b) Other comprehensive income	0	0	0	0	0	-19,990,075	-7,488	0	-19,997,563
Dividend payment	0	0	0	0	0	0	-56,837,870	0	-56,837,870
Transfer to retained earnings	0	0	0	0	0	0	32,521,950	-32,521,950	0
As at 31 December 2018	73,701,392	53,412,884	4,662,643	0	314,300,000	47,260,189	1,239,764	65,543,864	560,120,736

1.5 Cash flow statement

		in EUR			
		Triglav Group		Zavarovalnica Triglav	
	Notes	2018	2017	2018	2017
A.	OPERATING CASH FLOW				
a.	Income statement items	63,558,277	47,763,405	27,298,196	2,402,118
	Net written premium for the period	992,822,784	931,192,941	558,913,322	528,448,755
	Investment income (excluding financial income)	21,545,047	21,583,243	11,916,643	12,038,000
	Other operating income (excluding revaluation and provisions reductions) operating revenues and financial income from operating receivables	39,089,344	34,492,062	10,868,255	10,097,825
	Net claims paid	-658,958,408	-626,345,459	-383,234,969	-386,681,490
	Bonuses and rebates paid	-10,350,140	-9,258,381	-9,374,088	-8,218,663
	Net operating expenses excluding depreciation charge and changes in the accrued acquisition expenses	-240,531,743	-220,091,770	-129,555,100	-120,912,122
	Investment expenses (excluding depreciation charge and financial expenses)	-11,076,031	-10,115,412	-5,595,378	-7,077,627
	Other operating expenses excluding depreciation charge (except for revaluations and without increasing provisions)	-54,675,615	-59,658,304	-16,773,686	-15,161,832
	Corporate income tax and other taxes excluded from operating expenses	-14,306,961	-14,035,515	-9,866,802	-10,130,728
b.	Changes in net current assets-operating balance sheet items	-19,565,937	1,918,944	-14,036,824	4,592,420
	Movements in receivables from direct insurance operations	-10,439,344	2,408,225	-8,151,580	4,875,196
	Movements in receivables from reinsurance operations	-10,452,845	-8,946,527	-4,267,819	-6,351,696
	Movements in other receivables from (re)insurance operations	2,614,724	-2,058,178	-1,264,031	1,147,648
	Movements in other receivables and assets	-2,998,138	-352,320	-1,302,382	-585,626
	Movements in deferred tax assets	-1,444,446	54,034	0	0
	Movements in inventories	27,655	170,131	-2,973	-24,706
	Movements in debts from direct insurance operations	843,066	2,519,871	-47,430	151,923
	Movements in debts from reinsurance operations	4,012,279	1,738,719	-1,429,852	3,742,212
	Movements in operating debts	5,751,510	1,921,919	-2,718	-494,928
	Movements in other liabilities (excluding unearned premiums)	-6,159,491	2,972,253	2,431,959	2,132,397
	Movements in deferred tax liabilities	-1,320,907	1,490,817	0	0
c.	Net cash from/ (used in) operating activities (a + b)	43,992,340	49,682,349	13,261,372	6,994,538
	5.2				
B.	CASH FLOWS FROM INVESTING ACTIVITIES				
a.	Cash inflows from investing activities	999,778,200	1,295,036,003	796,648,223	1,077,968,813
	Cash inflows from interest from investing activities	53,035,031	56,592,362	36,970,864	39,336,018
	Cash inflows from dividends received and profit sharing	3,828,099	4,900,674	7,557,132	8,868,008
	Cash inflows from the disposal of intangible assets	3,094	0	3,094	0
	Cash inflows from the disposal of property, plant and equipment	8,715,584	2,947,661	8,181,979	952,716
	Cash inflows from the disposal of financial investments	934,196,392	1,230,595,306	743,935,154	1,028,812,072
	- Cash inflows from the disposal of investments in subsidiaries and associates	0	14,505,290	0	14,505,290
	- Other cash inflows from disposal of financial investments	934,196,392	1,216,090,016	743,935,154	1,014,306,782
b.	Cash outflows from investing activities	-996,334,697	-1,271,700,986	-769,343,650	-1,018,983,429
	Cash outflows for the purchase of intangible assets	-6,223,811	-7,013,310	-2,948,864	-5,164,016
	Cash outflows for the purchase of property, plant and equipment	-14,669,708	-11,294,823	-10,003,879	-4,285,331
	Cash outflows for the purchase of financial investments	-975,441,178	-1,253,392,853	-756,390,907	-1,009,534,083
	- Cash outflows for the purchase of investments in subsidiaries and associates	11,617,277	-11,567,163	-17,060,388	-6,124,150
	- Other cash outflows to acquire financial investments	-987,058,455	-1,241,825,690	-739,330,519	-1,003,409,933
c.	Net cash from/ (used in) investing activities (a + b)	3,443,503	23,335,017	27,304,573	58,985,384
	5.2				

		Triglav Group		Zavarovalnica Triglav		in EUR
	Notes	2018	2017	2018	2017	
C.	CASH FLOWS FROM FINANCING ACTIVITIES					
a.	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 and issued	0	0	0	0	
	Cash inflows from short-term loans received	0	0	0	0	
b.	Cash outflows from financing activities	-58,256,189	-60,407,207	-58,082,203	-58,118,823	
	Cash outflows for paid interest	-1,227,366	-1,227,366	-1,227,366	-1,227,366	
	Cash outflows for purchase of treasury shares	0	-2,349,109	0	0	
	Cash outflows for capital repayment	-133,062	0	0	0	
	Cash outflows for payments of long-term financial liabilities	0	0	0	0	
	Cash outflows for payments of short-term financial liabilities	0	0	0	0	
	Cash outflows from dividends paid and profit sharing	-56,895,761	-56,830,732	-56,854,837	-56,891,457	
c.	Net cash from/ (used in) financing activities (a + b)	-58,256,189	-60,407,207	-58,082,203	-58,118,823	
D.	Closing balance of cash and cash equivalents	67,601,660	78,417,847	17,998,487	35,514,746	
E1.	Net cash flow for the period	-10,820,346	12,610,159	-17,516,258	7,861,100	
E2.	Foreign exchange differences	4,159	93,214	0	0	
F.	Opening balance of cash and cash equivalents	78,417,847	65,714,474	35,514,746	27,653,646	