

5. Other Information

5.1. Fair value of assets and liabilities

5.1.1 Fair value hierarchy

In measuring financial assets at fair value Zavarovalnica Triglav applied the following fair value hierarchy:

- Level 1: value measurement based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date (stock exchange quotations and listings provided by third parties e.g. Bloomberg). The fair value is determined purely on the basis of directly observable data and without using any indirectly observable data, whereby the share of binding listings must be at least 90% and at least three binding listings not older than one day must be available.
- Level 2: value measurement less than entirely based on quoted prices for the asset or liability. Fair value measurements may be based on indirectly observable inputs, i.e. data derived from prices of comparable financial instruments, but only up to a strictly limited percentage (10%).
- Level 3: value measurement based on prices that do not meet the standards for Level 1 or Level 2. The percentage of unobservable inputs used in value measurement models is considerable.

The tables below show financial assets and liabilities carried at fair value, classified according to the fair value hierarchy.

Triglav Group					in EUR
As at 31 December 2018	Measurement date	Level 1	Level 2	Level 3	Total
Assets - measured at fair value					
Equity securities	31 Dec 2018	134,833,210	0	35,999,032	170,832,242
Debt securities	31 Dec 2018	218,669,118	1,862,378,509	0	2,081,047,627
Derivative financial instruments	31 Dec 2018	0	1,393,263	0	1,393,263
Unit-linked insurance assets	31 Dec 2018	346,651,462	51,640,336	0	398,291,798
Investments in associates	31 Dec 2018	0	0	14,125,973	14,125,973
Assets - fair value disclosed					
Land and buildings for insurance activities	31 Dec 2018	0	0	95,864,073	95,864,073
Land and buildings for investment activities	31 Dec 2018	0	0	99,121,781	99,121,781
Debt securities (HTM)	31 Dec 2018	0	89,997,524	0	89,997,524
Deposits with banks	31 Dec 2018	0	47,193,884	0	47,193,884
Loans given	31 Dec 2018	0	6,054,643	0	6,054,643
Debt securities (L&R)	31 Dec 2018	0	89,997,524	0	89,997,524
Liabilities - fair value disclosed					
Subordinated bonds	31 Dec 2018	0	16,369,802	0	16,369,802

Triglav Group					in EUR
As at 31 December 2017	Measurement date	Level 1	Level 2	Level 3	Total
Assets - measured at fair value					
Equity securities	31 Dec 2017	197,120,385	0	37,121,010	234,241,394
Debt securities	31 Dec 2017	250,059,051	1,755,009,165	0	2,005,068,216
Derivative financial instruments	31 Dec 2017	0	1,870,633	0	1,870,633
Unit-linked insurance assets	31 Dec 2017	387,546,784	58,353,132	0	445,899,916
Investments in associates	31 Dec 2017	0	0	6,449,324	6,449,324
Assets - fair value disclosed					
Land and buildings for insurance activities	31 Dec 2017	0	0	98,018,275	98,018,275
Land and buildings for investment activities	31 Dec 2017	0	0	96,935,268	96,935,268
Debt securities (HTM)	31 Dec 2017	14,525,495	255,144,404	0	269,669,899
Deposits with banks	31 Dec 2017	0	79,557,101	0	79,557,101
Loans given	31 Dec 2017	0	31,640,230	0	31,640,230
Debt securities (L&R)	31 Dec 2017	0	12,536,687	0	12,536,687
Liabilities - fair value disclosed					
Subordinated bonds	31 Dec 2017	0	17,010,568	0	17,010,568

Zavarovalnica Triglav					in EUR
As at 31 December 2018	Measurement date	Level 1	Level 2	Level 3	Total
Assets - measured at fair value					
Equity securities	31 Dec 2018	55,390,776	0	30,059,866	85,450,642
Debt securities	31 Dec 2018	187,526,798	1,313,531,987	0	1,501,058,785
Derivative financial instruments	31 Dec 2018	0	1,393,263	0	1,393,263
Unit-linked insurance assets	31 Dec 2018	316,843,905	45,790,181	0	362,634,086
Investments in associates	31 Dec 2018	0	0	16,959,355	16,959,355
Assets - fair value disclosed					
Land and buildings for insurance activities	31 Dec 2018	0	0	59,002,099	59,002,099
Land and buildings for investment activities	31 Dec 2018	0	0	52,936,499	52,936,499
Debt securities (HTM)	31 Dec 2018	2,255,610	193,327,619	0	195,583,229
Deposits with banks	31 Dec 2018	0	42,488,135	0	42,488,135
Loans given	31 Dec 2018	0	46,964,255	0	46,964,255
Debt securities (L&R)	31 Dec 2018	0	6,054,643	0	6,054,643
Liabilities - fair value disclosed					
Subordinated bonds	31 Dec 2018	0	21,822,171	0	21,822,171

Zavarovalnica Triglav					in EUR
As at 31 December 2017	Measurement date	Level 1	Level 2	Level 3	Total
Assets - measured at fair value					
Equity securities	31 Dec 2017	102,967,036	0	32,816,954	135,783,990
Debt securities	31 Dec 2017	203,481,330	1,261,439,801	0	1,464,921,131
Derivative financial instruments	31 Dec 2017	0	1,870,633	0	1,870,633
Unit-linked insurance assets	31 Dec 2017	358,877,558	54,581,098	0	413,458,656
Investments in associates	31 Dec 2017	0	0	10,002,046	10,002,046
Assets - fair value disclosed					
Land and buildings for insurance activities	31 Dec 2017	0	0	61,295,538	61,295,538
Land and buildings for investment activities	31 Dec 2017	0	0	56,108,712	56,108,712
Debt securities (HTM)	31 Dec 2017	14,525,495	195,238,066	0	209,763,561
Deposits with banks	31 Dec 2017	0	39,763,387	0	39,763,387
Loans given	31 Dec 2017	0	47,398,346	0	47,398,346
Debt securities (L&R)	31 Dec 2017	0	6,972,376	0	6,972,376
Liabilities - fair value disclosed					
Subordinated bonds	31 Dec 2017	0	22,676,360	0	22,676,360

5.1.2 Fair value assessment techniques

Value assessment techniques and inputs used to the development of these techniques are presented below.

Financial investment type	Value assessment method	Material parameters	Parameter weight applied	Fair value
EXTERNAL APPRAISERS (market operator)				
Debt securities – composite	Stochastic model, HW1f and HW2f network models	EUR SWAP interest rate curve, issuer credit spreads, comparable issuer credit spreads, interest rate volatility, correlation matrix, volatility indices		Level 2
Equity securities – compound with exposure to stock markets	Stochastic model	EUR SWAP interest rate curve, issuer credit spreads, comparable issuer credit spreads, interest rate volatility, volatility indices		Level 2
Derivatives	Black-Scholes model	Index volatility		Level 2
BLOOMBERG BVAL				
Debt securities – companies, financial institutions and government	Cash flow discounting according to amortisation schedule	EUR SWAP interest rate curve, issuer credit spreads, comparable issuer credit spreads, indicative listings		Level 2
INTERNAL APPRAISERS				
Debt securities – government	Cash flow discounting according to amortisation schedule	Republic of Slovenia interest rate yield curve	1y: -0.6579 % 2y: -0.4215 % 3y: -0.2801 % 4y: -0.1176 % 5Y: 0.1926 % 6y: 0.3927 % 7Y: 0.5542 % 8Y: 0.8246 % 9y: 0.9965 % 10y: 1.1429 %; credit spreads between 0% and 1.1%	Level 2
Debt securities – companies and financial institutions ¹¹⁹	Cash flow discounting according to amortisation schedule	Republic of Slovenia interest rate yield curve, issuer credit spreads	1y: -0.6579 % 2y: -0.4215 % 3y: -0.2801 % 4y: -0.1176 % 5Y: 0.1926 % 6y: 0.3927 % 7Y: 0.5542 % 8Y: 0.8246 % 9y: 0.9965 % 10y: 1.1429 %; credit spreads between 0% and 1.1%	Level 2
Equity securities	Cash flow discounting	g (growth rate during constant growth period) EBIT margin (constant growth period) Discount rate Lack of marketability discount	2% 36.00% 12.60% 10%-23%	Level 3
Equity investment in associates	NAV method Cash flow discounting	Real property price changes g (growth rate during constant growth period) Net margin (constant growth period) Discount rate Lack of marketability discount	2% 3.20%-3.46% 8.8%-11.80% 3.5%-30.00%	Level 3
Real property for own use Investment property	Income approach, market approach, analysis of the most economical use of development land	Capitalisation rate, market prices of comparable real property	7.5-9.8% depending on risk/location Market values based on information available	Level 3

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¹¹⁸Also applied to valuation of subordinated ZT02 bonds.

5.1.3 Financial assets classified into Level 3

	in EUR			
	Triglav Group		Zavarovalnica Triglav	
	2018	2017	2018	2017
Value as at 1 January	37,121,010	26,569,975	42,819,002	18,726,749
Purchases	14,552,716	9,659,494	18,383,186	23,755,445
Disposals	-16,195,789	-312,926	-15,426,370	-288,197
Revaluation through profit or loss	-235,267	-210,612	-22,003	-200,000
Revaluation in other comprehensive income	773,189	896,458	1,265,406	825,005
Transfers from/to other levels	-18,472	511,320	0	0
Foreign exchange differentials	1,645	7,300	0	0
Value as at 31 December	35,999,032	37,121,010	47,019,220	42,819,002

In 2018, the sale of financial assets classified to valuation level 3 generated:

- an increase due to capital calls into alternative investment funds. In Triglav Group the total increase in the value of these investments is EUR 13 million;
- a decrease due to the sale of stakes in Geoplin d.o.o., and Plinhold, d.o.o., in the amount of EUR 14.5 million;
- capital increase in the companies Triglav, d.o.o., by EUR 7 million, ABCITI, d.o.o. by EUR 0.4 million and ZTSR, d.o.o., by EUR 0.1 million;
- an increase due to the revaluation of investments in the companies Gorenjska banka, d.d., Elektro Primorska, d.d., Erste d.o.o., the company managing compulsory and voluntary pension funds and the company Prof-in, d.o.o.;
- a decrease due to the revaluation of investments in the companies Hoteli Bernardin, d.d., Bosna Reosiguranja, d.d. and Hotel grad Podvin, d.d.

5.1.4 Sensitivity analysis of non-marketable equity securities

Sensitivity analysis of financial assets, classified in Level 3 is disclosed below. In analysis Zavarovalnica Triglav includes equity investment in associates. The sensitivity analysis shows the level of increase or decrease in the fair value of Level 3 equity financial assets in case of differently applied assumptions that are not based on available market data. The sensitivity analysis considered a median scenario of value appraisals.

	in EUR			
	Triglav Group		Zavarovalnica Triglav	
	31 December 2018	31 December 2017	31 December 2018	31 December 2017
Non-marketable assets (Level 3)	37,767,724	37,121,010	30,059,866	32,816,954
Estimated value deviation-/+	-4,614,313/4,834,273	-1,716,787/+2,732,808	-3,649,235/+3,829,181	-1,470,158/+2,444,736
Equity investment in associates	14,125,975	6,449,324	16,959,355	10,002,047
Estimated value deviation-/+	-1,412,598/5,982,426	-986,755/+241,515	-1,292,529/+749,481	-798,989/53,749

In the discounted cash flow method, the assumptions of +/-1% of the cost of capital (WACC) and +/-0.5% of growth rate (g) were taken into account. In non-marketable assets, +/-10% of the change in asset value was taken into account in the calculation of deviation, +/-15% of the change in investment value of alternative investment funds.

5.1.5 Reclassification of financial assets between levels

	in EUR			
	Triglav Group		Zavarovalnica Triglav	
	2018	2017	2018	2017
Reclassification from level 1 to level 2	176,158,469	149,304,417	135,990,522	128,173,380
Reclassification from level 2 to level 1	105,798,635	104,823,713	90,557,353	92,900,869

In 2018, the method of measuring fair value did not change. Reclassifications between levels were a result of market factors. At the end of 2018, some financial assets showed greater liquidity and depth of the market than at the end of 2017, thus meeting the requirements for classification to level 1. One part of financial assets no longer fulfilled the conditions to be classified to level 1 of the fair value hierarchy and was reclassified to level 2. Reclassification between levels has no impact on fair value.

5.1.6 Reclassification of financial assets between categories

In 2018, a reclassification of financial assets was carried out from the category »Loans and Receivables« into the category »Available-for-sale Financial Assets«.

Reclassifications from L&R to AFS	Triglav Group	Zavarovalnica Triglav
Date of reclassification	31 December 2018	-
Amount of reclassified financial assets (in EUR)	9,947,732	-
Effective interest rate at the date of reclassification	3.0%	-
Carrying amount of reclassified assets as at 31 December	10,512,146	-
Fair value of reclassified assets as at 31 December	10,512,146	-
Impact on comprehensive income if not reclassified	-328,413	-

The table below shows the effects of reclassifications made in previous years.

Reclassifications from AFS to HTM	Triglav Group	Zavarovalnica Triglav
Date of reclassification	1 July 2008	1 July 2008
Amount of reclassified financial assets (in EUR)	73,746,981	73,746,981
Effective interest rate at the date of reclassification	5.8%	5.8%

Reclassifications from AFS to HTM	Triglav Group		Zavarovalnica Triglav	
	2018	2017	2018	2017
Carrying amount of reclassified assets as at 31 December	16,367,201	40,197,738	-	-
Fair value of reclassified assets as at 31 December	17,678,643	46,674,250	-	-
Impact on comprehensive income if not reclassified	0	4,355,278	-	-
Estimated cash flows	2,401,198	29,162,297	-	-

5.2 Additional notes to the cash flow statement

Cash flows from operating activities are prepared on the basis of the indirect method. Income and expenses in profit or loss are adjusted for the effects of transactions of a non-cash nature (impairments, changes in insurance technical provisions, deferred income and expenses) and for items of income and expenses related to cash flows from investing and financing activities. In the calculation of net cash flows from operating activities, changes in assets and liabilities during the period are taken into account.

Cash flow from financing activities is prepared based on actual payments. The amount of dividend payments in the cash flow statement differs from that disclosed in the statement of changes in equity by the amount of unpaid dividends.

The consolidated cash flow statement is composed of the combined cash flows of all Triglav Group companies, taking into account intercompany eliminations.

5.3 Amounts spent on auditors

The audit of separate and consolidated financial statements for 2018 was performed by the auditing company Ernst&Young, Revizija, poslovno svetovanje d.o.o., Ljubljana. The audit of financial statements of individual Group members was also performed by Ernst & Young, except for Triglav Osiguranje, a.d.o., Belgrade (KPMG). The amounts, paid for auditing services were as follows:

	Triglav Group		Zavarovalnica Triglav	
	2018	2017	2018	2017
Auditing of the Annual Report	415,054	398,864	73,139	114,680
Other auditing services	22,838	37,020	0	0
Other assurance services	2,745	610	2,745	610
Other non-auditing services	137,095	61,648	137,095	61,648
TOTAL	577.732	498,142	212,979	176,938

Transactions with associates	in EUR			
	Triglav Group		Zavarovalnica Triglav	
	31 Dec. 2018	31 Dec. 2017	31 Dec. 2018	31 Dec. 2017
ASSETS				
Stakes and shares	14,125,973	6,449,324	16,959,355	10,002,047
Insurance premium receivables from policyholders	618	1,485	182	994
LIABILITIES				
Liabilities to policy holders	27	0	0	0
Liabilities to agents and brokers	11,752	18,443	11,236	18,068
Other liabilities form insurance operations	0	270,103	0	0
Liabilities for re-insurance premiums	0	42,320	0	0
Other short-term liabilities	484	785	0	0
Accrued costs and expenses	702	331	0	0

	in EUR			
	Triglav Group		Zavarovalnica Triglav	
	2018	2017	2018	2017
INCOME AND EXPENSES				
Gross written premium	38,854	36,405	35,801	31,172
Income from dividends and stakes	0	0	63,345	171,405
Income from land and buildings	559	0	559	0
TOTAL INCOME	39,413	36,405	99,705	202,577
Gross claims settled	5,030	3,811	5,030	3,811
Acquisition costs	8,245	8,227	0	0
Other operating expenses	0	35	0	0
TOTAL EXPENSES	13,275	12,073	5,030	3,811

Transactions with shareholders and shareholder-related companies	in EUR			
	Triglav Group		Zavarovalnica Triglav	
	31 Dec. 2018	31 Dec. 2017	31 Dec. 2018	31 Dec. 2017
ASSETS				
Stakes and shares	9,017,103	16,208,433	16,269,741	17,873,045
Debt securities	80,752,961	82,710,654	65,876,560	59,960,327
Operating receivables	5,747	10,137	10,383	10,137
Re-insurance receivables	0	0	39,386	0
Other assets	4,983,653	3,917,302	0	0
LIABILITIES				
Operating liabilities	2,056,005	1,864,579	1,861,031	1,553,988
Re-insurance liabilities	0	0	33,852	0

	in EUR			
	Triglav Group		Zavarovalnica Triglav	
	2018	2017	2018	2017
INCOME				
Gross written premium	21,443,107	22,382,462	22,001,648	23,025,954
Financial income	4,368,126	3,848,427	4,149,869	3,151,014
Other income	67,616	183,401	159,864	86,331
EXPENSES				
Gross claims settled	8,517,985	5,940,492	8,732,795	5,970,809
Financial expenses	317,663	354,988	205,043	178,102
Other expenses	10,855,849	9,304,115	10,294,621	8,023,156

5.5 Members of the Management Board and Supervisory Board

In 2018, the Management Board members were paid the following amounts as compensation for their work:

	in EUR						
Management board	Fixed salary (gross)	Other additional payments*	Bonuses	Net pay received	Insurance premiums**	Other benefits***	Reimbursements
Slapar Andrej	171,715	2,054	42,887	78,343	55,564	1,404	2,000
Ivanc Uroš	163,129	1,972	40,743	72,065	38,926	2,046	1,420
Čoroli Tadej	163,129	1,972	40,743	67,505	38,898	10,696	901
Smolnikar Barbara	163,450	1,972	3,857	57,320	30,348	10,855	1,169
Makoter Marica	162,808	1,972	40,743	69,041	38,866	6,846	685
Jošar Benjamin****	0	0	69,776	33,938	0	0	0
TOTAL	824,231	9,942	238,749	378,212	202,602	31,847	6,175

* Other additional payments include holiday allowances and other reimbursements.

** Insurance premiums include premiums for supplementary pension insurance, accident insurance, liability insurance and other types of insurance.

*** Other benefits include company cars.

**** Jošar Benjamin was Management Board member until 2 November, 2017.

In 2018 the Supervisory Board members and members of Committees were paid the following amounts as compensation for their work:

	in EUR				
Supervisory board	Compensation	Attendance fee	Reimbursements	Total gross pay	Total net pay
Stebernak Igor	28,125	3,025	360	31,510	22,917
Andoljšek Andrej	20,250	2,310	486	23,046	16,761
Tomažević Milan	20,625	2,585	503	23,713	17,246
Škerjanec Žiga	22,500	3,685	320	26,505	19,277
Damjanovič Nataša	22,500	4,961	320	27,781	20,205
Gobbo Mario	20,625	3,861	32,811	57,297	37,744
Celar Peter	18,750	2,585	178	21,513	15,647
Molan Boštjan	18,750	3,025	181	21,956	15,969
Sotošek Ivan	18,750	3,861	2,050	24,661	17,936
Kolenc Simon*	7,500	2,420	57	9,977	7,256
TOTAL	198,375	32,318	37,266	267,959	190,958

* External committee members.

All listed remuneration payments made to the members of the Management Board and the Supervisory Board represent remuneration received in Zavarovalnica Triglav. They did not receive any remuneration in the other Group members.

As at 31 December 2018, Zavarovalnica Triglav had the following receivables from and liabilities to the Management Board members:

	in EUR	
Management board	Receivables as at 31 December 2018	Liabilities as at 31 December 2018
Slapar Andrej	13	66,584
Ivanc Uroš	19	63,087
Čoroli Tadej	43	63,117
Smolnikar Barbara	27	17,604
Makoter Marica	42	63,092
Jošar Benjamin	0	12,622
TOTAL	144	286,106

As at 31 December 2018, Zavarovalnica Triglav the outstanding payables to the above stated members of the Supervisory Board, its committees and commission were as follows:

	in EUR	
Surname and name	Receivables as at 31 December 2018	Liabilities as at 31 December 2018
Gobbo Mario	0	393
Štimac Dubravko	449	0
TOTAL	449	393

Proposed criteria for the assessment of the performance of Management Board members are proposed by the Appointments and Compensation Committee and approved by the Supervisory Board. The purpose of these criteria is to maximise the objective monitoring of existing goal achievement and to periodically evaluate the performance of Management Board members. The performance criteria are designed to follow the long-term business objectives of the Company, making part of the annual business plans and other strategic documents of the Company. The definition of an individual objective includes the following: its description, expected target value, assigned weight and method for measuring or assessing its achievement. According to this method, a Management Board member is entitled to a bonus in the case of over-performance and a pay deduction in the case of underperformance.

A one-off annual bonus for good performance is paid in two parts: the first half within 30 days of the Supervisory Board approving the annual report and adopting a resolution on the bonus amount, or, in the event the annual report is approved at the General Meeting of Shareholders, within 30 days of the General Meeting of Shareholders approving the annual report and the Supervisory Board adopting a resolution on the bonus amount. The remaining 40% of the bonus is paid after two years, and 10% after three years; however, both payments must be proportionate to the period of the office being held in any calendar year.

Management Board members are entitled to severance pay equalling six time average monthly salary they received as board members, if they are dismissed on economic and business grounds, and their employment is terminated as a consequence. Severance is paid within one month of dismissal.

5.6 Contingent assets and contingent liabilities

	Triglav Group		Zavarovalnica Triglav		in EUR
	31 December 2018	31 December 2017	31 December 2018	31 December 2017	
	Outstanding subrogated receivables	42,672,288	40,350,638	36,281,241	
Derivatives - futures	65,416,000	113,176,000	65,416,000	113,176,000	
Alternative investments	55,300,980	25,207,345	55,300,980	25,207,345	
Bonds, guarantees and other sureties issued	8,198,004	8,182,682	29,000	39,000	
Contingent assets	6,779,136	6,382,894	1,896,311	1,896,311	
Receivables from option agreements	1,363,886	1,363,886	0	0	
Receivables from forward contracts	19,435,695	0	19,435,695	0	
Contingent liabilities	2,111,809	0	0	0	
Properties under acquisition	139,974	139,456	0	0	
Assets under management	50,011,356	45,560,201	0	0	
TOTAL OFF-BALANCE SHEET ITEMS	251,429,128	240,363,102	178,359,227	174,448,801	

5.7 Employees

The table below shows the number and educational structure of employees in the Group and Zavarovalnica Triglav.

Bologna level	Triglav Group		Zavarovalnica Triglav		in EUR
	31 December 2018	31 December 2017	31 December 2018	31 December 2017	
	2-5	2,394	2,438	910	
6/1	544	517	393	373	
6/2	694	703	405	404	
7	1,340	1,299	491	473	
8/1	174	173	82	81	
8/2	20	21	9	10	
TOTAL	5,166	5,151	2,290	2,285	
Average number of employees	5,144	5,101	2,284	2,302	

5.8 Major legal and arbitrary disputes

- Matjaž Rakovec as the plaintiff against Zavarovalnica Triglav for determining the annulment of the resolution of the Supervisory Board dated 22 May 2013 referring to the dismissal of Matjaž Rakovec from the office of President of the Management Board and appointment of Andrej Slapar as President of the Management Board, and payment of damages.

On 19 August 2013, Zavarovalnica Triglav received a claim filed by Matjaž Rakovec, in which he requested the annulment of the Supervisory Board's resolution dated 22 May 2013 with respect to the dismissal of Matjaž Rakovec from the office of President of the Management Board and the appointment of Andrej Slapar as temporary President of the Management Board, the annulment of the entry of changes related to the President of the Management Board into the Court Register and the payment of damages amounting to EUR 516,399. Apart from that, the plaintiff requested that the defendant reappointed him President of the Management Board and recognises an uninterrupted performance of function of President of the Zavarovalnica Triglav's Management Board with all the rights arising from the employment contract for the entire duration of unlawful dismissal from the office of President of the Management Board until his reappointment. Zavarovalnica Triglav was served a partial judgement rendered by the District Court in Ljubljana with reference to the dismissal of Matjaž Rakovec as President of the Management Board stating the nullity and voidness of the resolution passed by the Supervisory Board on the ground that the reasons for the dismissal were not sufficiently grounded in accordance with the mandatory provisions of the Companies Act. In addition, the Court rejected the claim for nullity and voidness of the resolution on the appointment of an acting President of the Management Board of Zavarovalnica Triglav d.d., passed by the Supervisory Board on 22 May 2013. The claim by Mr Rakovec for the nullity and voidness of the entry into the Companies Register (of the President of the Management Board) made on 29 May 2013 was also rejected. The Court further rejected the claim by Mr Rakovec for payment of damages as *lis pendens*. The Court has yet to decide on the claimed amount of EUR 80,000 for non-material damage. A judgement of the Higher Court in Ljubljana was served, by which the latter confirmed the partial

judgement rendered by the District Court in Ljubljana and set aside the resolution with respect to the nullity and voidness of the claim of Matjaž Rakovec for the payment of material damage; at the same time, the Court referred this part of the claim to the Labour and Social Court in Ljubljana. Zavarovalnica Triglav filed an application for direct revision against the decision of the Higher Court in Ljubljana, which was rejected by the Supreme Court as inadmissible, as the value of the contested part of the final judgement does not exceed the statutory limit value for the settlement, while the Court dismissed the permitted revision based on the filed application of Zavarovalnica Triglav, d.d., with regard to the nullity and voidness of the Supervisory Board's resolution as an appropriate sanction since the resolution of the Supervisory Board was not based on the conditions for the recall in accordance with the Companies Act.

In the labour law dispute brought against the Company by the plaintiff Matjaž Rakovec, the Labour and Social Court in Ljubljana initially ruled that the employment agreement remained in force, therefore Zavarovalnica Triglav owed the plaintiff compensation for salaries plus interest in the amount of around EUR 430,000. Zavarovalnica Triglav lodged an appeal against the judgement of the court of first instance before the Higher Court in Ljubljana which upheld the appeal by partly modifying and partly setting aside the ruling of the first instance court. The first instance ruling was thus modified in the part relating to the unlawful termination of the employment agreement or the employment relationship by rejecting the plaintiff's claim in this part and setting aside the part of the judgement which reads "including all the resulting rights" and in the parts of the case relating to the claim for compensation for salaries, holiday allowance and legal costs and referred the case back to the first instance court for fresh consideration. The plaintiff lodged an appeal on points of law against the part in which the Higher Court modified the ruling of the first instance court. In the new trial, the court of first instance rejected or dismissed the remaining parts of the claim and the plaintiff once again filed appeals against these rulings of the court. Two appeals are still pending before the Higher Court, while one appeal was already rejected. The plaintiff lodged an application for revision of the latter decision, which is still pending before the Supreme Court.

- Zavarovalnica Triglav d.d. as the plaintiff against Skupna pokojninska družba, d.d., Ljubljana, as the defendant, and the countersuit

On 26 February 2013, Zavarovalnica Triglav d.d. started a new legal action against the company Skupna pokojninska družba d.d., Ljubljana, claiming EUR 750,904.00 in dividend payments which fell due in 2012. Skupna pokojninska družba d.d. in support of its failure to make that dividend payments alleges the existence of an outstanding counterclaim of EUR 926,170, arising from an agreement on making supplementary pension payments under a pension scheme set up in 2000. The defendant responded to the plaintiff's claim and at the same time filed a counterclaim against Zavarovalnica Triglav d.d. for payment of EUR 926,170. Zavarovalnica Triglav d.d. responded to that counterclaim and contested the claim of Skupna pokojninska družba d.d. in its entirety.

On 28 January 2014 Zavarovalnica Triglav d.d. started a new legal action against the company Skupna pokojninska družba d.d., Ljubljana, claiming EUR 360,844.00 in dividend payments which fell due in 2013. The defendant responded to the plaintiff's claim and at the same time filed a counterclaim against Zavarovalnica Triglav d.d. for payment of EUR 642,473 arising from an agreement on making supplementary pension payments under a pension scheme set up in 2000. Zavarovalnica Triglav d.d. responded to that counterclaim and contested the claim of Skupna pokojninska družba d.d. in its entirety.

On 8 January 2019, the parties concluded a court settlement before the District Court in Ljubljana, in which they among other things agreed that the defendant was obliged to pay Zavarovalnica Triglav, d.d., the required amounts of dividends plus the interest rate recognised between related parties, while Zavarovalnica Triglav, d.d., is obliged to enable at least one form of accelerated rent payments, whereby the same technical interest rate will be used in the calculation of insurance premium as was used in determining the pension assessment factors as stated in the pension plan, and to bear the potential cost of coverage for the necessary additional payments. With the conclusion of the court settlement the parties finally settled their disputed relationships.

- The plaintiff Wall Street Systems Sweden AB (hereafter: WSS), against the defendant Zavarovalnica Triglav, d.d., in the arbitration procedure in accordance with the arbitration rules of the ICC (International Chamber of Commerce)

On 5 November 2004, Zavarovalnica Triglav, d.d., concluded a contract with WSS (formerly Trema AB, Stockholm) for the purchase and use of software licenses, which served as information support to the investment process, and a contract for the support and maintenance of the said software. According to Zavarovalnica Triglav, d.d., the support and maintenance contract expired on 31 December 2010, and WSS provided support and maintenance of the software on the basis of additional contracts for the renewal of support, which the parties concluded annually for a one-year period. Since WSS has not provided the services of support and maintenance since 2015, and since no contract for the renewal of support was concluded for the said period, Zavarovalnica Triglav, d.d., refused to pay bills under the contract for the support and maintenance. In addition, Zavarovalnica Triglav also terminated that contract in 2015. The payment of bills under contracts for the purchase and use of three additional licenses amounting to EUR 107,000 was not disputed. Zavarovalnica Triglav d.d., tried to settle the dispute amicably. WSS submitted the dispute to the arbitration tribunal with the ICC and made a claim in the amount of EUR 598,000 with all dues. Zavarovalnica Triglav, d.d., received the request for arbitration on 8 January 2018. The stated amount of EUR 598,000 with all dues also included the undisputed part in the amount of EUR 107,000 which was paid by Zavarovalnica Triglav, d.d. Zavarovalnica Triglav, d.d., responded to the arbitration request within the deadline and in the reply also challenged the validity of the arbitration agreement. On 21 November 2018, WSS and Zavarovalnica Triglav signed a settlement on the basis of which Zavarovalnica Triglav d.d. as full and final payment of all claims that were the subject of the dispute, paid EUR 202,305 to WSS.

- Zavarovalnica Triglav, d.d., and Triglav Skladi, d.o.o., as plaintiffs against the Securities Commission of the Federation of Bosnia and Herzegovina as the defendant

The Securities Commission of the Federation of Bosnia and Herzegovina (hereafter: the Commission) issued in the repeated

procedure of 6 June 2018 a decision by which the companies Zavarovalnica Triglav, d.d., and Triglav Skladi, d.o.o., were ordered to publish a takeover bid for the acquisition of the company Energoinvest Dalekovodizgradnja d.d. (hereafter: the »target company«). The Commission issued the Decision on the basis of the alleged coordinated activities of companies ZIF PROF PLUS d.d., DUF PROF IN, d.o.o., Triglav Naložbe, Zavarovalnica Triglav, d.d., Triglav Skladi, d.o.o., NLB, d.d., and Banka Celje, d.d., which the Commission justifies on the basis ownership and management relationships of the named companies in relation to the target company. Among the reasons why Zavarovalnica Triglav, d.d., should be obliged to publish the takeover bid for the acquisition of the target company, the Commission also highlights the fact that Zavarovalnica Triglav, d.d., is the entity that connects all previously mentioned shareholders of the target company with their owner, the Republic of Slovenia. Against the decision of the Commission, Zavarovalnica Triglav and Triglav Skladi, d.o.o., initiated an administrative dispute, which has not yet been decided.

- D.S.U., d.o.o., Ljubljana, as the plaintiff against Triglav, Upravljanje nepremičnin, d.d., as the defendant, for the payment of EUR 450,000 with all dues (enrichment on the account of purchase money for the sale of property in Zrenjanin) and for the payment of EUR 123.900 with all dues (enrichment on the account of received rentals for letting out properties in Zrenjanin)

The universal legal predecessor of Triglav, Upravljanje nepremičnin d.d., this is Slovenijales d.d. has concluded a sales contract for the sale of real property in Zrenjanin. Previously, the stated property was rented out. The plaintiff claims that the property in question was not taken into account in the opening balance sheet of the universal legal predecessor Slovenijales, d.d., that is LGM Lesnina, d.o.o., and therefore, according to Article 6 of the Act Concluding Ownership Transformation and Privatisation of Legal Entities Owned by the Development Corporation of Slovenia (ZZLPP0) belongs to the plaintiff as the legal successor of the Development Corporation of Slovenia. At the first instance, the claim was dismissed in its entirety. The plaintiff has appealed against the first instance decision for an incorrect application of substantive law, but the case is still pending.

- Triglav Osiguranje d.d., Sarajevo, versus SCT BBM d.o.o., Sarajevo

Following the failed mediation, Triglav osiguranje d.d., Sarajevo, continued the litigation procedure against the defendants SCT BBM d.o.o., Sarajevo, and JP Ceste Federacije BiH. The issue at stake is the enforcement of damages in the amount of 6,385,104 convertible marks, of which a share in the amount of 2,065,759 convertible marks refers to the company Triglav Osiguranje d.d., Sarajevo. The legal basis is the payment from the performance bond. The case is still pending.

- Triglav Osiguranje a.d.o., Belgrade as the plaintiff against Dunav Re, a.d.o., as the defendant

On 14 April 2014, the company Triglav Osiguranje, a.d.o., Belgrade, applied for execution on the basis of an authentic document for the payment of EUR 1,934,707. The enforcement debtor raised an objection and the court referred the parties to a litigation. The defendant lodged a counterclaim for the annulment of the reinsurance contract. On the basis of the conducted financial analysis in the procedure, Triglav Osiguranje, a.d.o., determined the its request for payment in the amount of 236,690,436 Serbian dinars and interest from 17 March 2013, and proposed the rejection of the counterclaim for the annulment of the reinsurance contract. On 8 September 2017, the Court passed a non-final judgment upholding the claim of Triglav Osiguranja, a.d.o., Belgrade, and ordered the defendant to pay 236,690,436 Serbian dinars with legal default interest from 17 December 2013 onwards. On 27 October 2017, the defendant lodged an appeal, which is still pending.

- Small shareholders of Triglav Osiguruvanje, a.d., Skopje, as the plaintiff against Zavarovalnica Triglav, d.d., and Triglav Osiguruvanje, a.d., Skopje, as the defendants

In May 2013, small shareholders of Triglav Osiguruvanje, a.d., Skopje initiated a lawsuit for compensation of damages on the grounds of a violation of the provisions of put option and call option contract in the amount of just under 2.5 million euros. In October 2013, the company Triglav Osiguruvanje, a.d., Skopje, filed its statement of defence, while Zavarovalnica Triglav, d.d., was served the lawsuit only in January 2016. The latter responded to

the lawsuit within the prescribed time-limit, in which it fully opposed the claim. The Court upheld the objection of Zavarovalnica Triglav, d.d., concerning the lack of competence of the Macedonian court, and dismissed the plaintiff's complaint, thus making the case final. In the procedure against Triglav Osiguruvanje, a.d., Skopje, it has not yet been decided.

- Stojan Klopčevski as the plaintiff versus Triglav Osiguruvanje a.d., Skopje as the defendant

In April 2012, the former general manager of Triglav Osiguruvanje a.d., Skopje, lodged a claim against the company for damages in the amount of EUR 2.6 million. The claim was based on an unlawful decision on the termination of employment and the resulting loss of the possibility to exercise put option and call option agreements concluded with Zavarovalnica Triglav. The Court upheld the appeal and the case was returned to the court of first instance for reconsideration. The Court adopted a decision rejecting the appeal of the subject matter jurisdiction of the Macedonian court. The plaintiff filed an appeal, but on 4 October 2017, the Higher Court issued a ruling by which the appeal was rejected. On 18 December 2018, the Court issued a judgment rejecting the claim of the plaintiff Stojan Klopčevski.

5.9 Reviews by supervisory bodies

- Insurance Supervision Agency Order relating to two Supervisory Board Members – Employee Representatives

On 11 February 2016, Zavarovalnica Triglav received an Order of the Insurance Supervision Agency (hereinafter: ISA) declaring that Ivan Sotošek and Boštjan Molan as Supervisory Board members – Employee Representatives do not meet the legal requirements to serve on an insurer's Supervisory Board as set out in Article 67(1)(1) of the Insurance Act (ZZavar-1). This provision stipulates that a person with adequate professional qualifications and knowledge and experience required to supervise the insurance business operations shall be appointed Supervisory Board Member of an insurance company. In line with the Worker Participation in Management Act, both above-mentioned members were elected into the Supervisory Board by the Works Council of Zavarovalnica Triglav in 2015. On 19 February 2016,

Zavarovalnica Triglav appealed against the ISA Order (the operative part of the order was partly unenforceable). Based on the appeal, the ISA issued an Order on the objection against the order and upheld the appeal, modifying the contested part of the Order. In accordance with the Order, the Management Board of Zavarovalnica Triglav proposed that the Works Council convene a session and submitted a proposal for the discharge of Supervisory Board Members Ivan Sotošek and Boštjan Molan. The Works Council discussed the proposal of the Management Board on 18 May 2016 and decided not to adopt the proposed resolution on the discharge of Supervisory Board Members Ivan Sotošek and Boštjan Molan. Zavarovalnica Triglav submitted a report on the implementation of the Order to the ISA in accordance with the Order within the set time limit.

On 12 April 2017, Zavarovalnica Triglav received the judgement in the case of Ivan Sotošek vs. the ISA for information from the Administrative Court. According to the judgement, the Court finds that the contested decision of the ISA is correct in terms of the content (i.e. with regard to the assessment of qualifications and suitability of Ivan Sotošek), but it refers to the wrong legal basis, therefore, the Court partially upheld the action and annulled the contested decision in the part referring to the wrong legal basis and replaced it with the correct legal basis (by taking into account the act in force during the appointment of Ivan Sotošek as a Supervisory Board member, i.e. the ZZavar and not ZZavar-1). On the basis of the judgement, the Management Board addressed a letter to the President of the Works Council, in which it proposed to convene a meeting of the Works Council of Zavarovalnica Triglav and to discharge Ivan Sotošek as a member of the Supervisory Board of Zavarovalnica Triglav – employee representative. The Works Council discussed the proposal but it will form an opinion concerning the Management Board's draft decision to recall Ivan Sotošek once all legal remedies available to Ivan Sotošek and the request for a constitutional review of the Insurance Act will have been ruled upon, since the Works Council considers Ivan Sotošek's appointment on 8 April 2015 legal. The handling in relation to the ruling of the Administrative Court in the case Boštjan Molan vs. ISA, which Zavarovalnica Triglav received on 21 June 2017, was, mutatis mutandis, the same. The action filed by Boštjan Molan against the ISA was rejected. Upon request of the ISA, the Management Board informed the ISA

about the abovementioned measures. Ivan Sotošek and Boštjan Molan appealed against the judgment of the Administrative Court of the Republic of Slovenia, and the Supreme Court rejected both appeals as inadmissible by decision of 7 February 2018 and 7 March 2018 respectively. In connection with the abovementioned decisions, Boštjan Molan and Ivan Sotošek lodged a constitutional complaint on the violation of human rights before the Constitutional Court of the Republic of Slovenia, which has not yet decided on the matter.

- Review of operations of Zavarovalnica Triglav d.d. by the Insurance Supervision Agency:
 - In the procedure of the Insurance Supervision Agency regarding the adequacy of the contents of the insurance declarations (presentation of the amount of commission or other payment to the broker) concluded through banks, Zavarovalnica Triglav, d.d., undertook to correct the established violations within the set deadline. On 21 February 2018, the ISA issued a decision to stop the procedure, since the proposal for the amendment of the Insurance Act (ZZavar-1) no longer contained the mentioned obligation and the measure would be disproportionate.
 - In the procedure regarding the adequacy of reporting, which refers to the presentation and treatment of limited funds in the calculation of solvency capital requirements and the capital adequacy of Zavarovalnice Triglav, d.d., the insurance company corrected its reports and reported the to the ISA accordingly; in the Report on financial position and solvency for 2017 the Company also showed the changes in the calculation of the solvency ratio for 2016 which were due to changes in the methodology.
 - On 12 July 2018, Zavarovalnica Triglav, d.d., received a Decision of the Insurance Supervision Agency in which the Agency found that the Company's authorization to carry out insurance business in the insurance class of marriage or birth insurance has expired. In that part, the authorization was terminated on the basis of Article 122 of the Insurance Act (ZZavar-1), since Zavarovalnica Triglav had not conducted insurance activities in that class for more than six months.
 - Triglav, Zdravstvena zavarovalnica, d.d., was issued a measure by the Insurance Supervision Agency in the area

of sale, which referred to the disclosure of the commission fee according to the provision of Article 552 of the ZZavar-1 (bank as the insurance broker), and then, on 21 February 2018, another decision was issued to terminate the supervision procedure due to the announced amendments to the Insurance Act.

- On 17 July 2018, the ISA informed Pozavarovalnica Triglav, RE, d.d., of the issue of a foreseen control measure. In its response, the Reinsurance Company stated that no calculations of capital requirements for risks from life insurance contracts are prepared due to the almost complete retrocession of life reinsurance contracts, immateriality and the principle of proportionality, which, in accordance with the applicable regulations, allows simplifications in the formula for a specific sub-module or risk module. Since the reinsurance of life insurance in Pozavarovalnica Triglav, RE, d.d. does not include any savings component and, therefore, no mathematical provisions are created, it is technically more similar to the assumed risk of non-life insurance and health insurance than to the traditional life insurance, which is why the Company takes this type of life insurance into account within the scope of the non-life insurance. On 15 October 2018, the ISA issued an Order on the elimination of violations, which ordered the Reinsurance Company to calculate the capital requirements for risks arising from life insurance contracts as at 31 December 2018 and to submit a description of the implementation of the calculation. Pozavarovalnica Triglav, RE, d.d., presented the ISA a description of the implementation of the calculation and also submitted it to the ISA in accordance with the set deadline. On 27 December 2018 the ISA then issued a decision in which it found that the Reinsurance Company had eliminated violations.
- In 2018, Skupna pokojninska družba, d.d., was subject to a regular review of its business by the ISA, and on 18 December 2018 a record of the conducted review of business was sent. The Company made comments on the record and undertook to carry out certain activities within the set deadlines. Some of these activities have already been completed.

- Lovćen Osiguranje, a.d., Podgorica
In 2017, the Insurance Supervision Agency started a targeted control of expenditure in the segment of non-life insurance. The company provided the Agency with the breakdown of its operating expenses for the years 2014, 2015 and 2016 as well as the required internal acts. The procedure has not yet been completed. With regard to the review, the Agency issued a measure to prepare a plan with the aim to maintain the technical premium, including the projections of the overhead allowance and the amount of sales costs for the years 2019, 2020 and 2021, and set the deadline for implementation by 31 March 2019.
- Lovćen – životna osiguranja, a.d., Podgorica
The Insurance Supervision Agency from the Republic of Montenegro performed the supervision of the insurance product for borrowers regarding the appropriateness of provisions for participation in profit and the method of profit attribution and the method of calculating the mathematical reserve in life insurance of credit beneficiaries. The Agency imposed three measures that the Company carried out within the set deadlines.
- Triglav Osiguranje, a.d.o., Beograd
 - In 2017, the National Bank of Serbia issued a decision based on the direct and indirect audit of the company carried out between 29 September 2016 and 21 March 2017. The company was ordered to determine the exact insurance acquisition costs, correct the financial reports per insurance classes for the year 2016 and submit the corrected reports to the Serbian Business Registers Agency so that it will amend and correct the business report for 2016 and submit the corrected version to the National Bank of Serbia. The company was also ordered to provide insured persons of collective travel insurance while travelling abroad with all relevant information upon conclusion of the insurance. The company prepared a time line for the implementation of all the required activities and submitted it to the National Bank of Serbia within the set time limit. On 28 June 2018, the National Bank of Serbia found that the Company acted in line with the decision and stopped the procedure.

- In 2017, the company received a decision issued by the Tax Administration of the Republic of Serbia on the basis of an on-the-spot review of the company's operations in the period between 25 July 2016 and 22 May 2017. The area subject to scrutiny was the charging and payment of corporate income tax, withholding taxes and contributions – global tax payments for the period from 1 January 2011 until 31 December 2015. The tax administration ordered the payment of EUR 557,902 in taxes for the period in question. The company settled its obligation in full. On 14 July 2017, the Company appealed the decision that was rejected, whereby the proceedings were closed.
- Triglav Osiguranje, d.d., Zagreb
On 18 December 2018, the Croatian Financial Services Supervisory Agency began to carry out supervision, which refers to the issue of certificates on the paid premium for insuring crops and fruit and animals. The procedure has not yet been completed.
- Triglav Osiguranje, a.d., Banja Luka
 - The Insurance Agency of the Republic of Srpska conducted a procedure regarding the setting of tariffs or premiums according to the price list for insurance of motor liability and compliance with applicable legislation. In the record, the Agency found certain irregularities in determining the premium class, offers related to the payment of claims and payment of damages within the prescribed deadlines. The Agency adopted certain observations made on the record and in the final opinion ordered the Company to eliminate the identified irregularities.
 - In 2018, the Insurance Agency of the Republic of Srpska started to conduct regular supervision of the company and made some conclusions in the opinion on the basis of a sample of policies relating to irregular calculation or premium rates and some irregularities in reinsurance and co-insurances. The company did not comment, but rather clarified the findings. The procedure has not yet been completed.

- Triglav Osiguranje, d.d., Sarajevo
 - The Insurance Supervision Agency of the Federation of Bosnia and Herzegovina carried out a regular review in the life insurance business from the point of view of respecting the law on the prevention of money laundering and terrorist financing. All the findings of the agency were carried out by the company, the process was completed.
 - The Insurance Supervision Agency of the Federation of Bosnia and Herzegovina has reviewed the implementation of the instructions on the valuation of balance sheet items and off balance sheet positions in the part of the matching of costs with the calculated overhead allowance. The procedure was completed with instructions that the company should coordinate the costs with the maximum rates of the overhead allowance. The Company already reported to the Agency on the execution of the obligations imposed.
 - In September 2018, The Insurance Supervision Agency of the Federation of Bosnia and Herzegovina carried out a regular supervision. A complaint was made on the Agency's report which the agency has not yet decided on.
 - In the affiliated company Sarajevostan, d.o.o. Sarajevo, the Tax Administration of the Federation of Bosnia and Herzegovina carried out an inspection of the calculation, reporting and payment of public revenues in the period from 1 January 2013 to 28 February 2018. The company received a record, which established an additional tax liability of 2.119.159 convertible marks. The Tax Administration did not observe the objections to the minutes and issued a decision ordering the company to pay 2,333,435 convertible marks. The company appealed against the decision, the appeal has not yet been decided.
- Triglav Osiguranje a.d., Skopje
 - After reviewing the submitted quarterly reports for the period from 1 January 2017 to 30 September 2017, the Insurance Supervision Agency of the Republic of North Macedonia found some violations of the provisions of the Insurance Supervision Act. The Agency did not pronounce any measures, while the company sent comments on the received report and corrected the prescribed form with the correct state of data.
 - The Insurance Supervision Agency of the Republic of North Macedonia carried out a review of the business that covered certain segments of the company's operations in the period from 1 January 2017 to 30 September 2018 in order to determine whether the company operated in line with the applicable legislation. The procedure is still underway.
 - Triglav Osiguranje Život a.d., Skopje
 - After having conducted the inspection, the Insurance Supervision Agency of the Republic of North Macedonia found that on 31 March 2018 the company had investments in bonds and other securities issued or insured by the Republic of North Macedonia on the domestic market with a total value of 14,184. 621 of Macedonian dinar, or in the amount of 100% covering technical provisions for an entity other than a bank. In this way, the company exceeded the 80% threshold by 20%, which is contrary to the provisions of the Insurance Supervision Act. The procedure ended without any measures taken by the Agency. In the second quarter of 2018, the Company changed the structure of its investments in accordance with regulations.
 - The Insurance Supervision Agency of the Republic of North Macedonia carried out a review of the entire business of the company since its establishment. The procedure is still underway.

5.10 Subsequent events

In the period from the end of the reporting period and the date of approval of the financial statements, no adjusting events occurred that would affect the prepared consolidated and separate financial statements of Zavarovalnica Triglav for 2018, as well as no material corrective events. Business events in the said period may also have no impact on the financial statements for the year 2018.

In 2019, some new International Financial Reporting Standards entered into force, which will influence the valuation of individual balance sheet items. [→ Additional detailed informations are presented in the next section].

No events occurring after the reporting date were material to the financial statements for 2018.

5.11 New and amended standards with interpretations

The accounting policies used in the preparation of the consolidated and separate financial statements are consistent with those of the consolidated and separate financial statements of Zavarovalnica Triglav for the year ended 31 December 2017, except for the new and amended standards effective as of 1 January 2017 or later and presented below.

IFRS 9 Financial Instruments

The final version of “IFRS 9 Financial Instruments” includes all individual phases of the project to revise IFRS 9 and replaces “IAS 39 Financial Instruments: Recognition and Measurement” as well as all previous versions of IFRS 9. The standard introduces new requirements for classification, measurement and impairment of financial assets and general hedge accounting. Zavarovalnica Triglav decided to temporarily postpone the application of IFRS 9. Details are presented later in this Section.

IFRS 15 Revenue from Contracts with Customers

IFRS 15 provides a five-step model to be applied to income recognition from contracts with customers (with limited exceptions), irrespective of the nature of transactions generating income or

the industry. The requirements of the standard also apply to the recognition and measurement of gains and losses on the sale of certain non-financial assets that are not an output of an entity’s ordinary activities (e.g. sale of property, plant and equipment or intangible assets). The standard requires extensive disclosures, including disaggregation of total income, information about performance obligations, changes in contract asset and liability account balances between periods and key judgements and estimates. The standard does not have an impact on consolidated and separate financial statements of Zavarovalnica Triglav.

IFRS 15 Revenue from Contracts with Customers (Clarifications)

The purpose of clarifications is to clarify what the IASB aimed to achieve in adopting the requirements of “IFRS 15 Revenue from Contracts with Customers”, particularly in terms of accounting for liabilities from contracts with customers, which modify the identification of separate performance obligations, principal versus agent considerations, including an assessment whether an entity acts as a principal or as an agent, and the application of the principle of control and licensing, which provides additional guidance on accounting for intellectual property and royalties. Furthermore, the clarifications introduce additional practical expedients for the entities electing to apply IFRS 15 to prior periods either by using a full retrospective approach or a modified retrospective approach. The clarification does not have an impact on consolidated and separate financial statements of Zavarovalnica Triglav.

IFRS 2: Classification and Measurement of Share-based Payment Transactions (amendments)

The amendments introduce the requirements regarding the accounting for the effects of vesting and non-vesting conditions on the measurement of cash-settled share-based payments, share-based payment transactions with a net settlement feature for withholding tax obligations and a modification to the terms and conditions of a share-based payment that changes the classification of the transaction from cash-settled to equity-settled. The amendments do not have an impact on consolidated and separate financial statements of Zavarovalnica Triglav.

IFRS 4: Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts (amendments)

The amendments are effective for annual periods beginning on or after 1 January 2018. The amendments address the concerns arising from the application of the new “IFRS 9 Financial Instruments” before implementing the new standard, which is currently under preparation and which deals with insurance contracts; the new standard will replace IFRS 4. The amendments allow insurance entities to use two approaches in insurance contracts accounting: a temporary exemption from IFRS 9 and the overlay approach, which allows the entities issuing insurance contracts falling within the scope of IFRS 4 to reclassify certain income or expenses arising from certain financial assets from profit or loss to other comprehensive income.

Due to the adoption of the new standard for insurance contracts – IFRS 17, the insurance entities may begin to apply the standard as of 1 January 2022. The condition for the deferral is that the carrying amount of liabilities connected with insurance relative to the total carrying amount of all its liabilities is at least 90%. The conditions were checked on 31 December 2015. The calculation is shown in the table below. There have been no changes since 31 December 2015, which would have a significantly affect on the fulfilment of the conditions.

	in EUR	
	Triglav Group	Zavarovalnica Triglav
	31 December 2015	31 December 2015
Insurance technical provisions	2,600,442,123	2,053,864,286
All liabilities	2,789,412,299	2,154,872,319
Ratio of insurance liabilities to total liabilities	93%	95%

The table below presents an analysis of the fair value of classes of financial assets as at the end of the reporting period, as well as the corresponding change in fair value during the reporting period. The financial assets are divided into assets for which their contractual cash flows represent solely payments of principal and interest (hereinafter: 'SPPI'), excluding any financial assets held for trading, and all other financial assets.

in EUR

Triglav Group	Assets whose cash flows are solely payments of principal and interest (SPPI) on the principal amount outstanding			Other financial assets		
	Fair value as at 1 January 2018	Changes in fair value	Fair value as at 31 December 2018	Fair value as at 1 January 2018	Changes in fair value	Fair value as at 31 December 2018
Debt securities	1,869,765,150	2,642,841	1,872,407,991	414,449,974	32,884,403	447,334,376
Equity securities	0	0	0	215,946,668	-49,533,478	166,413,190
Financial derivatives	0	0	0	1,870,633	-477,370	1,393,263
Loans and deposits	105,871,731	16,594,308	122,466,039	0	0	0
Cash and cash equivalents	78,417,877	-10,816,181	67,601,696	0	0	0
Total	2,054,054,758	8,420,967	2,062,475,725	632,267,274	-17,126,445	615,140,830

in EUR

Zavarovalnica Triglav	Assets whose cash flows are solely payments of principal and interest (SPPI) on the principal amount outstanding			Other financial assets		
	Fair value as at 1 January 2018	Changes in fair value	Fair value as at 31 December 2018	Fair value as at 1 January 2018	Changes in fair value	Fair value as at 31 December 2018
Debt securities	1,450,282,202	12,943,079	1,463,225,281	231,374,850	8,096,526	239,471,377
Equity securities	0	0	0	135,916,577	-50,333,349	85,583,228
Financial derivatives	0	0	0	1,870,633	-477,370	1,393,263
Loans and deposits	82,466,358	941,657	83,408,015	0	0	0
Cash and cash equivalents	35,514,745	-17,516,258	17,998,487	0	0	0
Total	1,568,263,305	-3,631,522	1,564,631,783	369,162,060	-42,714,192	326,447,868

The following table shows the carrying amount of the SPPI assets included in the table above by credit risk rating grades. The carrying amount is measured in accordance with IAS 39 prior to any impairment allowance for those measured at amortised cost.

in EUR						
Credit rating of assets whose cash flows are solely payments of principal and interest (SPPI) on the principal amount outstanding						
Triglav Group	Unrated	AAA	AA/A	BBB	BB/B	Total
Debt securities	78,170,706	198,131,887	649,258,904	658,355,858	250,249,795	1,834,167,150
Loans and deposits	86,930,548	0	20,760,486	0	15,010,230	122,701,264
Cash and cash equivalents	21,711,485	0	2,014,717	268,486	43,607,008	67,601,696
Total	186,812,739	198,131,887	672,034,107	658,624,344	308,867,034	2,024,470,110

in EUR						
Credit rating of assets whose cash flows are solely payments of principal and interest (SPPI) on the principal amount outstanding						
Zavarovalnica Triglav	Unrated	AAA	AA/A	BBB	BB/B	Total
Debt securities	55,462,505	158,375,854	566,526,723	577,934,796	70,402,699	1,428,702,567
Loans and deposits	54,412,569	0	20,760,486	0	9,408,484	84,581,539
Cash and cash equivalents	78,136	0	2,014,717	62,934	15,842,701	17,998,487
Total	109,953,210	158,375,854	589,301,926	577,997,719	95,653,884	1,531,282,593

The following table provides information on the fair value and carrying amount under IAS 39 for those SPPI assets which the Group has determined do not have a low credit risk. The carrying amount is measured in accordance with IAS 39 prior to any impairment allowance for those measured at amortised cost.

in EUR		
Assets whose cash flows are solely payments of principal and interest (SPPI) and do not have a low credit rating		
Triglav Group	Fair value	Carrying amount
Debt securities	330,239,122	328,420,501
Loans and deposits	101,217,266	101,940,778
Cash and cash equivalents	65,318,493	65,318,493
Total	496,774,881	495,679,773

in EUR		
Assets whose cash flows are solely payments of principal and interest (SPPI) and do not have a low credit rating		
Zavarovalnica Triglav	Fair value	Carrying amount
Debt securities	125,519,640	125,865,204
Loans and deposits	62,159,241	63,821,053
Cash and cash equivalents	15,920,837	15,920,837
Total	203,599,718	205,607,094

IAS 40: Transfers of Investment Property (amendments)

The amendments clarify when an entity is required to reclassify a property, including a property under construction or development, to, or from, investment property. Moreover, the amendments clarify that a change in use occurs when a property meets or ceases to meet the definition of investment property and there is evidence of a change in use. A change in the management's intentions for the use of a property by itself does not constitute evidence of a change in use. The amendments do not have an impact on consolidated and separate financial statements of Zavarovalnica Triglav.

IFRIC 22: Foreign Currency Transactions and Advance Consideration

The interpretation clarifies the accounting for transactions that include the receipt or payment of advance consideration in a foreign currency. The interpretation covers foreign currency transactions when an entity recognises a non-monetary asset or non-monetary liability arising from the payment or receipt of advance consideration before the entity recognises the related asset, expense or income. The date of the transaction, for the purpose of determining the exchange rate, is the date of initial recognition of the non-monetary prepayment asset or deferred income liability. If there are multiple payments or receipts in advance, a date of transaction is established for each payment or receipt. The interpretation does not have an impact on consolidated and separate financial statements of Zavarovalnica Triglav.

Annual Improvements to IFRS Standards 2014–2016 Cycle

The International Accounting Standards Board (IASB) issued the annual improvements to IFRS 2014–2016 cycle. The improvement does not have an impact on consolidated and separate financial statements.

IFRS 1: First-time Adoption of International Financial Reporting Standards

The amendment removes the short-term exemptions for disclosures relating to financial instruments, employee benefits and investment entities, which otherwise apply to the first-time adoption of IFRS.

IAS 28: Investments in Associates and Joint Ventures

The amendments clarify that each investment in an associate or joint venture held by a venture capital organisation or other qualified entity may be measured at fair value through profit or loss at initial recognition.

Standards not yet in force and not early adopted by the Company

IFRS 16: Leases

The new standard is effective for annual periods beginning on or after 1 January 2019. IFRS 16 provides the guidelines for the recognition, measurement, presentation and disclosure of leases of both contracting parties: the lessee and the lessor. The new standard provides a single lessee accounting model, requiring lessees to recognise most leases in their financial statements. With some exceptions, lessees will be able to apply a single accounting model for all leases. There are no significant changes in the lessor's calculation of lease. The Standard will have an impact on the increase in value of the underlying assets and liabilities of the lease, both in consolidated and separate financial statements of Zavarovalnica Triglav. The Standard will also affect the reclassification of lease costs into depreciation and financing expenses. However, the Standard will have no significant impact on the operation results of the Triglav Group and Zavarovalnica Triglav. When the Standard became effective, that is on 1 January 2019, long-term lease liabilities and the right to use the leased assets in a total amount of EUR 12.1 millions were recognised in the consolidated financial statements. Likewise, on 1 January 2019, long-term lease liabilities and the right to use the leased assets were recognised in the separate financial statements of Zavarovalnica Triglav in the amount of EUR 4.5 millions.

IFRS 17: Insurance Contracts

The standard is effective for annual periods beginning on or after 1 January 2022 or later, with earlier application permitted provided that an entity also reports in accordance with "IFRS 15 Revenue from Contracts with Customers" and "IFRS 9 Financial Instruments". IFRS 17 provides the guidelines for the recognition, measurement, presentation and disclosure of insurance contracts concluded by an insurance entity. Furthermore, the

standard requires that similar principles be applied to reinsurance contracts and investment contracts with discretionary participation features. The objective of IFRS 17 is to ensure that an entity provides relevant information that faithfully represents those contracts. This information gives a basis for users of financial statements to assess the effect that insurance contracts have on the entity's financial position, financial performance and cash flows. The standard has not yet been endorsed by the EU. The management is still assessing the impact of the new standard on consolidated and separate financial statements.

Amendments to IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The amendments address the conflict identified between the requirements of IFRS 10 and IAS 28 in the treatment of the sale or contribution of assets between an investor and its associate or joint venture. The main consequence of the amendments is that the entity is obliged to recognise the entire amount of the gain or loss in case that the transaction involves a business (regardless of whether the business is housed in a subsidiary or not). In case of transactions with assets that an entity does not use in its operation activities, the entity only recognises a partial gain or loss even in case that the assets are housed in a subsidiary. The International Accounting Standards Board postponed the effective date of the Standard for an indefinite period of time expecting the findings of the research project on assets accounting using the equity method. The amendments to the standard have not yet been endorsed by the EU. The management is still assessing the impact of the amendments on consolidated financial statements.

IFRS 9: Prepayment Features with Negative Compensation (amendments)

The amendments are effective for annual periods beginning on or after 1 January 2019. Earlier application is permitted. The amendments allow financial assets with prepayment features that permit or require a party to a contract either to pay or receive reasonable compensation for the early termination of the contract (so that, from the perspective of the holder of the

asset there may be "negative compensation"), to be measured at amortised cost or at fair value through other comprehensive income. The amendments do not have an impact on consolidated and separate financial statements of Zavarovalnica Triglav.

IAS 28: Long-term Interests in Associates and Joint Ventures (amendments)

The amendments are effective for annual periods beginning on or after 1 January 2019. Earlier application is permitted. The amendments address the issue whether the measurement of long-term interests (particularly in terms of impairment requirements regarding long-term interests in an associate or joint venture that form part of the net investment in the associate or joint venture) falls within the scope of IFRS 9, IAS 28 or a combination of both. Furthermore, the amendments clarify that an entity is required to apply "IFRS 9 Financial Instruments" in the recognition of long-term interests not measured using the equity method before applying IAS 28. When applying IFRS 9, the entity shall not take into account any adjustments to the carrying amount of long-term interests under IAS 28. The amendments have not yet been endorsed by the EU. The management is still assessing the impact of the amendments on consolidated and separate financial statements.

Interpretation of IFRIC 23: Uncertainty over Income Tax Treatments

The interpretation is effective for annual periods beginning on or after 1 January 2019. Earlier application is permitted. The interpretation addresses accounting for income taxes when tax treatments involve uncertainty that affects the application of "IAS 12 Income Taxes". The interpretation provides guidance on considering uncertain tax treatments separately or together, examination by tax authorities, the appropriate method to reflect uncertainty and accounting for changes in facts and circumstances. The management is still assessing the impact of the interpretation on consolidated and separate financial statements.

IAS 19: Plan Amendment, Curtailment or Settlement (Amendments)

The amendments apply to annual periods beginning on or after 1 January 2019. Earlier application of amendments is permitted. The amendments of the accounting standard require entities to

determine the current service cost and net interest for the remainder of the annual reporting period after a plan amendment, curtailment or settlement of employee benefits on the basis of updated actuarial assumptions. At the same time, the amendments clarify the impact of calculating the plan amendment, curtailment or settlement on the required limit values of assets. The amendments have not yet been endorsed by the EU. The amendments do not have an impact on consolidated and separate financial statements of Zavarovalnica Triglav.

IFRS Conceptual Framework

On 29 March 2018, the International Accounting Standards Board (IASB) published the revised Conceptual Framework for Financial Reporting. The Conceptual Framework sets out the fundamental concepts of financial reporting, setting of standards, guidelines for designers of consistent accounting policies and for easier understanding and interpretation of standards. The IASB also published a separate accompanying document “Amendments to References to the Conceptual Framework in IFRS Standards”, which are a presentation of the amendments to the Standards and serve as updated references to the revised Conceptual Framework. The aim of the Board is to provide support in the transition to the revised Conceptual Framework to the entities that adopt their accounting policies on the basis of the conceptual framework guidelines in cases where no IFRS deals with specific transactions. All those who adopt their accounting policies on the basis of the conceptual framework shall apply the revised Conceptual Framework for annual periods, beginning on or after 1 January 2020.

IFRS 3: Business Combinations (Amendments)

The IASB published Definition of a Business (Amendments to IFRS 3), aimed at resolving uncertainty in determining whether an entity has acquired a business or a group of assets. The amendments are effective for business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1 January 2020, and for the acquisition of assets on or after the beginning of that period. Earlier application is permitted. The amendments have not yet been endorsed by the EU. The management is still assessing the

impact of the amendments on consolidated and separate financial statements of Zavarovalnica Triglav.

IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors: Definition of “Material” (Amendments)

The amendments apply to annual period beginning on or after 1 January 2020. Earlier application is permitted. The amendments clarify the definition of the term materiality and the way of its use. In compliance with the new definition “information is material if omitting, misstating or obscuring it could reasonably be expected to influence general decisions that the primary users of financial statements make on the basis of those financial statements, which provide financial information about a specific entity”. In addition, the Board clearly explained the clarifications accompanying the definition. At the same time, the amendments provide the assurance that the definition of “material” is brought in accord with all IFRSs. The amendments have not yet been endorsed by the EU. The management is still assessing the impact of the amendments on consolidated and separate financial statements of Zavarovalnica Triglav.

Annual Improvements to IFRS Standards 2015–2017 Cycle

The International Accounting Standards Board (IASB) published the annual improvements to IFRS 2015–2017 cycle which provides a collection of amendments to IFRSs. The amendments apply to annual periods beginning on or after 1 January 2019. Earlier application is permitted. The amendments have not yet been endorsed by the EU. The management is still assessing the impact of the amendments on consolidated and separate financial statements of Zavarovalnica Triglav.

IFRS 3 Business Combinations and IFRS 11 Joint Agreements

The amendments to IFRS 3 clarify that when an entity obtains control of a business that is a joint operation, it shall remeasure all the previously held interests in that business. The amendments to IFRS 11 clarify that when an entity obtains control of a business that is a joint operation, it need not remeasure the previously held interests in that business.

IAS12 Income Taxes

The amendments clarify that the income tax consequences arising from payments of financial instruments classified in equity have to be recognised under the same item as the previous transactions or events that generated distributable profits.

IAS 23 Borrowing Costs

The amendments to the accounting standard clarify Section 14 of the Standard stating that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that the entity has borrowed generally.

5.12 Segment reporting

Zavarovalnica Triglav is a composite insurance company, providing non-life and life insurance services. As these are integral economic units, separate accounting records and books of account are kept. Distribution of income and expenses between non-life and life insurance is described below. Assets and their sources, including equity, are also disclosed separately.

The management monitors the operations of the Group based by business segments (non-life insurance, life insurance, health insurance and non-insurance operations) and by geographical segments (separately for the Slovene market and foreign markets).

The distribution of income and expenses between segments for reporting purposes is described below.

Reconciliation of total assets

Assets and liabilities items in the statement of financial position by business segment have not been offset. Mutual receivables and liabilities arising from non-life and life insurance operations and deferred tax assets and liabilities have been offset in the consolidated statement of financial position, as shown in the following table:

	in EUR	
	31 December 2018	31 December 2017
Balance sheet total (without offsetting)	2,748,856,353	2,805,312,446
Mutual receivables and liabilities	-6,491,237	-5,859,532
Deffered tax assets and liabilities	-12,177,591	-12,963,374
Offset balance	2,730,187,525	2,786,489,540

Mutual receivables and liabilities arise from cost sharing, as explained below.

Distribution of income and expenses between business segments is described below.

Income

Income from insurance premiums is disclosed separately by insurance group and insurance class, as well as by geographical areas (separately for Slovenia and other countries).

Investment income is posted separately by insurance group. Income from investments of assets backing liabilities, guarantee funds and investments not financed from insurance technical provisions are posted separately. The latter are also accounted for separately by insurance group.

Other income from insurance operations and other income is accounted for by insurance groups. In order to ensure an appropriate presentation of the insurance-technical result, income from non-insurance operations is disclosed as other income. Other net income from insurance operations is accounted for separately by insurance group.

All income is also accounted for separately according to geographical segmentation – for Slovenia and for other countries.

Expenses

Net claims incurred are disclosed separately by insurance group and insurance class. Direct claim handling costs are posted by insurance class. Part of the claim handling costs, primarily accounted for by their natural type within operating costs, is shown by insurance groups and insurance classes directly and by using a matrix that is the same as that used for distributing other operating costs.

Changes in insurance technical provisions (provisions for bonuses and discounts and other insurance technical provisions) are accounted for directly by insurance group and by insurance class.

Investment expenses are posted separately by insurance groups. Within individual insurance groups, expenses from investments are disclosed separately for assets backing liabilities, long-term business funds and investments not financed by insurance technical provisions. The latter are also accounted for separately by insurance group.

Other net insurance expenses are accounted for separately by insurance group, the same as other expenses from insurance operations and other expenses. In order to ensure the appropriate presentation of the insurance-technical result, operating expenses of non-insurance companies are disclosed as other expenses in the income statement. In the Notes to financial statements they are disclosed also by nature.

Furthermore, all expenses are accounted for by geographical area – separately for Slovenia and for other countries.

Additional disclosures of Triglav Group and Zavarovalnica Triglav

Depreciation and amortisation charges by business segment are disclosed under operating expenses [→ in Section 4.12].

Values of investments in intangible assets, property, plant and equipment and investment property by business segments are shown in the table below:

Triglav Group 2018					in EUR
	Non-life	Life	Health	Non-insurance	TOTAL
Investments in intangible assets	4,188,537	2,903,592	446,164	50,994	7,589,287
Investments in property, plant and equipment	10,294,540	106,068	201,401	364,678	10,966,687
Investments in investment property	3,567,161	0	0	515,255	4,082,416

Triglav Group 2017					in EUR
	Non-life	Life	Health	Non-insurance	TOTAL
Investments in intangible assets	4,385,290	1,603,363	612,802	112,503	6,713,958
Investments in property, plant and equipment	7,822,535	288,238	241,349	943,502	9,295,624
Investments in investment property	884,535	0	0	2,652,231	3,536,766

The highest exposure of Triglav Group to individual financial institutions is:

- in non-life insurance, exposure to SBERBANK, d.d. of EUR 20,796,540;
- in life insurance, exposure to AGATE ASSETS SA of EUR 27,822,762;
- in health insurance, exposure to N.V.Bank Nederlandse Gemeenten of EUR 805,697;
- in non-insurance, exposure to Abanka, d.d. of EUR 17,312,698.

Zavarovalnica Triglav 2018			in EUR
	Non-life	Life	TOTAL
ADDITIONAL DISCLOSURES FROM THE STATEMENT OF FINANCIAL POSITION			
Investments in intangible assets	1,568,480	2,855,814	4,424,294
Investments in property, plant and equipment	6,416,064	38,160	6,454,224
Investments in investment property	3,549,655	0	3,549,655
ADDITIONAL DISCLOSURES FROM THE INCOME STATEMENT			
Depreciation charge for the current year	-9,047,736	-1,493,898	-10,541,634
Expenses from the impairment of premium and subrogation receivables	-11,366,213	0	-11,366,213
Income from reversal of impairment of receivables	10,145,070	1,773	10,146,843
Expenses from impairment of investment property	0	0	0
Expenses from impairment of other receivables	-83,662	-31,616	-115,278
Income from reversal of impairment of other receivables	318,031	7,376	325,407

Zavarovalnica Triglav 2017			in EUR
	Non-life	Life	TOTAL
ADDITIONAL DISCLOSURES FROM THE STATEMENT OF FINANCIAL POSITION			
Investments in intangible assets	3,277,367	1,499,055	4,776,422
Investments in property, plant and equipment	4,622,596	100,254	4,722,850
Investments in investment property	641,062	0	641,062
ADDITIONAL DISCLOSURES FROM THE INCOME STATEMENT			
Depreciation charge for the current year	-8,010,844	-1,699,393	-9,710,237
Expenses from the impairment of premium and subrogation receivables	-10,278,414	0	-10,278,414
Income from reversal of impairment of receivables	11,714,391	25,982	11,740,373
Expenses from impairment of property, plant and equipment	0	0	0
Expenses from impairment of other receivables	-343,143	-14,029	-357,173
Income from reversal of impairment of other receivables	84,886	15,974	100,860

Maximum individual exposure of Zavarovalnica Triglav to financial institutions is:

- for non-life insurance: SBERBANK, d.d.: EUR 19,572,908 and
- for life insurance: AGATE ASSETS SA: EUR 27,822,762.

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	2018					2017					in EUR
Triglav Group											
Comprehensive income by business segments	NON-LIFE	LIFE	HEALTH	OTHER	TOTAL	NON-LIFE	LIFE	HEALTH	OTHER	TOTAL	
NET PROFIT FOR THE YEAR AFTER TAX	62,862,390	12,486,107	3,108,231	2,369,517	80,826,245	52,559,577	15,189,798	3,181,924	-1,223,348	69,707,951	
OTHER COMPREHENSIVE INCOME AFTER TAX	-18,027,432	-5,534,695	-683,406	-4,686,425	-28,931,958	6,633,580	-79,867	136,246	2,328,053	9,018,012	
Items which will not be transferred in P&L in future periods	-243,770	-41,662	-13,613	-4,380	-303,425	288,286	55,133	32,279	15,899	391,597	
Net actuarial gains/losses for pension plans	-243,770	-41,662	-13,613	-4,505	-303,550	288,286	55,133	32,279	15,899	391,597	
Tax on items which will not be transferred in P&L	0	0	0	125	125	0	0	0	0	0	
Items which could be transferred into P&L in future periods	-17,783,662	-5,493,033	-669,793	-4,682,045	-28,628,533	6,345,294	-135,000	103,967	2,312,154	8,626,415	
Fair value gains/losses on available-for-sale financial assets	-22,207,016	-21,643,500	-826,905	-5,414,080	-50,091,501	7,700,015	-1,957,041	128,354	2,111,049	7,982,377	
– net gains/losses recognized directly in equity	-12,938,575	-16,334,830	-981,222	-1,797,972	-32,052,599	15,130,886	14,565,468	263,548	2,063,180	32,023,082	
– transfers from equity to income statement	-9,268,441	-5,308,670	154,317	-3,616,108	-18,038,902	-7,430,871	-16,522,509	-135,194	47,869	-24,040,705	
Fair value gains/losses on non-current assets held for sale	0	0	0	0	0	33,622	171,171	0	0	204,793	
Share of OCI of entities accounted for using the equity method	0	0	0	-310,367	-310,367	-513	0	0	603,768	603,255	
Liabilities from insurance contracts with DPF	0	12,510,378	0	0	12,510,378	0	-487,190	0	0	-487,190	
Currency translation differences	57,124	57,100	0	13,259	127,483	610,001	435,032	0	35,772	1,080,805	
Tax on other comprehensive income	4,366,230	3,582,989	157,112	1,029,143	9,135,474	-1,997,831	1,703,028	-24,387	-438,435	-757,625	
COMPREHENSIVE INCOME OR LOSS FOR THE YEAR AFTER TAX	44,834,958	6,951,412	2,424,825	-2,316,908	51,894,287	59,193,157	15,109,931	3,318,170	1,104,705	78,725,963	
Controlling interest	44,606,567	6,962,392	2,424,825	-2,291,015	51,702,769	58,852,131	14,899,208	3,318,170	1,104,244	78,173,753	
Non-controlling interest	228,391	-10,980	0	-25,893	191,518	341,026	210,723	0	461	552,210	

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	2018			2017			in EUR
Zavarovalnica Triglav							
Comprehensive income by business segments	NON-LIFE	LIFE	TOTAL	NON-LIFE	LIFE	TOTAL	
Net profit for the year after tax	58,259,539	7,284,325	65,543,864	51,329,746	11,192,204	62,521,950	
Other comprehensive income after tax	-15,894,778	-4,102,785	-19,997,563	9,571,762	-7,232,656	2,339,106	
Items which will not be transferred in P&L in future periods	-224,491	-41,662	-266,153	295,584	55,133	350,717	
Actuarial gains and losses related to post-employment benefits on retirement	-224,491	-41,662	-266,153	295,584	55,133	350,717	
Tax on items which will not be transferred in P&L	0	0	0	0	0	0	
Items which could be transferred into P&L in future periods	-15,670,287	-4,061,123	-19,731,410	9,276,178	-7,287,789	1,988,389	
Fair value gains/losses on available-for-sale financial assets	-19,346,033	-20,168,855	-39,514,888	11,452,072	-8,516,690	2,935,382	
– net gains/losses recognized directly in equity	-10,991,664	-14,819,878	-25,811,542	16,512,410	7,893,172	24,405,582	
– transfers from equity to income statement	-8,354,369	-5,348,977	-13,703,346	-5,060,338	-16,409,862	-21,470,200	
Liabilities from insurance contracts with DPF	0	12,510,379	12,510,379	0	-487,190	-487,190	
Tax on other comprehensive income	3,675,746	3,597,353	7,273,099	-2,175,894	1,716,091	-459,803	
COMPREHENSIVE INCOME OR LOSS FOR THE YEAR AFTER TAX	42,364,761	3,181,540	45,546,301	60,901,508	3,959,548	64,861,056	

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5.12.1 Reporting by business segment for Triglav Group

The statement of financial position and income statement by business segment are shown below for the reporting and the previous year.

In the consolidation process, the key inter-company eliminations between segments which influenced their profit/loss were the following: acquisition costs and acquisition income, premium income and operating expenses. The aforementioned eliminations had no impact on the consolidated profit/loss. The key inter-company eliminations, which did impact both the profit/loss of individual segments and the consolidated profit/loss, were the effects of the capital, business combinations, the disposal of controlling interests in subsidiaries and the elimination of investment impairments in subsidiaries. These effects are disclosed under financial income and financial expenses.

The management monitors the operations of the Group according to the following main segments:

- non-life insurance,
- life insurance,
- health insurance and
- non-insurance operations.

	31 December 2018				in EUR		
Statement of financial position	NON-LIFE	LIFE	HEALTH	OTHER	TOTAL (before eliminations)	ELIMINATIONS	TOTAL (after eliminations)
ASSETS	1.760.375.116	1.975.276.808	59.416.391	191.819.384	3.986.887.699	-341.610.212	3.645.277.487
Intangible assets	75.096.273	4.708.358	1.586.002	2.669.415	84.060.048	0	84.060.048
Property, plant and equipment	93.567.305	10.132.292	1.415.752	8.180.704	113.296.053	0	113.296.053
Deferred tax assets	12.360.640	261.140	56.415	215.537	12.893.732	0	12.893.732
Investment property	47.702.415	2.302.311	0	34.471.759	84.476.485	5.363.971	89.840.456
Investments in subsidiaries	124.407.877	15.104.174	0	75.550.601	215.062.652	-215.062.652	0
Investments in associates	11.450.701	611.768	0	2.063.504	14.125.973	0	14.125.973
Financial assets	1.021.305.282	1.905.654.933	48.839.718	38.188.070	3.013.988.003	-22.567.936	2.991.420.067
Financial investments	1.021.305.282	1.503.139.163	48.839.718	38.188.070	2.611.472.233	-22.567.936	2.588.904.297
– loans and deposits	86.843.593	55.853.397	86.107	13.492.572	156.275.669	-17.417.697	138.857.972
– held to maturity	0	196.773.185	0	0	196.773.185	0	196.773.185
– available for sale	929.110.722	804.659.540	48.753.611	24.695.498	1.807.219.371	-4.650.604	1.802.568.767
– recognised at fair value through profit and loss	5.350.967	445.853.041	0	0	451.204.008	-499.635	450.704.373
Unit-linked insurance assets	0	402.515.770	0	0	402.515.770	0	402.515.770
Reinsurers' share of technical provisions	159.627.897	10.457	1.551.881	0	161.190.235	-75.269.736	85.920.499
Receivables	194.823.677	4.599.971	5.408.784	7.790.707	212.623.139	-33.968.261	178.654.878
– receivables from direct insurance operations	91.221.915	628.631	4.884.391	40.778	96.775.715	-174.387	96.601.328
– receivables from reinsurance and coinsurance operations	80.340.602	8.525	122.142	0	80.471.269	-29.171.366	51.299.903
– current tax receivables	561.791	0	0	17.854	579.645	0	579.645
– other receivables	22.699.369	3.962.815	402.251	7.732.075	34.796.510	-4.622.508	30.174.002
Other assets	4.747.186	84.188	114.694	556.252	5.502.320	-105.598	5.396.722
Cash and cash equivalents	15.285.863	31.807.216	443.145	20.065.436	67.601.660	0	67.601.660
Non-current assets held for sale	0	0	0	2.067.399	2.067.399	0	2.067.399
EQUITY AND LIABILITIES	1.760.375.116	1.975.276.808	59.416.391	191.819.384	3.986.887.699	-341.610.212	3.645.277.487
Equity	604.805.626	150.637.960	31.627.112	168.514.421	955.585.119	-208.722.314	746.862.805
Controlling interests	604.805.626	150.637.960	31.627.112	168.514.421	955.585.119	-211.018.313	744.566.806
– share capital	114.718.513	48.091.866	25.822.144	100.639.031	289.271.554	-215.570.162	73.701.392
– share premium	43.048.225	13.658.827	0	20.674.547	77.381.599	-27.175.059	50.206.540
– reserves from profit	283.812.741	47.163.414	473.752	1.744.009	333.193.916	927.548	334.121.464
– treasury share reserves	0	0	0	0	0	364.680	364.680
– treasury shares	0	0	0	0	0	-364.680	-364.680
– fair value reserve	47.853.573	8.989.544	945.975	10.080.974	67.870.066	-1.632.177	66.237.889
– net profit brought forward	51.019.235	24.525.399	3.190.158	25.363.275	104.098.067	38.385.512	142.483.579
– net profit for the year	66.373.248	8.815.568	1.195.083	10.038.964	86.422.863	-5.889.220	80.533.643
– currency translation differences	-2.019.909	-606.658	0	-26.379	-2.652.946	-64.755	-2.717.701
Non-controlling interests	0	0	0	0	0	2.295.999	2.295.999
Subordinated liabilities	10.777.635	9.835.316	1.500.000	0	22.112.951	-6.650.240	15.462.711
Insurance technical provisions	981.911.505	1.387.821.429	16.081.286	0	2.385.814.220	-75.311.159	2.310.503.061
– unearned premiums	311.580.455	427.260	2.932.489	0	314.940.204	-14.773.258	300.166.946
– mathematical provisions	0	1.357.233.017	0	0	1.357.233.017	0	1.357.233.017
– claims provisions	643.677.440	20.555.710	9.873.971	0	674.107.121	-59.163.206	614.943.915
– other insurance technical provisions	26.653.610	9.605.442	3.274.826	0	39.533.878	-1.374.695	38.159.183
Insurance technical provisions for unit-linked insurance contracts	0	402.598.039	0	0	402.598.039	0	402.598.039
Employee benefits	11.403.102	2.122.168	550.996	728.308	14.804.574	0	14.804.574
Other provisions	1.068.693	366.467	116.263	368.132	1.919.555	0	1.919.555
Deferred tax liabilities	11.148.486	3.658.070	0	2.397.020	17.203.576	0	17.203.576
Other financial liabilities	5.172.050	25.655	73.938	4.273.413	9.545.056	-3.924.152	5.620.904
Operating liabilities	69.814.814	8.716.199	5.331.438	798.734	84.661.185	-29.869.130	54.792.055
– liabilities from direct insurance operations	6.613.572	8.637.360	5.166.012	0	20.416.944	-699.015	19.717.929
– liabilities from reinsurance and co-insurance operations	59.430.560	39.784	165.426	0	59.635.770	-29.170.115	30.465.655
– current tax liabilities	3.770.682	39.055	0	798.734	4.608.471	0	4.608.471
Other liabilities	64.273.205	9.495.505	4.135.358	14.739.356	92.643.424	-17.133.217	75.510.207

in EUR

Other
Information

	31 December 2017						
Statement of financial position	NON-LIFE	LIFE	HEALTH	OTHER	TOTAL (before eliminations)	ELIMINATIONS	TOTAL (after eliminations)
ASSETS	1,771,644,611	2,003,539,158	56,434,979	185,413,134	4,017,031,882	-342,355,689	3,674,676,193
Intangible assets	71,318,618	3,025,618	1,288,099	3,208,277	78,840,612	0	78,840,612
Property, plant and equipment	90,742,267	10,567,978	1,427,685	8,472,507	111,210,437	0	111,210,437
Deferred tax assets	12,994,783	380,255	64,932	329,145	13,769,115	0	13,769,115
Investment property	51,244,024	2,401,488	0	34,998,000	88,643,512	5,363,971	94,007,483
Investments in subsidiaries	116,711,634	10,504,174	0	75,677,210	202,893,018	-202,893,018	0
Investments in associates	4,399,809	708,237	0	1,341,278	6,449,324	0	6,449,324
Financial assets	1,058,188,425	1,923,532,925	47,398,481	41,536,723	3,070,656,554	-32,569,806	3,038,086,748
Financial investments	1,058,188,425	1,473,296,881	47,398,481	41,536,723	2,620,420,510	-32,569,806	2,587,850,704
– loans and deposits	74,294,351	68,428,166	389,713	9,560,016	152,672,246	-27,420,759	125,251,487
– held to maturity	0	221,390,576	0	0	221,390,576	0	221,390,576
– available for sale	978,443,512	762,544,440	47,008,768	31,976,707	1,819,973,427	-4,649,527	1,815,323,900
– recognised at fair value through profit and loss	5,450,562	420,933,699	0	0	426,384,261	-499,520	425,884,741
Unit-linked insurance assets	0	450,236,044	0	0	450,236,044	0	450,236,044
Reinsurers' share of technical provisions	164,982,800	33,246	86,064	0	165,102,110	-81,286,534	83,815,576
Receivables	175,081,175	6,250,245	4,630,440	8,765,717	194,727,577	-30,849,223	163,878,354
– receivables from direct insurance operations	80,936,921	526,028	4,384,052	25,485	85,872,486	-149,994	85,722,492
– receivables from reinsurance and coinsurance operations	70,564,407	107,320	44,261	0	70,715,988	-25,776,286	44,939,702
– current tax receivables	21,706	154	0	10,351	32,211	0	32,211
– other receivables	23,558,141	5,616,743	202,127	8,729,881	38,106,892	-4,922,943	33,183,949
Other assets	3,258,596	72,269	93,026	619,445	4,043,336	-121,079	3,922,257
Cash and cash equivalents	22,722,480	46,062,723	1,446,252	8,186,392	78,417,847	0	78,417,847
Non-current assets held for sale	0	0	0	2,278,440	2,278,440	0	2,278,440
EQUITY AND LIABILITIES	1,771,644,611	2,003,539,158	56,434,979	185,413,134	4,017,031,882	-342,355,689	3,674,676,193
Equity	610,210,587	159,335,731	30,986,326	154,611,642	955,144,286	-198,498,603	756,645,683
Controlling interests	610,210,587	159,335,731	30,986,326	154,611,642	955,144,286	-205,306,042	749,838,244
– share capital	114,718,513	47,691,579	25,822,144	92,083,600	280,315,836	-206,614,444	73,701,392
– share premium	43,048,225	13,658,827	0	20,762,996	77,470,048	-27,066,392	50,403,656
– reserves from profit	283,095,556	47,156,595	344,643	1,709,241	332,306,035	1,101,038	333,407,073
– fair value reserve	65,931,902	14,646,079	1,629,381	14,853,773	97,061,135	-1,662,899	95,398,236
– net profit brought forward	76,985,684	22,765,346	2,055,271	23,281,671	125,087,972	35,560,020	160,647,992
– net profit/loss for the year	28,420,908	14,075,019	1,134,887	1,956,845	45,587,659	-6,453,704	39,133,955
– currency translation differences	-1,990,201	-657,714	0	-36,484	-2,684,399	-169,661	-2,854,060
Non-controlling interests	0	0	0	0	0	6,807,439	6,807,439
Subordinated liabilities	10,775,525	9,832,655	1,500,000	0	22,108,180	-6,649,048	15,459,132
Insurance technical provisions	990,706,110	1,356,384,332	14,831,179	0	2,361,921,621	-79,220,595	2,282,701,026
– unearned premiums	289,866,512	439,263	2,630,206	0	292,935,981	-14,823,262	278,112,719
– mathematical provisions	0	1,331,198,408	0	0	1,331,198,408	1,856,981	1,333,055,389
– claims provisions	675,322,350	19,476,640	9,929,037	0	704,728,027	-66,254,314	638,473,713
– other insurance technical provisions	25,517,248	5,270,021	2,271,936	0	33,059,205	0	33,059,205
Insurance technical provisions for unit-linked insurance contracts	0	449,544,564	0	0	449,544,564	0	449,544,565
Employee benefits	10,860,025	2,022,147	486,037	611,634	13,979,843	0	13,979,843
Other provisions	1,869,081	1,372,200	161,611	391,755	3,794,647	0	3,794,647
Deferred tax liabilities	15,511,778	7,331,797	0	3,553,004	26,396,579	0	26,396,579
Other financial liabilities	5,549,056	1,112,471	98,854	8,664,123	15,424,504	-9,835,123	5,589,381
Operating liabilities	63,014,034	8,501,117	4,126,075	301,889	75,943,115	-26,561,513	49,381,602
– liabilities from direct insurance operations	7,156,311	8,336,100	4,003,137	0	19,495,548	-620,225	18,875,323
– liabilities from reinsurance and co-insurance operations	54,516,389	146,850	36,207	0	54,699,446	-25,941,288	28,758,158
– current tax liabilities	1,341,334	18,167	86,731	301,889	1,748,121	0	1,748,121
Other liabilities	63,148,415	8,102,144	4,244,897	17,279,087	92,774,543	-21,590,808	71,183,735
Non-current liabilities held for sale and discontinued operations	0	0	0	0	0	0	0

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Income statement	in EUR									
	2018					2017 restated ¹²⁰				
	NON-LIFE	LIFE	HEALTH	OTHER	TOTAL	NON-LIFE	LIFE	HEALTH	OTHER	TOTAL
Net premium income	585,971,063	222,084,638	143,707,161	0	951,762,862	543,846,673	218,252,128	129,098,568	0	891,197,369
– gross written premium	702,217,196	222,162,500	144,014,711	0	1,068,394,407	652,350,427	218,282,704	129,283,495	0	999,916,626
– ceded written premium	-106,529,888	-95,020	0	0	-106,624,908	-97,496,337	-54,396	0	0	-97,550,733
– change in unearned premium reserve	-9,716,245	17,158	-307,550	0	-10,006,637	-11,007,417	23,820	-184,927	0	-11,168,524
Income from investments in subsidiaries and associates	197,552	0	0	823,607	1,021,159	78,249	0	0	146,356	224,605
– profit on equity investments accounted for using the equity method	197,552	0	0	823,607	1,021,159	78,249	0	0	146,356	224,605
– other income from investments in subsidiaries and associates	0	0	0	0	0	0	0	0	0	0
Income from investments	34,632,804	49,788,938	770,319	3,697,016	88,889,077	39,185,741	92,251,637	951,172	555,888	132,944,438
– interest income calculated using the effective interest method	17,301,940	37,548,168	662,032	61,102	55,573,242	19,452,120	38,029,463	689,859	25,140	58,196,582
– gains on disposals	11,976,273	8,082,627	102,829	3,616,108	23,777,837	12,669,570	16,849,824	260,910	10,176	29,790,480
– other income from investments	5,354,591	4,158,143	5,458	19,806	9,537,998	7,064,051	37,372,350	403	520,572	44,957,376
Other income from insurance operations	29,682,258	117,141	38,582	0	29,837,981	29,046,905	147,226	43,100	0	29,237,231
– fees and commission income	15,731,478	74,703	0	0	15,806,181	16,382,532	104,937	0	0	16,487,469
– other income from insurance operations	13,950,780	42,438	38,582	0	14,031,800	12,664,373	42,289	43,100	0	12,749,762
Other income	8,416,445	81,218	73,197	27,578,673	36,149,533	6,672,954	108,231	141,144	27,110,787	34,033,116
Net claims incurred	330,958,972	170,347,333	125,254,093	0	626,560,398	317,434,966	190,014,478	112,509,338	0	619,958,782
– gross claims settled	391,236,589	169,247,828	119,115,801	0	679,600,218	347,312,086	189,454,483	105,396,000	0	642,162,569
– reinsurers' share	-39,988,691	-275	0	0	-39,988,966	-24,573,159	-450	0	0	-24,573,609
– changes in claims provisions	-20,288,926	1,099,780	-59,406	0	-19,248,552	-5,303,961	560,445	827,552	0	-3,915,964
– equalisation scheme expenses for supplementary health insurance	0	0	6,197,698	0	6,197,698	0	0	6,285,786	0	6,285,786
Change in other insurance technical provisions (excluding ULI)	-1,062,012	39,919,496	1,002,889	0	39,860,373	-547,945	59,352,163	1,476,972	0	60,281,190
Change in insurance technical provisions for unit-linked insurance contracts	0	-46,889,547	0	0	-46,889,547	0	-8,250,712	0	0	-8,250,712
Expenses for bonuses and discounts	11,363,385	54,300	0	0	11,417,685	9,327,585	15,306	0	0	9,342,891
Operating expenses	184,623,966	34,712,670	14,300,789	0	233,637,425	175,190,559	33,380,150	12,191,924	0	220,762,633
– acquisition costs	134,064,349	19,835,483	5,345,261	0	159,245,093	124,928,446	19,450,872	3,563,094	0	147,942,412
– other operating costs	50,559,617	14,877,187	8,955,528	0	74,392,332	50,262,113	13,929,278	8,628,830	0	72,820,221
Expenses from investments in subsidiaries and associates	40,624	96,468	0	0	137,092	1,298,370	56,656	0	1,771,827	3,126,853
– loss on investments accounted for using the equity method	40,624	96,468	0	0	137,092	153,370	56,656	0	1,771,827	1,981,853
– other expenses from financial assets and liabilities	0	0	0	0	0	1,145,000	0	0	0	1,145,000
Expenses from investments	10,255,409	56,558,933	46,677	257,467	67,118,486	13,010,608	14,424,339	98,109	118,002	27,651,058
– loss on impairment of investments	962,748	334,735	0	200,000	1,497,483	310,527	24,728	0	0	335,255
– loss on disposal of investments	4,385,692	8,681,959	7,554	53,723	13,128,928	4,731,298	6,179,208	65,616	107,474	11,083,596
– other expenses from investments	4,906,969	47,542,239	39,123	3,744	52,492,075	7,968,783	8,220,403	32,493	10,528	16,232,207
Other insurance expenses	32,784,314	367,369	592,452	0	33,744,134	27,319,309	324,489	414,264	0	28,058,062
Other expenses	14,234,004	2,784,219	29,867	27,570,673	44,618,763	13,626,908	2,542,194	82,669	26,009,150	42,260,921
– expenses from financing	777,130	604,356	0	2,875	1,384,361	1,030,266	597,776	0	2,981	1,631,023
– other expenses	13,456,874	2,179,863	29,867	27,567,798	43,234,402	12,596,642	1,944,418	82,669	26,006,169	40,629,898
Profit before tax	75,701,460	14,120,694	3,362,492	4,271,156	97,455,802	62,170,162	18,900,159	3,460,708	-85,948	84,445,081
Income tax expense	12,839,070	1,634,587	254,261	1,901,639	16,629,557	9,610,584	3,710,362	278,784	1,137,400	14,737,130
NET PROFIT FOR THE PERIOD	62,862,390	12,486,107	3,108,231	2,369,517	80,826,245	52,559,578	15,189,797	3,181,924	-1,223,348	69,707,951
Net profit/loss attributable to the controlling company	62,683,418	12,475,561	3,108,231	2,395,544	80,662,753	52,253,418	15,045,033	3,181,924	-1,223,816	69,256,559
Net profit/loss attributable to the non-controlling interest holders	178,972	10,546	0	-26,027	163,491	306,159	144,764	0	468	451,391

¹²⁰The 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].

5.12.2 Reporting by business segment for Zavarovalnica Triglav

Statement of financial position	in EUR					
	31 December 2018			31 December 2017		
	NON-LIFE	LIFE	TOTAL	NON-LIFE	LIFE	TOTAL
ASSETS	1,221,102,015	1,527,754,338	2,748,856,353	1,234,239,636	1,571,072,810	2,805,312,446
Intangible assets	57,598,248	4,564,254	62,162,502	56,888,236	2,898,047	59,786,283
Property, plant and equipment	59,735,959	8,250,141	67,986,100	58,868,140	8,658,635	67,526,775
Deferred tax assets	11,956,605	220,986	12,177,591	12,623,125	340,249	12,963,374
Investment property	44,056,810	1,213,730	45,270,540	46,974,353	1,240,048	48,214,401
Investments in subsidiaries	118,792,669	13,145,998	131,938,667	109,621,939	8,545,998	118,167,937
Investments in associates	16,959,355	0	16,959,355	10,002,047	0	10,002,047
Financial assets	720,655,616	1,486,045,412	2,206,701,028	754,881,568	1,523,724,547	2,278,606,115
Financial investments	720,655,616	1,119,381,334	1,840,036,950	754,881,568	1,106,116,588	1,860,998,156
– loans and deposits	56,833,143	35,837,166	92,670,309	39,631,423	51,797,172	91,428,595
– held to maturity	0	159,463,950	159,463,950	0	166,993,807	166,993,807
– available for sale	662,429,210	721,426,295	1,383,855,505	713,379,512	687,273,476	1,400,652,988
– recognised at fair value through profit and loss	1,393,263	202,653,923	204,047,186	1,870,633	200,052,133	201,922,766
Unit-linked insurance assets	0	366,664,078	366,664,078	0	417,607,959	417,607,959
Reinsurers' share of technical provisions	87,883,266	10,040	87,893,306	85,295,285	32,360	85,327,645
Receivables	93,426,058	3,046,130	96,472,188	84,107,305	3,102,644	87,209,949
– receivables from direct insurance operations	62,281,265	354,072	62,635,337	54,345,318	386,535	54,731,853
– receivables from reinsurance and coinsurance operations	18,154,451	3,160	18,157,611	13,786,820	102,972	13,889,792
– current tax receivables	0	0	0	0	0	0
– other receivables	12,990,342	2,688,898	15,679,240	15,975,167	2,613,137	18,588,304
Other assets	3,268,118	28,471	3,296,589	1,990,130	3,044	1,993,174
Cash and cash equivalents	6,769,311	11,229,176	17,998,487	12,987,508	22,527,238	35,514,746
EQUITY AND LIABILITIES	1,221,102,015	1,527,754,338	2,748,856,353	1,234,239,636	1,571,072,810	2,805,312,446
Equity	466,409,221	93,711,515	560,120,736	469,422,357	101,989,948	571,412,305
– share capital	51,340,540	22,360,852	73,701,392	51,340,540	22,360,852	73,701,392
– share premium	40,344,978	13,067,907	53,412,884	40,344,978	13,067,907	53,412,884
– reserves from profit	273,448,752	45,513,891	318,962,643	273,448,752	45,513,891	318,962,643
– fair value reserve	41,774,285	5,485,903	47,260,189	57,662,938	9,587,325	67,250,264
– net profit brought forward	1,241,127	-1,363	1,239,764	25,295,403	267,769	25,563,172
– net profit for the year	58,259,539	7,284,325	65,543,864	21,329,746	11,192,204	32,521,950
Subordinated liabilities	10,777,635	9,835,316	20,612,951	10,775,525	9,832,655	20,608,180
Insurance technical provisions	658,684,690	1,037,458,785	1,696,143,475	668,287,155	1,018,822,112	1,687,109,267
– unearned premiums	213,519,363	400,574	213,919,937	196,121,894	406,291	196,528,185
– mathematical provisions	0	1,009,712,605	1,009,712,605	0	994,737,498	994,737,498
– claims provisions	423,416,968	19,143,220	442,560,188	450,789,937	18,440,963	469,230,900
– other insurance technical provisions	21,748,359	8,202,386	29,950,745	21,375,324	5,237,360	26,612,684
Insurance technical provisions for unit-linked insurance contracts	0	365,238,075	365,238,075	0	416,250,767	416,250,767
Employee benefits	9,212,790	1,954,366	11,167,156	8,819,152	1,881,311	10,700,463
Other provisions	646,735	111,700	758,435	613,261	111,700	724,961
Deferred tax liabilities	9,934,252	5,057,075	14,991,327	13,609,999	8,654,428	22,264,427
Other financial liabilities	1,585,693	1,750	1,587,443	1,845,184	0	1,845,184
Operating liabilities	21,559,229	6,964,343	28,523,572	21,083,190	6,656,860	27,740,050
– liabilities from direct insurance operations	4,348,116	6,958,719	11,306,835	4,821,731	6,532,534	11,354,265
– liabilities from reinsurance and co-insurance operations	13,814,322	5,624	13,819,946	15,125,471	124,326	15,249,797
– current tax liabilities	3,396,791	0	3,396,791	1,135,988	0	1,135,988
Other liabilities	42,291,770	7,421,413	49,713,183	39,783,813	6,873,029	46,656,842

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Income statement	2018			2017 restated ¹²¹			in EUR
	NON-LIFE	LIFE	TOTAL	NON-LIFE	LIFE	TOTAL	
Net premium income	378,258,596	173,682,272	551,940,868	349,158,918	172,898,435	522,057,353	
– gross written premium	486,096,461	174,113,971	660,210,432	448,495,641	173,475,695	621,971,336	
– ceded written premium	-100,859,391	-437,719	-101,297,110	-92,931,279	-591,302	-93,522,581	
– change in unearned premium reserve	-6,978,474	6,020	-6,972,454	-6,405,444	14,042	-6,391,402	
Income from investments in subsidiaries and associates	5,231,767	73,778	5,305,545	7,106,829	0	7,106,829	
– profit on equity investments accounted for using the equity method	0	0	0	0	0	0	
– other income from investments in subsidiaries and associates	5,231,767	73,778	5,305,545	7,106,829	0	7,106,829	
Income from investments	24,439,758	37,315,377	61,755,135	25,569,081	73,674,821	99,243,902	
– interest income calculated using the effective interest method	9,974,613	26,915,406	36,890,019	11,330,031	27,531,673	38,861,704	Business Report
– gains on disposals	10,575,678	7,945,971	18,521,649	9,760,162	15,610,133	25,370,295	
– other income from investments	3,889,467	2,454,000	6,343,467	4,478,888	30,533,015	35,011,903	
Other income from insurance operations	27,303,374	145,010	27,448,384	27,581,724	150,860	27,732,584	
– fees and commission income	16,885,011	119,121	17,004,132	17,888,693	123,036	18,011,729	
– other income from insurance operations	10,418,363	25,889	10,444,252	9,693,031	27,824	9,720,855	Risk Management
Other income	8,468,264	4,023,715	12,491,979	6,876,459	4,074,964	10,951,423	
Net claims incurred	210,564,633	149,377,041	359,941,674	205,082,765	171,210,065	376,292,830	
– gross claims settled	272,247,890	148,754,692	421,002,582	240,420,167	170,885,357	411,305,524	
– reinsurers' share	-37,665,083	-102,530	-37,767,613	-24,364,538	-259,497	-24,624,035	
– changes in claims provisions	-24,018,174	724,879	-23,293,295	-10,972,864	584,205	-10,388,659	Accounting Report
Change in other insurance technical provisions (excluding ULI)	-824,163	30,323,553	29,499,390	-750,916	36,117,891	35,366,975	
Change in insurance technical provisions for unit-linked insurance contracts	0	-50,884,979	-50,884,979	0	-14,678,837	-14,678,837	
Expenses for bonuses and discounts	10,571,287	0	10,571,287	8,073,088	0	8,073,088	
Operating expenses	121,357,937	31,650,981	153,008,918	115,408,436	30,514,473	145,922,909	
– acquisition costs	89,212,605	21,017,507	110,230,112	84,391,272	20,909,864	105,301,136	
– other operating costs	32,145,332	10,633,474	42,778,806	31,017,164	9,604,609	40,621,773	Table of Contents
Expenses from investments in subsidiaries and associates	4,759	0	4,759	4,435	0	4,435	
– loss on investments accounted for using the equity method	0	0	0	0	0	0	
– other expenses from financial assets and liabilities	4,759	0	4,759	4,435	0	4,435	
Expenses from investments	8,100,760	42,828,967	50,929,727	10,321,309	10,117,669	20,438,978	
– loss on impairment of investments	942,865	306,012	1,248,877	200,000	0	200,000	
– loss on disposal of investments	4,015,614	8,550,750	12,566,364	4,564,995	6,023,361	10,588,356	
– other expenses from investments	3,142,281	33,972,205	37,114,486	5,556,314	4,094,308	9,650,622	
Other insurance expenses	11,481,635	338,004	11,819,639	6,724,795	255,956	6,980,751	
Other expenses	12,852,347	2,741,897	15,594,244	12,486,347	2,382,299	14,868,646	
– expenses from financing	874,476	632,546	1,507,022	939,714	609,352	1,549,066	
– other expenses	11,977,871	2,109,351	14,087,222	11,546,633	1,772,947	13,319,580	The Triglav Group and Zavarovalnica Triglav d.d. Annual Report 2018
Profit before tax	69,592,564	8,864,688	78,457,252	58,942,752	14,879,564	73,822,316	
Income tax expense	11,333,025	1,580,363	12,913,388	7,613,006	3,687,360	11,300,366	
NET PROFIT FOR THE PERIOD	58,259,539	7,284,325	65,543,864	51,329,746	11,192,204	62,521,950	

¹²¹The 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].

5.12.3 Reporting by geographical area for Triglav Group

Statement of financial position		31 December 2018				in EUR
	SLOVENIA	OTHER	TOTAL (before eliminations)	ELIMINATIONS	TOTAL (after eliminations)	
ASSETS	3,587,778,966	399,108,733	3,986,887,699	-341,610,212	3,645,277,487	
Intangible assets	67,838,193	16,221,855	84,060,048	0	84,060,048	
Property, plant and equipment	73,862,701	39,433,352	113,296,053	0	113,296,053	
Deferred tax assets	12,449,543	444,189	12,893,732	0	12,893,732	
Investment property	73,403,971	11,072,514	84,476,485	5,363,971	89,840,456	
Investments in subsidiaries	209,261,359	5,801,293	215,062,652	-215,062,652	0	
Investments in associates	14,125,973	0	14,125,973	0	14,125,973	Business Report
Financial assets	2,774,056,046	239,931,957	3,013,988,003	-22,567,936	2,991,420,067	
Financial investments	2,389,333,756	222,138,477	2,611,472,233	-22,567,936	2,588,904,297	
– loans and deposits	121,499,643	34,776,026	156,275,669	-17,417,697	138,857,972	
– held to maturity	180,405,984	16,367,201	196,773,185	0	196,773,185	
– available for sale	1,640,836,316	166,383,055	1,807,219,371	-4,650,604	1,802,568,767	Risk Management
– recognised at fair value through profit and loss	446,591,813	4,612,195	451,204,008	-499,635	450,704,373	
Unit-linked insurance assets	384,722,290	17,793,480	402,515,770	0	402,515,770	
Reinsurers' share of technical provisions	141,403,785	19,786,450	161,190,235	-75,269,736	85,920,499	
Receivables	162,717,347	49,905,792	212,623,139	-33,968,261	178,654,878	
– receivables from direct insurance operations	67,526,174	29,249,541	96,775,715	-174,387	96,601,328	
– receivables from reinsurance and coinsurance operations	74,531,636	5,939,633	80,471,269	-29,171,366	51,299,903	Accounting Report
– current tax receivables	393,705	185,940	579,645	0	579,645	
– other receivables	20,265,832	14,530,678	34,796,510	-4,622,508	30,174,002	
Other assets	3,631,703	1,870,617	5,502,320	-105,598	5,396,722	
Cash and cash equivalents	54,271,572	13,330,088	67,601,660	0	67,601,660	
Non-current assets held for sale	756,773	1,310,626	2,067,399	0	2,067,399	Table of Contents
EQUITY AND LIABILITIES	3,587,778,966	399,108,733	3,986,887,699	-341,610,212	3,645,277,487	
Equity	844,198,944	111,386,175	955,585,119	-208,722,314	746,862,805	
Controlling interests	844,198,944	111,386,175	955,585,119	-211,018,313	744,566,806	
– share capital	193,083,889	96,187,665	289,271,554	-215,570,162	73,701,392	
– share premium	75,825,056	1,556,543	77,381,599	-27,175,059	50,206,540	
– reserves from profit	323,113,430	10,080,486	333,193,916	927,548	334,121,464	
– treasury share reserves	0	0	0	364,680	364,680	
– treasury shares	0	0	0	-364,680	-364,680	
– fair value reserve	59,516,559	8,353,507	67,870,066	-1,632,177	66,237,889	The Triglav Group and Zavarovalnica Triglav d.d. Annual Report 2018
– net profit brought forward	110,168,173	-6,070,106	104,098,067	38,385,512	142,483,579	
– net profit/loss for the year	82,491,837	3,931,026	86,422,863	-5,889,220	80,533,643	
– currency translation differences	0	-2,652,946	-2,652,946	-64,755	-2,717,701	
– reserve of disposal group held for sale	0	0	0	0	0	
Non-controlling interests	0	0	0	2,295,999	2,295,999	
Subordinated liabilities	22,112,951	0	22,112,951	-6,650,240	15,462,711	
Insurance technical provisions	2,162,896,237	222,917,983	2,385,814,220	-75,311,159	2,310,503,061	
– unearned premiums	242,089,186	72,851,018	314,940,204	-14,773,258	300,166,946	
– mathematical provisions	1,292,659,946	64,573,071	1,357,233,017	0	1,357,233,017	
– claims provisions	592,072,952	82,034,169	674,107,121	-59,163,206	614,943,915	
– other insurance technical provisions	36,074,153	3,459,725	39,533,878	-1,374,695	38,159,183	
Insurance technical provisions for unit-linked insurance contracts	385,091,524	17,506,515	402,598,039	0	402,598,039	
Employee benefits	12,471,275	2,333,299	14,804,574	0	14,804,574	
Other provisions	1,332,752	586,803	1,919,555	0	1,919,555	
Deferred tax liabilities	15,847,476	1,356,100	17,203,576	0	17,203,576	
Other financial liabilities	2,466,852	7,078,204	9,545,056	-3,924,152	5,620,904	
Operating liabilities	72,847,518	11,813,667	84,661,185	-29,869,130	54,792,055	
– liabilities from direct insurance operations	16,952,626	3,464,318	20,416,944	-699,015	19,717,929	
– liabilities from reinsurance and co-insurance operations	51,715,802	7,919,968	59,635,770	-29,170,115	30,465,655	
– current tax liabilities	4,179,090	429,381	4,608,471	0	4,608,471	
Other liabilities	68,513,437	24,129,987	92,643,424	-17,133,217	75,510,207	
Non-current liabilities held for sale and discontinued operations	0	0	0	0	0	

Statement of financial position		in EUR			
		31 December 2017			
	SLOVENIA	OTHER	TOTAL (before eliminations)	ELIMINATIONS	TOTAL (after eliminations)
ASSETS	3,614,478,901	402,552,981	4,017,031,882	-342,355,689	3,674,676,193
Intangible assets	64,429,076	14,411,536	78,840,612	0	78,840,612
Property, plant and equipment	73,583,739	37,626,698	111,210,437	0	111,210,437
Deferred tax assets	13,357,451	411,664	13,769,115	0	13,769,115
Investment property	76,402,270	12,241,242	88,643,512	5,363,971	94,007,483
Investments in subsidiaries	195,617,238	7,275,780	202,893,018	-202,893,018	0
Investments in associates	6,449,324	0	6,449,324	0	6,449,324
Financial assets	2,830,737,860	239,918,694	3,070,656,554	-32,569,806	3,038,086,748
Financial investments	2,399,932,370	220,488,140	2,620,420,510	-32,569,806	2,587,850,704
– loans and deposits	111,821,768	40,850,478	152,672,246	-27,420,759	125,251,487
– held to maturity	203,560,517	17,830,059	221,390,576	0	221,390,576
– available for sale	1,663,292,719	156,680,708	1,819,973,427	-4,649,527	1,815,323,900
– recognised at fair value through profit and loss	421,257,366	5,126,895	426,384,261	-499,520	425,884,741
Unit-linked insurance assets	430,805,490	19,430,554	450,236,044	0	450,236,044
Reinsurers' share of technical provisions	141,119,147	23,982,963	165,102,110	-81,286,534	83,815,576
Receivables	145,898,870	48,828,707	194,727,577	-30,849,223	163,878,354
– receivables from direct insurance operations	59,122,562	26,749,924	85,872,486	-149,994	85,722,492
– receivables from reinsurance and coinsurance operations	62,936,521	7,779,467	70,715,988	-25,776,286	44,939,702
– current tax receivables	4,457	27,754	32,211	0	32,211
– other receivables	23,835,330	14,271,562	38,106,892	-4,922,943	33,183,949
Other assets	2,245,426	1,797,910	4,043,336	-121,079	3,922,257
Cash and cash equivalents	63,881,727	14,536,120	78,417,847	0	78,417,847
Non-current assets held for sale	756,773	1,521,667	2,278,440	0	2,278,440
EQUITY AND LIABILITIES	3,614,478,901	402,552,981	4,017,031,882	-342,355,689	3,674,676,193
Equity	842,431,956	112,712,330	955,144,286	-198,498,603	756,645,683
Controlling interests	842,431,956	112,712,330	955,144,286	-205,306,042	749,838,244
– share capital	183,918,127	96,397,709	280,315,836	-206,614,444	73,701,392
– share premium	75,913,505	1,556,543	77,470,048	-27,066,392	50,403,656
– reserves from profit	322,949,553	9,356,482	332,306,035	1,101,038	333,407,073
– fair value reserve	88,222,900	8,838,235	97,061,135	-1,662,899	95,398,236
– net profit brought forward	128,992,839	-3,904,867	125,087,972	35,560,020	160,647,992
– net profit/loss for the year	42,435,032	3,152,627	45,587,659	-6,453,704	39,133,955
– currency translation differences	0	-2,684,399	-2,684,399	-169,661	-2,854,060
Subordinated liabilities	0	0	0	6,807,439	6,807,439
Insurance technical provisions	22,108,180	0	22,108,180	-6,649,048	15,459,132
– unearned premiums	2,139,794,923	222,126,698	2,361,921,621	-79,220,595	2,282,701,026
– mathematical provisions	223,888,442	69,047,539	292,935,981	-14,823,262	278,112,719
– claims provisions	1,269,100,045	62,098,363	1,331,198,408	1,856,981	1,333,055,389
– other insurance technical provisions	617,489,746	87,238,281	704,728,027	-66,254,314	638,473,713
Insurance technical provisions for unit-linked insurance contracts	29,316,690	3,742,515	33,059,205	0	33,059,205
Employee benefits	430,052,242	19,492,322	449,544,564	0	449,544,565
Other provisions	11,920,963	2,058,880	13,979,843	0	13,979,843
Deferred tax liabilities	2,351,028	1,443,619	3,794,647	0	3,794,647
Other financial liabilities	24,957,195	1,439,384	26,396,579	0	26,396,579
Operating liabilities	10,009,188	5,415,316	15,424,504	-9,835,123	5,589,381
– liabilities from direct insurance operations	64,669,856	11,273,259	75,943,115	-26,561,513	49,381,602
– liabilities from reinsurance and co-insurance operations	15,840,323	3,655,225	19,495,548	-620,225	18,875,323
– current tax liabilities	47,201,500	7,497,946	54,699,446	-25,941,288	28,758,158
Other liabilities	1,628,033	120,088	1,748,121	0	1,748,121
Non-current liabilities held for sale and discontinued operations	66,183,370	26,591,173	92,774,543	-21,590,808	71,183,735

Income statement	2018			2017 restated ¹²²			in EUR
	SLOVENIA	OTHER	TOTAL	SLOVENIA	OTHER	TOTAL	
Net premium income	779,269,087	172,493,775	951,762,862	734,661,208	156,536,161	891,197,369	
– gross written premium	877,185,838	191,208,569	1,068,394,407	822,832,394	177,084,232	999,916,626	
– ceded written premium	-89,697,015	-16,927,893	-106,624,908	-80,612,495	-16,938,238	-97,550,733	
– change in unearned premium reserve	-8,219,736	-1,786,901	-10,006,637	-7,558,691	-3,609,833	-11,168,524	
Income from investments in subsidiaries and associates	1,021,159	0	1,021,159	224,605	0	224,605	
– profit on equity investments accounted for using the equity method	1,021,159	0	1,021,159	224,605	0	224,605	
– other income from investments in subsidiaries and associates	0	0	0	0	0	0	
Income from investments	79,460,683	9,428,394	88,889,077	121,556,727	11,387,711	132,944,438	
– interest income calculated using the effective interest method	47,848,810	7,724,432	55,573,242	49,934,502	8,262,080	58,196,582	
– gains on disposals	23,219,606	558,231	23,777,837	28,739,643	1,050,837	29,790,480	
– other income from investments	8,392,267	1,145,731	9,537,998	42,882,582	2,074,794	44,957,376	
Other income from insurance operations	24,411,526	5,426,455	29,837,981	23,769,551	5,467,680	29,237,231	
– fees and commission income	14,757,683	1,048,498	15,806,181	14,910,284	1,577,185	16,487,469	
– other income from insurance operations	9,653,843	4,377,957	14,031,800	8,859,267	3,890,495	12,749,762	
Other income	28,874,202	7,275,331	36,149,533	26,925,437	7,107,679	34,033,116	
Net claims incurred	523,119,553	103,440,845	626,560,398	529,190,451	90,768,331	619,958,782	
– gross claims settled	569,323,507	110,276,711	679,600,218	551,469,877	90,692,692	642,162,569	
– reinsurers' share	-34,216,954	-5,772,012	-39,988,966	-18,968,468	-5,605,141	-24,573,609	
– changes in claims provisions	-18,184,698	-1,063,854	-19,248,552	-9,596,744	5,680,780	-3,915,964	
– equalisation scheme expenses for supplementary health insurance	6,197,698	0	6,197,698	6,285,786	0	6,285,786	
Change in other insurance technical provisions (excluding ULI)	37,683,950	2,176,423	39,860,373	55,383,283	4,897,907	60,281,190	
Change in insurance technical provisions for unit-linked insurance contracts	-44,833,006	-2,056,541	-46,889,547	-8,309,768	59,056	-8,250,712	
Expenses for bonuses and discounts	10,346,687	1,070,998	11,417,685	8,287,867	1,055,024	9,342,891	
Operating expenses	167,445,429	66,191,996	233,637,425	158,814,013	61,948,620	220,762,633	
– acquisition costs	112,892,556	46,352,537	159,245,093	106,001,753	41,940,659	147,942,412	
– other operating costs	54,552,873	19,839,459	74,392,332	52,812,260	20,007,961	72,820,221	
Expenses from investments in subsidiaries and associates	137,092	0	137,092	3,126,853	0	3,126,853	
– loss on investments accounted for using the equity method	137,092	0	137,092	1,981,853	0	1,981,853	
– other expenses from financial assets and liabilities	0	0	0	1,145,000	0	1,145,000	
Expenses from investments	63,012,641	4,105,845	67,118,486	26,056,157	1,594,901	27,651,058	
– loss on impairment of investments	1,448,876	48,607	1,497,483	200,000	135,255	335,255	
– loss on disposal of investments	12,821,070	307,858	13,128,928	11,083,421	175	11,083,596	
– other expenses from investments	48,742,695	3,749,380	52,492,075	14,772,736	1,459,471	16,232,207	
Other insurance expenses	26,638,755	7,105,380	33,744,134	22,090,097	5,967,965	28,058,062	
Other expenses	34,305,265	10,313,498	44,618,763	32,067,210	10,193,711	42,260,921	
– expenses from financing	1,324,643	59,718	1,384,361	1,368,553	262,470	1,631,023	
– other expenses	32,980,622	10,253,780	43,234,402	30,698,657	9,931,241	40,629,898	
Profit before tax	95,180,291	2,275,511	97,455,802	80,431,365	4,013,716	84,445,081	
Income tax expense	15,960,473	669,084	16,629,557	14,146,726	590,404	14,737,130	
NET PROFIT FOR THE PERIOD	79,219,818	1,606,427	80,826,245	66,284,639	3,423,312	69,707,951	
Net profit/loss attributable to the controlling company	79,230,941	1,431,813	80,662,753	66,155,033	3,101,526	69,256,559	
Net profit/loss attributable to the non-controlling interest holders	-11,123	174,614	163,491	129,606	321,785	451,391	

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2018¹²²The 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].

5.12.4 Reporting by geographical area for Zavarovalnica Triglav

Zavarovalnica Triglav operates mainly in the territory of the Republic of Slovenia. As more than 94% of premium income is generated by the sale of insurance to the domestic insureds, the Company does not report by geographical area.

5.13 Reporting by guarantee funds posted separately for Zavarovalnica Triglav

5.13.1 Assets and liabilities of pension funds formed as a guarantee fund

	31 December 2018				31 December 2017				in EUR
Statement of financial position for PDPZ funds	PDPZ skupina	PDPZ zajamčeni	PDPZ zmerni	PDPZ drzni	PDPZ skupina	PDPZ zajamčeni	PDPZ zmerni	PDPZ drzni	
ASSETS	207,106,565	192,764,055	8,947,445	5,851,602	203,039,603	191,176,247	7,626,681	4,446,537	
Investment property and other real property rights	0	0	0	0	0	0	0	0	
Investment property	0	0	0	0	0	0	0	0	
Other real property rights	0	0	0	0	0	0	0	0	
Financial investments	202,653,923	188,967,366	8,435,560	5,250,997	197,647,674	186,837,285	6,918,129	3,892,260	
Measured at amortised cost, of which:	0	0	0	0	3,000,009	3,000,009	0	0	
- debt securities	0	0	0	0	3,000,009	3,000,009	0	0	
- equity securities	0	0	0	0	0	0	0	0	
Measured at fair value through other comprehensive income, of which:	0	0	0	0	0	0	0	0	
- debt securities	0	0	0	0	0	0	0	0	
- equity securities	0	0	0	0	0	0	0	0	
Measured at fair value through through profit or loss, of which:	202,653,923	188,967,366	8,435,560	5,250,997	194,647,665	183,837,276	6,918,129	3,892,260	
- debt securities	192,543,106	188,967,366	3,575,740	0	182,366,293	179,858,912	2,507,381	0	
- equity securities	10,110,817	0	4,859,820	5,250,997	12,281,372	3,978,364	4,410,748	3,892,260	
Receivables	194,973	2,432,172	322,001	390,271	191,063	2,187,268	386,986	400,016	
Receivables from fund manager up to guaranteed return	0	0	0	0	0	0	0	0	
Other receivables	194,973	2,432,172	322,001	390,271	191,063	2,187,268	386,986	400,016	
Cash and cash equivalents	4,257,669	1,364,517	189,884	210,334	5,200,866	2,151,694	321,566	154,261	
Other assets	0	0	0	0	0	0	0	0	
Off-balance-sheet assets	0	0	0	0	0	0	0	0	
Financial derivatives	0	0	0	0	0	0	0	0	
Other off-balance-sheet assets	0	0	0	0	0	0	0	0	
LIABILITIES	207,106,565	192,764,055	8,947,445	5,851,602	203,039,603	191,176,247	7,626,681	4,446,537	
Insurance technical provisions	206,522,062	192,206,083	8,897,217	5,418,762	202,434,105	190,518,071	7,600,336	4,315,698	
Mathematical provisions for net paid-in premiums	163,705,596	149,000,891	9,068,192	5,636,513	154,598,302	143,211,613	7,350,079	4,036,610	
Mathematical provisions for capital gain on the guarantee fund	43,205,192	43,205,192	0	0	47,306,458	47,306,458	0	0	
- fair value reserve	0	0	0	0	0	0	0	0	
Insurance provisions for business funds backing unit-linked insurance, of which:	-388,726	0	-170,975	-217,751	529,345	0	250,257	279,088	
- fair value reserve	0	0	0	0	311	0	303	8	
Financial liabilities	0	0	0	0	0	0	0	0	
Operating liabilities	583,051	557,003	12,826	11,962	603,479	567,141	26,104	10,017	
Liabilities from acquired securities and other financial instruments	0	0	0	0	0	0	0	0	
Guarantee fund manager liabilities	226,491	202,216	12,826	11,449	225,205	203,439	11,749	10,017	
Cash surrender value payments to guarantee fund members	355,300	354,787	0	513	378,057	363,702	14,355	0	
Other operating liabilities	1,260	0	0	0	217	0	0	0	
Other liabilities	1,452	969	37,402	420,878	2,019	91,035	241	120,822	
Financial derivatives	0	0	0	0	0	0	0	0	
Guarantees given	0	0	0	0	0	0	0	0	
Other off-balance-sheet assets	0	0	0	0	0	0	0	0	
Financial derivatives	0	0	0	0	0	0	0	0	

5.13.2 Statement of financial position for funds posted separately

	31 December 2018		31 December 2017		in EUR
	Renta 1	Renta 2	Renta 1	Renta 2	
Statement of financial position for funds posted separately					
ASSETS	37,156,896	10,445,014	35,867,987	6,593,743	
Investment property and financial investments	36,181,097	10,046,928	35,043,153	5,820,774	
Investment property	0	0	0	0	
Financial investments in subsidiaries and associates	0	0	0	0	
Investments in subsidiaries	0	0	0	0	
Investments in associates	0	0	0	0	
Other financial investments	36,181,097	10,046,928	35,043,153	5,820,774	Business Report
Shares and other floating rate securities and fund coupons	0	0	0	0	
Debt and other fixed return securities	36,181,097	10,046,928	35,043,153	5,820,774	
Investment fund shares	0	0	0	0	
Mortgage loans	0	0	0	0	
Other loans	0	0	0	0	Risk Management
Deposits with banks	0	0	0	0	
Other financial investments	0	0	0	0	
Reinsurers' share of technical provisions	0	0	0	0	
– from unearned premium	0	0	0	0	
– from mathematical provision	0	0	0	0	
– from outstanding claims	0	0	0	0	Accounting Report
– from bonuses and discounts	0	0	0	0	
– from technical provisions for life insurance policy holders who bear investment risk	0	0	0	0	
Receivables	234,921	37,548	340,396	72,319	
Receivables from direct insurance	0	0	0	0	Table of Contents
– receivables from insurers	0	0	0	0	
– receivables from insurance brokers	0	0	0	0	
– other receivables from direct insurance operations	0	0	0	0	
Receivables from re-insurance operations	0	0	0	0	
Other receivables	234,921	37,548	340,396	72,319	
Other assets	740,878	360,538	484,438	700,650	
Cash and cash equivalents	740,878	360,538	484,438	700,650	
Other assets	0	0	0	0	
Short-term deferred assets	0	0	0	0	
Accrued income from interest and rent	0	0	0	0	The Triglav Group and Zavarovalnica Triglav d.d. Annual Report 2018
Short-term deferred expenses	0	0	0	0	
Other short-term deferred items	0	0	0	0	
LIABILITIES	37,156,896	10,445,014	35,867,987	6,593,743	
Fair value reserves	0	0	0	0	
Gross insurance technical provisions	36,863,008	10,101,083	35,740,183	6,079,150	
– gross provisions for unearned premiums	0	0	0	0	
– gross mathematical provisions	36,863,008	10,101,083	35,740,183	6,079,150	
– gross claim provisions	0	0	0	0	
– gross provisions for bonuses and discounts	0	0	0	0	
Gross insurance technical provisions for unit-linked insurance contracts	0	0	0	0	
Liabilities from reinsurers' investments in reinsurance contracts	0	0	0	0	
Other liabilities	293,888	343,931	127,804	514,593	
Liabilities from direct insurance operations	250,957	311,230	87,815	498,454	
– liabilities to policy holders	12,478	2,003	5,718	0	
– liabilities to agents and brokers	0	0	0	0	
– other liabilities from direct insurance operations	238,479	309,227	82,097	498,454	
Liabilities from co-insurance and re-insurance operations	0	0	0	0	
Other liabilities	42,931	32,701	39,989	16,139	
Accruals	0	0	0	0	

in EUR

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Information**Statement of financial position for guarantee fund backing unit-linked life insurance**

	31 December 2018	31 December 2017
ASSETS	369,602,435	425,759,811
Investment property and financial investments	366,664,078	417,607,959
Investment property	0	0
Financial investments in subsidiaries and associates	0	0
Investments in subsidiaries	0	0
Investments in associates	0	0
Other financial investments	366,664,078	417,607,959
Shares and other floating rate securities and fund coupons	316,843,905	358,877,558
Debt and other fixed return securities	45,790,181	54,581,098
Investment fund shares	0	0
Mortgage loans	0	0
Other loans	0	0
Deposits with banks	4,029,992	4,149,303
Other financial investments	0	0
Reinsurers' share of technical provisions	0	0
– from unearned premium	0	0
– from mathematical provision	0	0
– from outstanding claims	0	0
– from bonuses and discounts	0	0
– from technical provisions for life insurance policy holders who bear investment risk	0	0
Receivables	4,218	7,345
Receivables from direct insurance	1,625	1,499
– receivables from insurers	0	0
– receivables from insurance brokers	0	0
– other receivables from direct insurance operations	1,625	1,499
Receivables from re-insurance operations	0	0
Other receivables	2,593	5,846
Other assets	2,934,139	8,144,507
Cash and cash equivalents	2,934,139	8,144,507
Other assets	0	0
Short-term deferred assets	0	0
Accrued income from interest and rent	0	0
Short-term deferred expenses	0	0
Other short-term deferred items	0	0
LIABILITIES	369,602,435	425,759,811
Fair value reserves	0	0
Gross insurance technical provisions	0	0
– gross provisions for unearned premiums	0	0
– gross mathematical provisions	0	0
– gross claim provisions	0	0
– gross provisions for bonuses and discounts	0	0
Gross insurance technical provisions for unit-linked insurance contracts	365,238,075	416,250,767
Liabilities from reinsurers' investments in reinsurance contracts	0	0
Other liabilities	4,364,360	9,509,044
Liabilities from direct insurance operations	35,990	13,719
– liabilities to policy holders	0	0
– liabilities to agents and brokers	0	0
– other liabilities from direct insurance operations	35,990	13,719
Liabilities from co-insurance and re-insurance operations	0	0
Other liabilities	4,328,370	9,495,325
Accruals	0	0

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5.13.3 Income statement of pension funds formed as a guarantee fund

	2018				2017				in EUR
Income statement for PDPZ funds	PDPZ skupina	PDPZ zajamčeni	PDPZ zmerni	PDPZ drzni	PDPZ skupina	PDPZ zajamčeni	PDPZ zmerni	PDPZ drzni	
Financial income	5,265,973	4,565,400	379,548	321,025	7,172,431	6,356,631	354,849	460,951	
Income from dividends and profit sharing	208,074	42,760	81,222	84,092	92,243	15,911	36,616	39,716	
Interest income	3,840,785	3,773,690	67,093	2	4,278,575	4,244,406	34,167	2	
Gains on disposal of financial investments	371,567	346,305	25,242	20	606,125	413,263	91,278	101,584	
Net income from changes in the fair value of investments which are recognised at fair value through profit or loss	617,329	402,473	101,060	113,796	2,167,783	1,676,705	186,591	304,487	
Other financial income	228,218	172	104,931	123,115	27,705	6,346	6,197	15,162	Business Report
Income from investment property	0	0	0	0	0	0	0	0	
Rental income from investment property	0	0	0	0	0	0	0	0	
Gains on disposal of investment property	0	0	0	0	0	0	0	0	
Net income from changes in the fair value of investments, which are recognised at fair value through profit or loss	0	0	0	0	0	0	0	0	Risk Management
Financial expenses	5,701,233	4,276,930	668,545	755,758	3,133,105	2,683,320	180,680	269,105	
Interest expenses	0	0	0	0	0	0	0	0	
Losses from disposal of financial investments	791,077	773,132	9,533	8,412	1,142,414	1,126,387	2,986	13,041	
Revaluation operating expenses arising from a change in the fair value of financial investment through profit and loss	4,885,448	3,503,754	647,551	734,143	1,612,433	1,525,822	36,994	49,617	
Other financial expenses	24,708	44	11,461	13,203	378,258	31,111	140,700	206,447	Accounting Report
Expenses from investment property	0	0	0	0	0	0	0	0	
Expenses from management and rental of investment property	0	0	0	0	0	0	0	0	
Losses from disposal of investment property	0	0	0	0	0	0	0	0	
Revaluation operating expenses arising from a change in the fair value of investment property through profit and loss	0	0	0	0	0	0	0	0	
Result of investment activities	-435,260	288,470	-288,997	-434,733	4,039,326	3,673,311	174,169	191,846	Table of Contents
Income from payments by investment manager for not achieving the guaranteed return	0	0	0	0	0	0	0	0	
Other income	0	0	0	0	0	0	0	0	
Other expenses directly charged to the guarantee fund in line with the fund management rules	2,056,071	1,901,055	95,231	59,785	1,978,577	1,883,252	59,023	36,302	
Management commission	2,035,385	1,901,055	83,141	51,189	1,963,462	1,883,252	50,795	29,415	
Custodian bank fees	5,373	0	3,326	2,047	3,208	0	2,032	1,176	
Auditing expenses	3,812	0	1,906	1,906	3,050	0	1,525	1,525	
Information expenses relating to guarantee fund members	0	0	0	0	0	0	0	0	
Brokerage expenses for the purchase and sale of securities	0	0	0	0	0	0	0	0	
Other expenses (which, according to the management rules, are) directly charged to the guarantee fund	11,501	0	6,858	4,643	8,857	0	4,671	4,186	The Triglav Group and Zavarovalnica Triglav d.d. Annual Report 2018
Other expenses	2	0	1	1	1	0	0	1	
Net profit intended for the insured	-2,491,333	-1,612,585	-384,229	-494,519	2,060,748	1,790,059	115,146	155,543	

5.13.4 Income statement for funds posted separately

	2018		2017		in EUR
	Renta 1	Renta 2	Renta 1	Renta 2	
Income statement of the guarantee fund backing additional pension insurance during the annuity payout period					
Transfer of funds from the pension scheme of additional pension insurance	3,608,382	5,215,651	4,071,895	4,170,609	
This legal entity	3,305,260	760,294	3,394,676	824,595	
Other insurance company	0	0	0	0	
Other pension companies	303,122	4,455,357	677,219	3,346,014	
Mutual pension fund	0	0	0	0	
Income from investments	1,433,512	119,039	1,085,859	100,770	
Income from dividends	0	0	0	0	
Income from other investments	843,424	108,805	950,608	98,013	
Income from land and buildings	0	0	0	0	
Interest income	608,554	71,257	610,263	25,694	
Other investment income	234,870	37,548	340,345	72,319	
Income from asset value adjustments	0	0	0	0	
Profit on disposal of investments	590,088	10,234	135,251	2,757	
Claims incurred	3,541,029	1,102,574	3,590,566	590,950	
Gross claims settled	3,541,029	1,102,574	3,590,566	590,950	
Change in gross provisions for claims outstanding	0	0	0	0	
Change in other net technical provisions (+/-)	1,013,338	4,018,142	1,085,521	3,525,984	
Change of mathematical provisions (+/-)	1,013,338	4,018,142	1,085,521	3,525,984	
Change of other net technical provisions (+/-)	0	0	0	0	
Expenses included in policies	487,527	200,613	481,571	148,819	
Initial expenses	10,703	156,470	20,317	125,118	
Collection, administrative expenses	364,944	0	347,982	0	
Costs of claim settlement	111,880	44,143	113,272	23,701	
Net operating expenses	109,356	94,043	91,949	67,656	
Acquisition costs	0	64,563	0	51,315	
Change of deferred acquisition costs (+/-)	0	0	0	0	
Other operating expenses	109,356	29,480	91,949	16,341	
Depreciation of assets used in insurance business	5,578	1,501	5,387	962	
Labour costs	58,664	15,790	53,180	9,500	
- wages and salaries	40,922	11,015	37,504	6,700	
- social security and pension insurance costs	7,207	1,940	6,462	1,154	
- other labour costs	10,535	2,835	9,214	1,646	
Costs of services provided by natural persons other than sole proprietors (costs under work contracts, service contracts and other relationships), together with duties and charges borne by the company	100	27	33	6	
Other operating expenses	45,014	12,162	33,349	5,873	
Income from reinsurance commissions and from participation in the positive technical result from reinsurance contract (-)	0	0	0	0	
Expenses from investments	0	13,361	96	5,626	
Depreciation and amortization of assets not used in operations	0	0	0	0	
Expenses arising from asset management, interest expenses and other financial expenses	0	9,538	0	5,626	
Revaluation financial expenses	0	0	0	0	
Loss on disposal of investments	0	3,823	96	0	
Profit or loss of the guarantee fund, taking into account expenses included in policies	0	0	0	0	
Profit or loss of the guarantee fund, taking into account net operating expenses	378,171	106,570	389,622	81,163	

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		in EUR
Income statement for guarantee fund backing unit-linked life insurance		
Gross written premium	46,834,564	44,005,246
Income from investments	1,560,287	31,113,126
Income from dividends	1,442	94
Income from other investments	1,252,017	28,520,955
Income from land and buildings	0	0
Interest income	811,771	760,518
Other investment income	440,246	27,760,437
– financial income from revaluation	440,246	27,760,437
– other financial income	0	0
Income from asset value adjustments	0	0
Profit on disposal of investments	306,828	2,592,077
Expenses from cash surrender value	59,839,416	81,504,295
Ordinary termination	40,103,123	63,983,459
Extraordinary termination	19,736,293	17,520,836
– withdrawal from insurance contract	18,221,987	16,323,264
– cancellation of insurance contract	0	0
– death of the insured person	1,514,306	1,197,572
Change in other net technical provisions (+/-)	-50,884,979	-14,678,837
Change of mathematical provisions (+/-)	-50,884,979	-14,678,837
Change of other net technical provisions (+/-)	0	0
Fund management costs	8,157,745	7,995,618
Entry fees	1,170,538	1,867,083
Exit costs	0	0
Management commission	6,987,207	6,128,535
Expenses from investments	31,282,669	297,296
Depreciation and amortization of assets not used in operations	0	0
Expenses arising from asset management, interest expenses and other financial expenses	0	73
Revaluation financial expenses	28,122,518	142,893
Loss on disposal of investments	3,160,151	154,330
Net profit for the period	0	0

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