

# Accounting Report

## Accounting Report

<b>Statement of management's responsibilities</b>	<b>174</b>	3.16. Provisions for employee benefits	234
<b>Independent auditor's report</b>	<b>175</b>	3.17. Other provisions	236
<b>1. Financial statements</b>	<b>181</b>	3.18. Deferred tax assets and liabilities	237
1.1. Statement of financial position	181	3.19. Other financial liabilities	237
1.2. Income statement	182	3.20. Lease liabilities	237
1.3. Other comprehensive income	183	3.21. Operating liabilities	238
1.4. Statement of changes in equity	184	3.22. Other liabilities	238
1.5. Cash flow statement	186	<b>4. Notes to the income statement</b>	<b>239</b>
<b>2. General information</b>	<b>187</b>	4.1. Premium income	239
2.1. Profile of Zavarovalnica Triglav and Triglav Group	187	4.2. Total income from financial assets	242
2.2. Management and supervisory bodies	187	4.3. Total expenses from financial assets	242
2.3. Statement of compliance	188	4.4. Fair value gains and losses	242
2.4. Reporting basis	188	4.5. Realised gains and losses	243
2.5. Basis for consolidation	188	4.6. Other insurance income	243
2.6. Foreign currency translation	188	4.7. Other income	243
2.7. Risk management	189	4.8. Claims	244
2.8. Summary of significant accounting policies	190	4.9. Reinsurance result	247
2.9. Main assumptions	197	4.10. Change in other insurance-technical provisions	247
2.10. Composition and changes in the composition of the Triglav Group in 2019	201	4.11. Expenses for bonuses and discounts	247
<b>3. Notes to the statement of financial position</b>	<b>207</b>	4.12. Acquisition costs and other operating expenses	247
3.1. Intangible assets	207	4.13. Other expenses from insurance operations	252
3.2. Property, plant and equipment	209	4.14. Other expenses	252
3.3. Investment property	211	4.15. Income tax expense	253
3.4. Right of use assets	213	<b>5. Other information</b>	<b>255</b>
3.5. Investments in subsidiaries	214	5.1. Fair value measurement	255
3.6. Investments in associates	215	5.2. Additional notes to the cash flow statement	259
3.7. Financial investments	216	5.3. Amounts spent on auditors	260
3.8. Reinsurers' share of technical provisions	221	5.4. Related party transaction	260
3.9. Receivables	222	5.5. Members of the Management Board and Supervisory Board	262
3.10. Other assets	226	5.6. Off balance sheet items	263
3.11. Cash and cash equivalents	226	5.7. Employees	263
3.12. Non-current assets held for sale	226	5.8. Major legal and arbitrary disputes	264
3.13. Equity	227	5.9. Significant reviews by supervisory bodies	266
3.14. Subordinated liabilities	228	5.10. Subsequent events	268
3.15. Insurance technical provisions and insurance technical provisions for unit-linked insurance contracts	229	5.11. New and amended standards with interpretations	269
		5.12. Segment reporting	272
		5.13. Reporting by guarantee funds posted separately for Zavarovalnica Triglav	285

# Statement of management's responsibilities

The Management Board herewith confirms the financial statements Zavarovalnica Triglav, d.d. and Triglav Group for the year ended 31 December 2019, and the accompanying accounting policies and notes to the accounting policies.

The Management Board is responsible for preparing the Annual Report so that it is true and fair presentation of the Company's and Group's assets and liabilities, financial position and profit for the year ended 31 December 2019 in accordance with International Financial Reporting Standards as adopted by the EU.

The Management Board additionally confirms that the appropriate accounting policies were consistently used and that the accounting estimates were prepared according to the principles of prudence and good management. The Management Board furthermore confirms that the financial statements, together with the notes are prepared on a going concern basis and that they comply with the applicable legislation and International Financial Reporting Standards as adopted by the EU.

The Management Board confirms that the Business Report includes a fair presentation of the development and financial position of the Company and the Group, including a description of the major risks to which the Company and the Group are exposed to.

The Management Board is also responsible for appropriate accounting practices, for the adoption of appropriate measures for the protection of property, and for the prevention and identification of fraud and other irregularities or illegal acts.

The tax authorities may, at any time within the period of five years since the day the tax become chargeable, review the operations of the Company, which may result in additional tax liabilities, default interest and penalties related to corporate income tax and/or other taxes or levies. The Management Board of the Company is unaware of any circumstances that could potentially result in any such significant liability.

Andrej Slapar  
President of the Management Board

Uroš Ivanc  
Member of the Management Board

Tadej Čoroli  
Member of the Management Board

Barbara Smolnikar  
Member of the Management Board

David Benedek  
Member of the Management Board

Marica Makoter  
Member of the Management Board

Ljubljana, 10 March 2020

# Independent auditor's report



Deloitte revizija d.o.o.  
Dunajska cesta 165  
1000 Ljubljana  
Slovenia  
VAT ID: SI62560085

Tel: +386 (0) 1 3072 800  
Fax: +386 (0) 1 3072 900  
www.deloitte.si

## INDEPENDENT AUDITOR'S REPORT to the shareholders of ZAVAROVALNICA TRIGLAV d.d.

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the consolidated financial statements of the company ZAVAROVALNICA TRIGLAV d.d. and its subsidiaries (hereinafter "the Group"), which comprise the consolidated statement of financial position as at 31 December 2019, and the consolidated income statement, consolidated statement of other comprehensive income, consolidated statement of changes in equity and consolidated cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2019, and its consolidated financial performance and consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the EU (hereinafter "IFRSs").

#### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and Regulation (EU) 537/2014 of the European Parliament and of the Council, dated 16 April 2014, on specific requirements regarding statutory audit of public-interest entities. Our responsibilities under those rules are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and other ethical requirements that are relevant to our audit of the financial statements in Slovenia, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the year ended 31 December 2019. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

#### Insurance Technical Provisions

Key Audit Matter	How the matter was addressed in our audit
<b>Valuation of Insurance Technical Provisions</b>	
Disclosures regarding insurance technical provisions are included in disclosures 3.15. "Insurance technical provisions and insurance technical provisions for life-assurance policies where the investment risk is borne by the policyholders".	We obtained understanding of key controls and tested their operating effectiveness. We also reviewed the processes of analyzing the economic and non-economic assumptions used in the calculation of provisions.
Insurance technical provisions are an important liability of the Group in the consolidated statement of financial position. As at 31 December 2019, the value of insurance technical provisions equals EUR 2,393,927 thousand (2018: EUR 2,310,503 thousand). The provisions are measured in accordance with the accounting policies set in the financial statements.	We reviewed the adequacy of key management assumptions used in assessing the amount of insurance technical provisions for individual cases and reconciled them in accordance with appropriate supporting documents.  We assessed whether the provisions recorded were in accordance with the requirements of the accounting framework, industry best practice and regulatory requirements.
The calculation of provisions for insurance contracts is complex, as it involves a high degree of management judgement and complex mathematical and statistical calculations. The models for calculating the amount of technical provisions are created separately for each category. The creation depends largely on economic and demographic assumptions.	In addition, we have reviewed the information disclosed in the financial statements to assess whether the balances are sufficiently disclosed for the users of the financial statements.  Experts from the actuarial field were included in the assessment of actuarial assumptions, including the treatment and judgment of management's assumptions. Actuarial experts were included in testing the calculations of the models, and they also performed independent calculations and assessments.
Management reviews premiums, claims settlements and other input data and assumptions of the model; the actuarial function is responsible for reviewing the adequacy of the estimated provisions.	
Insurance technical provisions are accounting estimates that are materially significant accounting balances and are therefore subject to high degree of judgement, which is why we considered this accounting estimates as key audit matter.	

Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited ("DTTL"), its global network of member firms, and their related entities. DTTL (also referred to as "Deloitte Global") and each of its member firms are legally separate and independent entities. DTTL does not provide services to clients. Please see [www.deloitte.com/si/about](http://www.deloitte.com/si/about) to learn more.

In Slovenia the services are provided by Deloitte revizija d.o.o. and Deloitte svetovanje d.o.o. (jointly referred to as "Deloitte Slovenia") which are affiliates of Deloitte Central Europe Holdings Limited. Deloitte Slovenia is one of the leading professional services organizations in the country providing services in audit and assurance, consulting, financial advisory, risk advisory, tax and related services, through over 135 national and foreign professionals.

Deloitte revizija d.o.o. - The company is registered with the Ljubljana District Court, registration no. 1647105 - VAT ID SI62560085 - Nominal capital EUR 74.214.30.  
© 2020. Deloitte Slovenia



**Financial Investments**

Key audit matter	How the matter was addressed in our audit
<b>Valuation of Financial Investments</b>	
<p>The disclosures in relation to financial investments are included in disclosures 3.7. »Financial Investments« and as at 31 December 2019, these financial investments amount to EUR 2,740,039 thousand (2018: EUR 2,588,904 thousand).</p> <p>The Group classifies these financial investments in the following groups:</p> <ul style="list-style-type: none"> <li>- financial assets measured at fair value through profit or loss,</li> <li>- held-to-maturity financial assets,</li> <li>- loans and deposits and</li> <li>- available-for-sale financial assets.</li> </ul> <p>Classification is made in accordance with purpose of purchase of the financial investment. At initial recognition, a decision on their classification is taken.</p> <p>These financial investments are measured by the group to which the financial investment is classified:</p> <ul style="list-style-type: none"> <li>- financial assets measured at fair value through profit or loss are measured at fair value,</li> <li>- held-to-maturity financial assets are measured at amortized cost less impairment losses,</li> <li>- loans and deposits are measured at amortized cost using the effective interest method, and</li> <li>- available-for-sale financial assets are measured at fair value.</li> </ul> <p>Due to significance of these financial investments in statement of financial position of the insurance company, they are considered as key audit matter.</p>	<p>For these financial investments, we reviewed adequacy of measurement.</p> <p>We also performed the following procedures:</p> <ul style="list-style-type: none"> <li>- For investments in marketable securities, we have recalculated the fair value of investments based on the value arising from the securities market as of 31 December 2019.</li> <li>- For investments in non-marketable securities measured at fair value, we have considered the appropriateness of the assumptions used and the methodology used by the company. In particular, we considered the assumptions for the calculation of discount rates and expected future cash flows. We included auditor's experts in procedures of assessment of valuations.</li> <li>- For investments measured at amortized cost, we have recalculated the amortized cost based on the maturity data of each investment as of 31 December 2019.</li> </ul>

**Other Matter**

The consolidated financial statements of ZAVAROVALNICA TRIGLAV, d.d., for the year ended December 31, 2018, were audited by another auditor who expressed an unmodified opinion on those statements on March 8, 2019.

**Other information**

Management is responsible for the other information. The other information comprises the information, included in Annual report, other than the financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we express no assurance thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, assess whether the other information is materially inconsistent with the consolidated financial statements, legal requirements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If based on our work performed we conclude that other information include material misstatement we need to report such circumstances.

In relation to this and based on our procedures performed, we report that:

- other information are, in all material respects, consistent with the consolidated financial statements;
- other information are prepared in compliance with applicable law or regulation; and
- based on our knowledge and understanding of the Group and its environment obtained in the audit, we did not identify any material misstatement of fact related to the other information.

**Responsibilities of Management, Supervisory board and Audit committee for the Consolidated Financial Statements**

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRSs, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements of the Group, management is responsible for assessing its ability to continue as a going concern, disclosing matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Supervisory Board and Audit Committee are responsible for overseeing the Group's financial reporting process and for approving audited annual report.

**Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with auditing rules will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with auditing rules, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the organization to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence concerning the financial information of the entities or business activities within the Group in order to express an opinion on the consolidated financial statements. We are responsible for conducting, overseeing and performing the audit of the Group. We have sole responsibility for the audit opinion expressed.

With Supervisory Board and Audit Committee we communicate the planned scope and timing of the audit and significant findings from the audit, including deficiencies in internal control we have identified during our audit.

We also provide Supervisory Board and Audit Committee with the statement of compliance with relevant ethical requirements regarding independence, and we communicate with them all relationships and other matters for which it may reasonably be thought to bear on independence, and, if appropriate, all the related safeguards.

From the matters communicated with Supervisory Board and Audit Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period, and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.

## Report on Other Legal and Regulatory Requirements

### Appointment of the Auditor and the Period of Engagement

Deloitte revizija d.o.o. was appointed as the statutory auditor of the Company on General Shareholders' Meeting held on 28 May 2019. Our total uninterrupted engagement has lasted 1 year.

### Confirmation to the Audit Committee

We confirm that our audit opinion on the financial statements expressed herein is consistent with the additional report to the Audit Committee of the Company, which we issued on 10 March 2019 in accordance with Article 11 of Regulation (EU) No. 537/2014 of the European Parliament and the Council.

### Provision of Non-audit Services

We declare that no prohibited non-audit services referred to in the Article 5(1) of Regulation (EU) No. 537/2014 of the European Parliament and the Council were provided. There are no services, in addition to the statutory audit, which we provided to the Company and its controlled undertakings, and which have not been disclosed in the Annual Report.

Engagement partner responsible for the audit on behalf of Deloitte revizija d.o.o. is Barbara Žibret Kralj, certified auditor.

DELOITTE REVIZIJA d.o.o.

Barbara Žibret Kralj  
Certified auditor

*For signature please refer to the original Slovenian version.*

Ljubljana, 10 March 2020

**Deloitte.**  
DELOITTE REVIZIJA D.O.O.  
Ljubljana, Slovenija 3

TRANSLATION ONLY, SLOVENE ORIGINAL PREVAILS



Deloitte revizija d.o.o.  
 Dunajska cesta 165  
 1000 Ljubljana  
 Slovenia  
 VAT ID: SI62560085

Tel: +386 (0) 1 3072 800  
 Fax: +386 (0) 1 3072 900  
 www.deloitte.si

**INDEPENDENT AUDITOR'S REPORT  
 to the shareholders of ZAVAROVALNICA TRIGLAV d.d.**

**Opinion**

We have audited the financial statements of the company ZAVAROVALNICA TRIGLAV d.d. (hereinafter 'the Company'), which comprise the statement of financial position as at 31 December 2019, and the income statement, statement of other comprehensive income, statement of changes in equity and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2019, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the EU (hereinafter 'IFRSs').

**Basis for Opinion**

We conducted our audit in accordance with International Standards on Auditing (ISAs) and Regulation (EU) 537/2014 of the European Parliament and of the Council, dated 16 April 2014, on specific requirements regarding statutory audit of public-interest entities. Our responsibilities under those rules are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and other ethical requirements that are relevant to our audit of the financial statements in Slovenia, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the year ended 31 December 2019. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

**Insurance Technical Provisions**

Key Audit Matter	How the matter was addressed in our audit
<b>Valuation of Insurance Technical Provisions</b>	
Disclosures regarding insurance technical provisions are included in disclosures 3.15. "Insurance technical provisions and insurance technical provisions for life-assurance policies where the investment risk is borne by the policyholders".	We obtained understanding of key controls and tested their operating effectiveness. We also reviewed the processes of analyzing the economic and non-economic assumptions used in the calculation of provisions.
Insurance technical provisions are an important liability of the Company in the statement of financial position. As at 31 December 2019, the value of insurance technical provisions equals EUR 1,713,421 thousand (2018: EUR 1,696,143 thousand). The provisions are measured in accordance with the accounting policies set in the financial statements.	We reviewed the adequacy of key management assumptions used in assessing the amount of insurance technical provisions for individual cases and reconciled them in accordance with appropriate supporting documents.
The calculation of provisions for insurance contracts is complex, as it involves a high degree of management judgement and complex mathematical and statistical calculations. The models for calculating the amount of technical provisions are created separately for each category. The creation depends largely on economic and demographic assumptions.	We assessed whether the provisions recorded were in accordance with the requirements of the accounting framework, industry best practice and regulatory requirements.
Management reviews premiums, claim settlements and other input data and assumptions of the model; the actuarial function of the Company is responsible for reviewing the adequacy of the estimated provisions.	In addition, we have reviewed the information disclosed in the financial statements to assess whether the balances are sufficiently disclosed for the users of the financial statements.
Insurance technical provisions are accounting estimates that are materially significant accounting balances and are therefore subject to high degree of judgement, which is why we considered these accounting estimates as key audit matter.	Experts from the actuarial field were included in the assessment of actuarial assumptions, including the treatment and judgment of management's assumptions. Actuarial experts were included in testing the calculations of the Company's model, and they also performed independent calculations.

Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited ("DTTL"), its global network of member firms, and their related entities. DTTL (also referred to as "Deloitte Global") and each of its member firms are legally separate and independent entities. DTTL does not provide services to clients. Please see [www.deloitte.com/si/about](http://www.deloitte.com/si/about) to learn more.

In Slovenia the services are provided by Deloitte revizija d.o.o. and Deloitte svetovanje d.o.o. (jointly referred to as "Deloitte Slovenia") which are affiliates of Deloitte Central Europe Holdings Limited. Deloitte Slovenia is one of the leading professional services organizations in the country providing services in audit and assurance, consulting, financial advisory, risk advisory, tax and related services, through over 135 national and foreign professionals.

Deloitte revizija d.o.o. - The company is registered with the Ljubljana District Court, registration no. 1647105 - VAT ID SI62560085 - Nominal capital EUR 74,214.30.  
 © 2020. Deloitte Slovenia

**Investments in Subsidiaries**

Key audit matter	How the matter was addressed in our audit
<b>Valuation of Investments in the Equity of Subsidiaries</b>	
<p>The disclosures in relation to investments in subsidiaries are included in disclosures 3.5. "Investments in subsidiaries" and 5.4. "Related party transactions".</p> <p>Investments in the equity of subsidiaries amount to EUR 134,939 thousand (2018: EUR 131,939 thousand) and are measured at cost. At least once a year, the management assesses the impairment indicators of the aforementioned investments and, where required, performs tests based on discounting future cash flows. These procedures require management assessment.</p> <p>In assessing impairment indicators, professional judgement and the use of subjective assumptions by the management are required.</p> <p>Due to the significance of the above-mentioned circumstances, the identification of impairment indicators and calculation of the impairments are considered as key audit matter.</p>	<p>We have assessed the management's consideration of impairment indicators for investments in subsidiaries. The emphasis of our audit procedures was on assessing and testing the key assumptions that the management used for identifying the impairment indicators and for assessing for impairment.</p> <p>Our procedures also included the following:</p> <ul style="list-style-type: none"> <li>- verification and comparison of net assets with investment value,</li> <li>- assessment of assumptions used in the calculation of discount rates and their recalculation,</li> <li>- review of planned future cash flows that the Company uses for impairment testing,</li> <li>- comparison of the planned cash flows, including the assumptions on revenue growth rate and operating profitability, with previous results of testing the accuracy of management's assumptions,</li> <li>- verification of the adequacy of disclosures in the financial statements.</li> </ul> <p>We included an auditor's expert in our procedures.</p>

**Financial Investments**

Key audit matter	How the matter was addressed in our audit
<b>Valuation of Financial Investments</b>	
<p>The disclosures in relation to financial investments are included in disclosure 3.7. "Financial investments".</p> <p>As at 31 December 2019, these financial investments amount to EUR 1,912,207 thousand (2018: EUR 1,840,037 thousand).</p> <p>The insurance company classifies these financial investments in the following groups:</p> <ul style="list-style-type: none"> <li>- financial assets measured at fair value through profit or loss,</li> <li>- held-to-maturity financial assets,</li> <li>- loans and deposits and</li> </ul>	<p>For these financial investments, we reviewed adequacy of measurement.</p> <p>We also performed the following procedures:</p> <ul style="list-style-type: none"> <li>- For investments in marketable securities, we have recalculated the fair value of investments based on the value arising from the securities market as of 31 December 2019.</li> <li>- For investments in non-marketable securities measured at fair value, we have considered the appropriateness of the assumptions used and the methodology used by the company. In particular, we</li> </ul>

<ul style="list-style-type: none"> <li>- available-for-sale financial assets.</li> </ul> <p>These financial investments are classified in accordance with the purpose of their purchase. At initial recognition, the management decides on the classification of investments.</p> <p>The Company measures these financial investments by the group to which the financial investment is classified:</p> <ul style="list-style-type: none"> <li>- financial assets measured at fair value through profit or loss are measured at fair value,</li> <li>- held-to-maturity financial assets are measured at amortized cost less impairment losses,</li> <li>- loans and deposits are measured at amortized cost using the effective interest method, and</li> <li>- available-for-sale financial assets are measured at fair value.</li> </ul> <p>Due to significance of the financial investments in statement of financial position of the insurance company, they are considered as key audit matter.</p>	<p>considered the assumptions for the calculation of discount rates and expected future cash flows. We included auditor's experts in procedures of assessment of valuations.</p> <ul style="list-style-type: none"> <li>- For investments measured at amortized cost, we have recalculated the amortized cost based on the maturity data of each investment as of 31 December 2019.</li> </ul>
---	--

**Other Matter**

The financial statements of ZAVAROVALNICA TRIGLAV, d.d., for the year ended December 31, 2018, were audited by another auditor who expressed an unmodified opinion on those statements on March 8, 2019.

**Other information**

Management is responsible for the other information. The other information comprises the information, included in Annual report, other than the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we express no assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, assess whether the other information is materially inconsistent with the financial statements, legal requirements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If based on our work performed we conclude that other information include material misstatement we need to report such circumstances.



In relation to this and based on our procedures performed, we report that:

- other information are, in all material respects, consistent with the financial statements;
- other information are prepared in compliance with applicable law or regulation; and
- based on our knowledge and understanding of the Company and its environment obtained in the audit, we did not identify any material misstatement of fact related to the other information.

#### Responsibilities of Management, Supervisory Board and Audit Committee for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Company, management is responsible for assessing its ability to continue as a going concern, disclosing matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Supervisory Board and Audit Committee are responsible for overseeing the Company's financial reporting process and for approving audited annual report.

#### Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with auditing rules will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with auditing rules, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the organization to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

With Supervisory Board and Audit Committee we communicate the planned scope and timing of the audit and significant findings from the audit, including deficiencies in internal control we have identified during our audit.

We also provide Supervisory Board and Audit Committee with the statement of compliance with relevant ethical requirements regarding independence, and we communicate with them all relationships and other matters for which it may reasonably be thought to bear on independence, and, if appropriate, all the related safeguards.

From the matters communicated Supervisory Board and Audit Committee, we determine those matters that were of most significance in the audit of the financial statements of the current period, and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.

#### Report on Other Legal and Regulatory Requirements

##### Appointment of the Auditor and the Period of Engagement

Deloitte revizija d.o.o. was appointed as the statutory auditor of the Company on General Shareholders' Meeting held on 28 May 2019. Our total uninterrupted engagement has lasted first years.

##### Confirmation to the Audit Committee

We confirm that our audit opinion on the financial statements expressed herein is consistent with the additional report to the Audit Committee of the Company, which we issued on 10 March 2020 in accordance with Article 11 of Regulation (EU) No. 537/2014 of the European Parliament and the Council.

##### Provision of Non-audit Services

We declare that no prohibited non-audit services referred to in the Article 5(1) of Regulation (EU) No. 537/2014 of the European Parliament and the Council were provided. There are no services, in addition to the statutory audit, which we provided to the Company, and which have not been disclosed in the Annual Report.

Engagement partner responsible for the audit on behalf of Deloitte revizija d.o.o. is Barbara Žibret Kralj, certified auditor.

DELOITTE REVIZIJA d.o.o.

Barbara Žibret Kralj  
Certified auditor

For signature please refer to the original  
Slovenian version.

Ljubljana, 10 March 2020

**Deloitte.**  
DELOITTE REVIZIJA D.O.O.  
Ljubljana, Slovenija

TRANSLATION ONLY, SLOVENE ORIGINAL PREVAILS

# 1. Financial statements<sup>104</sup>

## 1.1. Statement of financial position

	Notes	Triglav Group		Zavarovalnica Triglav	
		31 December 2019	31 December 2018	31 December 2019	31 December 2018
		in EUR			
<b>ASSETS</b>		<b>3,936,999,820</b>	<b>3,645,277,487</b>	<b>2,901,140,141</b>	<b>2,730,187,525</b>
Intangible assets	3.1	101,725,725	84,060,048	61,924,273	62,162,502
Property, plant and equipment	3.2	114,072,290	113,296,053	68,305,684	67,986,100
Non-current assets held for sale	3.12	4,164,221	2,067,399	0	0
Deferred tax assets	3.18	12,462,082	12,893,732	0	0
Investment property	3.3	79,921,480	89,840,456	46,091,135	45,270,540
Right of use assets	3.4	10,937,925	0	4,106,316	0
Investments in subsidiaries	3.5	0	0	134,938,667	131,938,667
Investments in associates	3.6	13,154,379	14,125,973	18,054,026	16,959,355
– accounted for using the equity method		13,154,379	14,125,973	0	0
– measured at fair value		0	0	18,054,026	16,959,355
Financial investments	3.7	2,740,030,952	2,588,904,297	1,912,207,382	1,840,036,950
– loans and deposits		112,578,151	138,857,972	49,049,847	92,670,309
– held to maturity		186,109,072	196,773,185	150,469,553	159,463,950
– available for sale		1,826,940,416	1,802,568,767	1,382,802,069	1,383,855,505
– recognised at fair value through profit and loss		614,403,313	450,704,373	329,885,913	204,047,186
Unit-linked insurance assets	3.7	482,031,288	402,515,770	433,758,610	366,664,078
Reinsurers' share of technical provisions	3.8	102,747,806	85,920,499	98,433,270	87,893,306
Receivables	3.9	194,235,748	178,654,878	93,715,995	89,980,951
– receivables from direct insurance operations		105,459,829	96,601,328	68,401,137	62,635,337
– receivables from reinsurance and coinsurance operations		57,989,502	51,299,903	17,219,677	18,157,611
– current tax receivables		1,281,349	579,645	0	0
– other receivables		29,505,068	30,174,002	8,095,181	9,188,003
Other assets	3.10	5,646,149	5,396,722	3,492,671	3,296,589
Cash and cash equivalents	3.11	75,869,775	67,601,660	26,112,112	17,998,487
<i>Off balance sheet items</i>	5.6	<i>205,911,992</i>	<i>251,429,127</i>	<i>107,689,690</i>	<i>178,359,227</i>
<b>EQUITY AND LIABILITIES</b>		<b>3,936,999,820</b>	<b>3,645,277,487</b>	<b>2,901,140,141</b>	<b>2,730,187,525</b>
Equity	3.13	791,951,788	746,862,805	580,480,275	560,120,736
Controlling interests		789,526,123	744,566,806	580,480,275	560,120,736
– share capital		73,701,392	73,701,392	73,701,392	73,701,392
– share premium		50,276,637	50,206,540	53,412,884	53,412,884
– reserves from profit		354,734,274	334,121,464	338,962,643	318,962,643
– treasury share reserves		364,680	364,680	0	0
– treasury shares		-364,680	-364,680	0	0
– fair value reserve		84,099,924	66,237,889	53,859,881	47,260,189
– net profit brought forward		165,896,170	142,483,579	9,929,059	1,239,764
– net profit/loss for the year		63,404,824	80,533,643	50,614,416	65,543,864
– currency translation differences		-2,587,098	-2,717,701	0	0
Non-controlling interests	2.10	2,425,665	2,295,999	0	0
Subordinated liabilities	3.14	64,847,293	15,462,711	69,999,451	20,612,951
Insurance technical provisions	3.15	2,393,927,336	2,310,503,061	1,713,421,521	1,696,143,475
– unearned premiums		332,510,935	300,166,946	232,791,056	213,919,937
– mathematical provisions		1,404,439,748	1,357,233,017	1,020,231,686	1,009,712,605
– claims provisions		615,398,744	614,943,915	428,320,763	442,560,188
– other insurance technical provisions		41,577,909	38,159,183	32,078,016	29,950,745
Insurance technical provisions for unit-linked insurance contracts	3.15	484,942,835	402,598,039	435,592,711	365,238,075
Provisions for employee benefits	3.16	15,873,046	14,804,574	11,892,449	11,167,156
Other provisions	3.17	2,750,400	1,919,555	732,811	758,435
Deferred tax liabilities	3.18	22,516,692	17,203,576	5,706,679	2,813,736
Other financial liabilities	3.19	1,864,413	5,620,904	1,640,125	1,587,443
Operating liabilities	3.21	66,872,331	54,792,055	31,912,738	28,523,572
– liabilities from direct insurance operations		21,558,544	19,717,929	14,239,495	11,306,835
– liabilities from reinsurance and co-insurance operations		41,548,913	30,465,655	15,309,075	13,819,946
– current tax liabilities		3,764,874	4,608,471	2,364,168	3,396,791
Lease liabilities	3.20	10,915,678	0	4,166,278	0
Other liabilities	3.22	80,538,008	75,510,207	45,595,103	43,221,946
<i>Off balance sheet items</i>	5.6	<i>205,911,992</i>	<i>251,429,127</i>	<i>107,689,690</i>	<i>178,359,227</i>

<sup>104</sup> Notes on pages from 187 to 284 are part of financial statements.

## 1.2. Income statement

INCOME STATEMENT	Notes	Triglav Group		Zavarovalnica Triglav	
		2019	2018	2019	2018
<b>Net premium income</b>	<b>4.1</b>	<b>1,027,628,825</b>	<b>951,762,862</b>	<b>573,555,357</b>	<b>551,940,868</b>
– gross written premium		1,184,174,107	1,068,394,407	702,131,969	660,210,432
– ceded written premium		-136,453,097	-106,624,908	-119,532,753	-101,297,110
– change in unearned premium reserve		-20,092,185	-10,006,637	-9,043,859	-6,972,454
<b>Income from investments in subsidiaries and associates</b>	<b>4.2</b>	<b>1,076,327</b>	<b>1,021,159</b>	<b>3,642,440</b>	<b>5,305,545</b>
– profit on equity investments accounted for using the equity method		515,913	1,021,159	0	0
– other income from investments in subsidiaries and associates		560,414	0	3,642,440	5,305,545
<b>Income from investments</b>	<b>4.2</b>	<b>186,989,205</b>	<b>88,889,077</b>	<b>141,512,227</b>	<b>61,755,135</b>
– interest income calculated using the effective interest method		53,137,742	55,573,242	35,136,849	36,890,019
– gains on disposals		37,568,819	23,777,837	32,059,434	18,521,649
– other income from investments		96,282,644	9,537,998	74,315,944	6,343,467
<b>Other income from insurance operations</b>	<b>4.6</b>	<b>37,183,512</b>	<b>29,837,981</b>	<b>29,755,003</b>	<b>27,448,384</b>
– fees and commission income		22,069,255	15,806,181	19,848,006	17,004,132
– other income from insurance operations		15,114,257	14,031,800	9,906,997	10,444,252
<b>Other income</b>	<b>4.7</b>	<b>39,521,122</b>	<b>36,149,533</b>	<b>11,355,435</b>	<b>12,491,979</b>
<b>Net claims incurred</b>	<b>4.8</b>	<b>684,147,828</b>	<b>626,560,398</b>	<b>376,760,877</b>	<b>359,941,674</b>
– gross claims settled		716,742,136	679,600,218	425,204,380	421,002,582
– reinsurers' share		-35,254,541	-39,988,966	-31,495,447	-37,767,613
– changes in claims provisions		-4,906,936	-19,248,552	-16,948,056	-23,293,295
– equalisation scheme expenses for supplementary health insurance		7,567,169	6,197,698	0	0
<b>Change in other insurance technical provisions (excluding ULI)</b>	<b>4.10</b>	<b>59,308,590</b>	<b>39,860,373</b>	<b>22,338,141</b>	<b>29,499,390</b>
<b>Change in insurance technical provisions for unit-linked insurance contracts</b>	<b>4.10</b>	<b>69,205,056</b>	<b>-46,889,547</b>	<b>57,140,018</b>	<b>-50,884,979</b>
<b>Expenses for bonuses and discounts</b>	<b>4.11</b>	<b>11,561,258</b>	<b>11,417,685</b>	<b>9,721,522</b>	<b>10,571,287</b>
<b>Operating expenses</b>	<b>4.12</b>	<b>244,452,851</b>	<b>233,637,425</b>	<b>157,906,165</b>	<b>153,008,918</b>
– acquisition costs		162,566,584	159,245,093	110,868,380	110,230,112
– other operating costs		81,886,267	74,392,332	47,037,785	42,778,806
<b>Expenses from investments in subsidiaries and associates</b>	<b>4.3</b>	<b>733,344</b>	<b>137,092</b>	<b>195,478</b>	<b>4,759</b>
– loss on investments accounted for using the equity method		170,640	137,092	0	0
– other expenses from financial assets and liabilities		562,704	0	195,478	4,759
<b>Expenses from investments</b>	<b>4.3</b>	<b>23,953,572</b>	<b>67,118,486</b>	<b>18,381,935</b>	<b>50,929,727</b>
– loss on impairment of investments		848,962	1,497,483	344,175	1,248,877
– loss on disposal of investments		9,767,166	13,128,928	9,679,511	12,566,364
– other expenses from investments		13,337,444	52,492,075	8,358,249	37,114,486
<b>Other insurance expenses</b>	<b>4.13</b>	<b>43,565,310</b>	<b>33,744,135</b>	<b>14,950,707</b>	<b>11,819,639</b>
<b>Other expenses</b>	<b>4.14</b>	<b>54,533,956</b>	<b>44,618,763</b>	<b>17,814,012</b>	<b>15,594,244</b>
– expenses from financing		3,098,502	1,384,361	2,867,130	1,507,022
– other expenses		51,435,454	43,234,402	14,946,882	14,087,222
<b>Profit before tax</b>		<b>100,937,227</b>	<b>97,455,802</b>	<b>84,611,607</b>	<b>78,457,252</b>
Income tax expense	4.15	17,072,798	16,629,557	13,997,191	12,913,388
<b>NET PROFIT FOR THE PERIOD</b>		<b>83,864,429</b>	<b>80,826,245</b>	<b>70,614,416</b>	<b>65,543,864</b>
Earnings per share (basic and diluted)		3,69	3,56	-	-
Net profit/loss attributable to the controlling company		83,690,644	80,662,754	-	-
Net profit/loss attributable to the non-controlling interest holders		173,785	163,491	-	-



### 1.3. Other comprehensive income

	Notes	Triglav Group		Zavarovalnica Triglav		in EUR
		2019	2018	2019	2018	
<b>Net profit for the year after tax</b>	3.13	<b>83,864,429</b>	<b>80,826,245</b>	<b>70,614,416</b>	<b>65,543,864</b>	
<b>Other comprehensive income after tax</b>		<b>18,003,465</b>	<b>-28,931,958</b>	<b>6,582,993</b>	<b>-19,997,563</b>	
Items which will not be transferred in income statement in future periods		-351,094	-303,425	-309,508	-266,153	
Actuarial gains/losses on defined benefit pension plans	3.16	-351,094	-303,550	-309,508	-266,153	
Tax on items which will not be transferred in income statement		0	125	0	0	
Items which could be transferred into income statement in future periods		18,354,559	-28,628,533	6,892,501	-19,731,410	
Fair value gains/losses on available-for-sale financial assets	3.13	28,490,288	-50,091,501	13,274,750	-39,514,888	
– net gains/losses recognized directly in equity		41,338,796	-32,052,599	25,033,214	-25,811,542	
– transfers from equity to income statement		-12,848,508	-18,038,902	-11,758,464	-13,703,346	
Share of OCI of entities accounted for using the equity method		0	-310,367	0	0	
Liabilities from insurance contracts with DPF		-4,005,357	12,510,378	-4,005,357	12,510,379	
Currency translation differences		137,443	127,483	0	0	
Tax on other comprehensive income		-6,267,815	9,135,474	-2,376,892	7,273,099	
<b>COMPREHENSIVE INCOME OR LOSS FOR THE YEAR AFTER TAX</b>		<b>101,867,894</b>	<b>51,894,287</b>	<b>77,197,409</b>	<b>45,546,301</b>	
Controlling interest		101,666,578	51,702,769	-	-	
Non-controlling interest		201,316	191,518	-	-	

## 1.4. Statement of changes in equity

in EUR

Triglav Group	Share capital	Share premium	Reserves from profit					Fair value reserve	Net profit brought forward	Net profit/loss	Currency translation differences	Total equity attributable to the controlling company	Non-controlling interests	Total
			Contingency reserves	Legal and statutory reserves	Treasury share reserves	Treasury shares	Other reserves from profit							
<b>As at 1 January 2018</b>	<b>73,701,392</b>	<b>50,403,656</b>	<b>593,033</b>	<b>18,514,040</b>	<b>364,680</b>	<b>-364,680</b>	<b>314,300,000</b>	<b>95,398,236</b>	<b>160,647,992</b>	<b>39,133,955</b>	<b>-2,854,060</b>	<b>749,838,244</b>	<b>6,807,439</b>	<b>756,645,683</b>
Comprehensive income for the year after tax	0	0	0	0	0	0	0	-29,160,347	64,002	80,662,754	136,359	51,702,768	191,518	51,894,287
a) Net profit	0	0	0	0	0	0	0	0	0	80,662,754	0	80,662,754	163,491	80,826,245
b) Other comprehensive income	0	0	0	0	0	0	0	-29,160,347	64,002	0	136,359	-28,959,986	28,027	-28,931,959
Repayment of equity	0	0	0	0	0	0	0	0	0	0	0	0	-133,062	-133,062
Transfer to retained earnings	0	0	0	0	0	0	0	0	39,133,955	-39,133,955	0	0	0	0
Dividend payment	0	0	0	0	0	0	0	0	-56,777,086	0	0	-56,777,086	-102,094	-56,879,180
Transfer of net profit to reserves from profit	0	0	6,819	707,572	0	0	0	0	-585,282	-129,109	0	0	0	0
Change in Group	0	-197,116	0	0	0	0	0	0	0	0	0	-197,116	-4,467,802	-4,664,918
<b>As at 31 December 2018</b>	<b>73,701,392</b>	<b>50,206,540</b>	<b>599,852</b>	<b>19,221,612</b>	<b>364,680</b>	<b>-364,680</b>	<b>314,300,000</b>	<b>66,237,889</b>	<b>142,483,579</b>	<b>80,533,643</b>	<b>-2,717,701</b>	<b>744,566,806</b>	<b>2,295,999</b>	<b>746,862,805</b>
Comprehensive income for the year after tax	0	0	0	0	0	0	0	17,862,035	-16,704	83,690,644	130,603	101,666,578	201,316	101,867,894
a) Net profit	0	0	0	0	0	0	0	0	0	83,690,644	0	83,690,644	173,785	83,864,429
b) Other comprehensive income	0	0	0	0	0	0	0	17,862,035	-16,704	0	130,603	17,975,934	27,531	18,003,465
Transfer to retained earnings	0	0	0	0	0	0	0	0	80,533,643	-80,533,643	0	0	0	0
Dividend payment	0	0	0	0	0	0	0	0	-56,777,146	0	0	-56,777,146	0	-56,777,146
Transfer of net profit to reserves from profit	0	0	40,488	572,534	0	0	20,000,000	0	-327,202	-20,285,820	0	0	0	0
Change in Group	0	-472	0	-212	0	0	0	0	0	0	0	-684	-71,650	-72,334
Other	0	70,569	0	0	0	0	0	0	0	0	0	70,569	0	70,569
<b>As at 31 December 2019</b>	<b>73,701,392</b>	<b>50,276,637</b>	<b>640,340</b>	<b>19,793,934</b>	<b>364,680</b>	<b>-364,680</b>	<b>334,300,000</b>	<b>84,099,924</b>	<b>165,896,170</b>	<b>63,404,824</b>	<b>-2,587,098</b>	<b>789,526,123</b>	<b>2,425,665</b>	<b>791,951,788</b>

in EUR

Zavarovalnica Triglav	Share capital	Share premium	Reserves from profit		Fair value reserve	Net profit brought forward	Net profit/loss	Total
			Legal and statutory reserves	Other reserves from profit				
<b>As at 1 January 2018</b>	<b>73,701,392</b>	<b>53,412,884</b>	<b>4,662,643</b>	<b>314,300,000</b>	<b>67,250,264</b>	<b>25,563,172</b>	<b>32,521,950</b>	<b>571,412,305</b>
Comprehensive income for the year after tax	0	0	0	0	-19,990,075	-7,488	65,543,864	45,546,301
a) Net profit	0	0	0	0	0	0	65,543,864	65,543,864
b) Other comprehensive income	0	0	0	0	-19,990,075	-7,488	0	-19,997,563
Dividend payment	0	0	0	0	0	-56,837,870	0	-56,837,870
Transfer to retained earnings	0	0	0	0	0	32,521,950	-32,521,950	0
<b>As at 31 December 2018</b>	<b>73,701,392</b>	<b>53,412,884</b>	<b>4,662,643</b>	<b>314,300,000</b>	<b>47,260,189</b>	<b>1,239,764</b>	<b>65,543,864</b>	<b>560,120,736</b>
Comprehensive income for the year after tax	0	0	0	0	6,599,692	-16,699	70,614,416	77,197,409
a) Net profit	0	0	0	0	0	0	70,614,416	70,614,416
b) Other comprehensive income	0	0	0	0	6,599,692	-16,699	0	6,582,993
Dividend payment	0	0	0	0	0	-56,837,870	0	-56,837,870
Transfer of net profit to other reserves from profit	0	0	0	20,000,000	0	0	-20,000,000	0
Transfer to retained earnings	0	0	0	0	0	65,543,864	-65,543,864	0
<b>As at 31 December 2019</b>	<b>73,701,392</b>	<b>53,412,884</b>	<b>4,662,643</b>	<b>334,300,000</b>	<b>53,859,881</b>	<b>9,929,059</b>	<b>50,614,416</b>	<b>580,480,275</b>

## 1.5. Cash flow statement

	Notes	Triglav Group		Zavarovalnica Triglav	
		2019	2018	2019	2018
in EUR					
<b>A. OPERATING CASH FLOW</b>					
a. Net profit for the period	1.2	83,864,429	80,826,246	70,614,416	65,543,865
b. Adjustments:		20,602,022	-15,248,844	-25,835,186	-29,661,945
– depreciation and amortisation		18,212,851	14,082,102	12,215,733	10,541,634
– changes in fair value of investments		-80,270,766	44,348,521	-63,561,375	32,424,985
– other investment income and expenses		-85,905,413	-69,388,612	-65,117,337	-50,349,712
– interest expenses and other expenses		3,098,502	1,384,361	2,867,130	1,507,022
– revaluation of investment properties and receivables		5,037,035	3,732,852	2,477,665	889,024
– changes in technical provisions		143,698,894	-24,968,719	71,801,858	-36,802,504
– corporate income tax excluding deferred taxes		16,730,919	15,560,651	13,481,140	12,127,606
c. Net income before changes in operating assets (a+b)		104,466,451	65,577,402	44,779,230	35,881,920
Changes in operating receivables		-13,392,691	-10,214,443	-6,748,441	-12,797,338
Changes in other assets		-2,675,675	-5,750,219	-797,687	-4,304,205
Changes in liabilities		19,007,395	8,686,561	8,034,150	4,347,797
Paid corporate income tax		-17,108,041	-14,306,961	-14,513,762	-9,866,802
d. Changes in net operating assets		-14,169,012	-21,585,062	-14,025,740	-22,620,548
e. Net cash from/ (used in) operating activities (c+d)	5.2	90,297,439	43,992,340	30,753,490	13,261,372
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>					
a. Cash inflows from investing activities		1,469,286,636	999,778,200	1,198,898,504	796,648,222
Cash inflows from interest from investing activities		65,980,623	53,035,031	36,683,169	36,970,864
Cash inflows from dividends received and profit sharing		5,037,378	3,828,099	7,206,057	7,557,132
Cash inflows from the disposal of intangible assets		71,871	3,094	30,782	3,094
Cash inflows from the disposal of property, plant and equipment		7,961,376	8,715,584	1,404,653	8,181,979
Cash inflows from the disposal of financial investments		1,390,235,388	934,196,392	1,153,573,843	743,935,153
– Cash inflows from the disposal of investments in subsidiaries and associates		2,340,104	0	0	0
– Other cash inflows from disposal of financial investments		1,387,895,284	934,196,392	1,153,573,843	743,935,153
b. Cash outflows from investing activities		-1,540,674,760	-996,334,697	-1,210,737,724	-769,343,650
Cash outflows for the purchase of intangible assets		-5,182,272	-6,223,811	-3,282,390	-2,948,864
Cash outflows for the purchase of property, plant and equipment		-13,134,912	-14,669,708	-8,068,006	-10,003,879
Cash outflows for the purchase of financial investments		-1,522,357,576	-975,441,178	-1,199,387,328	-756,390,907
– Cash outflows for the purchase of investments in subsidiaries and associates		-1,149,098	-11,617,277	-4,094,671	-17,060,388
– Other cash outflows to acquire financial investments		-1,521,208,478	-963,823,901	-1,195,292,657	-739,330,519
c. Net cash from/ (used in) investing activities (a + b)	5.2	-71,388,124	3,443,503	-11,839,220	27,304,572
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>					
a. Cash inflows from financing activities		49,367,159	0	49,367,159	0
Cash inflows from paid-in capital		0	0	0	0
Cash inflows from long-term loans received and issued		49,367,159	0	49,367,159	0
Cash inflows from short-term loans received		0	0	0	0
b. Cash outflows from financing activities		-62,882,638	-58,256,189	-60,167,804	-58,082,203
Cash outflows for paid interest		-2,829,914	-1,227,366	-2,351,553	-1,227,366
Cash outflows for purchase of treasury shares		0	0	0	0
Cash outflows for capital repayment		0	-133,062	0	0
Cash outflows for payments of long-term financial liabilities		-240,011	0	0	0
Cash outflows for payments of short-term financial liabilities		-3,035,142	0	-977,954	0
Cash outflows from dividends paid and profit sharing		-56,777,571	-56,895,761	-56,838,297	-56,854,837
c. Net cash from/ (used in) financing activities (a + b)	5.2	-13,515,479	-58,256,189	-10,800,645	-58,082,203
<b>D. Closing balance of cash and cash equivalents</b>	3.11	75,869,775	67,601,660	26,112,112	17,998,487
<b>E1. Net cash flow for the period</b>		5,393,836	-10,820,346	8,113,625	-17,516,259
<b>E2. External acquisition</b>	2.10	2,862,910	0	0	0
<b>E3. Foreign exchange differences</b>		11,369	4,159	0	0
<b>F. Opening balance of cash and cash equivalents</b>	3.11	67,601,660	78,417,847	17,998,487	35,514,746

## 2. General information

### 2.1. Profile of Zavarovalnica Triglav and Triglav Group

Zavarovalnica Triglav d.d. (hereinafter: Zavarovalnica Triglav or the controlling company) is a public limited company, with its registered office at Miklošičeva 19 in Ljubljana, Slovenia. The largest interests in Zavarovalnica Triglav is held by the Institute of Pension and Disability Insurance of Slovenia (Zavod za pokojninsko in invalidsko zavarovanje Slovenije) and the Slovenian Sovereign Holding (Slovenski državni holding), which participate with 34.47% and 28.09% of the share capital, respectively.

Zavarovalnica Triglav offers a broad range of life and non-life insurance, as well as ancillary insurance and pension fund services. In accordance with the Pension and Disability Insurance Act (ZPIZ-2), the Company also provides pension insurance and other ancillary services in relation to insurance and pension funds in the framework of life insurance.

In the life insurance segment, the following funds of assets for supplemental voluntary pension insurance operated in 2019:

- the group of assets, covering technical provisions for supplemental voluntary pension insurance PDPZ (registration no. 5063345032), includes three funds through which the lifecycle investment policy is implemented. All three funds serve to implement pension schemes of group supplemental voluntary pension insurance bearing the codes PN-ZT-01/15-9, PN-ZT-03/15-9, PN-ZT-05/15-9 as well as schemes of individual supplemental voluntary pension insurance bearing the codes PN-ZT-02/15-9, PN-ZT-04/15-9, PN-ZT-06/15-9. The PDPZ group of funds comprises the following three funds of assets, covering technical provisions:
  - fund Triglav PDPZ – zajamčeni (registration number 5063345029);
  - fund Triglav PDPZ – zmerni (registration number 5063345030);
  - fund Triglav PDPZ – drzni (registration number 5063345031);
- fund of assets, covering technical provisions for supplemental voluntary pension insurance during the payout period of pension annuities – rent 1 (registration number 5063345028);
- fund of assets, covering technical provisions for supplemental voluntary pension insurance during the payout period of pension annuities – rent 2 (registration number 5063345033);
- unit-linked life insurance contracts (registration number 5063345023).

Statements of financial position and income statements for funds posted separately are shown in [→ Section 5.13].

The manager of the Triglav PDPZ – zmerni and Triglav PDPZ – drzni funds is Triglav Skladi d.o.o. Zavarovalnica Triglav manages the other abovementioned funds. The custodian of all PDPZ guarantee funds is Abanka d.d.

Zavarovalnica Triglav is the controlling company of the Triglav Group. The structure of the Triglav Group is presented in detail in [→ Section 2.10]. The Triglav Group is the leading insurance/financial group in Slovenia and the Adria region and one of the leading groups in South-East Europe. Insurance is the core business of the Group, including asset management support activities and other services.

Both separate and consolidated financial statements are prepared.

### 2.2. Management and supervisory bodies

#### Supervisory Board

The Supervisory Board monitors and supervises the management and performance of Zavarovalnica Triglav. According to the Articles and Memorandum of Association, the Supervisory Board has nine members (six representatives of shareholders and three representatives of employees). Members of the Supervisory Board are given a four-year mandate and can be re-elected without limitation. In 2019, the Supervisory Board had the following members:

Name	SB	AC	ACC	SC	Notes
Igor Stebernak	M				since 2 June 2016
	P				since 18 August 2016
			P		since 18 August 2016 until 12 June 2017 and since 21 June 2017
Andrej Andoljšek	M				since 13 June 2017
	DP				since 21 June 2017
				M	since 21 June 2017
Milan Tomaževič	M				since 13 June 2017
				P	since 21 June 2017
Žiga Škerjanec	M		M		since 13 June 2017
				M	since 21 June 2017
					since 21 June 2017
Nataša Damjanovič	M				since 13 June 2017
		M			since 21 June 2017
			M		since 21 June 2017
Mario Gobbo	M				since 12 June 2013
		P			since 1 July 2013 until 12 June 2017 and since 21 June 2017
Peter Celar	M				since 30 May 2011
				M	since 1 July 2013 until 12 June 2017 and since 21 June 2017
Boštjan Molan	M				since 31 May 2015
					since 20 August 2015 until 12 June 2017 and since 21 June 2017
Ivan Sotošek	M				since 31 May 2015
		M			since 20 August 2015 until 12 June 2017 and since 21 June 2017
Branko Gorjan	M			M	since 1 June 2019
Igor Zupan	M	M			since 27 September 2019
Simon Kolenc		M			since 19 August 2017
Boštjan Koler*					since 19 December 2019

#### Legend:

SB – Supervisory Board

AC – Audit Committee

ACC – Appointments and Compensation Committee

SC – Strategy Committee

P – President

DP – Deputy President

M – Member

\*Nomination Committee member

## Management Board

The Management Board directs, represents and acts on behalf of Zavarovalnica Triglav, independently and on its own responsibility. In compliance with the Articles and Memorandum of Association, the Supervisory Board can appoint three to six members to the Management Board. The President and members of the Management Board are appointed for a five-year term with the possibility of reappointment or early termination of office in the case of a serious breach of obligations. In 2019, the Management Board had the following composition:

- Andrej Slapar, President,
- Uroš Ivanc, member,
- Tadej Čoroli, member,
- Barbara Smolnikar, member,
- David Benedek, member
- Marica Makoter, member.

## 2.3. Statement of compliance

The separate financial statements and consolidated financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union (hereinafter: IFRS), the Companies Act (hereinafter: ZGD-1) and the Insurance Act (hereinafter: ZZavar-1).

## 2.4. Reporting basis

The financial statements have been prepared on a going concern basis and on the historical cost basis, except in the case of financial assets recognised at fair value through profit or loss and available-for-sale financial assets measured at fair value.

The accounting policies used are consistent with those of the financial statements for the comparable period, except for lease recognition for

which the new accounting standard IFRS 16 Leases is used. The details of the new standard are explained in [→ [Section 5.11](#)].

The methods used for measuring fair value are described in [→ [Section 2.8.11](#)].

The preparation of financial statements in conformity with IFRS requires the use of certain accounting estimates and assumptions that affect the reported amounts of assets and liabilities as at the reporting date and the amount of income and expenses in the reporting period. Although these estimates are based on the management's best knowledge of current events and activities, actual results may differ from these estimates. The estimates and assumptions are regularly reviewed and their corrections are recognised in the period of change. The use of estimates and assumptions is presented in more detail in [→ [Section 2.9](#)].

For the preparation of the statement of financial position, individual items are classified into groups of assets and liabilities depending on their nature, listed in the order of their liquidity and/or maturity. In additional disclosures current and non-current assets as well as current and non-current liabilities are posted as separate items, depending on whether they are expected to be paid or settled within 12 months of the balance sheet date (current) or after more than 12 months from the balance sheet date (non-current).

Financial assets and liabilities on the statement of financial position are offset only when there exists a legal right to offset the amounts, and intend to either settle them on a net basis or to settle the asset and the liability simultaneously. Income and expenses on the income statement are offset only if so provided by the standards, explained in the notes or required by the accounting policies of the Company.

The Annual Report is adopted by the Management Board and approved by the Supervisory Board. In the event the Supervisory Board fails to approve the report, it is discussed by the General Meeting of Shareholders.

On 10 March 2020, the Management Board approved the Annual Report, which is available at the headquarters of Zavarovalnica Triglav and on its website.

## 2.5. Basis for consolidation

The consolidated financial statements of the Triglav Group include all companies directly or indirectly controlled by Zavarovalnica Triglav. Zavarovalnica Triglav controls a company if and only if it has all of the following elements:

- power over the company (directs the relevant activities that significantly affect the company's returns);
- exposure, or rights, to variable returns from its involvement with the company, and
- the ability to use its power over the company to affect the amount of its returns.

Subsidiaries are included in the consolidated financial statements under the full consolidation method from the acquisition date. In the process of full consolidation, the carrying amount of the financial investment by the controlling company in each subsidiary and the parent company's portion of equity of each subsidiary are offset (eliminated). Intragroup assets and liabilities as well as income and expenses relating to transactions between the entities of the Triglav Group are eliminated in full.

In case Zavarovalnica Triglav disposes of a subsidiary or loses control over it, such a subsidiary is deconsolidated from the date on which control ceases. All effects from the loss of control are recognised as profit or loss in the consolidated income statement.

The financial statements of Zavarovalnica Triglav and its subsidiaries used in the preparation of the consolidated financial statements all refer to the same reporting date.

All companies within the Triglav Group apply uniform accounting policies. If the accounting policies of a particular subsidiary differ from the accounting policies applied by the Group, appropriate adjustments are made to the financial statements of such subsidiary prior to the compilation of the consolidated financial statements to ensure compliance with the accounting policies of the Group.

In the consolidated financial statements, profit/loss and other comprehensive income are proportionately attributed also to non-controlling interests. If the equity stake of non-controlling interests changes, the carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received are recognised directly in equity and attributed to the owners of the parent company.

## 2.6. Foreign currency translation

### Functional and presentation currency

Items included in the separate financial statements of each of the Group entities are measured using the currency of the primary economic environment in which the respective entity operates (functional currency). The financial statements are presented in euros, which is the presentation currency of the Group. In the financial statements, the amounts and disclosures are rounded to one euro.

### Translation of business events and items

Transactions in foreign currencies are translated into the functional currency at the related exchange rate from the reference exchange rates of the European Central Bank, published by the Bank of Slovenia. Exchange-rate differences arising from the settlement of these transactions or from the translation of cash items are recognised in the Profit and Loss Account.

Foreign exchange differences arising from changes in the amortised cost of monetary items, denominated in foreign currency and classified as available-for-sale financial assets, are recognised in the income statement. Foreign exchange differences from non-monetary items, such as equity instruments classified as financial assets measured at fair value through profit or loss, are recognised in the income statement. Foreign exchange differences from non-monetary items, such as equity instruments classified as available for sale financial assets, are recognised in equity as fair value reserve together with the effects of the measurement at fair value under other comprehensive income.

### Translation from the functional into the presentation currency

The financial statements of Group entities that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities are translated at the final exchange rate as at the balance sheet date,
- income, expenses and costs at the average exchange rate for the year,
- capital components are translated at a historical rate,
- all the resulting exchange rate differences are recognised in other comprehensive income.

Goodwill and adjustment of acquired assets of a subsidiary abroad to fair value are recognised in the same way as assets of a subsidiary abroad and translated into the presentation currency at the closing rate.

In the consolidated financial statements, exchange rate differences resulting from the translation of a net investment in a subsidiary abroad are recognised in the statement of comprehensive income. When the Group loses control over a subsidiary abroad, previously recognised exchange rate differences arising from the translation into the presentation currency are reclassified from other comprehensive income into the income statement as part of gain or loss from sale.

## 2.7. Risk management

Each company being aware of the risks to which it is exposed is essential to its security and financial stability. There are four major sets of financial risks in the Triglav Group: underwriting, market, credit and liquidity risks.

The following table summarises the aforementioned risks by nature of exposure, method of measurement and references to the relevant chapter in the Annual Report with additional information.

Risk type and reference	Nature of exposure	Method of measurement	Risk management
<i>Underwriting risk</i> Risk Management, [ <a href="#">→ Section 2.3</a> ] and Accounting Report, [ <a href="#">→ Sections 2.9.2 and 2.9.4</a> ]	Premium risk Provision risk Lapse risk Concentration risk Low-frequency and high-severity risks Life expense risk Mortality risk Premium and provision risks	Sensitivity analysis	Four key processes, in the context of which underwriting risks are identified, measured, monitored and managed: product development, underwriting, underwriting risk transfer and claim settlement.
<i>Market risk</i> Risk Management, [ <a href="#">→ Section 2.4</a> ]	Interest rate risk Equity risk Property risk Spread risk Currency risk	Sensitivity analysis	Methods and processes with clearly defined powers and responsibilities used to promptly identify, measure, manage and monitor market risks.
<i>Credit risk</i> Risk Management, [ <a href="#">→ Section 2.5</a> ]	Investments Reinsurance contracts Receivables from insurance operations	Maturity analysis Credit ratings	Expert analysis of the credit quality of partners, sufficient portfolio diversification, regular monitoring of credit ratings and management of exposures to partners with no credit rating, prudent assessment of the suitability of reinsurance partners with regard to their credit quality and diversification, and regular monitoring of exposures to them, monitoring of receivables below and over 90 days, separate monitoring of subrogation receivables including recovery efficiency.
<i>Liquidity risk</i> Risk Management, [ <a href="#">→ Section 2.6</a> ]	The risk of inappropriate assets in terms of their nature, duration and liquidity compared to liabilities	Forecast of future cash flows	Planning of actual and potential net cash outflows, appropriate amount and composition of liquid investments, regular monitoring of the liquidity position at different time intervals, assuming normal and exceptional circumstances, the limit system.



## 2.8. Summary of significant accounting policies

The significant accounting policies used in the preparation of the financial statements are set out below.

### 2.8.1. Business combinations and goodwill

Business combinations are accounted for by using the acquisition method. The acquisition date is the date on which the acquirer obtains control of the acquiree. The acquired assets and liabilities measured at fair value are determined on the acquisition date. In each business combination, any non-controlling interest (NCI) is measured at NCI's proportionate share of net assets of the acquiree.

Goodwill arises from the acquisition of a subsidiary provided that the surplus of the aggregate of the consideration transferred (measured at fair value) exceeds the net amount of the acquired assets and liabilities of the subsidiary. If the difference is negative, the resulting gain is fully recognised in profit or loss. Contingent consideration at fair value is also included in consideration. After initial recognition, goodwill is measured at cost less any accumulated impairment losses. An impairment test is conducted annually for a cash-generating unit to which goodwill relates.

The accounting policies relating to goodwill impairment are described in [[→ Section 2.8.12](#)].

### 2.8.2. Intangible assets

Intangible assets are accounted for using the cost model. After initial recognition, an intangible asset is carried at its cost less any accumulated amortisation and any accumulated impairment loss.

Amortisation is calculated using the straight-line amortisation method.

	Annual amortisation rate
Software	20 %
Other economic rights	1-20 %

The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each business year. If the expected useful life of an asset differs from previous estimates, the amortisation period is adjusted accordingly.

Intangible assets with an indefinite useful life are not amortised, but are subject to impairment tests on an annual basis. These assets are impaired if their carrying amount exceeds their recoverable amount.

Deferred acquisition costs for non-life insurance contracts are also a part of intangible assets. Decrease or increase in deferred acquisition costs is recognised as a change in unearned premium provision in the income statement, within net premium income.

Deferred acquisition costs for life insurance contracts are considered in the calculation of mathematical provisions using the Zillmer method. A change in the deferred acquisition cost of life insurance contracts is recognised as a change in the mathematical provision.

Accounting policies regarding the impairment of intangible assets are described in [[→ Section 2.8.12](#)].

### 2.8.3. Property, plant and equipment

Property, plant and equipment are accounted for using the cost model. The cost of an item of property, plant and equipment comprises its purchase price and any other costs directly attributable to the conditions necessary for it to be capable of operating.

After initial recognition, an item of property, plant and equipment is carried at its cost less any accumulated depreciation and any accumulated impairment losses. Depreciation is calculated using the straight-line depreciation method. The depreciation rates given below have been used consistently through the years.

	Annual depreciation rate
Buildings	1.5 - 5.0 %
Transport vehicles	12.5 %
Computers and hardware	50 %
Office and other furniture	10 - 20 %
Other equipment	6.7 - 25.0 %

Depreciation of an asset being constructed begins when it is available for use. Depreciation of an asset ceases as at the date that the asset is derecognised.

The residual value and useful life of an asset are reviewed as at the reporting date and adjusted in the event expectations differ from previous estimates.

The gain or loss from the derecognition of property, plant and equipment is determined as the difference between the net disposal proceeds and the carrying amount of the item and is included in profit or loss when it is derecognised.

Maintenance and repair costs are recognised in the income statement as incurred. Further investments that increase future economic benefits increase the value of property, plant and equipment.

Accounting policies regarding the impairment of property, plant and equipment are described in [[→ Section 2.8.12](#)].

### 2.8.4. Investment property

Investment property is property (land and buildings) owned or leased to earn rentals. Property is classified as investment property if not used by the holder for performing its business activities or if only a minor part of the building is used for that purpose.

After initial recognition investment property is measured at historical cost, including costs for the purpose of acquiring the asset. Investment property is accounted for using the cost model. Investment property is depreciated and impaired using the same method as that used for property, plant and equipment described under [→ *Sections 2.8.2 and 2.8.3*].

Fair values for disclosure purposes are based on a valuation by an independent appraiser who holds a recognised and relevant professional qualification.

All income arising from investment property is rental income and is shown in the income statement under Other income. Expenses arising from investment property consist of the depreciation charges and maintenance costs of the investment property. In the income statement, they are disclosed under Other expenses.

Accounting policies regarding the impairment of investment property are described in [→ *Section 2.8.12*].

### 2.8.5. Leases

A contract contains a lease if it conveys the right to control the use of the identified asset for a period of time in exchange for consideration.

#### Leases in the case of lessee

An asset acquired under a lease is recognised as right-of-use assets and lease liabilities. Right-of-use assets do not include assets from short-term leases (up to 1 year) and low-value leases (individual lease amount is less than EUR 4,300). The value of an asset is recognised as present value of future lease payments. Leases are discounted using the rate determined at lease inception or the rate implicit in the lease. The calculation of right-of-use assets also takes into account any initial direct costs and an estimate of any removal and restoration costs.

The rate implicit in the lease is determined on the basis of the interest rate on risk-free government bonds and credit spread.

Right-of-use assets are measured by applying the cost model. The initial value of right-to-use assets is reduced over the life of the asset by depreciation, impairment losses and adjusted for remeasurement of the lease liability. Right-of-use assets are depreciated from the commencement date to the end of the lease term.

When measuring lease liabilities, after the commencement date of the lease, liabilities are increased by interest and decreased by lease payments. If the lease is modified, the amount of liability is remeasured or a separate lease is calculated.

The right-of-use assets and lease liabilities are disclosed in the statement of financial position as separate items.

#### Leases in the case of lessor

For leases where the Company is the lessor, investment property or equipment leases are classified as operating or finance lease. If the lease transfers to the lessee all material risks and rewards incidental to ownership of an underlying asset, the lease is classified as a finance lease. All other leases are classified as operating leases. A lessor recognises assets held under a finance lease as a receivable at an amount equal to the net investment in the lease. A lessor recognises financial income over the lease term of a finance lease based on a pattern reflecting a constant periodic rate of return on the net investment. For an operating lease, the value of the leased asset is increased by initial direct costs incurred in negotiating or arranging the operating lease, and lease income is recognised over the lease term.

### 2.8.6. Investments in subsidiaries

In separate financial statements, investments in equity instruments of subsidiaries (shares, stakes) are measured at cost. Investments in subsidiaries represent investments in the companies (investees) over which Zavarovalnica Triglav has controlling influence and where the following conditions are met:

- Zavarovalnica Triglav has power over the investee that arises either from the voting rights resulting from capital instruments or from other rights resulting from contractual agreements;
- Zavarovalnica Triglav is exposed to variable returns or has the right to variable returns from its involvement with the investee;
- Zavarovalnica Triglav has the ability to affect those returns through its power over the investee.

Initial recognition follows as soon as the shares or equity interest has been entered into the Court Register.

Increase in the share capital of subsidiaries with in-kind contributions solely owned by Zavarovalnica Triglav is initially measured at the carrying amount of the contributions in kind. The carrying amount of the contributions in kind as at the date of investment equals the value of assets invested as the in-kind contribution recorded in the financial statements of Zavarovalnica Triglav as at that date.

Accounting policies regarding the impairment of investments in subsidiaries are described in [→ *Section 2.8.12*].

Subsidiaries are included in the consolidated financial statements under the full consolidation method. The consolidation procedures are presented in detail in [→ *Section 2.5*].

### 2.8.7. Investments in associated companies

Investments in associates represent investments in the companies (investees) over which Zavarovalnica Triglav has significant influence arising from its power to participate in financial and operating policy decisions of an investee, but not joint control or control of those policies. In separate financial statements investments in equity instruments of associated companies (shares, stakes) are measured at fair value.

For associated companies with no quoted price on the stock exchange, internal models of valuating are used (listed comparable companies method, comparable transactions method, discounting of cash flows, contract value). The valuation assumptions applied are presented in greater detail in [→ *Section 2.9.5*]. The effects of the valuation at fair value are disclosed in other comprehensive income.

Associates of the Triglav Group are those companies in which the Company directly or indirectly

holds between 20% and 50% of the voting rights and has a significant but not dominant influence. In the consolidated financial statements of the Triglav Group, investments in associates are accounted for using the equity method. The corresponding share of the profit or loss of an associate is recognised in the consolidated profit or loss. The associated effects included in other comprehensive income of an associate are recognised in the consolidated statement of comprehensive income.

Dividends are recognised in income statement once the right to payment is obtained. The dividends of associates are excluded in consolidated financial statements.

Accounting policies regarding the impairment of investments in associated companies are described in [→ *Section 2.8.12*].

### 2.8.8. Financial assets

Financial assets comprise financial investments, operating and other receivables, and cash and cash equivalents. The accounting policies for each of these assets are presented below.

#### 2.8.8.1. Financial investments

Financial investments are classified into the following groups: financial investments at fair value through profit and loss, financial investments held to maturity, loans and deposits and available-for-sale financial investments. Their classification depends on the initial intent at the time of their purchase. Management decides on the classification of investments at the date of initial recognition.

At initial recognition financial investments are measured based on their fair value. Initially recognised values are increased by transaction costs

that are directly attributable to the acquisition of the financial investments (allowances to agents, consultants, and brokers, fees paid to the stock exchange and other transfer related fees). The rule does not apply to financial investments classified as assets disclosed at their fair value through profit and loss, where these costs are recognised directly in the income statement at acquisition.

The trade date is used for the initial recognition of financial investments, except for loans and deposits, for which the settlement date is used.

#### Available-for-sale financial investments

Available-for-sale financial investments are those non-derivative financial investments that are classified as available for sale and not classified as loans and deposits, financial investments held to maturity, or financial investments recognised at fair value through profit and loss.

After initial recognition, financial investments classified as available for sale are measured at their fair value, without deducting transaction costs that may occur in their sale or other disposal. Financial instruments not listed on a stock exchange are measured at fair value on the basis of their prices in the latest transactions (official price offers by stock broking firms or banks for certain securities) or through a valuation model (discounting of expected cash flows). Details on valuation models are described in [→ *Section 5.1.2*]. Equity instruments not quoted in an active market and for which the fair value cannot be reliably measured are measured at cost.

Changes in fair value are recognised directly in other comprehensive income as an increase (gain) or decrease (loss) in the revaluation surplus, with the exception of investment impairments and foreign exchange differences regarding monetary

items, such as debt securities recognised in the income statement.

When available-for-sale financial investments are derecognised, the accumulated losses or gains, previously recognised under other comprehensive income, are transferred to the income statement.

#### Held-to-maturity financial investments

Financial investments held to maturity are non-derivative financial investments with fixed or determinable payments and fixed maturities that Zavarovalnica Triglav definitely intends to hold and is able to hold to their maturity.

Financial investments held to maturity are measured at amortised cost reduced for impairment.

#### Financial investments at fair value through profit and loss

This category is divided into two groups: financial instruments held for trading and financial instruments measured at fair value through profit and loss.

A financial investments is classified as such if the underlying purpose of its acquisition was for resale within a short period of time, if it forms part of a portfolio of financial instruments aimed at short-term profit generation or if this classification was decided on by the management. Derivative financial instruments are always classified as financial instruments held for trading.

A financial investments designated at fair value through profit and loss is an investment:

- held in the Company's investment portfolios to cover liabilities arising from insurance contracts, relating to a change in the fair value of these investments (such a classification eliminates or reduces any mismatches that might

arise from the measurement of investments and liabilities or the recognition of gains and losses arising from various contracts) or

- managed and its performance measured based on fair value in accordance with Zavarovalnica Triglav's investment policy.

After initial recognition, financial investments measured at fair value through profit or loss are measured at fair value on the basis of prices quoted in an active market.

Gains and losses arising from a change in fair value are recognised in the income statement.

The category of financial investments designated at fair value through profit and loss also includes financial investments that have an embedded unrelated derivative.

#### Loans and deposits

Loans and deposits are non-derivative financial investments with fixed or determinable payments not listed in an active market.

At initial recognition, loans and deposits are measured at cost and later at amortised cost using the effective interest method. The impairments of loans and deposits are recognised if there is objective evidence that the receivable will not be recovered in accordance with the contractual terms.

#### Derivative financial instruments

After initial recognition, derivatives are measured based on their fair value, with effects recognised in the income statement. The fair value is determined on the basis of the price quoted in an active market. If the price is not known, the fair value is determined by using another pricing model (discounting of expected cash flow; the Black-Scholes option pricing model). Derivatives include financial

instruments used for protecting cash flows against interest rate risk as well as for protecting the cash flows of individual financial instruments and other items. All of the documented gains and losses due to changes in fair value are recognised in profit or loss through financial income or expenses.

### 2.8.8.2. Receivables from insurance operations

Receivables from insurance operations are recognised when insured persons are charged the premium. After initial recognition, receivables are measured at fair value reduced by the impairment allowance, so as to show their expected recoverable amount.

Subrogation receivables are recognised when the first instalment is paid by the debtor, after a receivable has been tested in court or based on an agreement made with the subrogation debtor. In credit insurance, subrogated receivables are recognised upon occurrence.

Accounting policies regarding the impairment of receivables are described in [→ [Section 2.8.12](#)].

### 2.8.8.3. Cash and cash equivalents

Cash includes cash in banks, cash in transit, cash in hand and cash equivalents such as call deposits.

### 2.8.9. Other assets

Other assets include inventories, short-term deferred expenses and accrued revenue.

At initial recognition inventories are measured at cost. The cost of inventory comprises all costs of purchase. The cost of inventories is assigned by using the first-in, first-out (FIFO) formula.

Short-term deferred expenses are amounts that will impact profit or loss in the following accounting periods. They are accrued in order to ensure their even impact on profit or loss, or to accrue prepaid expenses not yet incurred.

Accrued revenue refers to revenue earned in the current accounting period, but which will be collected in a subsequent period.

### 2.8.10. Non-current assets held for sale

Non-current assets held for sale are those non-financial assets whose value will be recovered through a sale transaction rather than their continued use. The condition for the classification into the category of non-current assets held for sale is fulfilled when the sale is highly probable and the asset is available for immediate sale in its present condition. The management is committed to the sales plan, which must be carried out within a period of one year from the classification of assets into this category.

These assets are measured at the lower of the carrying amount or fair value less costs to sell. The same applies to subsequent measurement of these assets. In such subsequent measurements, it is necessary to recognise impairment losses arising from initial or subsequent write-offs of assets to their fair value, less costs to sell or profits resulting from a subsequent increase in fair value less costs to sell, which may not exceed any accumulated impairment losses.

### 2.8.11. Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participant at the measurement date. A fair value measurement assumes that the asset or liability is exchanged in

an orderly transaction under current market conditions in the principal (or most advantageous) market for the asset or liability.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

All financial assets are measured at fair value, except for loans and deposits and held-to-maturity financial assets which are disclosed at amortised cost in the financial statements, while their fair value is disclosed in disclosures in [→ [Section 3.7](#)]. The fair value of land and buildings used for insurance operations and of investment property is disclosed under [→ [Sections 3.2 and 3.3](#)] that of subordinated liabilities under [→ [Section 3.14](#)].

The fair value of financial instruments traded on organised financial markets is measured on the basis of their prices quoted as at the reporting date.

If there is no active market for a financial instrument, its fair value is measured by valuation techniques. In determining the fair value of financial assets, valuation techniques are applied, using the reference to the current fair value of another instrument that is substantially the same, discounted cash flow analysis and option pricing models. If there is a valuation technique commonly used by market participants for establishing instrument prices and if such a technique has yielded reliable estimates of prices used in actual market transactions, such a technique is applied. The applied estimates and assumptions involve certain risks as to their future realisation. With the aim of reducing this risk, the assumptions and estimates applied are verified by different methods (by comparing assumptions and estimates against the indus-

try average, individual traded companies, etc.). Moreover, a sensitivity analysis of the following value drivers is applied in order to estimate the value range of an individual investment: net sales income, the EBITDA margin, financial intermediation margin, rate of return on the financial asset portfolio, operating expenses to total assets, cash flow growth over a forecast period and the discount rate. In the discounted cash flow method, future cash flows and discount rates are applied as estimated by the management, reflecting interest rates on comparable instruments.

If the fair value of financial instruments cannot be reliably measured, the financial instruments are measured at cost (paid or received amount) increased by expenses incurred in the underlying transaction.

For disclosure purposes, a price level hierarchy has been applied for all financial assets measured at fair value. It is determined with regard to the inputs in the valuation technique, which are used to measure fair value.

- Level 1 inputs: are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date. The quoted prices may be adjusted only exceptionally.
- Level 2 inputs: are quoted prices for similar assets or liabilities in active markets, quoted prices in markets that are not active and quoted prices that are observable.
- Level 3 inputs: are prices that do not meet the standards for Level 1 or Level 2. The share of unobservable inputs used in value measurement models is considerable. Unobservable inputs have to use the assumptions that market participants would use when pricing the asset or liability, including risk assumptions.



## 2.8.12. Impairment

### Intangible assets and property, plant and equipment

The value of intangible assets and property, plant and equipment is tested as at the reporting date. It is determined whether there are any objective signs of impairment. If there are, the recoverable amount is assessed, which represents the higher of an asset's fair value less costs to sell and its value in use. The recoverable amount of intangible assets with an indefinite useful life and of intangible assets not yet put into use is measured on an annual basis, irrespective of any objective signs of impairment. If the recoverable amount exceeds the carrying value, the assets are not impaired.

For material assets, impairments are assessed on an individual basis. The impairment of the remaining assets is carried out at the level of cash-generating units.

The previously recognised impairment losses of property, plant and equipment and intangible assets are reversed only if their recoverable amount increases and if this increase can be objectively related to an event occurring after the previous impairment was recognised. An impairment loss of an asset is derecognised only up to the amount of the carrying amount that would have resulted after the depreciation charge, if in previous periods no impairment loss had been recognised.

### Goodwill

The value of goodwill is tested as at the reporting date so as to ascertain if there are any objective signs of impairment. Impairment of goodwill is recognised for a cash generating unit, which represents an individual company. In the event there are objective signs of impairment, the recoverable amount is assessed, which represents the higher

of an asset's fair value less costs to sell and its value in use. If the recoverable amount exceeds the carrying value, the goodwill is not impaired.

Goodwill impairment testing is carried out in compliance with IAS 36, while testing of valuation techniques is carried out in compliance with the International Valuation Standards (IVS). The testing and the estimation of potential impairment is carried out in accordance with the estimated recoverable amount. The basis for the explicit forecast period are the available plans of the management and assessors' estimates of market convergence towards more developed ones, taking into account the forecasted economic convergence of international financial institutions and other EU regulators. The discount rate is calculated by applying the CAPM method and surpluses for specific risks. Goodwill impairment tests are carried out on an annual basis.

### Investment property

The value of investment property is estimated on an annual basis in order to determine whether there are any objective signs of impairment. In the event of any sign of impairment of investment property, the recoverable amount (the higher of an asset's fair value less costs to sell and its value in use) is assessed. If the carrying amount of investment property exceeds its recoverable amount, an impairment loss is recognised in the amount equalling the difference between the two.

### Financial investments in subsidiaries and associates

In the stand-alone financial statement, financial investments in associates are accounted for at cost. Signs of the impairment of investments in subsidiaries are reviewed on quarterly basis. Underperformance of a subsidiary may represent a sign of possible impairment.

In the separate financial statement, financial investments in associates are accounted for at fair value. Impairment loss is calculated in the same as for available-for-sale financial assets. Details are given below.

### Financial investments

On a quarterly basis or at least at the end of the reporting period, it is assessed whether there is objective evidence that a financial asset or group of financial assets is impaired. When such evidence exists, loss due to impairment needs to be determined.

An impairment loss on an available-for-sale financial asset is calculated on the basis of its fair value at the time. When there is objective evidence of impairment of an available-for-sale financial asset, the accumulated loss, initially recognised in other comprehensive income, is transferred to the income statement. For equity instruments, objective evidence of impairment includes statutory changes (bankruptcy, liquidation, etc.), a significant decrease in the fair value of a security or a long-term decrease in the fair value of a security. For debt instruments, objective evidence of impairment includes statutory changes (bankruptcy, liquidation, etc.), payment arrears or other significant negative events related to the creditworthiness of the issuer.

The reversal of the previously recognised impairment losses on equity instruments, classified as available-for-sale financial assets, is recognised in other comprehensive income.

The impairment loss of a financial asset measured at amortised cost is calculated as the difference between that asset's carrying amount and the present value of expected future cash flows, determined on the basis of the original effective interest rate.

A reversal of previously recognised impairment of financial assets measured at amortised cost and debt instruments classified as available for sale is recognised in the income statement. An impairment loss may be reversed, if such a reversal can be objectively related to an event occurring after the impairment was recognised.

### Insurance receivables

The adequacy of the value disclosed is tested for each group of receivables. All insurance receivables are tested for impairment or impairment reversal at least at the end of the business year. Impairments are recorded as an adjustment of the value of receivables and are formed individually or collectively for receivables with similar credit risk. Credit risk is assessed based on the classification of receivables by maturity and the experience of previous years regarding the recovery of receivables with the same maturity. Impairment loss is recognised as an expense from insurance operations.

### Reinsurers' share of technical provisions

Reinsurers' share of technical provisions (assets from reinsurance contracts) is tested for impairment on an annual basis. These assets are impaired only if there is objective evidence resulting from an event occurring after the initial recognition of the reinsurance asset showing that the amounts due from reinsurers in accordance with a contract may not be recovered and if the event has a reliably measurable effect on the amounts that will be recovered by Zavarovalnica Triglav from the reinsurer. An impairment loss of assets from reinsurance contracts is recognised in the income statement.

### 2.8.13. Equity

Share capital equals the nominal value of paid-up ordinary shares, denominated in euros. When Zavarovalnica Triglav or a subsidiary acquires shares of Zavarovalnica Triglav, their value is disclosed as a deduction from the Group's equity. The same amount is then allocated to treasury share reserves as required by the Companies Act (hereinafter: »ZGD-1«).

Share premium is formed from the paid-in capital surplus and other capital contributions in line with the Memorandum and Articles of Association. As part of the share premium, the impact of the acquisition of non-controlling shares is also recognised in the consolidated financial statements.

Reserves from profit are legal reserves, statutory and other reserves, treasury share reserves.

Legal reserves are formed and used in line with ZGD-1 and the local legislation of each subsidiary. Together with share premium, they have to amount to no less than 10% of the share capital. They represent tied capital set aside in order to protect creditors' interests.

Statutory reserves represent up to 20% of share capital of the parent company. Based on a decision by the Management Board, Zavarovalnica Triglav may allocate up to 5% of net profit to statutory reserves in any business year, decreased by any amounts used for covering losses brought forward and amounts allocated to legal reserves and reserves from profit. Statutory reserves may be used for covering loss after tax for the business year or loss brought forward, for treasury share reserves, for increasing share capital from authorised capital, as well as for dividend payment policy purposes.

According to ZGD-1, the Management Board of Zavarovalnica Triglav may allocate net profit for

the current year to other profit reserves, i.e. up to one half of the net profit remaining after statutory allocations.

### 2.8.14. Subordinated liabilities

Subordinated liabilities refer to subordinated debt instruments which are, in accordance with the underlying agreements, to be paid last in the event of the issuer's bankruptcy or liquidation. Subordinated liabilities are measured at amortised cost.

### 2.8.15. Insurance–technical provisions

#### Unearned premium provisions

Unearned premium provisions are formed for the part of gross written premium that refers to the following business year(s). These are calculated separately for individual insurance contracts using the pro rata temporis method, except for insurance policies where insurance coverage changes during their term and where the expiry of insurance coverage is agreed to be more than one year after the insurance policy is taken out. Unearned premiums are calculated both for life and non-life insurance contracts.

#### Claims provisions

Claims provisions are formed for claims incurred but not settled until the reporting date. Claims provisions are formed for reported claims as well as for unreported and inadequately reported claims.

Provisions for claims reported are based on an inventory of claims. If a claim is settled as an annuity, the amount is reserved as a capitalised annuity, which Zavarovalnica Triglav calculates on the basis of Slovene mortality tables and a 1.0% interest rate. Other insurance subsidiaries use local mortality tables.

Provisions for incurred but not reported claims (IBNR) are calculated by means of »triangle« methods (a combination of Chain Ladder and Bornhuetter-Ferguson methods). The basis for calculation is a sample of past claims experience with appropriate allowance for future trends. For this purpose a several-year-long time series of settled claims is applied.

Additional provisions for incurred but not enough reported claims (IBNER) for annuity insurance are also formed in cases when the policyholder is a minor or a young person and the insurance company can reasonably expect that the policyholder will also submit a claim for loss of income at a certain age.

With the exception of annuities, provisions for outstanding claims are not discounted. The methods used and estimates made are reviewed at least on a quarterly basis.

#### Mathematical provisions

Mathematical provisions for life, annuity, pension and unit-linked products are calculated separately for each individual policy. For life, annuity and pension contracts in the pay-out period, a modified net premium prospective method is applied, taking into account insurance contract acquisition costs. For pension contracts in the saving period, where the nature of products makes the aforementioned method inappropriate, the retrospective net premium method is applied. The liabilities for unit-linked insurance contracts are evaluated for each insurance policy as the fair value of assets in the investment account decreased by capitalised future management charges on initial units (actuarial funding). For certain insurance products, additional provisions are formed for covering contractual risk payments.

All calculations allow for prudent actuarial assumption bases, the legislation in force and all liabilities to policyholders arising from contracts and the respective terms and conditions.

Mathematical provisions also contain components for discretionary benefits allocated to policyholders in the past, based on the terms and conditions of the underlying contracts.

A portion of fair value reserve of available-for-sale financial assets, which will be distributed among policyholders after maturity, is also included in mathematical provisions. The principle of shadow accounting is applied. In relation to available-for-sale financial instruments, all revaluation surpluses are accounted for in other comprehensive income upon recognition; on the balance sheet date, the transfer to mathematical provisions is made for the part that will go to the insurer upon realisation in line with the provisions of the insurance contract or internal regulations.

The applied assumptions and other parameters are presented in greater detail in [[→ Section 2.9.1](#)].

#### Other insurance-technical provision

Provisions for bonuses in non-life insurance are formed for the part of the premium that will be reimbursed to those beneficiaries who meet certain beneficiary criteria set out in insurance conditions (total loss ratio over the last three years, financial discipline in premium payment and total insurance premium). An annual analysis and preset criteria are used to calculate the amount of premium reimbursement.

Provisions for cancellations represent that part of unearned premiums which is expected to be reimbursed in the event of early cancellation and for which deferred acquisition costs have been formed.

Provisions for unexpired risk are formed for policies where, based on past experience, it is assumed that the amount of unearned premiums will not suffice for covering all future claims.

### 2.8.16. Classification of insurance and financial contracts

All products in the portfolios of the Group's subsidiaries are classified as insurance contracts since they all either bear significant insurance risk or their share of the insurance premium in the entire portfolio is insignificant. The significance is determined on the basis of additional payments upon the occurrence of a loss event. The significance of additional amounts is assessed by comparing the greatest difference between the value of the payment in the event of a loss event and the payment in other cases. The abovementioned difference must amount to at least 10 percent of the payment at the beginning of the insurance. Other contracts, including contracts on asset management and lease contracts, are not relevant for disclosure purposes.

### 2.8.17. Provisions for employee benefits

Employee benefits comprise provisions for jubilee and retirement benefits and unused leave. The calculation of these provisions is made by using the actuarial evaluation method, i.e. the method of the estimated relevance of units or the method including profit proportionally to the work carried out. In line with IAS 19, the calculation is based on the following actuarial assumptions:

- demographic variables (employee mortality and labour turnover),
- financial assumptions, such as:
  - the discount rate taking account of the yield of sovereign securities at the balance sheet date; and

- future salary increases taking into account inflation, seniority, promotion and other relevant factors, such as supply and demand in the labour market.

Provisions for unused annual leave equal the amount of the total gross wage due for the period when leave was not taken. The amounts of provisions are undiscounted.

Changes in provisions for employee benefits due to payments and new provisions made are recognised in the income statement under operating expenses (labour costs). Revaluation of provisions from an increase or decrease in the present value of liabilities due to changes in actuarial items and experience adjustments is recognised as actuarial gains or losses in other comprehensive income, but only for provisions for retirement benefits.

### 2.8.18. Other financial liabilities

At initial recognition financial liabilities are measured at cost. Subsequently they are decreased by paid amounts and increased by accrued interest. In the financial statement financial liabilities are measured at amortised cost. Interest paid on loans taken is recognised as expense and accordingly accrued over the term of the underlying loan.

### 2.8.19. Operating liabilities and other liabilities

Operating liabilities and other liabilities are recognised in the statement of financial position when the contractual obligation results in the payment of the liability. Operating liabilities and other liabilities are disclosed at amortised cost.

### 2.8.20. Premium income

Net premium income is calculated on the basis of gross written premium and gross outward reinsurance premium, reduced by reinsurers' and retrocessionaires' share and adjusted depending on the change in gross provisions for unearned premiums taking into account the reinsurers' and retrocessionaires' share in provisions for unearned premiums. The invoiced premium serves as the basis for recognising gross written premium.

### 2.8.21. Income from financial investments

Income from financial investments arises from interest income, dividends, changes in fair value, capital gains and other financial income. In the income statement, interest income is carried at amortised cost using the effective interest rate, which does not apply to financial investments recognised at fair value through profit and loss. Income from dividends is recognised in the income statement once the right to the payment is obtained. Income from changes in fair value arises from the subsequent remeasurement of the fair value of financial investments recognised at fair value through profit and loss. Gains on disposal arise from the derecognition of financial investments other than those recognised at fair value through profit and loss. The difference between the carrying amount of a financial investments and its sales value represents a realised gain.

Income from financial investments includes net unrealised gains on unit-linked life insurance assets. The latter arise from changes in the fair value of unit-linked life insurance investments.

### 2.8.22. Other income from insurance operations

Other insurance income includes fee and commission income (asset management fees, reinsurance and other fees) and other income from insurance operations (green card sales, loss adjustment services, assistance services and other). Under this income, interest income from operating receivables is also disclosed. This income is recognised in the income statement when the service is provided or when an invoice is issued.

### 2.8.23. Other income

Other income includes investment property income, income from intangible assets and property, plant and equipment, as well as other income not directly related to insurance operations and sales income from non-insurance subsidiaries. Other income is recognised in the income statement when an invoice is issued.

### 2.8.24. Claims incurred

Net claims represent gross claims settled (claims incurred and claim handling costs), reduced by the reinsurers' share and subrogated receivables, and adjusted by the change in gross provisions for outstanding claims, taking into account the reinsurers' share of these provisions. Claim handling costs consist of external and internal costs of assessing the eligibility and amount of claims, including court fees and charges, expert fees and subrogation recovery expenses.

Gross claims are recognised in the income statement once they have been settled.



### 2.8.25. Operating expenses

Gross operating costs are recognised as original expenses by natural type of cost. In the income statement these costs are classified by function. Claim handling costs are a constituent part of claims incurred, asset management costs are a constituent part of investment expense, whilst insurance contract acquisition costs and other operating costs are separately disclosed in the statement. All operating costs are disclosed by natural type and function.

### 2.8.26. Expenses from financial assets and liabilities

Investment expenses consist of impairments of investments, losses on disposal of investments and other investment expenses. Other investment expenses include changes in the fair value of financial investments that represent the effect of subsequent measurement of the fair value of financial assets measured at fair value through profit or loss. Also included are net unrealised losses on unit-linked life insurance assets and foreign exchange differences.

### 2.8.27. Other insurance expenses

Other insurance expenses include management fees, losses arising from the impairment of receivables, fire protection tax, prevention expenses and other insurance-related expenses. Other insurance expenses are recognised in the income statement once a service is provided.

### 2.8.28. Other expenses

Other expenses include other expenses not directly related to insurance operations and operating expenses of non-insurance companies. Other expenses also include financing expenses, which in-

clude interest expenses from subordinated bonds, interest expenses from asset leases and other interest expenses from operating activities. Other expenses are recognised in the income statement when the service is provided.

### 2.8.29. Taxes

Tax expense for the year comprises current and deferred tax. Deferred tax is calculated for all temporary differences between the amounts of assets and liabilities used for taxation and their carrying amount. The impact of the recognition of deferred tax receivables or liabilities is disclosed as income or expense in the income statement, excluding taxes charged on a business event recognised under other comprehensive income.

In the Republic of Slovenia, current income tax is charged at a 19% tax rate and in other countries where subsidiaries operate at tax rates enacted by local tax laws (as shown in [→ Section 2.10]). The same applies to the calculation of deferred taxes.

In consolidation, temporary differences may be recognised, arising either from the difference between the official financial statements of a subsidiary and those adjusted for consolidation purposes, or from consolidation procedures.

## 2.9. Main assumptions

### 2.9.1. Parameters and assumptions in calculating life insurance provisions

#### Life and annuity insurance

For life and annuity insurance contract liabilities valuation, a modified prospective net premium method is applied by taking into account insurance acquisition costs, all of the contractual obligations and the previously allocated surplus.

The insurance technical parameters used by the method are either the same as those used for calculating insurance premiums or corrected so as to reflect the subsequent circumstances which increase the value of liabilities. A correction to reflect the current circumstances applies to the annuity insurance products of Zavarovalnica Triglav, where the relevant liabilities are valued on the basis of rather conservative mortality tables and a prudently set lower interest rate. The relevant liabilities of Zavarovalnica Triglav are valued on the basis of rather conservative Slovenian mortality tables SIA65 from 2010 and an interest rate of 2.7% p.a. for the contracts containing a fixed interest rate guarantee of 2.75% or more.

The guaranteed technical interest rate used for valuation ranges between 0% p.a. and 5% p.a. The calculation takes into account insurance contract acquisition costs below 3.5% of the sum insured under life insurance policies.

#### Voluntary pension insurance

During the accumulation period, mathematical provisions are evaluated using the retrospective method. This method takes into account all of the premiums received up to the day of valuation, entrance charges, any sums paid out, the guaranteed interest rate and the additional allocated surplus made to individual accounts arising from profit sharing. During the pension annuity pay-out period, provisions are set aside on the basis of the current value of the expected future liabilities of the insurance company (the prospective net method).

Voluntary pension insurance is classified under insurance contracts as it contains discretionary participation features to receive a portion of profits of a guarantee fund; in addition, the majority of voluntary pension insurance contracts include factors for calculating the pension.

The insurance technical parameters used in the calculation are either the same as those used when underwriting a policy, or they are adapted to the circumstances expected in the pension annuity pay-out period in the event these circumstances are worse than those taken into account in the premium calculation. The guaranteed technical interest rate used for the valuation of liabilities during the premium payment period ranges between 0.75% p.a. and 2.7% p.a. For the purpose of valuing its liabilities during the pay-out period of pension annuities bearing an interest rate from 1.0% p.a. to 2.7% p.a. the Company applies Slovenian mortality tables SIA65 from 2010.

#### Supplementary voluntary pension insurance

During the accumulation period, mathematical provisions are evaluated using the retrospective method. The method takes into account all of the premiums received up to the day of valuation, entrance charges, any sums paid out, guaranteed interest rates and the additional allocated surplus made to individual accounts arising from extra returns on funds. During the pension annuity pay-out period, provisions are set aside on the basis of the current value of the expected future liabilities of the insurance company (the prospective net method).

The technical parameters used are either the same as those used when underwriting a policy or adjusted due to circumstances which will change later and increase the value of liabilities – primarily when valuing liabilities arising from pension annuity pay-outs. For the purpose of valuing its liabilities the Company applies Slovenian mortality tables SIA from 2010. During the annuity pay-out period, the insurance companies value their liabilities at an interest rate ranging from 1.0% to 2.7%.

## Unit-linked insurance

The liabilities for unit-linked insurance contracts are evaluated for each insurance policy as the fair value of assets in the investment account decreased by capitalised future management charges on initial units (actuarial funding). For certain insurance products, additional provisions are formed to cover contractual risk payments under basic and additional policies and additional insurance-technical provisions are established to cater for credit risk.

### 2.9.2. The liability adequacy test (LAT) for life insurance

The purpose of LAT is to verify the adequacy of provisioning for life insurance. The test consists of comparing the amount of provisions with the best estimate of provisions, arrived at on the basis of the present value of the best estimate of the future expected contractual and other cash flows. The calculation is performed for each separate contract while the results are aggregated on the level of homogenous groups. The test is based on a unified methodology that determines, among others, the grouping of policies into homogenous groups, the choice of risk-free discount rates and the type of cash flows being modelled. The portfolio balance is tested as at the last day of the business year.

Insurance contracts are segmented into homogenous groups which feature similar risks and are kept within the same portfolio. As a rule, insurance contracts are grouped according to their insurance classes:

- traditional life insurance,
- unit-linked life insurance,
- supplemental voluntary pension insurance during the accumulation period,

- supplemental voluntary pension insurance during the pension annuity pay-out period.

The cash-generating unit or the insurance company are also considered a homogenous group. Any deficit is determined at the level of the individual insurance company. If the test shows that the liabilities are insufficient, the total amount of the difference is recognised as an increase in provisions and an expense in the income statement.

### Parameters and assumptions applied to the LAT test for life insurance

#### *Mortality, longevity and morbidity assumptions*

Assumptions regarding mortality, longevity and morbidity rates are based on internal analysis of the company's life insurance portfolio, on the data of national statistical offices, the data of reinsurers and other sources.

#### *Persistency*

The model uses the probability of an early termination of the insurance contract or discontinuation of premium payments determined on the basis of the analysis of early terminations of life insurance contracts in the past years. The Group continuously monitors the persistency of insurance policies by duration and type of insurance, and adapts their assumptions accordingly.

#### *Expenses*

The calculation takes into account policy handling/maintenance expenses, claim handling expenses and asset management expenses, as defined on the basis of an analysis of the individual company's expenses in preceding years. Estimated future expenses are increased every year in line with the expected inflation rate.

#### *Increasing insurance premiums*

In the case of insurance policies for which the monthly premium directly or indirectly follows the increase in salaries, the increase is calculated in line with the expected inflation rate.

#### *Expected returns and discount interest rates*

In calculating the present value, (risk-free) interest rate term structure (yield curve) is used, which is determined based on yields of the relevant local government debt securities (bonds) denominated in the currency of policy entitlements as at the valuation date, with the latter adjusted to take into account future surplus yields of held-to-maturity investments:

- The yield curve of Slovene government debt securities denominated in euro as at 31 December 2019 was used for Zavarovalnica Triglav, d.d. The ten-year benchmark is 0.96% for life, annuity and voluntary pension insurance, and 0.37% for all other insurance.
- The yield curve of Slovene government debt securities denominated in euro as at 31 December 2019 was used for Triglav, pokojninska družba, d.d. The ten-year benchmark is 0.37%.
- The yield curve of Slovene government debt securities denominated in euro as at 31 December 2019 was used for Triglav Osiguranje, d.d., Sarajevo. The ten-year benchmark is 0.37%.
- The yield curve of Slovene government debt securities denominated in euro as at 31 December 2019 was used for Lovćen životna osiguranja, a.d., Podgorica. The ten-year benchmark is 0.37%.
- The yield curve of Croatian government debt securities denominated in euro and with the payment of obligations in Croatian kuna as at 31 December 2019 was used for Triglav Osiguranje, d.d., Zagreb. The ten-year benchmark is 1.26%.

- The yield curves of Serbian government debt securities denominated in euro (the ten-year benchmark is 1.80%) and Serbian dinar (the ten-year benchmark is 3.33%) as at 31 December 2019 were used for Triglav Osiguranje, a.d.o., Belgrade.

- The yield curve of Macedonian government debt securities denominated in Macedonian denar as at 31 December 2019 was used for Triglav Osiguranje Život, AD, Skopje. The ten-year benchmark is 2.25%.

#### *Profit participation*

The determination of the profit participation rate is at the discretion of each Group member and regulated by internal rules. The estimated future allocation of surpluses are in line with the expected performance, the previous profit allocation rates and the policyholders' reasonable expectations.

In the model, profit is allocated in an excess of the technical interests for with-profit policies. The allocation is determined on the basis of the mathematical provisions as at the end of the financial year.

#### *Annuity factor guarantee*

In the calculation, the liability adequacy test takes into account the annuity factor guarantee for those insurance policies where future mortality projections indicate that, until the retirement of an individual policyholder, the condition from insurance terms and conditions regarding the increase in life expectancy that enables the change in the guaranteed annuity factors will not be fulfilled. The calculation additionally takes into account that 55% of supplemental voluntary pension insurance policyholders and 85% of voluntary pension insurance policyholders will choose to purchase pension annuity under guaranteed annuity factors, with the remaining policyholders taking advantage of other options for the payment of assets.

## Results of the liability adequacy test for life insurance

Based on the available data of the liability adequacy test the provisioning for life insurance confirms the sufficient amount of provisions formed for all insurance companies in the Group, except for the insurance company Triglav Osiguruvanje Život, a.d., Skopje and for the guarantee funds backing supplemental voluntary pension insurance during the period of annuity payments by Zavarovalnica Triglav, d.d.

The guarantee funds backing supplemental voluntary pension insurance during the period of annuity payments by Zavarovalnica Triglav, d.d., are showing a deficit of EUR 8,711,891 as at 31 December 2019. The insurance company has set aside sufficient insurance technical provisions to offset this deficit.

As at the reporting date, Triglav Osiguruvanje Život, a.d., Skopje recorded a deficit in the total amount of EUR 62,607. Zavarovalnica Triglav set aside sufficient insurance technical provisions to cover the deficit amount.

## Sensitivity analysis of LAT test to parameter changes

The valuation of liabilities depends on variables such as mortality, lapse rate, operating costs and the estimated percentage of policyholders deciding to opt for a pension annuity. Parameters are sensitivity tested in order to assess the impact of changes to the above-mentioned variables on future liabilities, the level of provisions and net profit or loss for the year. The changes represent reasonable potential changes in the parameters which could significantly impact the performance of the company.

Individual sensitivity analyses always take into account the change of a selected parameter with all the remaining variables unchanged without accounting for the value of assets backing the liabilities.

The changes under consideration were:

- an increase in mortality rates by 10%,
- a decrease in longevity rates by 10%,
- an increase in lapse rates by 10%,
- a decrease in lapse rates by 10%,
- an increase in expenses by 10%.

The table below shows how the changes of individual parameters increase the provision deficit.

	in EUR	
Change in provisions due to changed parameters	Zavarovalnica Triglav	Triglav Osiguruvanje Život, Skopje
An increase in mortality rates by 10%	-1,380,138	3,658
A decrease in mortality rates by 10%	1,523,343	-3,669
An increase in lapse rates by 10%	0	-27,771
A decrease in lapse rates by 10%	0	29,404
An increase in expenses by 10%	409,975	40,860

For other Group entities LAT test shows the adequacy of formed provisions even with the changed parameters.

## 2.9.3. Parameters and assumptions in calculating non-life insurance provisions

The unearned premium for most insurance policies is calculated pro-rata temporis, assuming a uniform distribution of claims frequency during the term of insurance contracts. Insurance policies with a variable sum insured are the exception to this rule. These policies include credit insurance, since the insurance cover in such cases gradually decreases, and construction and erection insurance, where the insurance cover rises. For such type of insurance, the calculation of unearned premiums is based on the assumption of a constant claim frequency throughout the duration of the insurance contract and variable insurance cover.

In general, the claims provisions are calculated as the sum of total claims reported but not settled and incurred but not reported (IBNR) claims. The majority of provisions for incurred but not reported claims are calculated using the run-off triangle method. Previous experience shows that claims from mass loss events, such as hail, floods and storms, are reported with considerable delay. None of the standard actuarial methods for determining the amount of IBNR claims after mass loss events is suitable for calculating these claims. Such claims can represent a significant part of total incurred but not reported claims. In order to ensure an up-to-date calculation of the actual amount of claims after mass loss events, additional provisions for IBNR or insufficiently reported claims after mass loss events are formed.

Claims provisions also include provisions for annuities in the case of liability insurance. Provisions for these claims were calculated as a capitalised annuity value as at the cut-off date based on applicable mortality tables and an interest rate of 1.0%.

#### 2.9.4. Liability adequacy test (LAT) for non-life insurance

The insurance companies of the Group form reserves for unexpired risks for those lines of business where the expected loss ratio exceeds 100%. Additional reserves for unexpired risks are calculated as a product of unearned premiums and the difference between the value of the loss ratio and 100%.

Additional tests are performed to check the adequacy of the unearned premiums and unexpired risk reserves. The amounts of future gross claims and gross claim handling costs are applied in these tests and compared with the amount of established provisions for unearned premiums reduced by deferred insurance acquisition costs.

The results of tests show that the level of unearned premiums reserves, together with the level of unexpired risk reserves, is sufficient. Additional provisions were not necessary to create.

Assumptions that would have a material impact are not used in the calculation of technical provisions, so a sensitivity analysis was not performed.

#### 2.9.5. Parameters and assumptions applied in measuring the value of financial income from other investing activities

##### Valuation of investments in subsidiaries

Zavarovalnica Triglav recognises its subsidiary holdings in separate financial statements, measured at historical cost. The impairment recognition is based on IAS 36 which provides the recoverable amount of an asset or a cash-generating unit as the higher of the two items:

- its fair value less costs to sell; or
- its value in use.

The valuation was made in compliance with the International Valuation Standards.

When recognising an impairment, it is first ascertained whether there are any indications of impairment. In this exercise, indications from external sources of information (significant changes in the environment with an adverse effect on the entity, changes in market interest rates and return on investment of assets likely to affect the recoverable amount of assets, unexpected drops in market values of assets) and indications from internal sources of information (statutory changes, changes in the management and scope of operations, poorer performance of the company) are considered. In the event there are objective signs of impairment, the recoverable amount is assessed.

Indicator tests and impairment tests are carried out by external certified and internal business appraisers applying internal valuation models.

The valuation procedure includes at a minimum:

- general environment analysis of a company (macroeconomic and institutional);
- specific environment analysis (the insurance market and markets of other relevant activities)
- business model and business operations analysis;
- analysis of a company's competitive position in the insurance market;
- analysis of plan attainment in terms of planning adequacy and realisation potential;
- choice of suitable valuation methodology and methods in consideration of standards, purpose (accounting purposes) and scope of valuation (including insurance class);
- derivation and assessment of assumptions in accordance with the analysis;
- derivation of cost of capital based on market parameters (time value, all relevant risks);
- valuation;
- assumption sensitivity analysis of a valuation and relevance analysis of the resulting range of valuations.

The key assumptions and sources applied in valuation included:

- information on the environment acquired from the European Central Bank, statistical offices, International Monetary Fund (IMF), supervisory bodies and other regulators;
- profit/loss and financial position estimates for 2019 and business plans of individual companies for 2019 as approved by their supervisory bodies as well as strategic plans of individual companies for the next three year period, if available;
- documentation and information acquired from the management and other key persons for company valuation;
- professional assessments by internal departments of Zavarovalnica Triglav and subsidiaries of Triglav Group.

In 2019, the impairment indications of financial investments in all insurance and non-insurance subsidiaries and Triglav INT d.d., Ljubljana were tested. No impairment indications were identified.

##### Valuation of financial income from other investing activities

The valuation methods and the assumptions used for measuring the value of non-tradable financial assets are described under [→ 5.1.2 below].

## 2.10. Composition and changes in the composition of the Triglav Group in 2019

### Members of Triglav Group<sup>105</sup>

No.	COMPANY	ADDRESS	TAX RATE (in %)	ACTIVITY	EQUITY STAKE (in %)		SHARE OF VOTING RIGHTS (in %)		VALUE OF EQUITY AS AT 31 DECEMBER (in EUR)	
					2019	2018	2019	2018	2019	2018
1	Pozavarovalnica Triglav RE d.d.	Miklošičeva 19, Ljubljana, Slovenija	19	Reinsurance	100.00	100.00	100.00	100.00	82,868,431	79,455,791
2	Triglav, Zdravstvena zavarovalnica d.d.	Pristaniška 10, Koper, Slovenija	19	Insurance	100.00	100.00	100.00	100.00	34,970,059	31,627,112
3	Triglav Osiguranje d.d., Zagreb	Antuna Heinza 4, Zagreb, Hrvatska	18	Insurance	100.00	100.00	100.00	100.00	32,453,111	29,945,453
4	Triglav Osiguranje d.d., Sarajevo	Dolina 8, Sarajevo, BiH	10	Insurance	97.78	97.78	98.87	98.87	18,411,244	17,272,246
5	Lovčen Osiguranje a.d., Podgorica	Ulica Slobode 13a, Podgorica, Crna gora	9	Insurance	96.59	96.59	96.59	96.59	9,522,111	8,609,819
6	Lovčen Životna osiguranja a.d., Podgorica	Ulica Marka Miljanova 29, Podgorica, Crna gora	9	Insurance	96.59	96.59	96.59	96.59	3,698,824	3,209,528
7	Triglav Osiguranje a.d.o., Beograd	Milutina Milankovića 7a, Novi Beograd, Srbija	15	Insurance	99.88	99.88	99.88	99.88	21,332,594	18,358,695
8	Triglav Osiguranje a.d., Banja Luka	Ulica Prvog krajiškog korpusa broj 29, Banja Luka, BiH	10	Insurance	100.00	100.00	100.00	100.00	2,570,137	3,727,010
9	Triglav Osiguruvanje a.d., Skopje	Bulevar 8-mi Septemvri 16, Skopje, Severna Makedonija	10	Insurance	80.45	80.35	80.35	80.35	14,767,267	14,383,011
10	Triglav Osiguruvanje Život a.d., Skopje	Bulevar sv. Kiril i Metodij 18, Skopje, Severna Makedonija	10	Insurance	96.09	96.07	96.09	96.07	4,704,091	4,941,556
11	Triglav penzisko društvo a.d., Skopje	Bulevar 8-mi septemvri broj 18, kat 2, 1000 Skopje, Severna Makedonija	10	Fund management	100.00	-	100.00	-	2,696,009	-
12	Triglav, pokojninska družba d.d.	Dunajska 22, Ljubljana, Slovenija	19	Fund management	100.00	100.00	100.00	100.00	18,320,294	17,070,762
13	Triglav INT d.d.	Dunajska 22, Ljubljana, Slovenija	19	Holding company	100.00	100.00	100.00	100.00	73,288,185	75,071,066
14	Triglav Skladi d.o.o.	Slovenska 54, Ljubljana, Slovenija	19	Fund management	67.50	67.50	100.00	100.00	56,342,387	46,144,535
15	Triglav Avtoservis d.o.o.	Verovškova 60b, Ljubljana, Slovenija	19	Maintenance and repair of motor vehicles	100.00	100.00	100.00	100.00	67,513	67,410
16	Triglav Svetovanje d.o.o.	Ljubljanska 86, Domžale, Slovenija	19	Insurance agency	100.00	100.00	100.00	100.00	484,259	578,638
17	Golf Arboretum d.o.o.	Volčji Potok 43g, Radomlje, Slovenija	19	Sport facilities management	-	80.73	-	80.73	-	316,314
18	Triglav Upravljanje nepremičnin d.d.	Dunajska 22, Ljubljana, Slovenija	19	Real estate management	100.00	100.00	100.00	100.00	36,314,117	35,397,601
19	Triglav Savjetovanje d.o.o., Sarajevo	Topal Osman Paše 30, Sarajevo, BiH	10	Insurance agency	98.91	98.91	98.91	98.91	81,402	94,662
20	Triglav Savjetovanje d.o.o., Zagreb	Sarajevska 60, Zagreb, Hrvatska	18	Insurance	100.00	100.00	100.00	100.00	-128,347	-281,333
21	Triglav Savetovanje d.o.o., Beograd	Zelengorska 1g, Beograd, Srbija	15	Insurance agency	99.94	99.94	99.94	99.94	18,804	8,443
22	Autocentar BH d.o.o.	Džemala Bjedića 165b, Sarajevo, BiH	10	Maintenance and repair of motor vehicles	97.78	97.78	98.87	98.87	1,908,677	1,793,419
23	Unis automobili i dijelovi d.o.o.	Mehmeda ef. Pandže 13, Sarajevo, BiH	10	Maintenance and repair of motor vehicles	-	97.78	-	98.87	-	135,536
24	Sarajevostan d.o.o.	Kolodvorska 12, Sarajevo, BiH	10	Real estate management	90.95	90.95	91.97	91.97	1,617,879	1,531,907
25	Lovčen Auto d.o.o., Podgorica	Novaka Miloševa 6/2, Podgorica, Crna gora	9	Maintenance and repair of motor vehicle	96.59	96.59	96.59	96.59	2,900,519	1,158,530
26	Triglav Auto d.o.o.	Trg srpskih junaka 4, Banja Luka, BiH	10	Maintenance and repair of motor vehicle	-	100.00	-	100.00	-	1,023
27	Triglav upravljanje nekretninama d.o.o., Zagreb	Ivana Lučića 2a, Zagreb, Hrvatska	18	Real estate management	100.00	100.00	100.00	100.00	1,529,368	3,189,395
28	Triglav upravljanje nekretninama d.o.o., Podgorica	Džordža Vašingtona 44, Podgorica, Crna gora	9	Real estate management	100.00	100.00	100.00	100.00	2,694,136	3,307,275
29	PROF-IN d.o.o.	Mehmed paše Sokolovića 15, Sarajevo, BiH	10	Fund management	62.54	62.54	62.54	62.54	4,095,459	3,604,502
30	Hotel Grad Podvin d.d.	Dunajska 20, Ljubljana, Slovenija	19	Tourism	100.00	100.00	100.00	100.00	310,860	546,091
31	Zavod Vse bo v redu	Miklošičeva 19, Ljubljana, Slovenija	19	Institute for corporate social responsibility	100.00	100.00	100.00	100.00	100,000	100,000

<sup>105</sup> The companies listed under numbers 1 to 28 have been included in the consolidated financial statements using the full consolidation method. The companies listed under numbers 29 to 31 have not been included using the full consolidation method, as they are not of importance to the Group. GRI GS 102-45



**Summary financial information on subsidiaries**

COMPANY	ASSETS		LIABILITIES		EQUITY		INCOME		NET PROFIT/LOSS		in EUR
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	
	Pozavarovalnica Triglav Re d.d., Ljubljana	306,350,076	285,485,523	223,481,645	206,029,732	82,868,431	79,455,791	176,851,086	147,093,177	4,904,789	4,532,787
Triglav, Zdravstvena zavarovalnica d.d., Koper	69,867,321	59,416,391	34,897,262	27,789,279	34,970,059	31,627,112	178,852,499	145,928,444	2,931,501	1,324,192	
Triglav Osiguranje d.d., Zagreb	167,551,455	149,791,109	135,098,344	119,845,656	32,453,111	29,945,453	79,074,756	64,655,378	329,012	875,819	
Triglav Osiguranje d.d., Sarajevo	58,630,555	51,862,677	40,219,311	34,590,431	18,411,244	17,272,246	28,034,688	25,037,266	943,473	925,597	
Lovćen Osiguranje a.d., Podgorica	52,374,715	50,332,908	42,852,604	41,723,089	9,522,111	8,609,819	39,220,482	35,362,033	643,877	412,726	
Lovćen životna osiguranja a.d., Podgorica	7,525,804	7,042,710	3,826,980	3,833,182	3,698,824	3,209,528	3,959,804	2,563,680	362,095	417,927	
Triglav Osiguranje a.d.o., Beograd	82,306,838	67,505,358	61,074,571	49,146,663	21,232,267	18,358,695	64,830,227	53,454,959	1,943,406	1,765,910	
Triglav Osiguranje a.d., Banja Luka	11,902,070	11,717,746	9,344,399	7,990,736	2,557,671	3,727,010	6,463,781	6,205,975	-1,135,083	3,225	
Triglav Osiguruvanje a.d., Skopje	41,371,349	37,658,712	26,628,173	23,275,701	14,743,176	14,383,011	25,349,063	24,755,663	303,453	540,769	
Triglav Osiguruvanje Život a.d., Skopje	5,667,820	5,157,166	966,810	215,610	4,701,010	4,941,556	767,937	435,590	-243,581	-149,669	
Triglav penzisko društvo a.d., Skopje	3,021,317	-	328,355	-	2,692,962	-	83,711	-	-313,293	-	
Triglav, pokojninska družba d.d., Ljubljana	362,923,664	323,872,026	344,603,370	306,801,264	18,320,294	17,070,762	57,514,415	41,671,530	-281,655	212,669	
Triglav INT d.d., Ljubljana	73,471,798	75,381,489	183,613	310,423	73,288,185	75,071,066	101,871	4,496,760	-1,769,877	2,320,200	
Triglav Skladi d.o.o., Ljubljana	67,297,910	52,242,331	10,955,523	6,097,796	56,342,387	46,144,535	22,556,631	20,550,198	6,266,224	7,743,528	
Triglav Avtoservis d.o.o., Ljubljana	653,290	445,658	585,777	378,248	67,513	67,410	2,434,587	2,241,741	3,909	2,146	
Triglav Svetovanje d.o.o., Ljubljana	1,725,338	1,440,158	1,241,079	861,520	484,259	578,638	4,923,517	4,667,756	-92,041	21,768	
Golf Arboretum d.o.o., Ljubljana	-	1,149,977	-	833,663	-	316,314	525,834	695,674	-5,136	-57,721	
Triglav, Upravljanje nepremičnin d.d., Ljubljana	38,969,275	43,119,424	2,655,158	7,721,823	36,314,117	35,397,601	5,446,854	4,772,288	1,163,668	870,320	
Triglav Savjetovanje d.o.o., Sarajevo	386,618	232,418	305,216	137,756	81,402	94,662	920,945	995,145	-13,260	26,509	
Triglav Savjetovanje d.o.o., Zagreb	167,170	105,035	295,517	386,368	-128,347	-281,333	307,428	356,917	-130,690	-154,177	
Triglav Savetovanje d.o.o., Beograd	110,378	82,871	85,207	74,428	25,171	8,443	554,684	379,870	-4,625	-36,243	
Autocentar BH d.o.o., Sarajevo	2,959,310	2,677,522	1,050,633	884,103	1,908,677	1,793,419	1,574,966	1,565,719	37,498	126,823	
Unis automobili i dijelovi d.o.o., Sarajevo	-	188,637	-	53,101	-	135,536	-	201,550	-	2,142	
Sarajevostan d.o.o., Sarajevo	2,414,747	4,055,029	796,868	2,523,122	1,617,879	1,531,907	2,308,513	2,443,267	85,972	135,887	
Lovćen Auto d.o.o., Podgorica	5,195,713	3,915,032	2,295,194	2,756,502	2,900,519	1,158,530	1,714,551	2,128,939	-658,011	-889,313	
Triglav Auto d.o.o., Banja Luka	-	1,023	-	0	-	1,023	-	0	-	0	
Triglav Upravljanje nekretninama d.o.o., Zagreb	1,535,688	3,330,251	6,320	140,856	1,529,368	3,189,395	55,105	54,445	-243,389	-80,896	
Triglav Upravljanje nekretninama d.o.o., Podgorica	2,990,105	3,452,529	295,969	145,254	2,694,136	3,307,275	151,799	209,461	-613,139	7,991	
PROF-IN d.o.o., Banja Luka	4,282,058	3,643,170	186,599	38,668	4,095,459	3,604,502	963,059	625,681	490,957	162,330	
Hotel Grad Podvin d.d., Ljubljana	2,322,347	2,537,920	2,011,487	1,991,829	310,860	546,091	41,477	75,531	-235,231	-101,133	
Zavod Vse bo v redu	128,020	143,507	28,020	43,507	100,000	100,000	26,700	55,001	-15,488	10,678	

**Non-controlling interests in the companies of the Triglav Group**

			in EUR							
NO.	COMPANY	ADDRESS	NON-CONTROLLING INTEREST IN CAPITAL (in %)		VOTING RIGHTS OF NON-CONTROLLING INTERESTS (in %)		NET PROFIT OR LOSS ATTRIBUTABLE TO NON-CONTROLLING INTEREST HOLDERS		RETAINED EARNINGS ATTRIBUTABLE TO NON-CONTROLLING INTEREST HOLDERS	
			2019	2018	2019	2018	2019	2018	2019	2018
1	Triglav Osiguranje d.d., Sarajevo	Dolina 8, Sarajevo, Bosna in Hercegovina	2.22	2.22	1.13	1.13	20,582	19,418	240,897	240,001
2	Triglav Osiguranje a.d.o., Beograd	Milutina Milankovića 7a, Novi Beograd, Srbija	0.12	0.12	0.12	0.12	2,374	2,181	206,048	201,008
3	Triglav Osiguruvanje a.d., Skopje	Bulevar 8-mi Septemvri 16, Skopje, Republika Severna Makedonija	19.55	19.65	19.55	19.65	59,325	106,261	1,703,933	1,650,912
4	Lovćen Osiguranje a.d., Podgorica	Ulica Slobode 13a, Podgorica, Črna gora	3.41	3.41	3.41	3.41	103,796	53,289	444,022	331,073
5	Lovćen životna osiguranja a.d., Podgorica	Marka Miljanova 29/III, Podgorica, Črna gora	3.41	3.41	3.41	3.41	12,347	14,251	88,708	72,024
6	Golf Arboretum d.o.o., Volčji Potok	Volčji Potok 43g, Radomlje, Slovenija	-	19.27	-	19.27	-990	-11,123	-	58,827
7	Triglav Savjetovanje d.o.o., Sarajevo	Topal Osman Paše 30, Sarajevo, Bosna in Hercegovina	1.09	1.09	1.09	1.09	-144	288	-16,753	-16,609
8	Unis automobili i dijelovi d.o.o., Sarajevo	Mehmeda ef. Pandže 13, Sarajevo, Bosna in Hercegovina	-	2.22	-	1.13	-	48	-	-333,323
9	Autocentar BH d.o.o., Sarajevo	Džemala Bjedića 165b, Sarajevo, Bosna in Hercegovina	2.22	2.22	1.13	1.13	684	2,816	-145,082	163,530
10	Lovćen Auto d.o.o., Podgorica	Novaka Miloševa 6/2, Podgorica, Črna gora	3.41	3.41	3.41	3.41	-22,438	-30,326	-390,088	-367,651
11	Triglav Osiguruvanje Život a.d., Skopje	Bulevar sv. Kiril i Metodij 18, Skopje, Republika Severna Makedonija	3.91	3.93	3.91	3.93	-9,524	-5,882	-12,135	-2,135
12	Sarajevostan d.o.o., Sarajevo	Kolodvorska 12, Sarajevo, Bosna in Hercegovina	9.05	9.05	8.03	8.03	7,776	12,291	306,257	298,480
13	Triglav Savetovanje d.o.o., Beograd	Milutina Milankovića 7a, Novi Beograd, Srbija	0.06	0.06	0.06	0.06	-3	-21	-141	-137
<b>TOTAL</b>							<b>173,785</b>	<b>163,491</b>	<b>2,425,665</b>	<b>2,295,999</b>



**Material non-controlling interests**

Presented below are the condensed balance sheet and comprehensive income for material non-controlling interests.

	in EUR	
	Triglav Osiguranje Skopje 31 December 2019	31 December 2018
<b>CONDENSED BALANCE SHEET</b>		
Current assets	6,280,101	5,921,431
Current liabilities	3,238,360	2,679,504
<b>Net current assets/liabilities</b>	<b>3,041,741</b>	<b>3,241,927</b>
Non-current assets	35,091,248	31,737,281
Non-current liabilities	23,389,813	20,596,197
<b>Net non-current assets/liabilities</b>	<b>11,701,435</b>	<b>11,141,084</b>
<b>Net assets</b>	<b>14,743,176</b>	<b>14,383,011</b>
	<b>2019</b>	<b>2018</b>
<b>CONDENSED COMPREHENSIVE INCOME</b>		
Net profit or loss for the year	303,453	540,769
Other comprehensive income	56,711	237,920
<b>Total comprehensive income</b>	<b>360,164</b>	<b>778,689</b>
<b>Dividends from associates for the year</b>	<b>0</b>	<b>0</b>
	<b>2019</b>	<b>2018</b>
<b>CONDENSED CASH FLOW STATEMENT</b>		
Cash flows from operating activities	847,503	-58,496
Cash flows from investing activities	-979,026	13,694
Cash flows from financing activities	0	0
<b>Net change in cash flows</b>	<b>-131,523</b>	<b>-44,802</b>

**Changes occurred in the ownership structure of the Triglav Group in 2019***Acquisition of Alta SKLADI, družba za upravljanje d.d.*

Triglav Skladi d.o.o., acquired a 100% equity stake in Alta Skladi, družba za upravljanje d.d. (hereinafter: Alta Skladi), thereby obtaining 100% of the voting rights and a controlling interest in said company. On 19 December 2019, Alta Skladi d.d., was stricken off the Companies Register due to its merger with the acquiring company Triglav Skladi d.o.o.

The activity of the acquiree is the provision of investment fund management services. The purpose of the acquisition was to obtain the right to manage their investment funds and to take advantage of the positive effects of the companies' merger and the integration of fund management.

The acquisition of Alta Skladi d.d., is treated as a business combination in the Group. In the consolidated financial statements, the said business combination was accounted for using the acquisition method. As at the acquisition date of 30 April 2019, all assets acquired and liabilities assumed of Alta Skladi were measured at fair value. The right of managing the fund was recognised in the net fair value of assets and is separately included in intangible assets as list of customers. The value in the amount of EUR 5,472,939 was determined based on the valuation using the excess earnings method. The 10-year useful life was taken into account. Deferred tax in the amount of EUR 1,039,858 was also calculated.

The consideration for the purchase of the company is EUR 22.5 million and consists of a fixed and variable amount. The variable part of consideration, which is contingent consideration, consists of a deferred payment of EUR 1,930,000 (for potential lawsuits, legal proceedings, breach of warranty or agreement mistakes). The deferred payment lasts for a maximum of 5 years + 60 days. The second portion of the variable amount totals maximum EUR 2.4 million and depends on net payments from the Flegma product. This value was assessed based on the data on net inflows from this product in the past and the present year using the discounted cash flow method. Contingent consideration is also recognised as a financial liability. As at 31 December 2019, the financial liability of contingent consideration amounted to EUR 3,527,000.

Total consideration exceeds the net asset value by EUR 10.4 million and is recognised as goodwill in the consolidated financial statements. Goodwill is the value of synergy effects arising from increased assets under management, greater market visibility and the synergy effects of pooling the fund managers' knowledge.

The assets acquired and liabilities assumed and the calculation of goodwill as at the acquisition date of 30 April 2019 are as follows:

Recognised amounts	in EUR Fair value as at 30 April 2019
<b>ASSETS ACQUIRED</b>	<b>13,911,407</b>
Intangible assets	8,722,477
Property, plant and equipment	25,609
Financial investment	965,902
Operating receivables	583,545
Other receivables	426,717
Other assets	324,247
Cash and cash equivalents	2,862,910
<b>LIABILITIES ASSUMED</b>	<b>1,805,583</b>
Provisions for retirement benefits	23,128
Other provisions	292,322
Deferred tax liabilities	1,108,838
Operating liabilities	194,485
Current tax liabilities	36,534
Other liabilities	150,276
<b>TOTAL IDENTIFIABLE NET ASSETS</b>	<b>12,105,824</b>
<b>CONSIDERATION</b>	<b>22,519,136</b>
– fixed consideration	18,606,034
– contingent consideration:	3,913,102
– deferred consideration	1,930,000
– consideration for Flegma product	1,983,102
<b>FINANCIAL LIABILITY for contingent consideration</b>	<b>3,913,102</b>
<b>GOODWILL</b>	<b>10,413,312</b>

Goodwill adjustments are possible during the measurement period (within one year of the acquisition), but only because of a change in contingent consideration and any changes in the fair value of assets acquired and liabilities assumed that relate to the facts and circumstances existing as at the acquisition date. In the period from 1 July to 31 December 2019, the fair value of liabilities assumed was adjusted by EUR 14,362 and thus the amount of goodwill increased. The change was recognised following the audit of assets and liabilities.

Any changes in the fair value of financial liabilities of contingent consideration due to new information relating to changes in events after the acquisition date will be recognised in profit or loss.

From 1 May to 19 December 2019 (until striking off the register), Alta Skladi d.d., generated income of EUR 3,835,931 and net profit of EUR 1,192,198.

#### *Purchase of shares of Triglav Osiguranje a.d., Skopje from non-controlling interest holders*

Triglav INT d.d. acquired a 0.10% equity stake from the non-controlling interest holders of Triglav Osiguranje, a.d., Skopje, thereby becoming its 80.45% owner. The acquisition price of the equity stake amounted to MKD 888,940 or EUR 14,428. The acquisition of the non-controlling interest stake was recognised in the consolidated financial statements as an increase in share premium of EUR 614.

#### *Capital increase of Lovćen Auto d.o.o.*

Lovćen Osiguranje, a.d., increased its equity stake in its subsidiary Lovćen Auto d.o.o., in the amount of EUR 2,400,000, thus remaining a 100% owner of the said company.

#### *Capital increase of Triglav d.o.o.*

By paying in EUR 1,094,670, Zavarovalnica Triglav d.d., increased the share capital of its associate Triglav d.o.o., and thus maintained its 49.9% equity stake in the said company.

#### *Capital increase of Triglav Savjetovanje d.o.o., Zagreb*

In Q2 2019, Triglav Svetovanje d.o.o. and Triglav Osiguranje d.d., Zagreb increased the capital of their subsidiary Triglav Savjetovanje d.o.o., Zagreb in accordance with their proportional stakes. The capital increase was raised by in-cash contributions of HRK 2,100,000 or EUR 284 thousand. As a result, both companies maintained their stakes in said company, 51% and 49% respectively.

#### *Establishment of Triglav penzisko društvo a.d., Skopje*

On 27 March 2019, the pension company Triglav penzisko društvo, a.d., Skopje was established in North Macedonia. The total share capital of EUR 3 million was paid in by Zavarovalnica Triglav d.d., thereby becoming a 100% owner of the said company.

#### *Capital increase of Triglav Savetovanje d.o.o., Belgrade*

In Q3 2019, Triglav Svetovanje d.o.o. and Triglav Osiguranje d.d., Belgrade increased the capital of their subsidiary Triglav Savetovanje d.o.o., Belgrade in accordance with their proportional stakes. The capital increase was raised by in-cash contributions of RSD 2,500,000 or EUR 21 thousand. As a result, both companies maintained their stakes in the said company; 51% and 49% respectively.

#### *Sale of ZIF Prof Plus d.d., Sarajevo*

Triglav Skladi d.o.o. and Triglav, Upravljanje nepremičnin d.d. sold their equity stakes in ZIF Prof Plus d.d. of 11.72% and 10.37% respectively. As a result of selling the combined equity stake of 22.09%, a profit of EUR 560 thousand was generated at the Group level.

*Sale of Golf Arboretum d.o.o., Ljubljana*

Triglav, Upravljanje nepremičnin d.d. sold its equity stake of 80.73% in Golf Arboretum d.o.o. As a result, the Triglav Group generated a loss of EUR 563 thousand.

*Liquidation of Triglav Auto d.o.o., Banja Luka*

On 19 September 2019, Triglav Auto d.o.o., Banja Luka was liquidated. The liquidation had no effect on the consolidated financial statements of the Triglav Group.

*Merger of Unis automobili i dijelovi d.o.o., Sarajevo*

Unis automobili i dijelovi d.o.o. was merged with Autocentar BH d.o.o. The merger did not have an impact on the consolidated financial statements of the Triglav Group.

*Sale of KRDU Building d.o.o. and LOMA CENTER d.o.o.*

On 5 February 2019, Triglav d.o.o. and the fund TRIGAL AIF SICAV – RAIF S.C.A. Compartment 2, Regional Multi Asset Fund Compartment, Luxembourg, signed an agreement to sell KRDU Building d.o.o. and LOMA CENTER d.o.o. As a result, both companies are no longer considered associates of the Triglav Group. There was no effect of derecognition.

*Establishment of ALFI PD, upravljanje alternativnih investicijskih skladov d.o.o.*

Triglav d.o.o. and three other partners established ALFI PD d.o.o. on 3 September 2019. With the payment of EUR 40 thousand, Triglav became a 40% owner of said company.

## 3. Notes to the statement of financial position

### 3.1. Intangible assets

Triglav Group						in EUR	
	Goodwill	Deferred acquisition cost	Long-term deferred items	Licences and software	Intangible assets in course of acquisition	Total	
<b>COST</b>							
<b>As at 1 January 2018</b>	0	42,121,469	4,464,919	71,282,413	3,296,603	121,165,404	
– transfer in use	0	0	0	2,896,144	-2,896,144	0	
– purchases	0	0	0	4,996,291	2,592,996	7,589,287	
– disposals	0	0	0	-2,927,961	-2,987	-2,930,948	
– reclassification	0	1,206,307	0	-1,206,307	0	0	
– increase (net value)	0	5,947,377	-1,475,430	0	0	4,471,947	
– exchange rate difference	0	4,001	0	19,758	-1,250	22,509	
<b>As at 31 December 2018</b>	0	49,279,154	2,989,489	75,060,338	2,989,220	130,318,201	
– transfer in use	0	0	0	1,503,027	-1,503,027	0	
– purchases	0	0	0	3,527,791	3,293,015	6,820,806	
– disposals	0	0	0	-2,393,328	0	-2,393,328	
– impairment	0	0	0	-443,726	0	-443,726	
– increase (net value)	0	1,448,230	-1,176,041	0	0	272,189	
– acquisition*	10,413,312	0	0	8,966,464	0	19,379,776	
– exchange rate difference	0	47,372	0	14,317	329	62,018	
<b>As at 31 December 2019</b>	10,413,312	50,774,756	1,813,448	86,234,883	4,779,537	154,015,936	
<b>ACCUMULATED AMORTISATION</b>							
<b>As at 1 January 2018</b>	0	0	0	-42,324,789	0	-42,324,789	
– current year amortisation	0	0	0	-6,837,916	0	-6,837,916	
– disposals	0	0	0	2,917,758	0	2,917,758	
– impairment	0	0	0	0	0	0	
– exchange rate difference	0	0	0	-13,199	0	-13,199	
<b>As at 31 December 2018</b>	0	0	0	-46,258,148	0	-46,258,148	
– current year amortisation	0	0	0	-8,161,376	0	-8,161,376	
– disposals	0	0	0	2,356,530	0	2,356,530	
– impairment	0	0	0	43,840	0	43,840	
– acquisition*	0	0	0	-254,753	0	-254,753	
– exchange rate difference	0	0	0	-16,299	0	-16,299	
<b>As at 31 December 2019</b>	0	0	0	-52,290,206	0	-52,290,206	
<b>CARRYING AMOUNT</b>							
<b>As at 31 December 2018</b>	0	49,279,154	2,989,489	28,802,185	2,989,220	84,060,048	
<b>As at 31 December 2019</b>	10,413,312	50,774,756	1,813,448	33,944,672	4,779,537	101,725,725	

\* Acquisition relates to Alta Skladi, d.d.

#### Goodwill

Upon the acquisition of Alta Skladi d.d. in 2019, goodwill was recognised as at the acquisition date of 30 April 2019. A more detailed description is presented in [→ Section 2.10].

The value of goodwill was checked as at the reporting date. In testing goodwill for impairment, where key assumptions have been tested, the recoverable amount of the cash-generating unit (Alta Skladi) was calculated in addition to assessing impairment indications. The value in use was taken into account when measuring the recoverable amount. The discounted rate of 12.1% was taken into account when estimating cash flows for a 5-year period.

The calculated value in use as at 31 December 2019 was higher than the carrying amount. The goodwill impairment test showed that there was no need to impair goodwill as at 31 December 2019.

#### Other intangible fixed assets

Amortisation of intangible assets is recognised in the income statement under different items. Details are given in the breakdown of costs by nature and function in [→ Section 4.12].

The Group has no individual intangible assets that are material to the consolidated financial statements.

Zavarovalnica Triglav	Deferred acquisition costs	Long-term deferred items	Licenses and software	Intangible assets in course of acquisition	in EUR	
						Total
<b>COST</b>						
As at 1 January 2018	30,659,972	4,464,919	50,286,241	2,528,350		87,939,483
– transfer in use	0	0	1,276,865	-1,276,865		0
– purchases	0	0	4,291,359	132,935		4,424,294
– disposal	0	0	-2,782,408	0		-2,782,408
– increase (net value)	4,476,220	-1,475,430	0	0		3,000,790
As at 31 December 2018	35,136,192	2,989,489	53,072,058	1,384,420		92,582,159
– transfer in use	0	0	360,322	-360,322		0
– purchases	0	0	2,797,294	1,879,420		4,676,714
– disposal	0	0	-2,341,130	0		-2,341,130
– increase (net value)	1,995,928	-1,394,325	0	0		601,603
As at 31 December 2019	37,132,120	1,595,164	53,888,544	2,903,514		95,519,344
<b>ACCUMULATED AMORTISATION</b>						
As at 1 January 2018	0	0	-28,153,198	0		-28,153,198
– amortisation	0	0	-5,045,772	0		-5,045,772
– disposal	0	0	2,779,314	0		2,779,314
As at 31 December 2018	0	0	-30,419,656	0		-30,419,656
– amortisation	0	0	-5,485,765	0		-5,485,765
– disposal	0	0	2,310,348	0		2,310,348
As at 31 December 2019	0	0	-33,595,071	0		-33,595,071
<b>CARRYING AMOUNT</b>						
As at 31 December 2018	35,136,192	2,989,489	22,652,403	1,384,420		62,162,502
As at 31 December 2019	37,132,120	1,595,164	20,293,474	2,903,514		61,924,273

Zavarovalnica Triglav did not pledge any intangible assets as collateral. As at 31 December 2019, trade payables for intangible assets amounted to EUR 2,547,605 (vs. EUR 6,113,245 as at 31 December 2018).

The amortisation for the current year is split between several items of the income statement. For details, see expenses by nature and function in [[→ Section 4.12](#)]. Change in deferred acquisition costs is recognised as a change in unearned premium provision in the income stated, as stated in [[→ Section 4.1](#)].

Zavarovalnica Triglav has no individual intangible assets that are material to the financial statements. Cost of fully depreciated intangible assets still in use represents 20.02% of the total cost of intangible assets.



## 3.2. Property, plant and equipment

Triglav Group						in EUR
	Land	Buildings	Equipment	PP&E in course of acquisition	Total	
<b>COST</b>						
<b>As at 1 January 2018</b>	<b>11,774,345</b>	<b>123,582,099</b>	<b>62,954,526</b>	<b>3,234,099</b>	<b>201,545,069</b>	
– transfer in use	0	2,511,143	4,564,476	-7,075,620	0	
– purchases	2,777	206,016	2,931,406	7,826,487	10,966,686	
– disposals	0	-195,820	-8,673,843	-14,135	-8,883,798	
– impairment	0	-18,892	-141,038	0	-159,930	
– transfer from investment property	0	-1,597,617	0	0	-1,597,617	
– exchange rate differences	16,489	59,901	8,080	180	84,650	
<b>As at 31 December 2018</b>	<b>11,793,611</b>	<b>124,546,831</b>	<b>61,643,604</b>	<b>3,971,011</b>	<b>201,955,057</b>	
– transfer in use	23,517	986,157	1,505,951	-2,515,626	0	
– purchases	382,859	2,629,972	4,493,328	1,815,723	9,321,882	
– disposals	-50,018	-168,025	-3,630,856	0	-3,848,899	
– transfer to investment property	147,127	848,796	251,433	0	1,247,356	
– impairment	0	0	-4,242	0	-4,242	
– sale of Golf Arboretum	-773,133	-1,144,199	-571,623	-7,429	-2,496,384	
– reclassification	0	-655,204	-45,709	0	-700,913	
– acquisition*	0	0	125,034	0	125,034	
– exchange rate differences	-16,259	-11,166	16,482	-196	-11,139	
<b>As at 31 December 2019</b>	<b>11,507,705</b>	<b>127,033,164</b>	<b>63,783,402</b>	<b>3,263,482</b>	<b>205,587,753</b>	
<b>ACCUMULATED DEPRECIATION</b>						
<b>As at 1 January 2018</b>	<b>0</b>	<b>-38,258,199</b>	<b>-52,076,438</b>	<b>0</b>	<b>-90,334,637</b>	
– depreciation for the current year	0	-2,269,813	-5,194,358	0	-7,464,171	
– disposals	0	84,369	8,415,541	0	8,499,910	
– impairment	0	18,892	157,452	0	176,344	
– transfer from investment property	0	481,171	0	0	481,171	
– exchange rate differences	0	-11,274	-6,355	0	-17,629	
<b>As at 31 December 2018</b>	<b>0</b>	<b>-39,954,853</b>	<b>-48,704,159</b>	<b>0</b>	<b>-88,659,012</b>	
– depreciation for the current year	0	-2,365,602	-5,488,430	0	-7,854,032	
– disposals	0	32,162	2,879,578	0	2,911,740	
– transfer to investment property	0	35,379	90,403	0	125,782	
– impairment	0	0	-8,224	0	-8,224	
– sale of Golf Arboretum	0	853,968	526,550	0	1,380,518	
– reclassification	0	655,204	45,709	0	700,913	
– acquisition*	0	0	-112,067	0	-112,067	
– exchange rate differences	0	6,676	-7,764	0	-1,088	
<b>As at 31 December 2019</b>	<b>0</b>	<b>-40,737,064</b>	<b>-50,778,398</b>	<b>0</b>	<b>-91,515,462</b>	
<b>CARRYING AMOUNT</b>						
<b>As at 31 December 2018</b>	<b>11,793,611</b>	<b>84,591,978</b>	<b>12,939,445</b>	<b>3,971,011</b>	<b>113,296,053</b>	
<b>As at 31 December 2019</b>	<b>11,507,705</b>	<b>86,296,100</b>	<b>13,005,004</b>	<b>3,263,482</b>	<b>114,072,290</b>	

\* Acquisition relates to Alta Skladi, d.d.

The Group has no items of property, plant and equipment pledged as collateral for liabilities. The Group members have equipment held under a finance lease in the amount of EUR 504 thousand.

The depreciation charge for the current year is disclosed in several items of the income statement, as income statement expenses are recorded by functional group, as described in [→ Section 2.8.25]. For details, see expenses by nature and function in [→ Section 4.12].

A comparison between the carrying amounts and the fair values of own-account buildings and land is given below.

	in EUR	
	31 Dec. 2019	31 Dec. 2018
Carrying amount	97,803,805	96,385,589
Estimated fair value	102,603,482	95,864,073

Zavarovalnica Triglav						in EUR
	Land	Buildings	Equipment	PP&E in course of acquisition	Total	
<b>COST</b>						
As at 1 January 2018	5,621,960	79,970,328	40,481,040	357,374	126,430,702	
– transfer in use	0	148,215	3,770,938	-3,919,153	0	
– purchases	2,777	58,324	1,920,529	4,472,594	6,454,224	
– disposal	0	-171,414	-7,817,509	0	-7,988,923	
– transfer from investment property	0	-1,506,337	0	0	-1,506,337	
As at 31 December 2018	5,624,737	78,499,116	38,354,998	910,815	123,389,666	
– transfer in use	0	654,217	874,757	-1,528,974	0	
– purchases	110,262	125,442	2,651,378	976,633	3,863,715	
– disposal	0	-57,258	-1,401,371	0	-1,458,629	
– transfer to investment property	122,380	1,269,159	0	0	1,391,539	
As at 31 December 2019	5,857,377	80,490,677	40,479,762	358,472	127,186,288	
<b>ACCUMULATED DEPRECIATION</b>						
As at 1 January 2018	0	-25,358,024	-33,545,901	0	-58,903,925	
– depreciation for the current year	0	-1,331,975	-3,312,480	0	-4,644,455	
– disposal	0	76,190	7,623,707	0	7,699,897	
– transfer to investment property	0	444,920	0	0	444,920	
As at 31 December 2018	0	-26,168,889	-29,234,674	0	-55,403,563	
– depreciation for the current year	0	-1,343,373	-3,450,729	0	-4,794,102	
– disposal	0	26,317	1,290,744	0	1,317,061	
As at 31 December 2019	0	-27,485,944	-31,394,660	0	-58,880,604	
<b>CARRYING AMOUNT</b>						
As at 31 December 2018	5,624,737	52,330,227	9,120,324	910,815	67,986,100	
As at 31 December 2019	5,857,377	53,004,733	9,085,101	358,472	68,305,684	

Zavarovalnica Triglav did not pledge any property, plant and equipment as collateral.

The depreciation for the current year is split between several items of the income statement. For details, see expenses by nature and function in [[→ Section 4.12](#)]. As at 31 December 2019, trade payables for property, plant and equipment amounted to EUR 2,947,049 (vs. EUR 2,228,906 as at 31 December 2018). Cost of fully depreciated property, plant and equipment still in use represents 19.57% of the total cost of property, plant and equipment.

Fair values of land and buildings are shown in the table below.

	in EUR	
	31 Dec. 2019	31 Dec. 2018
Carrying amount	58,862,110	57,954,964
Estimated fair value	65,323,896	59,002,099

### 3.3. Investment property

Triglav Group					in EUR
	Land	Buildings	IP in course of acquisition	Total	
<b>COST</b>					
<b>As at 1 January 2018</b>	<b>24,648,439</b>	<b>71,617,835</b>	<b>15,864,729</b>	<b>112,131,003</b>	
– transfer in use	0	1,370,775	-1,370,775	0	
– purchases	0	398,619	3,683,798	4,082,417	
– disposals	-834,718	-3,793,583	-3,945,000	-8,573,301	
– impairment	0	0	0	0	
– transfer to non-current assets held for sale	78,837	139,595	0	218,432	
– transfer to property, plant and equipment	64,852	1,532,765	0	1,597,617	
– increase	0	13,173	0	13,173	
– exchange rate difference	2,766	4,069	0	6,835	
<b>As at 31 December 2018</b>	<b>23,960,176</b>	<b>71,283,245</b>	<b>14,232,752</b>	<b>109,476,173</b>	
– transfer in use	256,268	6,782,241	-7,038,509	0	
– purchases	94,484	295,063	5,070,949	5,460,496	
– disposals	-2,826,934	-6,117,253	0	-8,944,187	
– transfer from property, plant and equipment	-147,127	-1,189,207	0	-1,336,334	
– impairment	-1,444,876	-799,876	0	-2,244,752	
– transfer to non-current assets held for sale	-1,806,052	-1,898,159	0	-3,704,211	
– exchange rate difference	-1,115	3,005	0	1,890	
<b>As at 31 December 2019</b>	<b>18,084,824</b>	<b>68,359,056</b>	<b>12,265,192</b>	<b>98,709,072</b>	
<b>ACCUMULATED DEPRECIATION</b>					
<b>As at 1 January 2018</b>	<b>0</b>	<b>-18,123,526</b>	<b>0</b>	<b>-18,123,526</b>	
– depreciation for the current year	0	-1,415,409	0	-1,415,409	
– disposals	0	860,652	0	860,652	
– impairment	0	-474,484	0	-474,484	
– transfer to non-current assets held for sale	0	-1,745	0	-1,745	
– transfer to property, plant and equipment	0	-481,171	0	-481,171	
– exchange rate difference	0	-42	0	-42	
<b>As at 31 December 2018</b>	<b>0</b>	<b>-19,635,725</b>	<b>0</b>	<b>-19,635,725</b>	
– depreciation for the current year	0	-1,385,473	0	-1,385,473	
– disposals	0	2,054,780	0	2,054,780	
– transfer from property, plant and equipment	0	-36,804	0	-36,804	
– impairment	0	-170,898	0	-170,898	
– transfer to non-current assets held for sale	0	387,695	0	387,695	
– exchange rate difference	0	-1,177	0	-1,177	
<b>As at 31 December 2019</b>	<b>0</b>	<b>-18,787,601</b>	<b>0</b>	<b>-18,787,601</b>	
<b>CARRYING AMOUNT</b>					
<b>As at 31 December 2018</b>	<b>23,960,176</b>	<b>51,647,520</b>	<b>14,232,752</b>	<b>89,840,456</b>	
<b>As at 31 December 2019</b>	<b>18,084,824</b>	<b>49,571,455</b>	<b>12,265,192</b>	<b>79,921,480</b>	

The Group leases its investment properties, i.e. individual business premises. All leasing agreements, stipulated for an initial period from one to ten years, may be rescinded at any moment. Rents do not include conditional rents.

All investment property income relates exclusively to rents and is shown in the income statement under the item Other income (see [→ Section 4.7]). All investment property expenses relate to depreciation and maintenance costs arising from the investment property and are shown in the income statement under the item Other expenses (see [→ Section 4.14]).

Fair value is disclosed below.

	in EUR	
	31 Dec. 2019	31 Dec. 2018
Carrying amount	79,921,480	89,840,456
Estimated fair value	95,349,597	99,121,781

Zavarovalnica Triglav	in EUR			
	Land	Buildings	IP in course of acquisition	Total
<b>COST</b>				
<b>As at 1 January 2018</b>	<b>4,657,794</b>	<b>36,946,434</b>	<b>15,380,881</b>	<b>56,985,109</b>
– transfer in use	0	906,144	-906,144	0
– purchases	0	386,505	3,163,151	3,549,656
– disposal	-488,168	-3,074,765	-3,945,000	-7,507,933
– transfer to property, plant and equipment	0	1,506,337	0	1,506,337
<b>As at 31 January 2018</b>	<b>4,169,626</b>	<b>36,670,655</b>	<b>13,692,888</b>	<b>54,533,169</b>
– transfer in use	0	6,285,884	-6,285,884	0
– purchases	0	59,002	4,145,289	4,204,291
– disposal	-438,428	-1,036,356	0	-1,474,784
– impairment	-59,626	-140,788	0	-200,414
– transfer from property, plant and equipment	-122,380	-1,269,159	0	-1,391,539
<b>As at 31 December 2019</b>	<b>3,549,193</b>	<b>40,569,237</b>	<b>11,552,293</b>	<b>55,670,723</b>
<b>ACCUMULATED DEPRECIATION</b>				
<b>As at 1 January 2018</b>	<b>0</b>	<b>-8,770,708</b>	<b>0</b>	<b>-8,770,708</b>
– depreciation	0	-851,407	0	-851,407
– disposal	0	804,406	0	804,406
– transfer to property, plant and equipment	0	-444,920	0	-444,920
<b>As at 31 December 2018</b>	<b>0</b>	<b>-9,262,629</b>	<b>0</b>	<b>-9,262,629</b>
– depreciation	0	-904,388	0	-904,388
– disposal	0	551,031	0	551,031
– impairment	0	36,398	0	36,398
<b>As at 31 December 2019</b>	<b>0</b>	<b>-9,579,587</b>	<b>0</b>	<b>-9,579,587</b>
<b>CARRYING AMOUNT</b>				
<b>As at 31 December 2018</b>	<b>4,169,626</b>	<b>27,408,026</b>	<b>13,692,888</b>	<b>45,270,540</b>
<b>As at 31 December 2019</b>	<b>3,549,193</b>	<b>30,989,650</b>	<b>11,552,293</b>	<b>46,091,135</b>

Zavarovalnica Triglav leases its investment properties, i.e. individual business premises. All leasing agreements, stipulated for an initial period from one to ten years, may be rescinded at any moment. Rents do not include conditional rents. For additional notes on the rental income see [→ Section 4.7]. All investment property expenses relate to depreciation and maintenance costs arising from the investment property and are shown in the income statement under the item Other expenses (see [→ Section 4.14]).

Fair value of investment property is disclosed below.

	in EUR	
	31 December 2019	31 December 2018
Carrying amount	46,091,135	45,270,540
Estimated fair value	60,115,354	52,936,499

The following income is recognised in the income statement as lease income:

	in EUR	
	Triglav Group	Zavarovalnica Triglav
	2019	2019
Lease income	5,002,968	5,662,363
Sublease income	92,392	61,296

Based on the current contractual provisions in lease contracts, an analysis of expected future cash flows from leases is presented below.

	in EUR	
	Triglav Group	Zavarovalnica Triglav
1 year	7,751,029	4,666,717
2 years	7,398,674	4,651,506
3 years	6,725,838	4,105,947
4 years	6,163,593	3,763,365
5 years	2,194,319	773,140
More than 5 years	2,399,676	1,503,433
<b>TOTAL</b>	<b>32,633,129</b>	<b>19,464,108</b>

### 3.4. Right of use assets

Right-of-use assets are recognised for asset leases in 2019. In the comparable year, only assets held under a finance lease were recognised under property, plant and equipment. A more detailed explanation is provided in [[→ Section 5.11](#)] in the implementation of the new IFRS 16 Leases.

Triglav Group	in EUR			
	Land and buildings	Vehicles	Other	Total
Cost as at 1 January 2019	9,869,244	2,074,186	250,375	12,193,805
– addition	1,475,367	654,077	89,492	2,218,936
– accumulated depreciation	-2,397,799	-788,925	-78,058	-3,264,782
– modification	-84,397	-62,357	-73,905	-220,659
– exchange rate difference	69,857	-15,332	-43,900	10,625
Carrying amount as at 31 December 2019	8,932,272	1,861,649	144,004	10,937,925

Zavarovalnica Triglav	in EUR			
	Land and buildings	Vehicles	Other	Total
Cost as at 1 January 2019	3,334,307	1,313,475	33,876	4,681,658
– addition	179,957	310,687	0	490,644
– accumulated depreciation	-596,539	-421,318	-13,622	-1,031,479
– modification	17,748	-53,296	1,040	-34,508
Carrying amount as at 31 December 2019	2,935,474	1,149,548	21,294	4,106,316

	in EUR	
	Triglav Group	Zavarovalnica Triglav
	2019	2019
<b>DEPRECIATION OF RIGHT OF USE ASSETS</b>	<b>3,264,782</b>	<b>1,031,479</b>
Depreciation of rights to use land and buildings	2,397,799	596,539
Depreciation of right to use vehicles	788,925	421,318
Depreciation of rights to use other assets	78,058	13,622
<b>INTEREST EXPENSE ON LEASE LIABILITIES</b>	<b>554,387</b>	<b>76,026</b>
<b>OTHER LEASE EXPENSES</b>	<b>623,404</b>	<b>497,280</b>
Short – term lease expenses	218,710	26,135
Low – value lease expenses	404,694	471,145
<b>Payment for right of use assets</b>	<b>3,589,529</b>	<b>1,053,342</b>



### 3.5. Investments in subsidiaries

Investments in subsidiaries are included in the consolidated financial statements under the full consolidation method. In stand-alone financial statements of Zavarovalnica Triglav, the subsidiaries directly owned by Zavarovalnica Triglav are disclosed at cost. See the tables below for detail.

#### Zavarovalnica Triglav's shares in subsidiaries

No.	COMPANY	ADDRESS	TAX RATE (in %)	ACTIVITY	EQUITY STAKE (in %)		SHARE OF VOTING RIGHTS (in %)		BOOK VALUE (in EUR)	
					2019	2018	2019	2018	2019	2018
1	Pozavarovalnica Triglav Re d.d.	Miklošičeva 19, Ljubljana, Slovenija	19	Reinsurance	100.00	100.00	100.00	100.00	9,750,752	9,750,752
2	Triglav, Zdravstvena zavarovalnica d.d.	Pristaniška 10, Koper, Slovenija	19	Insurance	100.00	100.00	100.00	100.00	3,735,886	3,735,886
3	Triglav INT d.d.	Dunajska 22, Ljubljana, Slovenija	19	Holding company	100.00	100.00	100.00	100.00	79,770,730	79,770,730
4	Triglav, pokojninska družba d.d.	Dunajska 22, Ljubljana, Slovenija	19	Fund management	100.00	100.00	100.00	100.00	11,631,327	11,631,327
5	Triglav Upravljanje nepremičnin d.d.	Dunajska 22, Ljubljana, Slovenija	19	Real estate management	100.00	100.00	100.00	100.00	24,493,300	24,493,300
6	Triglav Skladi d.o.o.	Slovenska 54, Ljubljana, Slovenija	19	Fund management	67.50	67.50	100.00	100.00	2,076,723	2,076,723
7	Triglav Avtoservis d.o.o.	Verovškova 60b, Ljubljana, Slovenija	19	Maintenance and repair of motor vehicle	100.00	100.00	100.00	100.00	100,214	100,214
8	Triglav Svetovanje d.o.o.	Ljubljanska 86, Domžale, Slovenija	19	Insurance agency	100.00	100.00	100.00	100.00	279,736	279,736
9	Zavod Vse bo v redu	Miklošičeva 19, Ljubljana, Slovenija	19	Institute for corporate social responsibility	100.00	100.00	100.00	100.00	100,000	100,000
10	Triglav penzisko društvo a.d., Skopje	Bulevar 8-mi septemvri broj 18, kat 2, 1000 Skopje, Severna Makedonija	10	Fund management	100.00	-	100.00	-	3,000,000	-
<b>TOTAL</b>									<b>134,938,667</b>	<b>131,938,667</b>

### 3.6. Investments in associates

Loma center d.o.o. and KRDU Building d.o.o. were excluded from the Triglav Group in 2019. The two companies were sold by Triglav d.o.o. There was no effect of derecognition. A new associate, Alfi PD d.o.o., established by Triglav d.o.o. with three other partners, became a member of the Group. For details on the acquisition of interests see [→ Section 2.10].

The effects of valuation using the equity method are disclosed under [→ items 4.2 and 4.3] in the income statement. A summary of accounting information for the associates and the Group's interests in these companies are shown in the tables below.<sup>106</sup>

COMPANY	ADDRESS	TAX RATE (in%)	ACTIVITY
Nama d.d.	Tomšičeva 1, Ljubljana, Slovenija	19	Retail trade
Triglavko d.o.o.	Ulica XXX. divizije 23, Nova Gorica, Slovenija	19	Insurance agency
ZIF Prof Plus	Veselina Masleše 1, Banja Luka, Republika Srbska, Bosnia and Herzegovina	10	Investment fund
TRIGAL, upravljanje naložb in svetovanje d.o.o.	Dunajska cesta 22, Ljubljana, Slovenija	19	Management of financial funds
LOMA CENTER, nepremičnine d.o.o.	Dunajska cesta 22, Ljubljana, Slovenija	19	Real estate management
KRDU Building d.o.o.	Dunajska cesta 22, Ljubljana, Slovenija	19	Real estate management
Ljubljana d.o.o.	Dunajska cesta 22, Ljubljana, Slovenija	19	Holding company
Društvo za upravljanje EDPF a.d., Banja Luka	Kralja Petra i Karadorđevića 109 Banja Luka, Republika Srbska, Bosnia and Herzegovina	10	Fund management
ZTSR, raziskovanje trga d.o.o.	Dunajska cesta 22, Ljubljana, Slovenija	19	Business services
Alfi PD d.o.o.	Verovškova ulica 55A, Ljubljana, Slovenija	19	Fund management

COMPANY	Triglav Group						Zavarovalnica Triglav					
	SHARE IN CAPITAL (in %)		VOTING RIGHTS (in %)		VALUE OF INVESTMENT (in EUR)		SHARE IN CAPITAL (in %)		VOTING RIGHTS (in %)		VALUE OF INVESTMENT (in EUR)	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
Nama d.d.	39.07	39.07	39.07	39.07	4,123,945	3,956,065	39.07	39.07	39.07	39.07	9,464,548	9,464,548
Triglavko d.o.o.	38.47	38.47	38.47	38.47	14,421	16,586	38.47	38.47	38.47	38.47	38,499	38,499
ZIF Prof Plus	-	22.09	-	22.09	0	2,063,504	0	0	0	0	0	0
TRIGAL, upravljanje naložb in svetovanje d.o.o.	49.90	49.90	49.90	49.90	8,448,647	7,375,491	49.90	49.90	49.90	49.90	8,425,979	7,331,308
LOMA CENTER, nepremičnine d.o.o.	-	49.90	-	49.90	0	0	-	-	-	-	0	0
KRDU Building d.o.o.	-	49.90	-	49.90	0	0	-	-	-	-	0	0
Ljubljana d.o.o.	49.90	49.90	49.90	49.90	0	0	-	-	-	-	0	0
Društvo za upravljanje EDPF a.d.	34.00	34.00	34.00	34.00	526,064	611,768	0	0	0	0	0	0
ZTSR, raziskovanje trga d.o.o.	50.00	50.00	50.00	50.00	41,303	102,560	50.00	50.00	50.00	50.00	125,000	125,000
Alfi PD d.o.o.	49.90	-	49.90	-	0	-	-	-	-	-	-	-
<b>TOTAL</b>					<b>13,154,379</b>	<b>14,125,974</b>					<b>18,054,026</b>	<b>16,959,355</b>

COMPANY	ASSETS		LIABILITIES		EQUITY		REVENUES		PROFIT/LOSS	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
Nama d.d. <sup>107</sup>	14,296,898	12,457,350	3,828,906	2,291,817	10,467,992	10,165,533	10,210,217	15,932,493	391,533	112,989
Triglavko d.o.o.	149,086	168,926	63,643	76,945	85,443	91,092	336,367	457,560	-5,649	-9,767
ZIF Prof Plus	-	18,772,316	-	54,786	-	18,717,530	-	661,320	-	2,554
TRIGAL, upravljanje naložb in svetovanje d.o.o.	17,045,672	14,865,541	78,419	173,063	16,967,252	14,692,478	1,334,543	1,010,969	-83,670	313,654
LOMA CENTER, nepremičnine d.o.o.	-	8,300,328	-	6,088,658	-	2,211,670	-	897,341	-	71,981
KRDU Building d.o.o.	-	5,157,346	-	4,997,601	-	159,745	-	600,602	-	-10,141
Ljubljana d.o.o.	2,118,593	10,000	38,777	-	2,079,816	10,000	902	-	-123,913	-
Društvo za upravljanje EDPF a.d.	1,564,976	1,815,513	18,169	16,409	1,546,807	1,799,206	82,448	35,171	-252,072	-283,668
ZTSR, raziskovanje trga d.o.o.	95,491	220,564	12,885	15,444	82,606	205,120	48,313	7	-122,514	-44,880
Alfi PD d.o.o.	116,533	-	8,027	-	108,506	-	25,474	-	8,506	-

<sup>106</sup> Financial data for 2019 are unaudited, whilst the data for 2018 were adjusted if the audited data differed from the data published in the 2018 Annual Report.

<sup>107</sup> The data refer to the January – September 2019 period, i.e. as at 30 September 2019.

	in EUR			
	NAMA, d.d.		TRIGAL, d.o.o.	
	31 Dec. 2019	31 Dec. 2018	31 Dec. 2019	31 Dec. 2018
<b>CONDENSED BALANCE SHEET</b>				
Current assets	6,545,769	6,790,490	458,119	1,351,979
Current liabilities	1,701,947	1,595,038	78,419	159,430
<b>Net current assets/liabilities</b>	<b>4,843,822</b>	<b>5,195,452</b>	<b>379,700</b>	<b>1,192,549</b>
Non-current assets	7,751,129	5,666,860	16,587,553	13,513,562
Non-current liabilities	2,126,959	696,779	5,113	13,633
<b>Net non-current assets/liabilities</b>	<b>5,624,170</b>	<b>4,970,081</b>	<b>16,582,440</b>	<b>13,499,929</b>
<b>Net assets</b>	<b>10,467,992</b>	<b>10,165,533</b>	<b>16,962,140</b>	<b>14,692,478</b>
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
<b>CONDENSED COMPREHENSIVE INCOME</b>				
Net profit or loss for the year	391,533	112,989	75,933	313,654
Other comprehensive income	15,837	31,192	0	0
<b>Total comprehensive income</b>	<b>407,370</b>	<b>144,181</b>	<b>75,933</b>	<b>313,654</b>
<b>Dividends from associates for the year</b>	<b>40,988</b>	<b>63,345</b>	<b>0</b>	<b>0</b>

### 3.7. Financial investments<sup>108</sup>

Triglav Group	Carrying value		Fair value	
	31 Dec. 2019	31 Dec. 2018	31 Dec. 2019	31 Dec. 2018
Held to maturity	186,109,072	196,773,185	230,326,336	236,599,916
At fair value through profit and loss	614,403,313	450,704,373	614,403,313	450,704,373
– designated	614,403,313	449,311,110	614,403,313	449,311,110
– held for trading	0	1,393,263	0	1,393,263
Available for sale	1,826,940,416	1,802,568,767	1,826,940,416	1,802,568,767
Loans and deposits	112,578,151	138,857,972	111,869,033	138,681,009
Unit-linked insurance assets	482,031,288	402,515,770	482,136,908	402,856,839
– at fair value through profit and loss	478,105,241	398,291,798	478,105,241	398,291,798
– loans and deposits	3,926,047	4,223,972	4,031,667	4,565,041
– available for sale	0	0	0	0
<b>TOTAL</b>	<b>3,222,062,240</b>	<b>2,991,420,067</b>	<b>3,265,676,006</b>	<b>3,031,410,904</b>

The table above shows the carrying amount of financial investments (without operating receivables and cash or cash equivalents). The measuring of fair value of other financial investments is shown in [→ Section 5.1.2].

An overview of financial investments by type is disclosed below.

31 December 2019						in EUR	
	HTM	FVTPL – Held for trading	FVTPL - Designated upon acquisition	AFS	L&R	TOTAL	
Debt and other fixed-return securities	186,109,072	0	622,838,556	1,674,156,290	6,474,012	2,489,577,930	
Investments in shares, other floating-rate securities and fund coupons	0	0	469,156,425	150,082,534	0	619,238,960	
Financial derivatives	0	513,573	0		0	513,573	
Loans and deposits	0	0	0	2,701,588	101,427,732	104,129,319	
– deposits with banks	0	0	0	0	81,812,754	81,812,754	
– loans given	0	0	0	0	16,008,854	16,008,854	
– other financial investments	0	0	0	2,701,588	3,606,123	6,307,711	
Financial investments of reinsurance companies in reinsurance contracts	0	0	0	0	8,602,454	8,602,454	
<b>TOTAL</b>	<b>186,109,072</b>	<b>513,573</b>	<b>1,091,994,981</b>	<b>1,826,940,416</b>	<b>116,504,197</b>	<b>3,222,062,240</b>	

31 December 2018						in EUR	
	HTM	FVTPL – Held for trading	FVTPL - Designated upon acquisition	AFS	L&R	TOTAL	
Debt and other fixed-return securities	196,773,185	0	440,532,304	1,669,947,422	6,400,208	2,313,653,119	
Investments in shares, other floating-rate securities and fund coupons	0	0	406,527,054	132,191,892	0	538,718,946	
Financial derivatives	0	1,936,813	0	0	0	1,936,813	
Loans and deposits	0	0	0	429,453	130,400,460	130,829,913	
– deposits with banks	0	0	0	0	90,589,490	90,589,490	
– loans given	0	0	0	0	34,538,109	34,538,109	
– other financial investments	0	0	0	429,453	5,272,861	5,702,314	
Financial investments of reinsurance companies in reinsurance contracts	0	0	0	0	6,281,276	6,281,276	
<b>TOTAL</b>	<b>196,773,185</b>	<b>1,936,813</b>	<b>847,059,358</b>	<b>1,802,568,767</b>	<b>143,081,944</b>	<b>2,991,420,067</b>	

108 For presentational ease, abbreviations of individual categories of financial assets are used in the disclosures:

- HTM - financial assets held to maturity
- FVTPL - financial assets at fair value through profit and loss
- AFS - financial assets available for sale
- L&R - loans and deposits
- ULI - financial assets of long-term business fund backing unit-linked insurance

The table below shows the movements of financial investments of Triglav Group in 2018 and 2019.

FINANCIAL ASSETS	HTM	FVTPL	AFS	L&R	ULI	in EUR
						TOTAL
<b>As at 1 January 2018</b>	<b>221,390,576</b>	<b>425,884,741</b>	<b>1,815,323,900</b>	<b>125,251,487</b>	<b>450,236,044</b>	<b>3,038,086,748</b>
Purchases	0	186,743,567	461,384,166	344,100,205	43,435,175	1,035,663,113
Disposals	0	-103,328,464	-341,190,416	-56,078,096	-52,290,251	-552,887,227
Maturities	-34,257,758	-52,660,947	-124,202,363	-278,449,915	-5,587,254	-495,158,237
Amount removed from equity at disposal	0	0	-1,716,243	0	0	-1,716,243
Valuation trough profit and loss	0	-15,786,757	-3,966,036	-306,143	-34,105,474	-54,164,410
Valuation trough equity	0	0	-32,213,748	0	0	-32,213,748
Impairments	0	0	-1,269,225	0	0	-1,269,225
Premiums and discounts	4,329,426	0	-4,726,425	785,401	198,739	587,141
Interest income	5,486,508	9,638,473	35,218,161	3,567,405	756,035	54,666,582
Exchange rate difference	-175,567	213,760	-73,004	-12,372	-127,244	-174,427
<b>As at 31 December 2018</b>	<b>196,773,185</b>	<b>450,704,373</b>	<b>1,802,568,767</b>	<b>138,857,972</b>	<b>402,515,770</b>	<b>2,991,420,067</b>
Purchases	7,009,575	450,208,879	807,275,939	282,974,783	47,404,907	1,594,874,083
Disposals	-10,404,012	-239,461,333	-637,145,021	-54,544,876	-58,244,546	-999,799,788
Maturities	-16,120,154	-46,880,447	-200,495,344	-258,848,679	-1,281,561	-523,626,185
Amount removed from equity at disposal	0	0	-12,815,251	0	0	-12,815,251
Valuation trough profit and loss	0	3,681,398	-17,008	0	76,925,335	80,589,725
Valuation trough equity	0	0	37,672,131	0	0	37,672,131
Impairments	0	0	-458,670	31,050	0	-427,620
Premiums and discounts	4,518,551	0	-6,115,483	461,509	197,091	-938,332
Interest income	4,342,416	9,773,252	34,926,563	3,535,938	726,665	53,304,834
Transfer between funds	0	-13,686,556	0	0	13,686,556	0
Acquisition	0	0	956,895	0	0	956,895
Exchange rate difference	-10,489	63,747	586,898	110,454	101,071	851,681
<b>As at 31 December 2019</b>	<b>186,109,072</b>	<b>614,403,313</b>	<b>1,826,940,416</b>	<b>112,578,151</b>	<b>482,031,288</b>	<b>3,222,062,240</b>

The proportion of financial investments classified as subordinated instruments by the issuer was 2.9% as at the reporting date.



Zavarovalnica Triglav	in EUR			
	Carrying value		Fair value	
	31 December 2019	31 December 2018	31 December 2019	31 December 2018
Loans and deposits	49,049,847	92,670,309	47,819,371	91,151,215
Held to maturity	150,469,553	159,463,950	192,128,559	195,583,229
Available for sale	1,382,802,069	1,383,855,505	1,382,802,069	1,383,855,505
At fair value through profit and loss:	329,885,913	204,047,186	329,885,913	204,047,186
– designated	329,885,913	202,653,923	329,885,913	202,653,923
– held for trading	0	1,393,263	0	1,393,263
Unit-linked insurance assets:	433,758,610	366,664,078	433,858,926	366,989,905
– at fair value through profit and loss	430,035,875	362,634,086	430,035,875	362,634,086
– deposits	3,722,735	4,029,992	3,823,051	4,355,819
<b>TOTAL</b>	<b>2,345,965,992</b>	<b>2,206,701,028</b>	<b>2,386,494,838</b>	<b>2,241,627,040</b>

An overview of financial investments of Zavarovalnica Triglav by type is disclosed below.

31 December 2019						in EUR	
	HTM	FVTPL - Designated upon acquisition	FVTPL - Held for trading	AFS	L&R	TOTAL	
Debt and other fixed-return securities	150,469,553	385,825,326	0	1,274,016,035	6,400,668	1,816,711,582	
Investments in shares, other floating-rate securities and fund coupons	0	373,601,197	0	106,514,153	0	480,115,350	
Financial derivatives	0		495,265	0	0	495,265	
Loans and deposits:	0	0	0	2,271,881	46,371,914	48,643,795	
– deposits with banks and certificates of deposits	0	0	0	0	33,951,811	33,951,811	
– loans given	0	0	0	0	10,726,466	10,726,466	
– other financial investments	0	0	0	2,271,881	1,693,637	3,965,518	
<b>TOTAL</b>	<b>150,469,553</b>	<b>759,426,523</b>	<b>495,265</b>	<b>1,382,802,069</b>	<b>52,772,582</b>	<b>2,345,965,992</b>	

31 December 2018						in EUR	
	HTM	FVTPL - Designated upon acquisition	FVTPL - Held for trading	AFS	L&R	TOTAL	
Debt and other fixed-return securities	159,463,950	237,809,118	0	1,308,515,680	6,400,208	1,712,188,956	
Investments in shares, other floating-rate securities and fund coupons	0	326,954,722	0	73,382,949	0	400,337,671	
Financial derivatives	0	0	1,917,432	0	0	1,917,432	
Loans and deposits:	0	0	0	1,956,876	90,300,093	92,256,969	
– deposits with banks and certificates of deposits	0	0	0	0	42,511,546	42,511,546	
– loans given	0	0	0	0	46,099,990	46,099,990	
– other financial investments	0	0	0	1,956,876	1,688,557	3,645,433	
<b>TOTAL</b>	<b>159,463,950</b>	<b>564,763,840</b>	<b>1,917,432</b>	<b>1,383,855,505</b>	<b>96,700,301</b>	<b>2,206,701,028</b>	

The table below shows the movements of financial investments of Zavarovalnica Triglav in 2018 and 2019.

FINANCIAL ASSETS	HTM	FVTPL	AFS	L&R	ULI	in EUR
						TOTAL
<b>As at 1 January 2018</b>	<b>166,993,807</b>	<b>201,922,766</b>	<b>1,400,652,988</b>	<b>91,428,595</b>	<b>417,607,959</b>	<b>2,278,606,115</b>
Purchases	0	112,625,649	362,425,412	252,437,627	33,385,275	760,873,963
Maturities	-15,187,047	-17,884,432	-76,408,064	-254,071,333	-5,368,316	-368,919,192
Disposal	0	-88,806,086	-297,109,630	0	-49,236,954	-435,152,670
Amount removed from equity	0	0	-14,952,222	0	0	-14,952,222
Realized gains or losses on disposal	0	0	0	0	0	0
Valuation trough profit and loss	0	-7,883,265	10,884,732	0	-30,535,596	-27,534,129
Valuation trough equity	0	0	-24,562,665	0	0	-24,562,665
Premiums and discounts	4,329,426	0	-4,579,345	432,356	198,739	381,176
Interest income	3,327,764	3,877,334	26,932,000	2,428,579	612,971	37,178,648
Exchange rate difference	0	195,220	572,299	14,485	0	782,004
<b>As at 31 December 2018</b>	<b>159,463,950</b>	<b>204,047,186</b>	<b>1,383,855,505</b>	<b>92,670,309</b>	<b>366,664,078</b>	<b>2,206,701,028</b>
Purchases	0	327,036,022	674,666,881	173,433,279	34,430,616	1,209,566,798
Maturities	-5,707,297	-15,956,959	-151,179,634	-220,313,091	-601,247	-393,758,228
Disposal	-10,404,012	-170,468,147	-558,379,985	0	-51,546,608	-790,798,752
Amount removed from equity	0	0	-12,102,639	0	0	-12,102,639
Realized gains or losses on disposal	0	0	0	0	0	0
Valuation trough profit and loss	0	-4,937,517	0	0	70,286,504	65,348,987
Valuation trough equity	0	0	25,377,389	0	0	25,377,389
Impairments	0	0	-344,175	0	0	-344,175
Premiums and discounts	4,518,551	0	-5,754,525	461,509	197,092	-577,373
Interest income	2,598,361	3,767,593	26,322,111	2,868,834	534,620	36,091,519
Transfer between funds	0	-13,686,556	0	0	13,686,556	0
Exchange rate difference	0	84,291	341,141	-70,993	106,999	461,438
<b>As at 31 December 2019</b>	<b>150,469,553</b>	<b>329,885,913</b>	<b>1,382,802,069</b>	<b>49,049,847</b>	<b>433,758,610</b>	<b>2,345,965,992</b>

As at the reporting date, the portfolio of Zavarovalnica Triglav included neither received securities as collateral for loans given, nor any securities pledged as collateral for its liabilities. The proportion of financial investments classified as subordinated instruments by the issuer was 3.4% as at the reporting date.

### 3.8. Reinsurers' share of technical provisions

	in EUR			
	Triglav Group		Zavarovalnica Triglav	
	31 December 2019	31 December 2018	31 December 2019	31 December 2018
<b>NON-LIFE INSURANCE</b>				
Reinsurers' share of unearned premiums	37,003,404	26,263,889	31,347,630	23,516,562
Reinsurers' share of claims	65,324,133	59,632,915	67,067,984	64,366,704
Reinsurers' share of technical provisions for bonuses and discounts	48,171	22,976	0	0
<b>Total non-life insurance</b>	<b>102,375,708</b>	<b>85,919,780</b>	<b>98,415,614</b>	<b>87,883,266</b>
<b>LIFE INSURANCE</b>				
Reinsurers' share of unearned premiums	1,402	719	566	302
Reinsurers' share of claims	23,309	0	17,090	9,738
Reinsurers' share of other mathematical provisions	347,387	0	0	0
<b>Total life insurance</b>	<b>372,098</b>	<b>719</b>	<b>17,656</b>	<b>10,040</b>
<b>TOTAL ASSETS FROM REINSURANCE CONTRACTS</b>	<b>102,747,806</b>	<b>85,920,499</b>	<b>98,433,270</b>	<b>87,893,306</b>

### 3.9. Receivables

#### Triglav Group

31 December 2019	NOT DUE			OVERDUE UP TO 180 DAYS			OVERDUE OVER 180 DAYS			in EUR
	Gross value	Impairment	Net value	Gross value	Impairment	Net value	Gross value	Impairment	Net value	TOTAL NET VALUE
<b>Receivables from direct insurance operations</b>	<b>80,214,265</b>	<b>-220,689</b>	<b>79,993,576</b>	<b>23,956,726</b>	<b>-3,206,017</b>	<b>20,750,709</b>	<b>50,983,505</b>	<b>-46,267,961</b>	<b>4,715,544</b>	<b>105,459,829</b>
Receivables from insurers	78,340,800	-220,689	78,120,111	22,954,725	-3,147,053	19,807,672	40,099,018	-38,150,313	1,948,705	99,876,488
Receivables from insurance brokers	290,876	0	290,876	186,583	-31,936	154,647	584,744	-576,041	8,703	454,226
Other receivables from direct insurance operations	1,582,589	0	1,582,589	815,418	-27,028	788,390	10,299,743	-7,541,607	2,758,136	5,129,115
<b>Receivables from co-insurance and reinsurance operations</b>	<b>48,951,664</b>	<b>0</b>	<b>48,951,664</b>	<b>6,905,606</b>	<b>-20,532</b>	<b>6,885,074</b>	<b>4,269,665</b>	<b>-2,116,901</b>	<b>2,152,764</b>	<b>57,989,502</b>
Premium receivable from co-insurance	629,862	0	629,862	234,085	-20,532	213,553	79,997	-3,257	76,740	920,155
Premium receivable from reinsurance	35,261,396	0	35,261,396	5,207,854	0	5,207,854	1,294,404	-96,437	1,197,967	41,667,217
Receivables from co-insurers' share in claims	258,040	0	258,040	10,111	0	10,111	121	0	121	268,272
Receivables from reinsurers' share in claims	10,000,953	0	10,000,953	1,346,411	0	1,346,411	2,857,855	-2,017,207	840,648	12,188,012
Other receivables from co-insurance and reinsurance operation	2,801,413	0	2,801,413	107,145	0	107,145	37,288	0	37,288	2,945,846
<b>Receivables for income tax refund</b>	<b>1,281,349</b>	<b>0</b>	<b>1,281,349</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,281,349</b>
<b>Other receivables</b>	<b>21,390,574</b>	<b>-17,687</b>	<b>21,372,887</b>	<b>6,171,208</b>	<b>-1,078,045</b>	<b>5,093,163</b>	<b>71,100,501</b>	<b>-68,061,483</b>	<b>3,039,018</b>	<b>29,505,068</b>
Other short-term receivables from insurance operations*	8,568,805	-12,640	8,556,165	3,483,693	-943,383	2,540,310	64,966,233	-63,668,271	1,297,961	12,394,437
Short-term receivables from financing	1,051,537	0	1,051,537	106,296	-1,875	104,421	648,029	-603,090	44,939	1,200,897
Other short-term receivables	11,285,044	-5,047	11,279,997	2,563,665	-132,584	2,431,081	3,962,750	-3,744,906	217,844	13,928,922
Long-term receivables	485,188	0	485,188	17,554	-203	17,351	1,523,489	-45,216	1,478,274	1,980,812
<b>TOTAL</b>	<b>151,837,852</b>	<b>-238,376</b>	<b>151,599,476</b>	<b>37,033,540</b>	<b>-4,304,594</b>	<b>32,728,946</b>	<b>126,353,671</b>	<b>-116,446,345</b>	<b>9,907,326</b>	<b>194,235,748</b>

\* Note: Subrogated receivables are included in other short-term receivables from insurance operations.

31 December 2018	NOT DUE			OVERDUE UP TO 180 DAYS			OVERDUE OVER 180 DAYS			in EUR
	Gross value	Impairment	Net value	Gross value	Impairment	Net value	Gross value	Impairment	Net value	TOTAL NET VALUE
<b>Receivables from direct insurance operations</b>	<b>69,249,681</b>	<b>-64,726</b>	<b>69,184,955</b>	<b>25,667,259</b>	<b>-3,048,090</b>	<b>22,619,169</b>	<b>55,526,564</b>	<b>-50,729,360</b>	<b>4,797,204</b>	<b>96,601,328</b>
Receivables from insurers	68,674,946	-55,477	68,619,469	23,513,403	-2,513,520	20,999,883	44,600,293	-42,493,965	2,106,328	91,725,680
Receivables from insurance brokers	209,124	0	209,124	538,874	-450,888	87,986	402,774	-384,423	18,351	315,461
Other receivables from direct insurance operations	365,611	-9,249	356,362	1,614,982	-83,682	1,531,300	10,523,497	-7,850,972	2,672,525	4,560,187
<b>Receivables from co-insurance and reinsurance operations</b>	<b>38,981,896</b>	<b>0</b>	<b>38,981,896</b>	<b>10,211,742</b>	<b>0</b>	<b>10,211,742</b>	<b>4,237,343</b>	<b>-2,131,078</b>	<b>2,106,265</b>	<b>51,299,903</b>
Premium receivable from co-insurance	785,474	0	785,474	79,540	0	79,540	41,678	-3,228	38,450	903,464
Premium receivable from reinsurance	27,716,272	0	27,716,272	6,181,686	0	6,181,686	1,199,329	-96,070	1,103,259	35,001,217
Receivables from co-insurers' share in claims	107,098	0	107,098	10,705	0	10,705	687	0	687	118,490
Receivables from reinsurers' share in claims	8,068,238	0	8,068,238	3,449,419	0	3,449,419	2,986,671	-2,031,780	954,891	12,472,548
Other receivables from co-insurance and reinsurance operation	2,304,814	0	2,304,814	490,392	0	490,392	8,978	0	8,978	2,804,184
<b>Receivables for income tax refund</b>	<b>579,645</b>	<b>0</b>	<b>579,645</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>579,645</b>
<b>Other receivables</b>	<b>22,136,002</b>	<b>-1,118,907</b>	<b>21,017,095</b>	<b>6,725,779</b>	<b>-950,333</b>	<b>5,775,446</b>	<b>76,883,223</b>	<b>-73,501,762</b>	<b>3,381,461</b>	<b>30,174,002</b>
Other short-term receivables from insurance operations*	7,383,225	0	7,383,225	3,078,825	-850,708	2,228,117	69,982,715	-68,856,084	1,126,631	10,737,973
Short-term receivables from financing	1,701,982	0	1,701,982	813,260	-6,062	807,198	437,200	-420,604	16,596	2,525,776
Other short-term receivables	12,450,935	-1,118,907	11,332,028	2,772,839	-90,239	2,682,600	4,587,942	-4,181,769	406,173	14,420,801
Long-term receivables	599,860	0	599,860	60,855	-3,324	57,531	1,875,366	-43,305	1,832,061	2,489,452
<b>TOTAL</b>	<b>130,947,224</b>	<b>-1,183,633</b>	<b>129,763,591</b>	<b>42,604,780</b>	<b>-3,998,423</b>	<b>38,606,357</b>	<b>136,647,130</b>	<b>-126,362,200</b>	<b>10,284,930</b>	<b>178,654,878</b>

\* Note: Subrogated receivables are included in other short-term receivables from insurance operations



## Zavarovalnica Triglav

31 December 2019	NOT DUE			OVERDUE UP TO 180 DAYS			OVERDUE OVER 180 DAYS			TOTAL NET VALUE
	Gross value	Impairment	Net value	Gross value	Impairment	Net value	Gross value	Impairment	Net value	
<b>Receivables from direct insurance operations</b>	<b>57,238,122</b>	<b>-194,267</b>	<b>57,043,855</b>	<b>10,257,068</b>	<b>-1,602,609</b>	<b>8,654,459</b>	<b>21,394,608</b>	<b>-18,691,785</b>	<b>2,702,823</b>	<b>68,401,137</b>
Receivables from insurers	55,926,673	-194,267	55,732,406	9,710,962	-1,596,539	8,114,423	18,787,917	-18,539,771	248,146	64,094,975
Receivables from insurance brokers	0	0	0	0	0	0	0	0	0	0
Other receivables from direct insurance operations	1,311,449	0	1,311,449	546,106	-6,070	540,036	2,606,691	-152,014	2,454,677	4,306,162
<b>Receivables from co-insurance and reinsurance operations</b>	<b>13,550,763</b>	<b>0</b>	<b>13,550,763</b>	<b>2,649,608</b>	<b>0</b>	<b>2,649,608</b>	<b>1,019,306</b>	<b>0</b>	<b>1,019,306</b>	<b>17,219,677</b>
Premium receivable from co-insurance	574,330	0	574,330	1,303	0	1,303	0	0	0	575,633
Premium receivable from reinsurance	5,252,488	0	5,252,488	1,783,263	0	1,783,263	569,813	0	569,813	7,605,564
Receivables from co-insurers' share in claims	181,347	0	181,347	109	0	109	0	0	0	181,456
Receivables from reinsurers' share in claims	7,542,598	0	7,542,598	864,933	0	864,933	449,493	0	449,493	8,857,024
Other receivables from co-insurance and reinsurance operation	0	0	0	0	0	0	0	0	0	0
<b>Other receivables</b>	<b>4,481,950</b>	<b>-32</b>	<b>4,481,918</b>	<b>3,658,805</b>	<b>-933,150</b>	<b>2,725,655</b>	<b>63,763,747</b>	<b>-62,876,139</b>	<b>887,608</b>	<b>8,095,181</b>
Other short-term receivables from insurance operations*	1,568,839	-32	1,568,807	3,231,574	-930,994	2,300,580	63,455,271	-62,675,358	779,913	4,649,300
Short-term receivables from financing	1,031,192	0	1,031,192	56,638	-1,876	54,762	133,801	-126,918	6,883	1,092,837
Other short-term receivables	1,601,045	0	1,601,045	370,593	-280	370,313	174,675	-73,863	100,812	2,072,170
Long-term receivables	280,874	0	280,874	0	0	0	0	0	0	280,874
<b>TOTAL</b>	<b>75,270,835</b>	<b>-194,299</b>	<b>75,076,536</b>	<b>16,565,481</b>	<b>-2,535,759</b>	<b>14,029,722</b>	<b>86,177,661</b>	<b>-81,567,924</b>	<b>4,609,737</b>	<b>93,715,995</b>

\* Note: Subrogated receivables are included in other short-term receivables from insurance operations

31 December 2018	NOT DUE			OVERDUE UP TO 180 DAYS			OVERDUE OVER 180 DAYS			TOTAL NET VALUE
	Gross value	Impairment	Net value	Gross value	Impairment	Net value	Gross value	Impairment	Net value	
<b>Receivables from direct insurance operations</b>	<b>50,709,180</b>	<b>-26,653</b>	<b>50,682,527</b>	<b>10,663,711</b>	<b>-1,548,755</b>	<b>9,114,956</b>	<b>24,270,711</b>	<b>-21,432,857</b>	<b>2,837,854</b>	<b>62,635,337</b>
Receivables from insurers	50,646,861	-26,653	50,620,208	9,460,997	-1,505,104	7,955,893	21,447,079	-21,269,602	177,477	58,753,578
Receivables from insurance brokers	0	0	0	0	0	0	0	0	0	0
Other receivables from direct insurance operations	62,319	0	62,319	1,202,714	-43,651	1,159,063	2,823,632	-163,255	2,660,377	3,881,759
<b>Receivables from co-insurance and reinsurance operations</b>	<b>14,910,769</b>	<b>0</b>	<b>14,910,769</b>	<b>2,040,182</b>	<b>0</b>	<b>2,040,182</b>	<b>1,206,660</b>	<b>0</b>	<b>1,206,660</b>	<b>18,157,611</b>
Premium receivable from co-insurance	522,401	0	522,401	0	0	0	1,058	0	1,058	523,459
Premium receivable from reinsurance	4,319,906	0	4,319,906	1,580,680	0	1,580,680	683,510	0	683,510	6,584,096
Receivables from co-insurers' share in claims	94,169	0	94,169	0	0	0	0	0	0	94,169
Receivables from reinsurers' share in claims	9,974,293	0	9,974,293	459,502	0	459,502	522,092	0	522,092	10,955,887
Other receivables from co-insurance and reinsurance operation	0	0	0	0	0	0	0	0	0	0
<b>Other receivables</b>	<b>5,867,006</b>	<b>0</b>	<b>5,867,006</b>	<b>3,460,357</b>	<b>-856,911</b>	<b>2,603,446</b>	<b>68,360,379</b>	<b>-67,642,828</b>	<b>717,551</b>	<b>9,188,003</b>
Other short-term receivables from insurance operations*	1,602,831	0	1,602,831	3,020,677	-850,708	2,169,969	68,105,377	-67,430,648	674,729	4,447,529
Short-term receivables from financing	2,455,403	0	2,455,403	71,599	-6,063	65,536	117,783	-104,313	13,470	2,534,409
Other short-term receivables	1,517,565	0	1,517,565	368,081	-140	367,941	137,219	-107,867	29,352	1,914,858
Long-term receivables	291,207	0	291,207	0	0	0	0	0	0	291,207
<b>TOTAL</b>	<b>71,486,955</b>	<b>-26,653</b>	<b>71,460,302</b>	<b>16,164,250</b>	<b>-2,405,666</b>	<b>13,758,584</b>	<b>93,837,750</b>	<b>-89,075,685</b>	<b>4,762,065</b>	<b>89,980,951</b>

\* Note: Subrogated receivables are included in other short-term receivables from insurance operations

The table below shows changes in impairment allowance for receivables separately for Triglav Group and Zavarovalnica Triglav.

	Triglav Group		Zavarovalnica Triglav		in EUR
	2019	2018	2019	2018	
<b>VALUE ADJUSTMENT OF RECEIVABLES FROM POLICYHOLDERS</b>					
<b>Impairment allowance for receivables as at 1 January</b>	<b>45,062,962</b>	<b>49,464,861</b>	<b>22,801,359</b>	<b>25,029,929</b>	
– Increase of impairment allowance for receivables	5,616,335	4,669,542	3,064,785	2,648,004	
– Decrease in impairment allowance for receivables	-4,475,628	-4,000,989	-2,371,711	-2,399,878	
– Receivables write-off	-4,694,683	-5,062,602	-3,163,856	-2,476,696	
– Changes in Group	0	0	0	0	
– Exchange rate difference	9,069	-7,849	0	0	
<b>Impairment allowance for receivables as at 31 December</b>	<b>41,518,055</b>	<b>45,062,962</b>	<b>20,330,577</b>	<b>22,801,359</b>	
<b>IMPAIRMENT ALLOWANCE FOR OTHER SHORT-TERM RECEIVABLES</b>					
<b>Impairment allowance for receivables as at 1 January</b>	<b>69,706,792</b>	<b>76,586,808</b>	<b>68,281,356</b>	<b>74,799,511</b>	
– Increase of impairment allowance for receivables	8,992,161	8,787,035	8,949,908	8,564,636	
– Decrease in impairment allowance for receivables	-7,768,697	-7,824,492	-7,310,608	-7,479,700	
– Receivables write-off	-6,314,272	-7,841,513	-6,314,272	-7,603,091	
– Changes in Group	0	0	0	0	
– Exchange rate difference	8,310	-1,046	0	0	
<b>Impairment allowance for receivables as at 31 December</b>	<b>64,624,294</b>	<b>69,706,792</b>	<b>63,606,384</b>	<b>68,281,356</b>	
<b>VALUE ADJUSTMENT OF OTHER RECEIVABLES</b>					
<b>Impairment allowance for receivables as at 1 January</b>	<b>16,774,502</b>	<b>16,665,427</b>	<b>425,289</b>	<b>989,204</b>	
– Increase of impairment allowance for receivables	446,940	3,103,663	39,343	268,705	
– Decrease in impairment allowance for receivables	-189,049	-1,462,895	-58,068	-712,744	
– Receivables write-off	-2,134,483	-1,559,641	-45,543	-119,876	
– Transfer on deferred income	0	0	0	0	
– Exchange rate difference	-3,760	27,559	0	0	
– Changes in Group	-47,958	388	0	0	
– Merger	774	0	0	0	
– Transfer on disposal group held for sale	0	0	0	0	
<b>Impairment allowance for receivables as at 31 December</b>	<b>14,846,966</b>	<b>16,774,502</b>	<b>361,021</b>	<b>425,289</b>	
<b>TOTAL VALUE ADJUSTMENT OF RECEIVABLES</b>					
<b>As at 1 January</b>	<b>131,544,256</b>	<b>142,717,096</b>	<b>91,508,004</b>	<b>100,818,644</b>	
<b>As at 31 December</b>	<b>120,989,315</b>	<b>131,544,256</b>	<b>84,297,982</b>	<b>91,508,004</b>	

### 3.10. Other assets

	in EUR			
	Triglav Group		Zavarovalnica Triglav	
	31 Dec. 2019	31 Dec. 2018	31 Dec. 2019	31 Dec. 2018
Inventories	551,003	567,740	277,391	228,244
Deferred costs	4,413,900	4,315,270	2,813,728	2,666,792
Investments into computer software for the Group	401,553	401,553	401,553	401,553
Other assets	279,693	112,159	0	0
<b>TOTAL</b>	<b>5,646,149</b>	<b>5,396,722</b>	<b>3,492,671</b>	<b>3,296,589</b>

### 3.11. Cash and cash equivalents

	in EUR			
	Triglav Group		Zavarovalnica Triglav	
	31 Dec. 2019	31 Dec. 2018	31 Dec. 2019	31 Dec. 2018
Cash in bank accounts	56,539,640	53,527,430	21,095,311	17,981,629
Call account	18,347,172	13,509,500	5,000,172	0
Cash on hand and cheques	982,963	564,730	16,628	16,858
<b>TOTAL</b>	<b>75,869,775</b>	<b>67,601,660</b>	<b>26,112,112</b>	<b>17,998,487</b>

### 3.12. Non-current assets held for sale

	in EUR			
	Triglav Group		Zavarovalnica Triglav	
	31 Dec. 2019	31 Dec. 2018	31 Dec. 2019	31 Dec. 2018
Land and property of company Triglav Upravljanje nekretninama, d.o.o., Zagreb	149,104	1,310,626	0	0
Land and property of company Triglav Upravljanje Nekretnin, d.d.	4,015,117	756,773	0	0
<b>TOTAL</b>	<b>4,164,221</b>	<b>2,067,399</b>	<b>0</b>	<b>0</b>

### 3.13. Equity

As at 31 December 2019, the share capital amounted to EUR 73,701,392. The share capital was divided into 22,735,148 no-par value shares. Each share represents the same stake and a corresponding amount in the share capital. The portion of each no-par value share in the share capital is determined on the basis of the number of no-par value shares issued. All of the shares have been paid up in full.

#### Shareholders of Zavarovalnica Triglav

Shareholders	Number of shares		Percentage of ownership	
	2019	2018	2019	2018
Zavod za pokojninsko in invalidsko zavarovanje Slovenije, Ljubljana	7,836,628	7,836,628	34.47	34.47
SDH d.d., Ljubljana	6,386,644	6,386,644	28.09	28.09
Addiko Bank d.d., Pension fund 1 – fiduciary account, Zagreb, Croatia	1,494,061	1,488,809	6.57	6.55
Unicredit Bank Austria – fiduciary account, Vienna, Austria	619,634	703,410	2.73	3.09
Citibank – fiduciary account, London, Great Britain	301,183	289,498	1.32	1.27
Hrvatska poštanska banka d.d. – fiduciary account, Zagreb, Croatia	232,644	232,189	1.02	1.02
East Capital – East Capital Balkans, Luxembourg, Luxembourg	190,420	188,100	0.84	0.83
Kuwait Investment Authority, Safat, Kuwait	179,227	187,827	0.79	0.83
Pozavarovalnica Sava Re d.d., Ljubljana	166,678	166,678	0.73	0.73
The Bank of New York Mellon – fiduciary account, New York, USA	132,658	109,855	0.58	0.48
Other shareholders (less than 1%)	5,195,371	5,145,510	22.86	22.64
<b>TOTAL</b>	<b>22,735,148</b>	<b>22,735,148</b>	<b>100.00</b>	<b>100.00</b>

#### Share price

	in EUR	
	31 Dec. 2019	31 Dec. 2018
Quoted price of the share on the regulated securities market	33.30	30.30
Book value of equity per share	25.53	24.64

#### Distribution of accumulated profits of Zavarovalnica Triglav

	in EUR	
	2019	2018
Net profit/loss for the year	70,614,416	65,543,864
Net profit brought forward	9,945,758	1,247,252
Increase in retained income	-16,699	-7,488
Increase of other reserves from profit based on the decision by the Management and Supervisory Boards	-20,000,000	0
<b>ACCUMULATED PROFITS</b>	<b>60,543,475</b>	<b>66,783,628</b>
Distribution of accumulated profits		
– to shareholders		56,837,870
– allocation to other reserves from profit		0
– transfer to the following year		9,945,758

The distribution of the accumulated profit for 2019 will be proposed by the Management and Supervisory Board and submitted for decision to the General Meeting of Shareholders of Zavarovalnica Triglav.

#### Dividends

	in EUR	
	2019	2018
Dividends to be distributed to shareholders	Not published	56,837,870
Dividend per share	-	2.50

#### Authorised capital

In accordance with the Company's Articles of Association, the Management Board is authorised to increase the share capital of Zavarovalnica Triglav by up to EUR 14,740,278.36 by issuing new shares against contributions in cash within five years as of 2 June 2016. The Management Board decides on new share issues, the amount of capital increases, the rights attached to new shares and the conditions of new share issues subject to the approval of the Supervisory Board.

To date, Zavarovalnica Triglav has not yet exercised the right to increase its share capital from said authorisation.

#### Reserves from profit

In addition to legal and treasury share reserves, reserves from profit also comprise other profit reserves.

According to the ZGD-1, the Management Board of Zavarovalnica Triglav may allocate net profit for the year to other profit reserves, i.e. up to one half of the net profit remaining after statutory allocations. In addition to prudent risk management, strategic capital needs are considered when forming these profit reserves.

#### Reserves from treasury shares and treasury shares (as a deductible item)

The treasury shares include the shares of Zavarovalnica Triglav held by other companies of the Group Triglav, whose financial statements are included in the consolidated financial statements of the Triglav Group. Triglav, Upravljanje nepremičnin d.d. held 24,312 shares of Zavarovalnica Triglav in the amount of EUR 364,680 as at 31 December 2019.

In the consolidated financial statements, treasury shares are measured at their historical cost and are recognized as a deductible item within equity.

For these shares, reserves for treasury shares are formed in the same amount, and they are formed from the retained earnings.

#### Fair value reserve

The fair value reserve represents changes in the fair value of available-for-sale financial assets. The fair value reserve is reduced by the deferred tax liabilities. Changes in the fair value reserve are specified in more detail in the statement of comprehensive income in [→ Section 1.3].

#### Currency translation adjustment

Currency translation differences arise from foreign exchange differences in consolidation procedures. In 2019, the currency translation adjustment totalled EUR 130,602 (vs. EUR 136,360 in 2018).<sup>109</sup> Translation differences mainly refer to the change in the value of Croatian kuna and Serbian dinar.

#### Notes to the statement of changes in equity

The following changes are shown in the statement of changes in equity for 2019:

- In accordance with the resolution of the General Meeting of Shareholders of Zavarovalnica Triglav on 28 May 2019, EUR 56,837,870 was allocated for the payment of dividends to the shareholders. For the purpose of preparing the consolidated financial statements, dividends paid to Triglav, Upravljanje nepremičnin in the amount of EUR 60,726 were eliminated.
- Other reserves from profit increased by EUR 20 million. They were created from net profit for the year generated by Zavarovalnica Triglav, d.d.
- Legal and statutory reserves increased by EUR 572,322. Reserves were formed from retained profit brought forward or net profit for the year.

<sup>109</sup> The amount does not include translation differences relating to non-controlling interests.

### 3.14. Subordinated liabilities

	in EUR			
	Triglav Group		Zavarovalnica Triglav	
	31 December 2019	31 December 2018	31 December 2019	31 December 2018
Amortised cost	64,847,293	15,462,711	69,999,451	20,612,951
Fair value	68,199,075	16,369,802	73,646,914	21,822,171

Subordinated debt refers to the ZT02 bond and the newly issued bond ZAVARO 4 3/8 10/22/49.

As at the balance sheet date the principal of the ZT02 bonds - issued in 2009 as euro-denominated subordinated registered bonds in a dematerialised form - was recognised as a subordinated liability. A total of 30,000 bonds worth EUR 1,000 each were issued. All the bonds were sold. The fixed interest rate of the bond is 250 basis points above the 10-year mid-swap rate as at 15 December 2009 and equals 5.95% p.a. The last coupon and the principal will fall due on 21 March 2020. The company does not have the right to call them before maturity. ZT02 bonds have been listed on the Ljubljana Stock Exchange in 2010.

ZAVARO 4 3/8 10/22/49 bond was issued on 24 April 2019 in the amount of EUR 50 million (500 denominations of EUR 100,000). The final maturity date of said bond is 22 October 2049 and the first call date is 22 October 2029. Until the first call, interest is paid annually at the fixed interest rate of 4.375%. Thereafter the interest rate is variable, i.e. 3-month Euribor + 4.845%, and interest is paid quarterly. The bond is valued at amortised cost in the financial statements. The bond was listed on the Luxembourg Stock Exchange on 30 April 2019 (ISIN code XS1980276858). The bond is subordinated (Tier 2) and issued in line with the Solvency II regulations.

Issued bonds are disclosed at amortised cost. The value of ZT02 bonds held by the companies of the Triglav Group (5,154 lots) was excluded from the consolidated financial statements. In the separate financial statements of the Company, subordinated debt was reduced by purchased bonds outside the Group (9,372 lots). For the calculation of fair values, the last known price on the Ljubljana Stock Exchange is taken into account. As at 31 December 2019, ZT02 price stood at 101.068% (105.789% as at 31 December 2018). As at 31 December 2019, the price of ZAVARO 4 3/8 10/22/49 was 102.849%.

In the event of winding-up or liquidation, liabilities arising from the above-mentioned bond issue are subordinated to net debt instruments and payable only after the satisfaction of all non-subordinated liabilities to ordinary creditors. These bonds may not be cashed before the maturity set by the amortisation schedule, and likewise Zavarovalnica Triglav has no right to redeem them before maturity. The bonds are not convertible into capital or any other form of debt.

### 3.15. Insurance technical provisions and insurance technical provisions for unit-linked insurance contracts

	in EUR			
	Triglav Group		Zavarovalnica Triglav	
	31 December 2019	31 December 2018	31 December 2019	31 December 2018
<b>NON-LIFE INSURANCE</b>				
<b>GROSS UNEARNED PREMIUM PROVISIONS</b>	<b>328,736,413</b>	<b>296,924,690</b>	<b>232,398,752</b>	<b>213,519,363</b>
<b>GROSS CLAIMS PROVISIONS</b>	<b>580,098,532</b>	<b>584,519,134</b>	<b>408,984,759</b>	<b>423,416,968</b>
Gross claims provisions for IBNR and IBNER	263,229,663	302,755,513	183,093,750	213,040,229
Gross provisions for incurred and reported claims	285,625,604	254,056,778	199,582,429	187,205,588
Gross claims provisions for co-insurance	713,766	911,138	713,766	911,138
Expected subrogation	-7,044,507	-9,135,984	-7,044,507	-9,135,984
Provisions for claim handling costs	37,574,010	35,931,689	32,639,321	31,395,997
<b>GROSS PROVISIONS FOR BONUSES AND DISCOUNTS</b>	<b>19,683,771</b>	<b>19,833,253</b>	<b>19,065,148</b>	<b>19,547,002</b>
<b>OTHER GROSS INSURANCE TECHNICAL PROVISIONS</b>	<b>5,581,324</b>	<b>5,445,662</b>	<b>2,466,997</b>	<b>2,201,357</b>
<b>TOTAL NON-LIFE INSURANCE TECHNICAL PROVISIONS</b>	<b>934,100,040</b>	<b>906,722,739</b>	<b>662,915,656</b>	<b>658,684,690</b>
<b>LIFE INSURANCE</b>				
<b>GROSS UNEARNED PREMIUM PROVISIONS</b>	<b>443,779</b>	<b>414,329</b>	<b>392,304</b>	<b>400,574</b>
<b>GROSS MATHEMATICAL PROVISIONS</b>	<b>1,404,439,748</b>	<b>1,357,233,017</b>	<b>1,020,231,686</b>	<b>1,009,712,605</b>
Gross mathematical provisions covering life insurance	834,082,375	820,799,524	762,626,058	756,226,453
Gross mathematical provisions covering SVPI	514,144,335	489,469,402	201,392,590	206,522,061
Gross mathematical provisions covering SVPI during the annuity pay-out period	56,213,038	46,964,091	56,213,038	46,964,091
<b>GROSS CLAIMS PROVISIONS</b>	<b>20,761,018</b>	<b>20,555,708</b>	<b>19,336,004</b>	<b>19,143,220</b>
Gross claims provisions for IBNR and IBNER	17,412,195	16,811,783	16,337,595	16,112,014
Gross provisions for incurred and reported claims	3,067,313	3,379,774	2,752,151	2,724,176
Gross claims provisions for co-insurance	0	0	0	0
Expected subrogation	0	0	0	0
Provisions for claim handling costs	281,509	364,151	246,258	307,030
<b>OTHER INSURANCE TECHNICAL PROVISIONS</b>	<b>12,592,965</b>	<b>9,605,442</b>	<b>10,545,871</b>	<b>8,202,386</b>
<b>TOTAL LIFE INSURANCE TECHNICAL PROVISIONS</b>	<b>1,438,237,510</b>	<b>1,387,808,496</b>	<b>1,050,505,865</b>	<b>1,037,458,785</b>
<b>HEALTH INSURANCE</b>				
<b>GROSS UNEARNED PREMIUM PROVISIONS</b>	<b>3,330,743</b>	<b>2,827,927</b>	<b>0</b>	<b>0</b>
<b>GROSS CLAIMS PROVISIONS</b>	<b>14,539,194</b>	<b>9,869,071</b>	<b>0</b>	<b>0</b>
Gross claims provisions for IBNR and IBNER	13,330,156	9,012,635	0	0
Gross provisions for incurred and reported claims	892,555	621,457	0	0
Gross claims provisions for co-insurance	37,825	41,520	0	0
Expected subrogation	0	0	0	0
Provisions for claim handling costs	278,658	193,459	0	0
<b>OTHER INSURANCE TECHNICAL PROVISIONS</b>	<b>3,719,849</b>	<b>3,274,826</b>	<b>0</b>	<b>0</b>
<b>TOTAL HEALTH INSURANCE TECHNICAL PROVISIONS</b>	<b>21,589,786</b>	<b>15,971,824</b>	<b>0</b>	<b>0</b>
<b>TOTAL INSURANCE TECHNICAL PROVISIONS</b>	<b>2,393,927,336</b>	<b>2,310,503,061</b>	<b>1,713,421,521</b>	<b>1,696,143,475</b>
<b>GROSS MATHEMATICAL PROVISIONS FOR UNIT-LINKED LIFE INSURANCE</b>	<b>484,942,834</b>	<b>402,598,039</b>	<b>435,592,711</b>	<b>365,238,075</b>

The gross insurance technical provisions that refer to gross mathematical provisions for unit-linked life insurance are disclosed separately in the financial statements.

Other insurance technical provisions for non-life insurance include provisions for cancellations and provisions for unexpired risks, while other insurance technical provisions for life insurance include additional provisions for credit risks.



**Breakdown of gross and net claims provisions**

in EUR

	Triglav Group		Zavarovalnica Triglav	
	31 December 2019	31 December 2018	31 December 2019	31 December 2018
<b>NON-LIFE INSURANCE</b>				
<b>Gross provisions for incurred and unreported claims</b>	<b>250,060,031</b>	<b>291,544,973</b>	<b>173,876,721</b>	<b>201,853,532</b>
Gross claims provisions	263,229,663	302,755,513	183,093,750	213,040,229
Reinsurers' share	-13,169,632	-11,210,540	-9,217,029	-11,186,697
<b>Gross provisions for incurred and reported claims</b>	<b>232,922,591</b>	<b>205,018,987</b>	<b>141,182,960</b>	<b>133,410,165</b>
Gross claims provisions	285,625,604	254,056,778	199,582,429	187,205,589
Reinsurers' and co-insurers' share	-52,703,013	-49,037,791	-58,399,469	-53,795,424
<b>Gross claims provisions for co-insurance</b>	<b>713,766</b>	<b>911,138</b>	<b>713,766</b>	<b>911,138</b>
Gross claims provisions	713,766	911,138	713,766	911,138
Reinsurers' share	0	0	0	0
<b>Expected subrogation</b>	<b>-6,495,992</b>	<b>-8,520,568</b>	<b>-6,495,992</b>	<b>-8,520,568</b>
Gross claims provisions	-7,044,507	-9,135,984	-7,044,507	-9,135,984
Reinsurers' share	548,515	615,416	548,515	615,416
<b>Provisions for claim handling costs</b>	<b>37,574,010</b>	<b>35,931,689</b>	<b>32,639,321</b>	<b>31,395,997</b>
Gross claims provisions	37,574,010	35,931,689	32,639,321	31,395,997
Reinsurers' share	0	0	0	0
<b>TOTAL LIFE INSURANCE GROSS CLAIMS PROVISIONS</b>	<b>514,774,406</b>	<b>524,886,219</b>	<b>341,916,776</b>	<b>359,050,264</b>
TOTAL GROSS CLAIMS PROVISIONS	580,098,536	584,519,134	408,984,759	423,416,968
TOTAL REINSURERS' SHARE	-65,324,130	-59,632,915	-67,067,983	-64,366,704
<b>LIFE INSURANCE</b>				
<b>Gross provisions for incurred and unreported claims</b>	<b>17,412,195</b>	<b>16,821,521</b>	<b>16,337,595</b>	<b>16,112,014</b>
Gross claims provisions	17,412,195	16,811,783	16,337,595	16,112,014
Reinsurers' share	0	9,738	0	0
<b>Gross provisions for incurred and reported claims</b>	<b>3,044,004</b>	<b>3,370,036</b>	<b>2,735,061</b>	<b>2,714,438</b>
Gross claims provisions	3,067,313	3,379,774	2,752,151	2,724,176
Reinsurers' share	-23,309	-9,738	-17,090	-9,738
<b>Gross claims provisions for co-insurance</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Gross claims provisions	0	0	0	0
Reinsurers' share	0	0	0	0
<b>Expected subrogation</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Gross claims provisions	0	0	0	0
Reinsurers' share	0	0	0	0
<b>Provisions for claim handling costs</b>	<b>281,509</b>	<b>364,151</b>	<b>246,258</b>	<b>307,030</b>
Gross claims provisions	281,509	364,151	246,258	307,030
Reinsurers' share	0	0	0	0
<b>TOTAL LIFE INSURANCE GROSS CLAIMS PROVISIONS</b>	<b>20,737,708</b>	<b>20,555,708</b>	<b>19,318,914</b>	<b>19,133,482</b>
TOTAL GROSS CLAIMS PROVISIONS	20,761,017	20,555,708	19,336,004	19,143,220
TOTAL REINSURERS' SHARE	-23,309	0	-17,090	-9,738
<b>HEALTH INSURANCE</b>				
<b>Gross provisions for incurred and unreported claims</b>	<b>13,330,156</b>	<b>9,012,635</b>	<b>0</b>	<b>0</b>
Gross claims provisions	13,330,156	9,012,635	0	0
Reinsurers' share	0	0	0	0
<b>Gross provisions for incurred and reported claims</b>	<b>892,555</b>	<b>621,457</b>	<b>0</b>	<b>0</b>
Gross claims provisions	892,555	621,457	0	0
Reinsurers' and co-insurers' share	0	0	0	0
<b>Gross claims provisions for co-insurance</b>	<b>37,825</b>	<b>41,520</b>	<b>0</b>	<b>0</b>
Gross claims provisions	37,825	41,520	0	0
Reinsurers' share	0	0	0	0
<b>Expected subrogation</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Gross claims provisions	0	0	0	0
Reinsurers' share	0	0	0	0
<b>Provisions for claim handling costs</b>	<b>278,658</b>	<b>193,459</b>	<b>0</b>	<b>0</b>
Gross claims provisions	278,658	193,459	0	0
Reinsurers' share	0	0	0	0
<b>TOTAL HEALTH INSURANCE GROSS CLAIMS PROVISIONS</b>	<b>14,539,194</b>	<b>9,869,071</b>	<b>0</b>	<b>0</b>
TOTAL GROSS CLAIMS PROVISIONS	14,539,194	9,869,071	0	0
TOTAL REINSURERS' SHARE	0	0	0	0

**Analysis of changes in gross insurance technical provisions for Triglav Group**

							in EUR	
<b>NON-LIFE INSURANCE</b>	<b>Gross unearned premium</b>	<b>Gross claims provisions</b>	<b>Gross provisions for bonuses and discounts</b>	<b>Other gross insurance technical provisions</b>	<b>Unit-linked insurance-technical provisions</b>	<b>Total gross insurance technical provisions</b>		
<b>1 January 2018</b>	<b>275,166,193</b>	<b>609,068,596</b>	<b>18,943,606</b>	<b>6,573,642</b>	<b>0</b>	<b>909,752,037</b>		
Increase	228,480,533	188,034,474	12,777,715	3,837,937	0	433,130,659		
Use	-206,778,357	-212,655,908	-11,886,556	-4,969,307	0	-436,290,128		
Exchange rate difference	56,321	71,972	-1,512	3,390	0	130,171		
<b>31 December 2018</b>	<b>296,924,690</b>	<b>584,519,134</b>	<b>19,833,253</b>	<b>5,445,662</b>	<b>0</b>	<b>906,722,739</b>		
Increase	243,437,184	194,015,560	14,711,158	4,188,605	0	456,352,507		
Use	-211,761,019	-198,513,439	-14,860,612	-4,067,598	0	-429,202,668		
Exchange rate difference	135,558	77,277	-28	14,655	0	227,462		
<b>31 December 2019</b>	<b>328,736,413</b>	<b>580,098,532</b>	<b>19,683,771</b>	<b>5,581,324</b>	<b>0</b>	<b>934,100,040</b>		

  

							in EUR	
<b>LIFE INSURANCE</b>	<b>Gross unearned premium</b>	<b>Gross mathematical provisions</b>	<b>Gross claims provisions</b>	<b>Other gross insurance technical provisions</b>	<b>Unit-linked insurance-technical provisions</b>	<b>Total gross insurance technical provisions</b>		
<b>1 January 2018</b>	<b>426,149</b>	<b>1,333,055,389</b>	<b>19,476,640</b>	<b>5,270,021</b>	<b>449,544,565</b>	<b>1,807,772,763</b>		
Increase	403,589	129,645,897	14,165,394	4,509,651	18,291,860	167,016,391		
Use	-415,465	-105,632,762	-13,088,128	-174,230	-65,310,701	-184,621,286		
Exchange rate difference	56	164,493	1,804	0	72,315	238,668		
<b>31 December 2018</b>	<b>414,329</b>	<b>1,357,233,017</b>	<b>20,555,710</b>	<b>9,605,442</b>	<b>402,598,038</b>	<b>1,790,406,536</b>		
Increase	416,793	171,154,577	15,616,819	3,146,933	133,012,947	323,348,069		
Use	-387,342	-109,518,575	-15,410,215	-159,467	-64,920,594	-190,396,193		
Transfer between funds	0	-14,315,978	0	0	14,315,978	0		
Exchange rate difference	-1	-113,293	-1,296	57	-63,535	-178,068		
<b>31 December 2019</b>	<b>443,779</b>	<b>1,404,439,748</b>	<b>20,761,018</b>	<b>12,592,965</b>	<b>484,942,834</b>	<b>1,923,180,344</b>		

  

							in EUR	
<b>HEALTH INSURANCE</b>	<b>Gross unearned premium</b>	<b>Gross mathematical provisions</b>	<b>Gross claims provisions</b>	<b>Other gross insurance technical provisions</b>	<b>Unit-linked insurance-technical provisions</b>	<b>Total gross insurance technical provisions</b>		
<b>1 January 2018</b>	<b>2,520,377</b>	<b>0</b>	<b>9,928,477</b>	<b>2,271,936</b>	<b>0</b>	<b>14,720,790</b>		
Increase	2,917,168	0	9,491,994	1,008,309	0	13,417,471		
Use	-2,609,617	0	-9,551,399	-5,420	0	-12,166,436		
Exchange rate difference	0	0	0	0	0	0		
<b>31 December 2018</b>	<b>2,827,927</b>	<b>0</b>	<b>9,869,071</b>	<b>3,274,826</b>	<b>0</b>	<b>15,971,824</b>		
Increase	3,435,305	0	14,233,771	445,411	0	18,114,487		
Use	-2,932,489	0	-9,563,648	-388	0	-12,496,525		
Exchange rate difference	0	0	0	0	0	0		
<b>31 December 2019</b>	<b>3,330,743</b>	<b>0</b>	<b>14,539,194</b>	<b>3,719,849</b>	<b>0</b>	<b>21,589,786</b>		

**Analysis of changes in gross insurance technical provisions for Zavarovalnica Triglav**

							in EUR	
<b>NON-LIFE INSURANCE</b>	<b>Gross unearned premium</b>	<b>Gross claims provisions</b>	<b>Gross provisions for bonuses and discounts</b>	<b>Other gross insurance technical provisions</b>	<b>Unit-linked insurance-technical provisions</b>	<b>Total gross insurance technical provisions</b>		
1 January 2018	196,121,893	450,789,937	18,349,804	3,025,520	0	668,287,154		
Increase	179,517,437	149,611,662	12,580,404	2,201,357	0	343,910,860		
Use	-162,119,967	-176,984,631	-11,383,206	-3,025,520	0	-353,513,324		
<b>31 December 2018</b>	<b>213,519,363</b>	<b>423,416,968</b>	<b>19,547,002</b>	<b>2,201,357</b>	<b>0</b>	<b>658,684,690</b>		
Increase	191,230,100	156,292,535	14,277,786	2,466,997	0	364,267,418		
Use	-172,350,711	-170,724,744	-14,759,640	-2,201,357	0	-360,036,452		
<b>31 December 2019</b>	<b>232,398,752</b>	<b>408,984,759</b>	<b>19,065,148</b>	<b>2,466,997</b>	<b>0</b>	<b>662,915,656</b>		

							in EUR	
<b>LIFE INSURANCE</b>	<b>Gross unearned premium</b>	<b>Gross mathematical provisions</b>	<b>Gross claims provisions</b>	<b>Other gross insurance technical provisions</b>	<b>Unit-linked insurance-technical provisions</b>	<b>Total gross insurance technical provisions</b>		
1 January 2018	406,292	994,737,498	18,440,962	5,237,360	416,250,767	1,435,072,879		
Increase	400,574	90,568,446	11,600,287	3,113,895	8,944,966	114,628,168		
Use	-406,292	-75,593,339	-10,898,029	-148,869	-59,957,658	-147,004,187		
<b>31 December 2018</b>	<b>400,574</b>	<b>1,009,712,605</b>	<b>19,143,220</b>	<b>8,202,386</b>	<b>365,238,075</b>	<b>1,402,696,860</b>		
Increase	392,304	110,393,263	12,419,997	2,502,951	115,012,613	240,721,128		
Use	-400,574	-85,558,204	-12,227,213	-159,466	-58,973,955	-157,319,412		
Transfer between funds	0	-14,315,978	0	0	14,315,978	0		
<b>31 December 2019</b>	<b>392,304</b>	<b>1,020,231,686</b>	<b>19,336,004</b>	<b>10,545,871</b>	<b>435,592,711</b>	<b>1,486,098,576</b>		

**Analysis of the decrease in gross mathematical provisions**

	Triglav Group		Zavarovalnica Triglav		in EUR
	2019	2018	2019	2018	
Surrenders	40,127,011	25,845,426	26,302,093	11,156,773	
Endowments	52,227,344	56,390,693	47,930,673	51,210,505	
Deaths	3,076,315	3,081,525	2,333,561	2,367,665	
Other	14,087,904	20,315,118	8,991,877	10,858,396	
<b>TOTAL</b>	<b>109,518,574</b>	<b>105,632,762</b>	<b>85,558,204</b>	<b>75,593,339</b>	

Other releases refer to the payment of annuities, upon cancellation of insurance and releases of additional valuation provisions upon termination of insurance.

**Analysis of changes in loss events for non-life insurance for Triglav Group**

	in EUR											
	Year of occurrence											
	Before 2010	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	TOTAL
<b>Cumulative loss assessment</b>												
– at the end of year of occurrence		535,615,958	509,028,152	537,773,397	540,980,548	523,335,884	494,721,974	497,610,909	523,078,938	559,765,704	601,779,178	
– 1 year after year of occurrence		492,902,084	461,311,067	539,573,012	447,917,990	481,304,284	477,337,992	463,199,516	513,384,536	555,986,957		
– 2 years after year of occurrence		473,335,579	474,755,005	500,921,267	463,342,293	466,027,510	463,910,257	456,287,534	507,874,872			
– 3 years after year of occurrence		479,637,277	455,085,444	496,641,454	439,583,068	458,436,319	460,400,102	452,152,498				
– 4 years after year of occurrence		467,602,633	458,416,153	487,381,079	433,339,855	453,418,013	454,797,271					
– 5 years after year of occurrence		467,642,819	450,071,089	481,306,074	431,734,293	450,983,977						
– 6 years after year of occurrence		459,856,973	448,004,684	476,606,548	428,281,455							
– 7 years after year of occurrence		457,000,191	445,950,087	474,416,822								
– 8 years after year of occurrence		455,357,549	439,296,442									
– 9 years after year of occurrence		454,012,047										
– 10 years after year of occurrence	82,511,753											
<b>Cumulative loss assessment</b>		<b>454,012,047</b>	<b>439,296,442</b>	<b>474,416,822</b>	<b>428,281,455</b>	<b>450,983,977</b>	<b>454,797,271</b>	<b>452,152,498</b>	<b>507,874,872</b>	<b>555,986,957</b>	<b>601,779,178</b>	
Cumulative payments until balane sheet date	4,750,553	443,748,737	427,790,853	450,653,613	410,593,527	430,730,747	429,430,926	417,277,276	459,407,287	468,703,118	364,368,906	
<b>Claims provisions balance at the beginning of the period</b>	<b>85,992,255</b>	<b>12,876,545</b>	<b>18,831,398</b>	<b>27,382,119</b>	<b>22,529,545</b>	<b>24,757,609</b>	<b>34,569,756</b>	<b>48,428,966</b>	<b>80,134,002</b>	<b>211,896,845</b>		<b>567,399,041</b>
Settled during the period	4,750,553	1,267,733	672,164	1,429,184	1,388,779	2,011,348	3,518,204	9,303,306	25,965,801	120,329,328	364,368,906	535,005,307
<b>Claim provisions balance</b>	<b>77,761,199</b>	<b>10,263,309</b>	<b>11,505,589</b>	<b>23,763,209</b>	<b>17,687,927</b>	<b>20,253,229</b>	<b>25,366,345</b>	<b>34,875,222</b>	<b>48,467,585</b>	<b>87,283,839</b>	<b>237,410,272</b>	<b>594,637,726</b>

**Analysis of changes in loss events for non-life insurance for Zavarovalnica Triglav**

	in EUR											
	Year of occurrence											
	Before 2010	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	TOTAL
<b>Cumulative loss assessment</b>												
– at the end of year of occurrence		397,894,156	344,766,188	357,523,991	317,835,549	320,473,605	288,017,455	287,798,336	303,002,462	300,175,993	306,625,399	
– 1 year after year of occurrence		349,567,530	303,201,976	304,864,538	266,546,400	276,286,823	244,620,306	248,557,097	279,993,010	278,632,613		
– 2 years after year of occurrence		333,049,538	288,324,957	296,542,971	256,384,328	265,047,929	236,877,342	244,240,955	273,830,944			
– 3 years after year of occurrence		326,228,216	282,155,740	289,326,478	249,972,030	260,339,640	233,832,537	238,886,264				
– 4 years after year of occurrence		320,837,129	281,692,146	283,750,168	245,898,744	255,549,812	229,118,262					
– 5 years after year of occurrence		317,082,345	278,889,676	279,036,814	243,246,940	251,874,520						
– 6 years after year of occurrence		313,090,207	277,885,732	273,848,769	239,361,697							
– 7 years after year of occurrence		311,355,522	276,372,349	271,275,009								
– 8 years after year of occurrence		309,920,962	269,479,638									
– 9 years after year of occurrence		308,040,803										
– 10 years after year of occurrence	68,514,243											
<b>Cumulative loss assessment</b>		<b>308,040,803</b>	<b>269,479,638</b>	<b>271,275,009</b>	<b>239,361,697</b>	<b>251,874,520</b>	<b>229,118,262</b>	<b>238,886,264</b>	<b>273,830,944</b>	<b>278,632,613</b>	<b>306,625,399</b>	
Cumulative payments until balane sheet date		300,658,773	260,735,284	251,488,237	226,818,403	237,801,048	211,918,354	217,034,284	243,298,659	230,162,901	169,700,081	
<b>Claims provisions balance at the beginning of the period</b>	<b>77,141,826</b>	<b>10,151,769</b>	<b>16,096,210</b>	<b>23,232,480</b>	<b>17,073,667</b>	<b>18,825,878</b>	<b>23,832,405</b>	<b>32,513,203</b>	<b>51,591,743</b>	<b>130,697,774</b>		<b>401,156,955</b>
Settled during the period	2,633,422	889,579	459,146	871,949	645,130	1,077,113	1,918,222	5,306,532	14,897,391	60,684,682	169,700,081	259,083,247
<b>Claim provisions balance</b>	<b>65,880,821</b>	<b>7,382,030</b>	<b>8,744,354</b>	<b>19,786,771</b>	<b>12,543,294</b>	<b>14,073,473</b>	<b>17,199,908</b>	<b>21,851,980</b>	<b>30,532,285</b>	<b>48,469,712</b>	<b>136,925,318</b>	<b>383,389,945</b>

### 3.16. Provisions for employee benefits

	in EUR			
	Triglav Group		Zavarovalnica Triglav	
	31 December 2019	31 December 2018	31 December 2019	31 December 2018
Provisions for unused leave	4,281,300	4,280,949	3,525,883	3,500,312
Provisions for retirement benefits	9,540,429	8,602,839	6,909,641	6,287,047
Provisions for jubilee payments	2,051,316	1,920,785	1,456,925	1,379,797
<b>TOTAL</b>	<b>15,873,046</b>	<b>14,804,574</b>	<b>11,892,449</b>	<b>11,167,156</b>

The calculation of provisions for pensions and severance pays upon retirement included:

- the expected mortality on the basis of crude mortality tables for the population of Slovenia from 2017 (Statistical Office of the Republic of Slovenia), taking into account a 20% lower mortality than given in those tables; in the subsidiaries outside of Slovenia, mortality tables from individual countries were taken into account;
- the expected annual employee fluctuation depending on age which, on average, stands at 2.9% in Slovenia and 3.2%, on average, in other countries;
- the expected growth of average salaries in Slovenia is 2.3% annually, while in other countries it is 3.0% on average;
- the yield curve of the Slovene government debt securities denominated in EUR as at 31 December 2019. The benchmark for a 10-year period is 0.37%. In the subsidiaries outside of Slovenia, the yield curves of government debt securities between 2.5% and 5.0% were taken into account.

Changes in provisions for unused annual leave and jubilee payments are fully recognised as operating expenses in the income statement. The same applies to changes in provisions for retirement benefits, excluding actuarial gains and losses. The latter are recognised in comprehensive income.

#### Analysis of the movement of employee benefits for the Triglav Group

	in EUR			TOTAL
	Provisions for unused leave	Provisions for retirement benefits	Provisions for jubilee payments	
<b>As at 1 January 2018</b>	<b>4,393,109</b>	<b>7,886,897</b>	<b>1,699,836</b>	<b>13,979,843</b>
Use of provisions in the year	-3,776,470	-139,454	-166,166	-4,082,090
Release of provisions in the year	-3,422	-228,635	-10,755	-242,812
Creation of provisions in the year	3,667,331	1,081,777	397,902	5,147,010
Exchange rate difference	404	2,258	-32	2,630
<b>As at 31 December 2018</b>	<b>4,280,949</b>	<b>8,602,839</b>	<b>1,920,785</b>	<b>14,804,574</b>
Use of provisions in the year	-3,899,870	-406,761	-160,777	-4,467,408
Release of provisions in the year	-84,650	-57,846	-23,222	-165,718
Creation of provisions in the year	3,984,856	1,376,030	314,720	5,675,606
Acquisition	0	23,128	0	23,128
Change in Group	0	3,859	0	3,859
Exchange rate difference	15	-820	-190	-995
<b>As at 31 December 2019</b>	<b>4,281,300</b>	<b>9,540,429</b>	<b>2,051,316</b>	<b>15,873,046</b>

#### Analysis of the movement of employee benefits for the Zavarovalnica Triglav

	in EUR			TOTAL
	Provisions for unused leave	Provisions for retirement benefits	Provisions for jubilee payments	
<b>As at 1 January 2018</b>	<b>3,782,886</b>	<b>5,744,460</b>	<b>1,173,117</b>	<b>10,700,463</b>
Use of provisions in the year	-3,782,886	-98,149	-139,950	-4,020,985
Creation of provisions in the year	3,500,312	640,736	346,630	4,487,678
<b>As at 31 December 2018</b>	<b>3,500,312</b>	<b>6,287,047</b>	<b>1,379,797</b>	<b>11,167,156</b>
Use of provisions in the year	-3,500,312	-150,642	-138,197	-3,789,151
Creation of provisions in the year	3,525,883	773,236	215,325	4,514,444
<b>As at 31 December 2019</b>	<b>3,525,883</b>	<b>6,909,641</b>	<b>1,456,925</b>	<b>11,892,449</b>

**Development of provisions for retirement benefits and jubilee payments in Triglav Group**

	in EUR		
	Provisions for retirement benefits	Provisions for jubilee payments	TOTAL
<b>As at 1 January 2018</b>	<b>7,886,897</b>	<b>1,699,836</b>	<b>9,586,733</b>
Current service cost	716,419	122,747	839,166
Interest cost	56,817	3,519	60,336
Actuarial gains/losses due to:			
- changes in demographic assumptions	124,664	20,219	144,883
- changes in financial assumptions	-71,359	-37,396	-108,755
- experience adjustments	250,264	269,271	519,535
Past service cost	-220,077	-6,635	-226,712
Benefits paid during the year	-110,779	-162,421	-273,200
Gains/losses upon payment	-32,261	11,677	-20,584
Exchange rate difference	2,258	-32	2,226
<b>As at 31 December 2018</b>	<b>8,602,839</b>	<b>1,920,785</b>	<b>10,523,624</b>
Current service cost	854,173	190,426	1,044,599
Interest cost	65,175	5,844	71,019
Actuarial gains/losses due to:			
- changes in demographic assumptions	-91,135	-18,374	-109,509
- changes in financial assumptions	572,620	62,628	635,248
- experience adjustments	55,127	31,733	86,860
Past service cost	17,348	-11,739	5,609
Benefits paid during the year	-350,233	-1,669	-351,902
Gains/losses upon payment	-211,652	-128,128	-339,780
Liabilities recognised in business combinations	26,987	0	26,987
Exchange rate difference	-820	-190	-1,010
<b>As at 31 December 2019</b>	<b>9,540,429</b>	<b>2,051,316</b>	<b>11,591,745</b>

**Sensitivity analysis of parameter changes for Triglav Group**

		in EUR	
Parameter	Parameter change	2019	2018
Interest rate	shift in the discount curve by +0.25%	131,209	-209,526
	shift in the discount curve by -0.25%	670,558	218,244
Wage growth	change in annual wage growth by +0.5%	857,127	419,885
	change in annual wage growth by -0.5%	-15,637	-365,008
Mortality rate	constant increase in mortality by +20%	315,345	-100,306
	constant increase in mortality by -20%	481,333	102,302
Early employment termination	shift in the expense curve by +20%	297,685	-233,519
	shift in the expense curve by -20%	516,227	250,590



**Development of provisions for retirement benefits and jubilee payments in Zavarovalnica Triglav**

	in EUR		
	Provisions for retirement benefits	Provisions for jubilee payments	TOTAL
<b>As at 1 January 2018</b>	<b>5,744,460</b>	<b>1,173,117</b>	<b>6,917,577</b>
Current service cost	335,242	96,665	431,907
Interest expenses	39,341	3,016	42,357
Actuarial gains/loss due to:			
– change in demographic assumptions	132,185	20,396	152,581
– change in financial assumptions	-105,958	-71,936	-177,894
– experience adjustments	239,926	267,668	507,594
Profit/loss upon payment	0	30,821	30,821
Termination payments during the year	-98,149	-139,950	-238,099
<b>As at 31 December 2018</b>	<b>6,287,047</b>	<b>1,379,797</b>	<b>7,666,844</b>
Current service cost	415,753	114,057	529,810
Interest expenses	47,976	5,542	53,518
Actuarial gains/loss due to:			
– change in demographic assumptions	-84,493	-18,374	-102,867
– change in financial assumptions	499,294	61,461	560,755
– experience adjustments	93,294	31,728	125,022
Profit/loss upon payment	-198,587	-138,197	-336,784
Termination payments during the year	-150,643	20,911	-129,732
<b>As at 31 December 2019</b>	<b>6,909,641</b>	<b>1,456,925</b>	<b>8,366,566</b>

**Sensitivity analysis of parameter changes for Zavarovalnica Triglav**

Parameter	Parameter change	in EUR	
		2019	2018
Interest rate	shift in the discount curve by +0.25%	-174,865	-154,287
	shift in the discount curve by -0.25%	182,036	160,474
Wage growth	change in annual wage growth by +0.5%	340,333	304,322
	change in annual wage growth by -0.5%	-301,951	-270,534
Mortality rate	constant increase in mortality by +20%	-76,744	-67,316
	constant increase in mortality by -20%	77,899	68,292
Early employment termination	shift in the expense curve by +20%	-185,077	-164,873
	shift in the expense curve by -20%	194,185	172,926

**3.17. Other provisions**

	in EUR	
	Triglav Group	Zavarovalnica Triglav
<b>As at 1 January 2018</b>	<b>3,794,647</b>	<b>724,961</b>
Increase (creation)	28,040	247,442
Decrease (draw down)	-260,821	-213,968
Release	-1,643,696	0
Exchange rate difference	1,385	0
<b>As at 31 December 2018</b>	<b>1,919,555</b>	<b>758,435</b>
Increase (creation)	1,100,457	224,467
Decrease (draw down)	-665,575	-250,091
Release	-50,330	0
Acquisition	292,322	0
Change in Group	152,753	0
Exchange rate difference	1,218	0
<b>As at 31 December 2019</b>	<b>2,750,400</b>	<b>732,811</b>

The maturity of over 90% of other provisions is above 12 months. The largest portion of total provisions is accounted for provisions for legal disputes. The increase in other provisions is shown as »Other income« in the income statement.

### 3.18. Deferred tax assets and liabilities

	in EUR	
	Triglav Group	Zavarovalnica Triglav
<b>DEFERRED TAX ASSETS</b>		
<b>As at 1 January 2018</b>	<b>13,769,115</b>	<b>12,963,374</b>
– increase	2,595,553	2,485,412
– decrease	-3,470,936	-3,271,195
– increase due to change in tax rate	0	0
<b>As at 31 December 2018</b>	<b>12,893,732</b>	<b>12,177,591</b>
– increase	2,630,944	2,400,815
– decrease	-3,062,594	-2,916,866
– increase due to change in tax rate	0	0
<b>As at 31 December 2019</b>	<b>12,462,082</b>	<b>11,661,540</b>
<b>DEFERRED TAX LIABILITIES</b>		
<b>As at 1 January 2018</b>	<b>26,396,579</b>	<b>22,264,427</b>
– increase	81,536	0
– decrease	-9,274,539	-7,273,100
– increase due to change in tax rate	0	0
<b>As at 31 December 2018</b>	<b>17,203,576</b>	<b>14,991,327</b>
– increase	5,339,526	2,376,892
– decrease	-26,410	0
– increase due to change in tax rate	0	0
<b>As at 31 December 2019</b>	<b>22,516,692</b>	<b>17,368,219</b>
<b>NET DEFERRED TAX ASSETS</b>		
<b>As at 31 December 2018</b>	<b>-4,309,844</b>	<b>-2,813,736</b>
<b>As at 31 December 2019</b>	<b>-10,054,610</b>	<b>-5,706,679</b>

Deferred tax assets are recognised for temporary differences arising from the impairment of receivables, financial assets and investment property, formation of post-employment benefits, jubilee benefits, actuarial losses and unused tax losses. Deferred tax assets are not recognized from impairments of investments in subsidiaries and associates disclosed in the stand-alone financial statements.

Deferred tax liabilities are recognised due to the valuation of available-for-sale financial assets.

The change in deferred tax assets is recognised in the income statement, increasing and/or decreasing income tax expense. The change in deferred tax liabilities is recognised in other comprehensive income. The impact of changes on the income statement and the comprehensive income is shown in [→ Section 4.15].

### 3.19. Other financial liabilities

	in EUR			
	Triglav Group		Zavarovalnica Triglav	
	31 Dec. 2019	31 Dec. 2018	31 Dec. 2019	31 Dec. 2018
Long-term liabilities for a finance lease	30,459	284,056	0	0
Loans from banks	43,432	517,260	0	0
Financial liabilities for acquired securities	970,295	917,137	970,295	917,137
Liabilities for dividends	657,526	657,846	657,526	657,846
Other financial liabilities	162,701	3,244,605	12,304	12,460
<b>TOTAL</b>	<b>1,864,413</b>	<b>5,620,904</b>	<b>1,640,125</b>	<b>1,587,443</b>

The long-term financial liabilities of the Triglav Group and Zavarovalnica Triglav amount to EUR 40,647 and EUR 8,107 respectively.

### 3.20. Lease liabilities

Lease liabilities are recognised at the present value of future payments in 2019. In the comparable year, liabilities were recognised only for finance leases. The explanation is given in [→ Section 5.11] in the implementation of the new IFRS 16 Leases.

#### Maturity analysis of lease liabilities

	in EUR	
	Triglav Group	Zavarovalnica Triglav
<b>MATURITY ANALYSIS</b>		
1 year	2,885,540	1,034,149
2 years	2,773,314	931,987
3 years	2,529,719	842,397
4 years	1,631,203	733,709
5 years	339,363	89,890
More than 5 years	731,970	534,146
Foreign exchange differences	24,569	0
<b>TOTAL</b>	<b>10,915,678</b>	<b>4,166,278</b>

### 3.21. Operating liabilities

	in EUR			
	Triglav Group		Zavarovalnica Triglav	
	31 Dec. 2019	31 Dec. 2018	31 Dec. 2019	31 Dec. 2018
<b>DIRECT INSURANCE LIABILITIES</b>	<b>21,558,544</b>	<b>19,717,929</b>	<b>14,239,495</b>	<b>11,306,835</b>
Liabilities to policyholders	13,989,205	11,408,191	11,166,548	8,345,773
Liabilities to insurance brokers	1,767,868	1,540,170	1,202,150	1,170,587
Other liabilities from direct insurance operations	5,801,471	6,769,568	1,473,815	1,428,595
Liabilities from direct insurance operations to Group companies	0	0	396,982	361,880
<b>LIABILITIES FROM CO-INSURANCE AND REINSURANCE OPERATIONS</b>	<b>41,548,913</b>	<b>30,465,655</b>	<b>15,309,075</b>	<b>13,819,946</b>
Liabilities for re/co-insurance premiums	23,302,031	18,293,707	13,978,149	12,655,925
Liabilities for co-insurers' share of claims	6,805,001	4,363,764	1,330,926	1,164,021
Other re/co-insurance liabilities	11,441,881	7,808,184	0	0
<b>CURRENT TAX LIABILITIES</b>	<b>3,764,874</b>	<b>4,608,471</b>	<b>2,364,168</b>	<b>3,396,791</b>
<b>TOTAL LIABILITIES FROM INSURANCE OPERATIONS</b>	<b>66,872,331</b>	<b>54,792,055</b>	<b>31,912,738</b>	<b>28,523,572</b>

All operating liabilities are short-term and are to be settled within 12 months.

### 3.22. Other liabilities

	in EUR			
	Triglav Group		Zavarovalnica Triglav	
	31 Dec. 2019	31 Dec. 2018	31 Dec. 2019	31 Dec. 2018
Short-term liabilities to employees	24,120,800	22,256,505	20,064,741	18,470,071
Trade payables	10,595,631	8,218,320	10,595,631	8,218,320
Other short-term liabilities from insurance operations	14,594,305	13,919,849	6,270,357	5,243,624
Other short-term liabilities	11,502,580	11,882,026	2,984,438	2,389,528
Other long-term liabilities	2,361,024	4,292,179	0	4,076,309
Accrued interest on issued bonds	1,374,110	958,354	1,374,110	958,354
Short-term deferred income from charged interest on arrears	1,931,477	2,154,573	1,931,477	2,154,573
Other accruals	14,058,081	11,828,405	2,374,349	1,711,168
<b>TOTAL</b>	<b>80,538,008</b>	<b>75,510,207</b>	<b>45,595,103</b>	<b>43,221,946</b>

The disclosed other liabilities include the Group's long-term liabilities of EUR 817,692, whereas Zavarovalnica Triglav has no long-term liabilities.

## 4. Notes to the income statement

### 4.1. Premium income

	Triglav Group		Zavarovalnica Triglav	
	2019	2018	2019	2018
<b>NON-LIFE INSURANCE</b>				
Gross written premium	668,136,011	628,813,312	479,262,624	458,879,616
Assumed re-insurance written premium	105,274,042	71,681,191	41,872,667	26,143,238
Assumed co-insurance written premium	2,084,877	1,722,693	1,092,668	1,073,607
Ceded co-insurance written premium	-5,223,607	-2,659,181	-2,578,625	-1,583,712
Reinsurance written premium	-130,514,701	-103,870,707	-116,182,623	-99,275,679
Changes in gross provisions for unearned premiums	-31,115,490	-15,998,370	-16,883,462	-12,921,249
Changes in reinsurers' share of unearned premiums	11,525,072	6,282,125	7,831,069	5,942,775
<b>Net premium income on non-life insurance</b>	<b>620,166,204</b>	<b>585,971,063</b>	<b>394,414,318</b>	<b>378,258,596</b>
<b>LIFE INSURANCE</b>				
Gross written premium	231,917,205	222,162,500	179,904,010	174,113,971
Assumed co-insurance written premium	13,679	0	0	0
Ceded co-insurance written premiums	-217,422	0	-39,311	-9,820
Reinsurance written premium	-497,367	-95,020	-732,194	-427,898
Changes in gross provisions for unearned premiums	-16,513	12,058	8,270	5,717
Changes in reinsurers' share of unearned premiums	680	5,100	264	302
<b>Net premium income on life insurance</b>	<b>231,200,262</b>	<b>222,084,638</b>	<b>179,141,039</b>	<b>173,682,272</b>
<b>HEALTH INSURANCE</b>				
Gross written premium	176,748,293	144,014,711	0	0
Changes in gross provisions for unearned premiums	-485,933	-307,551	0	0
<b>Net premium income on health insurance</b>	<b>176,262,359</b>	<b>143,707,160</b>	<b>0</b>	<b>0</b>
<b>TOTAL NET PREMIUM INCOME</b>	<b>1,027,628,825</b>	<b>951,762,862</b>	<b>573,555,357</b>	<b>551,940,868</b>

in EUR

Overview of premium income by insurance class for Triglav Group<sup>110</sup>

	in EUR						in EUR				
2019	Gross written premium <sup>111</sup>	Co-insurers' share in gross written premium	Ceded co-insurance written premium	Reinsurance written premium	Own share	2018	Gross written premium	Co-insurers' share in gross written premium	Ceded co-insurance written premium	Reinsurance written premium	Own share
<b>NON-LIFE INSURANCE</b>						<b>NON-LIFE INSURANCE</b>					
Accident insurance	41,613,025	112,562	-295,837	-903,691	<b>40,526,059</b>	Accident insurance	40,848,248	70,274	-48,460	-683,132	<b>40,186,930</b>
Health insurance	183,494,721	221,615	-259,854	-645,057	<b>182,811,425</b>	Health insurance	148,697,953	183,987	-25,055	-363,493	<b>148,493,392</b>
Land motor vehicle insurance	152,015,046	430	-343,131	-11,506,202	<b>140,166,143</b>	Land motor vehicle insurance	142,002,450	27	-9,198	-9,411,913	<b>132,581,366</b>
Railway insurance	3,294,906	0	0	-787,049	<b>2,507,857</b>	Railway insurance	3,181,714	0	0	-1,123,078	<b>2,058,636</b>
Aircraft insurance	3,829,915	0	0	-2,089,373	<b>1,740,542</b>	Aircraft insurance	1,807,213	0	0	-799,871	<b>1,007,342</b>
Marine Insurance	6,753,821	0	-54,364	-532,860	<b>6,166,597</b>	Marine Insurance	5,300,424	4	0	-453,152	<b>4,847,276</b>
Cargo insurance	7,923,780	0	-565,396	-1,358,336	<b>6,000,048</b>	Cargo insurance	7,774,190	0	-647,213	-1,637,678	<b>5,489,299</b>
Fire and natural forces insurance	101,733,050	1,217,028	-972,062	-34,409,340	<b>67,568,676</b>	Fire and natural forces insurance	96,115,705	1,140,434	-946,360	-32,658,558	<b>63,651,221</b>
Other damage to property insurance	156,492,096	383,922	-1,613,117	-41,877,887	<b>113,385,014</b>	Other damage to property insurance	133,418,045	256,108	-365,190	-31,722,516	<b>101,586,447</b>
Motor TPL insurance	179,157,481	40,208	0	-13,240,359	<b>165,957,330</b>	Motor TPL insurance	165,750,020	13,127	0	-5,915,860	<b>159,847,287</b>
Aircraft liability insurance	2,960,984	0	0	-1,651,076	<b>1,309,908</b>	Aircraft liability insurance	1,489,205	0	0	-840,624	<b>648,581</b>
Marine liability insurance	1,790,587	0	-220,750	-230,431	<b>1,339,406</b>	Marine liability insurance	1,231,416	0	-63,478	-184,711	<b>983,227</b>
General liability insurance	49,667,964	87,374	-758,917	-10,621,359	<b>38,375,062</b>	General liability insurance	46,130,908	58,732	-448,040	-8,839,709	<b>36,901,891</b>
Credit insurance	29,572,216	0	0	-5,876,014	<b>23,696,202</b>	Credit insurance	26,825,201	0	0	-5,021,329	<b>21,803,872</b>
Suretyship insurance	3,921,136	3,932	0	-1,015,572	<b>2,909,496</b>	Suretyship insurance	2,749,305	0	0	-577,142	<b>2,172,163</b>
Miscellaneous financial loss insurance	6,098,459	17,806	-95,062	-3,132,482	<b>2,888,721</b>	Miscellaneous financial loss insurance	6,171,395	0	-106,187	-3,377,937	<b>2,687,271</b>
Legal expenses insurance	711,465	0	-45,117	-154,092	<b>512,256</b>	Legal expenses insurance	482,824	0	0	-11,554	<b>471,270</b>
Travel assistance insurance	19,127,697	0	0	-483,523	<b>18,644,174</b>	Travel assistance insurance	14,532,996	0	0	-248,450	<b>14,284,546</b>
<b>Total non-life insurance</b>	<b>950,158,349</b>	<b>2,084,877</b>	<b>-5,223,607</b>	<b>-130,514,703</b>	<b>816,504,916</b>	<b>Total non-life insurance</b>	<b>844,509,212</b>	<b>1,722,693</b>	<b>-2,659,181</b>	<b>-103,870,707</b>	<b>739,702,017</b>
<b>LIFE INSURANCE</b>						<b>LIFE INSURANCE</b>					
Life insurance	104,197,450	13,679	-217,422	-496,590	<b>103,497,117</b>	Life insurance	93,522,973	0	0	-93,203	<b>93,429,770</b>
Wedding insurance or birth insurance	0	0	0	0	<b>0</b>	Wedding insurance or birth insurance	0	0	0	0	<b>0</b>
Unit-linked life insurance	109,836,048	0	0	0	<b>109,836,048</b>	Unit-linked life insurance	111,706,354	0	0	0	<b>111,706,354</b>
Tontines	0	0	0	0	<b>0</b>	Tontines	0	0	0	0	<b>0</b>
Capital redemption insurance	17,655,904	0	0	0	<b>17,655,904</b>	Capital redemption insurance	16,748,583	0	0	0	<b>16,748,583</b>
Loss of income due to illness	227,800	0	0	-777	<b>227,023</b>	Loss of income due to illness	184,592	0	0	-1,817	<b>182,775</b>
<b>Total life insurance</b>	<b>231,917,202</b>	<b>13,679</b>	<b>-217,422</b>	<b>-497,367</b>	<b>231,216,092</b>	<b>Total life insurance</b>	<b>222,162,502</b>	<b>0</b>	<b>0</b>	<b>-95,020</b>	<b>222,067,482</b>
<b>TOTAL</b>	<b>1,182,075,551</b>	<b>2,098,556</b>	<b>-5,441,029</b>	<b>-131,012,070</b>	<b>1,047,721,008</b>	<b>TOTAL</b>	<b>1,066,671,714</b>	<b>1,722,693</b>	<b>-2,659,181</b>	<b>-103,965,727</b>	<b>961,769,499</b>

<sup>110</sup> Non-life insurance also includes health insurance.<sup>111</sup> Gross written premium also includes written reinsurance premiums accepted.

## Overview of premium income by insurance class for Zavarovalnica Triglav

2019						2018					
	in EUR						in EUR				
	Gross written premium	Co-insurers' share in gross written premium	Ceded co-insurance written premium	Reinsurance written premium	Own share		Gross written premium	Co-insurers' share in gross written premium	Ceded co-insurance written premium	Reinsurance written premium	Own share
<b>NON-LIFE INSURANCE</b>						<b>NON-LIFE INSURANCE</b>					
Accident insurance	26,948,216	0	-155,434	-899,385	<b>25,893,398</b>	Accident insurance	26,173,583	0	-137	-859,071	<b>25,314,375</b>
Health insurance	728,634	0	-259,704	0	<b>468,930</b>	Health insurance	692,746	0	-263,937	-809	<b>428,000</b>
Land motor vehicle insurance	124,555,113	0	0	-9,724,465	<b>114,830,648</b>	Land motor vehicle insurance	118,662,443	0	0	-9,423,547	<b>109,238,896</b>
Railway insurance	3,154,574	0	0	-692,139	<b>2,462,435</b>	Railway insurance	3,041,772	0	0	-697,135	<b>2,344,637</b>
Aircraft insurance	1,928,948	0	0	-1,730,977	<b>197,970</b>	Aircraft insurance	611,302	0	0	-420,762	<b>190,540</b>
Marine Insurance	308,649	0	0	-26,503	<b>282,146</b>	Marine Insurance	333,966	4	0	-67,123	<b>266,847</b>
Cargo insurance	4,724,407	0	-565,396	-1,330,197	<b>2,828,814</b>	Cargo insurance	4,952,630	0	-647,200	-1,745,678	<b>2,559,752</b>
Fire and natural forces insurance	55,078,786	1,056,091	-416,398	-20,765,821	<b>34,952,658</b>	Fire and natural forces insurance	54,464,093	995,356	-179,158	-20,869,711	<b>34,410,580</b>
Other damage to property insurance	115,060,304	0	-135,988	-51,438,465	<b>63,485,851</b>	Other damage to property insurance	102,508,202	0	-12,711	-40,355,181	<b>62,140,310</b>
Motor TPL insurance	102,354,472	-2,116	0	-9,529,793	<b>92,822,563</b>	Motor TPL insurance	92,415,938	1,058	0	-6,546,249	<b>85,870,747</b>
Aircraft liability insurance	1,988,419	0	0	-1,829,452	<b>158,967</b>	Aircraft liability insurance	988,282	0	0	-894,148	<b>94,134</b>
Marine liability insurance	811,322	0	-220,750	-95,363	<b>495,209</b>	Marine liability insurance	453,104	0	-63,478	-40,410	<b>349,216</b>
General liability insurance	39,095,354	38,693	-767,804	-11,080,961	<b>27,285,281</b>	General liability insurance	37,594,425	77,189	-417,091	-10,836,827	<b>26,417,696</b>
Credit insurance	22,962,440	0	0	-4,003,816	<b>18,958,624</b>	Credit insurance	25,456,965	0	0	-3,892,223	<b>21,564,742</b>
Suretyship insurance	2,414,586	0	0	-609,331	<b>1,805,255</b>	Suretyship insurance	1,842,317	0	0	-446,035	<b>1,396,282</b>
Miscellaneous financial loss insurance	2,807,251	0	-12,034	-1,546,580	<b>1,248,636</b>	Miscellaneous financial loss insurance	2,816,203	0	0	-1,580,068	<b>1,236,135</b>
Legal expenses insurance	700,475	0	-45,117	-123,927	<b>531,431</b>	Legal expenses insurance	443,097	0	0	-29,009	<b>414,088</b>
Travel assistance insurance	15,513,341	0	0	-755,448	<b>14,757,892</b>	Travel assistance insurance	11,571,786	0	0	-571,693	<b>11,000,093</b>
<b>Total non-life insurance</b>	<b>521,135,291</b>	<b>1,092,668</b>	<b>-2,578,625</b>	<b>-116,182,623</b>	<b>403,466,711</b>	<b>Total non-life insurance</b>	<b>485,022,854</b>	<b>1,073,607</b>	<b>-1,583,712</b>	<b>-99,275,679</b>	<b>385,237,070</b>
<b>LIFE INSURANCE</b>						<b>LIFE INSURANCE</b>					
Life insurance	82,300,599	0	-39,311	-732,194	<b>81,529,094</b>	Life insurance	81,164,340	0	-9,820	-427,898	<b>80,726,622</b>
Wedding insurance or birth insurance	0	0	0	0	<b>0</b>	Wedding insurance or birth insurance	0	0	0	0	<b>0</b>
Unit-linked life insurance	79,947,507	0	0	0	<b>79,947,507</b>	Unit-linked life insurance	76,201,048	0	0	0	<b>76,201,048</b>
Tontines	0	0	0	0	<b>0</b>	Tontines	0	0	0	0	<b>0</b>
Capital redemption insurance	17,655,904	0	0	0	<b>17,655,904</b>	Capital redemption insurance	16,748,583	0	0	0	<b>16,748,583</b>
Loss of income due to illness	0	0	0	0	<b>0</b>	Loss of income due to illness	0	0	0	0	<b>0</b>
<b>Total life insurance</b>	<b>179,904,010</b>	<b>0</b>	<b>-39,311</b>	<b>-732,194</b>	<b>179,132,505</b>	<b>Total life insurance</b>	<b>174,113,971</b>	<b>0</b>	<b>-9,820</b>	<b>-427,898</b>	<b>173,676,253</b>
<b>TOTAL</b>	<b>701,039,301</b>	<b>1,092,668</b>	<b>-2,617,936</b>	<b>-116,914,817</b>	<b>582,599,216</b>	<b>TOTAL</b>	<b>659,136,825</b>	<b>1,073,607</b>	<b>-1,593,532</b>	<b>-99,703,577</b>	<b>558,913,323</b>



## 4.2. Total income from financial assets

	in EUR			
	Triglav Group		Zavarovalnica Triglav	
	2019	2018	2019	2018
<b>INTEREST INCOME FROM FINANCIAL ASSETS</b>				
– available for sale	29,910,023	31,745,848	20,567,584	22,352,655
– loans and deposits	3,921,136	3,673,878	3,620,175	3,223,478
– held to maturity	8,860,967	9,815,935	7,116,912	7,657,191
– at fair value through profit and loss	10,445,616	10,337,581	4,259,388	4,444,301
<b>Interest income</b>	<b>53,137,742</b>	<b>55,573,242</b>	<b>35,564,059</b>	<b>37,677,625</b>
<b>DIVIDENDS FROM</b>				
– available-for-sale financial assets	3,289,086	3,577,567	2,684,732	2,868,187
– financial assets at fair value through profit and loss	525,711	466,275	205,034	209,516
– subsidiaries and associates	40,988	0	3,213,938	4,506,342
<b>TOTAL DIVIDENDS</b>	<b>3,855,785</b>	<b>4,043,842</b>	<b>6,103,704</b>	<b>7,584,045</b>
Fair value gains	87,186,487	1,492,063	68,172,441	1,108,893
Realised gains on disposals	38,129,233	23,777,837	32,059,434	18,521,649
Other financial income	5,240,372	4,002,093	3,255,029	2,168,468
Profit on investments accounted for using the equity method	515,913	1,021,159	0	0
<b>TOTAL INVESTMENT INCOME</b>	<b>188,065,532</b>	<b>89,910,236</b>	<b>145,154,667</b>	<b>67,060,680</b>

Fair value gains are described in detail in [→ Section 4.4], and realised gains on disposals in [→ Section 4.5]. Data in the table also include income from financial assets for shareholder-related companies.

## 4.3. Total expenses from financial assets

	in EUR			
	Triglav Group		Zavarovalnica Triglav	
	2019	2018	2019	2018
Fair value losses	6,915,721	45,840,584	4,611,063	33,533,878
Realised loss on disposals	9,767,166	13,128,928	9,679,511	12,566,364
Loss on disposals of subsidiaries	562,704	0	0	0
Loss on impairment of financial assets	848,962	1,497,483	344,175	1,248,877
<b>Other finance costs</b>	<b>6,421,723</b>	<b>6,651,494</b>	<b>3,942,664</b>	<b>3,585,367</b>
- Net exchange losses	1,039,315	2,497,447	489,247	660,647
- Other expenses from financial assets and liabilities	2,584,845	1,768,614	1,351,956	1,126,190
- Asset management costs	2,797,563	2,385,433	2,101,461	1,798,530
<b>Loss on equity investments in associates accounted for using the equity method</b>	<b>170,640</b>	<b>137,092</b>	<b>0</b>	<b>0</b>
<b>TOTAL EXPENSES FROM FINANCIAL ASSETS</b>	<b>24,686,916</b>	<b>67,255,581</b>	<b>18,577,413</b>	<b>50,934,486</b>

Fair value losses are described in detail in [→ Section 4.4], and realised loss on disposals of financial assets in [→ Section 4.5]. Data in the table also include expenses from financial assets for shareholder-related companies.

## 4.4. Fair value gains and losses

	in EUR			
	Triglav Group		Zavarovalnica Triglav	
	2019	2018	2019	2018
Financial assets recognised at fair value through profit/loss	80,327,326	-43,705,592	63,617,937	-31,770,799
– gains	87,119,619	1,429,476	68,105,572	1,057,563
– losses	-6,792,293	-45,135,068	-4,487,635	-32,828,362
Derivative financial instruments	-56,560	-642,929	-56,559	-654,187
– gains	66,868	62,587	66,868	51,330
– losses	-123,428	-705,516	-123,428	-705,516
<b>NET GAINS FROM CHANGES IN FAIR VALUE</b>	<b>80,270,766</b>	<b>-44,348,521</b>	<b>63,561,378</b>	<b>-32,424,985</b>

Net income from changes in fair value of financial assets includes net unrealised gains on unit-linked life insurance assets. Net expenses from changes in fair value of financial assets include net unrealised losses on unit-linked life insurance assets.

## 4.5. Realised gains and losses

	in EUR			
	Triglav Group		Zavarovalnica Triglav	
	2019	2018	2019	2018
Financial assets recognised at fair value through profit/loss	7,663,277	-3,325,788	7,373,185	-3,279,198
– realised gains on disposals	7,987,214	696,651	7,657,038	678,530
– realised losses on disposals	-323,937	-4,022,439	-283,854	-3,957,728
Available-for-sale financial assets	26,265,832	17,014,673	20,573,780	11,925,982
– realised gains on disposals	29,499,354	18,164,581	23,759,731	12,939,619
– realised losses on disposals	-3,233,522	-1,149,908	-3,185,951	-1,013,637
Loans and deposits	0	-294,753	0	0
– realised gains on disposals	0	13,105	0	0
– realised losses on disposals	0	-307,858	0	0
Derivative financial instruments	-5,604,207	-2,745,223	-5,604,207	-2,691,500
– realised gains on disposals	605,500	4,903,500	605,500	4,903,500
– realised losses on disposals	-6,209,707	-7,648,723	-6,209,707	-7,595,000
Held-to-maturity financial assets	37,165	0	37,165	0
– realised gains on disposals	37,165	0	37,165	0
– realised losses on disposals	0	0	0	0
Financial liabilities	0	0	0	0
– realised gains on disposals	0	0	0	0
– realised losses on disposals	0	0	0	0
<b>TOTAL REALISED GAINS AND LOSSES</b>	<b>28,362,067</b>	<b>10,648,909</b>	<b>22,379,923</b>	<b>5,955,284</b>

## 4.6. Other insurance income

	in EUR			
	Triglav Group		Zavarovalnica Triglav	
	2019	2018	2019	2018
<b>Fees and commission income</b>	<b>22,069,255</b>	<b>15,806,181</b>	<b>19,848,006</b>	<b>17,004,132</b>
– reinsurance commission income	22,013,758	15,750,966	19,792,510	16,948,917
– investment management services	55,497	55,215	55,496	55,215
<b>Other income from insurance operations</b>	<b>15,114,257</b>	<b>14,031,800</b>	<b>9,906,997</b>	<b>10,444,252</b>
– income from sale of green cards for motor vehicles	1,754,473	2,388,333	1,004,770	999,019
– income from claims settled for other insurance companies	685,290	712,579	550,590	455,901
– income from assistance services	24,179	50,398	18,355	37,576
– other income from insurance operations	6,662,743	4,521,771	2,744,077	2,851,248
– interest from receivables	5,987,574	6,358,721	5,589,205	6,100,508
<b>OTHER INSURANCE INCOME</b>	<b>37,183,512</b>	<b>29,837,981</b>	<b>29,755,003</b>	<b>27,448,384</b>

## 4.7. Other income

	in EUR			
	Triglav Group		Zavarovalnica Triglav	
	2019	2018	2019	2018
Income from investment property	6,951,440	6,860,194	5,662,363	5,569,135
Income from disposal of investment property	999,045	1,473,740	340,238	1,171,222
Income from disposal of intangible assets	0	8,665	0	0
Income from disposal of property, plant and equipment	153,405	170,318	1,555	32,572
Income from other services	1,568,578	1,986,091	5,274,718	5,514,416
Income from non-insurance companies in the Group	29,515,380	25,330,425	0	0
Fair value gains	140,621	241,939	70,601	165,465
Claims refund	192,654	78,161	5,960	39,169
<b>TOTAL OTHER INCOME</b>	<b>39,521,122</b>	<b>36,149,533</b>	<b>11,355,435</b>	<b>12,491,979</b>

## 4.8. Claims

	in EUR			
	Triglav Group		Zavarovalnica Triglav	
	2019	2018	2019	2018
<b>NON-LIFE INSURANCE</b>				
Gross claims settled	367,371,941	374,502,594	271,314,359	273,030,985
Gross claims paid from inward reinsurance	44,762,054	33,701,523	7,882,121	12,719,613
Income from gross subrogated receivables	-17,396,530	-16,967,528	-13,811,826	-13,502,708
Reinsurers' share of gross claims settled	-34,973,279	-40,184,452	-31,232,576	-37,927,113
Co-insurers' share of gross claims settled	-163,170	195,761	96,351	262,030
Change in gross claims provisions	-8,261,273	-31,600,189	-14,432,209	-27,372,969
Change in gross claims provisions for re/co-insurer's share	-1,508,080	11,311,263	-2,701,279	3,354,795
<b>Net claims incurred on non-life insurance</b>	<b>349,831,663</b>	<b>330,958,972</b>	<b>217,114,940</b>	<b>210,564,633</b>
<b>LIFE INSURANCE</b>				
Gross claims settled	181,736,829	169,247,828	159,819,727	148,754,692
Reinsurers' share in gross claims	-118,092	-275	-359,222	-102,530
Change in gross claims provisions	205,837	1,077,159	192,783	702,258
Change in reinsurers' share in gross claims provisions	-13,543	22,621	-7,351	22,621
<b>Net claims incurred on life insurance</b>	<b>181,811,031</b>	<b>170,347,333</b>	<b>159,645,937</b>	<b>149,377,041</b>
<b>HEALTH INSURANCE</b>				
Gross claims settled	140,293,784	119,145,307	0	0
Income from gross exercised subrogation receivables	-25,942	-29,506	0	0
Change in gross claims provisions	4,673,818	-70,820	0	0
Change in claims provisions for reinsurers' share	-3,695	11,414	0	0
Equalisation scheme expenses	7,567,169	6,197,698	0	0
<b>TOTAL net claims incurred on health insurance</b>	<b>152,505,134</b>	<b>125,254,093</b>	<b>0</b>	<b>0</b>
<b>NET CLAIMS INCURRED TOTAL</b>	<b>684,147,828</b>	<b>626,560,398</b>	<b>376,760,877</b>	<b>359,941,674</b>

## Overview of net claims incurred by insurance class

	in EUR					in EUR			
Triglav Group 2019	Gross claims <sup>112</sup>	Income from subrogated receivables	Reinsurers' share	Net claims incurred	Triglav Group 2018	Gross claims	Income from subrogated receivables	Reinsurers' share	Net claims incurred
<b>NON-LIFE INSURANCE</b>					<b>NON-LIFE INSURANCE</b>				
Accident insurance	24,418,611	-35,930	-599,640	<b>23,783,041</b>	Accident insurance	24,227,816	-10,801	-230,009	<b>23,987,006</b>
Health insurance	143,879,958	-26,389	-259,010	<b>143,594,559</b>	Health insurance	121,362,005	-29,523	-122,892	<b>121,209,590</b>
Land motor vehicle insurance	103,769,720	-4,111,863	-3,795,409	<b>95,862,448</b>	Land motor vehicle insurance	97,815,885	-3,513,921	-3,733,347	<b>90,568,617</b>
Railway insurance	1,062,241	-88	0	<b>1,062,153</b>	Railway insurance	2,583,036	-30	-244,676	<b>2,338,330</b>
Aircraft insurance	1,166,301	0	-124,128	<b>1,042,173</b>	Aircraft insurance	659,117	0	-166,071	<b>493,046</b>
Marine Insurance	3,783,849	-33,898	-18,943	<b>3,731,008</b>	Marine Insurance	3,437,920	-8,716	-367,337	<b>3,061,867</b>
Cargo insurance	2,736,035	-335,519	-371,644	<b>2,028,872</b>	Cargo insurance	2,519,395	-199,348	-114,151	<b>2,205,896</b>
Fire and natural forces insurance	45,301,428	-221,271	-7,445,386	<b>37,634,771</b>	Fire and natural forces insurance	52,496,392	-152,359	-13,895,816	<b>38,448,217</b>
Other damage to property insurance	74,204,164	-445,857	-11,439,008	<b>62,319,299</b>	Other damage to property insurance	74,508,007	-564,165	-12,359,892	<b>61,583,950</b>
Motor TPL insurance	101,378,566	-3,614,028	-3,600,060	<b>94,164,478</b>	Motor TPL insurance	98,955,254	-3,700,133	-1,686,194	<b>93,568,927</b>
Aircraft liability insurance	486,289	0	-137,328	<b>348,961</b>	Aircraft liability insurance	285,242	0	-24,169	<b>261,073</b>
Marine liability insurance	327,872	0	-459	<b>327,413</b>	Marine liability insurance	270,764	0	-2,501	<b>268,263</b>
General liability insurance	18,173,316	-275,044	-2,599,413	<b>15,298,859</b>	General liability insurance	18,947,236	-221,192	-3,056,247	<b>15,669,797</b>
Credit insurance	14,095,639	-8,082,298	-2,557,877	<b>3,455,464</b>	Credit insurance	11,945,067	-8,063,118	-1,396,156	<b>2,485,793</b>
Suretyship insurance	607,264	-194,133	-8,289	<b>404,842</b>	Suretyship insurance	687,953	-506,428	42,206	<b>223,731</b>
Miscellaneous financial loss insurance	3,582,949	-7,539	-1,797,919	<b>1,777,491</b>	Miscellaneous financial loss insurance	4,812,263	0	-2,639,070	<b>2,173,193</b>
Legal expenses insurance	59,200	0	-223	<b>58,977</b>	Legal expenses insurance	67,104	0	-331	<b>66,773</b>
Travel assistance insurance	13,394,374	-38,615	-218,550	<b>13,137,209</b>	Travel assistance insurance	11,768,968	-27,300	-187,799	<b>11,553,869</b>
<b>Total non-life insurance</b>	<b>552,427,776</b>	<b>-17,422,472</b>	<b>-34,973,286</b>	<b>500,032,018</b>	<b>Total non-life insurance</b>	<b>527,349,424</b>	<b>-16,997,034</b>	<b>-40,184,452</b>	<b>470,167,938</b>
<b>LIFE INSURANCE</b>					<b>LIFE INSURANCE</b>				
Life insurance	109,673,444	0	-118,092	<b>109,555,352</b>	Life insurance	92,419,363	0	-275	<b>92,419,088</b>
Wedding insurance or birth insurance	0	0	0	<b>0</b>	Wedding insurance or birth insurance	0	0	0	<b>0</b>
Unit-linked life insurance	66,923,331	0	0	<b>66,923,331</b>	Unit-linked life insurance	70,889,784	0	0	<b>70,889,784</b>
Tontines	0	0	0	<b>0</b>	Tontines	0	0	0	<b>0</b>
Capital redemption insurance	5,050,338	0	0	<b>5,050,338</b>	Capital redemption insurance	5,885,491	0	0	<b>5,885,491</b>
Loss of income due to illness	89,719	0	0	<b>89,719</b>	Loss of income due to illness	53,190	0	0	<b>53,190</b>
<b>Total life insurance</b>	<b>181,736,832</b>	<b>0</b>	<b>-118,092</b>	<b>181,618,740</b>	<b>Total life insurance</b>	<b>169,247,828</b>	<b>0</b>	<b>-275</b>	<b>169,247,553</b>
<b>TOTAL</b>	<b>734,164,608</b>	<b>-17,422,472</b>	<b>-35,091,378</b>	<b>681,650,758</b>	<b>TOTAL</b>	<b>696,597,252</b>	<b>-16,997,034</b>	<b>-40,184,727</b>	<b>639,415,491</b>

<sup>112</sup> Gross claims paid also include gross claims paid from inward reinsurance.

	in EUR			
Zavarovalnica Triglav 2019	Gross claims	Income from subrogated receivables	Reinsurers' share	Net claims incurred
<b>NON-LIFE INSURANCE</b>				
Accident insurance	13,764,088	-31,466	-401,423	13,331,199
Health insurance	252,787	0	-6,465	246,322
Land motor vehicle insurance	83,988,870	-2,600,525	-4,192,601	77,195,744
Railway insurance	1,062,241	-88	0	1,062,153
Aircraft insurance	35,535	0	-4,793	30,742
Marine Insurance	95,544	0	-3,000	92,545
Cargo insurance	1,536,491	-124,241	-426,523	985,727
Fire and natural forces insurance	21,014,498	-203,417	-4,052,887	16,758,193
Other damage to property insurance	48,117,697	-405,929	-12,207,287	35,504,480
Motor TPL insurance	65,967,231	-2,106,039	-3,589,376	60,271,816
Aircraft liability insurance	51,926	0	-16,871	35,055
Marine liability insurance	45,105	0	-740	44,366
General liability insurance	15,423,660	-234,896	-2,602,404	12,586,360
Credit insurance	13,086,937	-7,869,249	-1,552,441	3,665,247
Suretyship insurance	271,699	-191,258	1,552	81,993
Miscellaneous financial loss insurance	2,538,209	-7,539	-1,649,226	881,444
Legal expenses insurance	58,965	0	-269	58,695
Travel assistance insurance	11,884,996	-37,179	-527,822	11,319,995
<b>Total non-life insurance</b>	<b>279,196,479</b>	<b>-13,811,826</b>	<b>-31,232,576</b>	<b>234,152,077</b>
<b>LIFE INSURANCE</b>				
Life insurance	96,566,193	0	-359,222	96,206,971
Wedding insurance or birth insurance	0	0	0	0
Unit-linked life insurance	58,203,196	0	0	58,203,196
Tontines	0	0	0	0
Capital redemption insurance	5,050,338	0	0	5,050,338
Loss of income due to illness	0	0	0	0
<b>Total life insurance</b>	<b>159,819,727</b>	<b>0</b>	<b>-359,222</b>	<b>159,460,505</b>
<b>TOTAL</b>	<b>439,016,206</b>	<b>-13,811,826</b>	<b>-31,591,798</b>	<b>393,612,582</b>

	in EUR			
Zavarovalnica Triglav 2018	Gross claims	Income from subrogated receivables	Reinsurers' share	Net claims incurred
<b>NON-LIFE INSURANCE</b>				
Accident insurance	13,903,658	-10,138	-372,369	13,521,151
Health insurance	141,361	0	-5,201	136,160
Land motor vehicle insurance	80,419,568	-2,298,303	-4,747,607	73,373,658
Railway insurance	2,583,036	-30	-182,692	2,400,314
Aircraft insurance	41,849	0	-8,938	32,911
Marine Insurance	402,518	0	-3,805	398,713
Cargo insurance	1,235,612	-147,185	-309,110	779,317
Fire and natural forces insurance	27,662,364	-132,283	-7,172,427	20,357,654
Other damage to property insurance	52,112,313	-547,804	-14,354,973	37,209,536
Motor TPL insurance	63,388,400	-2,123,082	-3,373,416	57,891,902
Aircraft liability insurance	52,187	0	-15,761	36,426
Marine liability insurance	61,938	0	-1,481	60,457
General liability insurance	17,127,665	-212,469	-2,907,026	14,008,169
Credit insurance	11,444,728	-7,742,878	-932,892	2,768,958
Suretyship insurance	244,752	-261,783	58,821	41,790
Miscellaneous financial loss insurance	4,289,396	0	-3,134,366	1,155,030
Legal expenses insurance	63,809	0	-637	63,172
Travel assistance insurance	10,575,444	-26,753	-463,232	10,085,459
<b>Total non-life insurance</b>	<b>285,750,598</b>	<b>-13,502,708</b>	<b>-37,927,113</b>	<b>234,320,777</b>
<b>LIFE INSURANCE</b>				
Life insurance	81,883,672	0	-102,530	81,781,142
Wedding insurance or birth insurance	0	0	0	0
Unit-linked life insurance	60,985,529	0	0	60,985,529
Tontines	0	0	0	0
Capital redemption insurance	5,885,491	0	0	5,885,491
Loss of income due to illness	0	0	0	0
<b>Total life insurance</b>	<b>148,754,692</b>	<b>0</b>	<b>-102,530</b>	<b>148,652,162</b>
<b>TOTAL</b>	<b>434,505,290</b>	<b>-13,502,708</b>	<b>-38,029,643</b>	<b>382,972,939</b>

## 4.9. Reinsurance result

	in EUR			
	Triglav Group		Zavarovalnica Triglav	
	2019	2018	2019	2018
Reinsurance premiums	-131,012,070	-103,965,727	-119,532,753	-101,297,110
Changes in reinsurers' share of unearned premiums	11,525,751	6,287,215	7,831,333	5,943,077
Reinsurers' share of claims	35,091,378	40,184,727	31,591,798	38,029,643
Changes in claims provisions for reinsurers' shares	1,525,318	-11,345,298	2,708,631	-3,377,416
<b>Net result from reinsurance operations</b>	<b>-82,869,623</b>	<b>-68,839,083</b>	<b>-77,400,991</b>	<b>-60,701,806</b>
Reinsurance commission	22,013,759	15,750,967	19,792,511	16,948,916
<b>GROSS REINSURANCE RESULT</b>	<b>-60,855,864</b>	<b>-53,088,116</b>	<b>-57,608,480</b>	<b>-43,752,889</b>

## 4.10. Change in other insurance-technical provisions

	in EUR			
	Triglav Group		Zavarovalnica Triglav	
	2019	2018	2019	2018
<b>Change in other insurance technical provisions</b>	<b>59,308,589</b>	<b>39,860,373</b>	<b>22,338,141</b>	<b>29,499,390</b>
– changes in gross provisions for cancellations	61,201	69,299	113,200	1,593
– changes in gross provisions for unexpired risks	560,277	55,176	152,440	-825,756
– changes in gross provisions for other catastrophic risks	0	-183,598	0	0
– changes in gross provisions for life insurance	58,327,494	39,657,720	21,712,883	30,061,777
– changes in gross provisions for bonuses from with-profits life insurance	359,618	261,776	359,618	261,776
<b>Change in gross provisions for unit-linked insurance contracts</b>	<b>69,205,056</b>	<b>-46,889,547</b>	<b>57,140,018</b>	<b>-50,884,979</b>
<b>TOTAL CHANGE IN OTHER INSURANCE TECHNICAL PROVISIONS</b>	<b>128,513,645</b>	<b>-7,029,174</b>	<b>79,478,159</b>	<b>-21,385,589</b>

## 4.11. Expenses for bonuses and discounts

	in EUR			
	Triglav Group		Zavarovalnica Triglav	
	2019	2018	2019	2018
Settled bonuses and discounts	11,150,325	10,319,128	10,203,376	9,374,088
Changes in gross provisions for bonuses and discounts	410,933	1,098,555	-481,855	1,197,198
<b>TOTAL EXPENSES FOR BONUSES AND DISCOUNTS</b>	<b>11,561,258</b>	<b>11,417,685</b>	<b>9,721,522</b>	<b>10,571,287</b>

## 4.12. Acquisition costs and other operating expenses

	in EUR			
	Triglav Group		Zavarovalnica Triglav	
	2019	2018	2019	2018
Acquisition costs	162,566,584	159,245,093	110,868,380	110,230,111
Other operating costs	81,886,268	74,392,332	47,037,785	42,778,807
Claim handling costs*	26,992,891	25,629,551	20,486,350	19,615,402
Costs of asset management**	2,797,563	2,385,433	2,101,461	1,798,530
Operating expenses from non-insurance operations***	31,025,419	27,173,807	0	0
<b>TOTAL</b>	<b>305,268,725</b>	<b>288,826,216</b>	<b>180,493,976</b>	<b>174,422,850</b>

\* Claim handling costs are disclosed as a part of gross claims incurred.

\*\* Costs of asset management are disclosed as financial expenses.

\*\*\* Operating expenses from non-insurance operations are disclosed as other expenses.



## 4.12.1. Gross operating expenses by nature and business segment

Triglav Group 2019						in EUR	
	Non-life insurance	Life insurance	Health insurance	Total costs of insurance operations	Costs of non-insurance operations	TOTAL	
Acquisition costs	37,970,939	9,521,453	4,879,789	52,372,181	0	52,372,181	
Cost of goods sold	0	0	0	0	48,845	48,845	
Depreciation of operating assets	13,848,924	2,378,720	843,897	17,071,541	2,224,314	19,295,855	
Labour costs	113,388,012	19,340,257	5,807,740	138,536,009	15,306,467	153,842,476	
Wages and salaries	78,917,582	13,355,803	4,382,193	96,655,578	10,593,356	107,248,934	
Social security and pension insurance costs	17,797,881	2,786,393	732,979	21,317,253	2,834,733	24,151,986	
Other labour costs	16,672,549	3,198,061	692,568	20,563,178	1,878,378	22,441,556	
Costs of services provided by natural persons other than SPs, including related taxes	966,642	97,837	253,309	1,317,788	0	1,317,788	
Other operating costs	51,786,172	6,809,880	6,349,735	64,945,787	13,445,793	78,391,580	
Costs of entertainment, advertising, trade shows	14,766,638	576,518	985,585	16,328,741	885,791	17,214,532	
Costs of material and energy	5,091,718	604,192	357,087	6,052,997	1,718,021	7,771,018	
Maintenance costs	8,433,447	1,563,918	2,249,122	12,246,487	1,257,000	13,503,487	
Reimbursement of labour-related costs	4,195,261	298,422	187,490	4,681,173	764,284	5,445,457	
Costs of intellectual and personal services	2,912,627	656,939	271,318	3,840,884	1,416,645	5,257,529	
Membership fees and charges	2,184,394	426,976	101,877	2,713,247	667,878	3,381,125	
Costs of services - transport and communications	3,273,747	459,481	1,097,500	4,830,728	145,904	4,976,632	
Costs for insurance premiums	745,795	51,147	2,258	799,200	49,049	848,249	
Payment transaction costs and banking services	1,488,233	272,897	382,858	2,143,988	2,434,813	4,578,801	
Rents	2,650,974	438,221	5,631	3,094,826	663,110	3,757,936	
Costs of professional training services	916,425	204,014	67,007	1,187,446	151,199	1,338,645	
Other costs of services	5,126,913	1,257,155	642,002	7,026,070	3,292,099	10,318,169	
<b>TOTAL OPERATING EXPENSES</b>	<b>217,960,689</b>	<b>38,148,147</b>	<b>18,134,470</b>	<b>274,243,306</b>	<b>31,025,419</b>	<b>305,268,725</b>	

Triglav Group 2018						in EUR	
	Non-life insurance	Life insurance	Health insurance	Total costs of insurance operations	Costs of non-insurance operations	TOTAL	
Acquisition costs	32,970,748	9,231,634	3,778,927	45,981,309	0	45,981,309	
Cost of goods sold	0	0	0	0	52,904	52,904	
Depreciation of operating assets	10,746,299	1,784,980	484,229	13,015,508	1,249,119	14,264,627	
Labour costs	107,616,995	19,223,168	4,829,461	131,669,624	14,204,726	145,874,350	
Wages and salaries	74,835,746	13,344,670	3,677,805	91,858,221	9,710,045	101,568,266	
Social security and pension insurance costs	17,296,601	2,822,743	623,487	20,742,831	2,746,253	23,489,084	
Other labour costs	15,484,648	3,055,755	528,169	19,068,572	1,748,428	20,817,000	
Costs of services provided by natural persons other than SPs, including related taxes	2,500,098	84,678	172,218	2,756,994	0	2,756,994	
Other operating costs	55,323,363	7,386,378	5,519,233	68,228,974	11,667,058	79,896,032	
Costs of entertainment, advertising, trade shows	17,507,734	-1,779,107	753,783	16,482,410	691,744	17,174,154	
Costs of material and energy	5,174,363	1,020,058	331,282	6,525,703	1,611,346	8,137,049	
Maintenance costs	7,264,034	2,253,591	2,164,324	11,681,949	993,988	12,675,937	
Reimbursement of labour-related costs	4,084,109	514,639	192,421	4,791,169	690,379	5,481,548	
Costs of intellectual and personal services	3,083,908	1,027,325	126,990	4,238,223	824,578	5,062,801	
Membership fees and charges	2,032,523	439,940	89,299	2,561,762	922,998	3,484,760	
Costs of services - transport and communications	3,419,187	1,066,007	848,368	5,333,562	154,015	5,487,577	
Costs for insurance premiums	1,324,876	175,924	2,867	1,503,667	53,797	1,557,464	
Payment transaction costs and banking services	1,383,173	654,676	348,692	2,386,541	1,093,494	3,480,035	
Rents	4,816,298	669,725	9,087	5,495,110	1,007,809	6,502,919	
Costs of professional training services	701,299	157,075	90,875	949,249	184,220	1,133,469	
Other costs of services	4,531,859	1,186,525	561,245	6,279,629	3,438,690	9,718,319	
<b>TOTAL OPERATING EXPENSES</b>	<b>209,157,503</b>	<b>37,710,838</b>	<b>14,784,068</b>	<b>261,652,409</b>	<b>27,173,807</b>	<b>288,826,216</b>	

	2019			2018			in EUR
Zavarovalnica Triglav	Non-life insurance	Life insurance	TOTAL	Non-life insurance	Life insurance	TOTAL	
Acquisition costs	20,537,251	8,221,864	28,759,115	18,729,044	8,445,942	27,174,986	
Depreciation of operating assets	9,306,961	1,860,782	11,167,743	8,136,900	1,466,135	9,603,035	
Labour costs	84,468,319	15,405,513	99,873,832	81,286,516	15,120,570	96,407,086	
Wages and salaries	59,446,002	10,792,080	70,238,082	57,631,614	10,579,475	68,211,089	
Social security and pension insurance costs	10,000,710	1,836,307	11,837,017	9,889,336	1,841,107	11,730,443	
Other labour costs	15,021,607	2,777,126	17,798,733	13,765,566	2,699,988	16,465,554	
Costs of services provided by natural persons other than SPs, including related taxes	303,626	46,290	349,916	274,040	65,097	339,137	
Other operating costs	31,302,758	9,040,612	40,343,370	31,621,398	9,277,208	40,898,606	
Costs of entertainment, advertising, trade shows	6,314,611	2,284,236	8,598,847	6,940,513	1,771,891	8,712,404	
Costs of material and energy	2,702,111	723,768	3,425,879	2,789,901	816,848	3,606,749	
Maintenance costs	7,602,688	2,025,071	9,627,759	6,708,088	2,161,400	8,869,488	
Reimbursement of labour-related costs	2,946,849	413,787	3,360,636	2,903,368	402,927	3,306,295	
Costs of intellectual and personal services	1,475,483	487,897	1,963,380	1,447,154	799,008	2,246,162	
Membership fees and charges	1,306,399	321,967	1,628,366	1,168,667	355,252	1,523,919	
Costs of services - transport and communications	2,143,568	929,081	3,072,649	2,232,851	977,717	3,210,568	
Costs for insurance premiums	302,748	24,556	327,304	937,893	155,291	1,093,184	
Payment transaction costs and banking services	1,096,078	602,093	1,698,171	1,047,188	555,182	1,602,370	
Rents	1,827,225	388,833	2,216,058	2,746,549	557,195	3,303,744	
Costs of professional training services	725,103	177,098	902,201	489,471	143,016	632,487	
Other costs of services	2,859,895	662,225	3,522,120	2,209,755	581,481	2,791,236	
<b>TOTAL OPERATING EXPENSES</b>	<b>145,918,915</b>	<b>34,575,061</b>	<b>180,493,976</b>	<b>140,047,898</b>	<b>34,374,952</b>	<b>174,422,850</b>	

In addition to the above-stated amount of EUR 70,238,082 (vs. EUR 68,211,089 in 2018), total wages and salaries include employee bonuses based on performance results in 2019 in the total amount of EUR 9,094,941 (vs. EUR 8,496,124 in 2018). Total costs for wages and salaries in 2019 thus amount to EUR 79,333,023 (vs. EUR 76,707,213 in 2018).

Total costs of Zavarovalnica Triglav for the above-mentioned item, including taxes and other contributions chargeable to the employer, amount to EUR 10,559,226 and are disclosed as other expenses.

## 4.12.2. Gross operating expenses by nature and function

						in EUR
Triglav Group 2019	Cost of contract acquisition	Claim handling costs	Costs of asset management	Other operating expenses	Costs of non-insurance operations	TOTAL
Acquisition costs	52,372,181	0	0	0	0	52,372,181
Cost of goods sold	0	0	0	0	48,845	48,845
Depreciation of operating assets	6,521,385	2,934,970	185,928	7,429,258	2,224,314	19,295,855
Labour costs	71,293,990	18,770,287	1,645,714	46,826,018	15,306,467	153,842,476
Wages and salaries	51,103,066	12,795,861	1,199,395	31,557,256	10,593,356	107,248,934
Social security and pension insurance costs	10,689,303	2,937,135	253,782	7,437,033	2,834,733	24,151,986
Other labour costs	9,501,621	3,037,291	192,537	7,831,729	1,878,378	22,441,556
Costs of services provided by natural persons other than SPs, including related taxes	436,122	462,378	5,493	413,795	0	1,317,788
Other operating costs	31,942,906	4,825,256	960,428	27,217,197	13,445,793	78,391,580
Costs of entertainment, advertising, trade shows	13,299,391	71,188	30,334	2,927,828	885,791	17,214,532
Costs of material and energy	3,158,194	839,563	50,098	2,005,142	1,718,021	7,771,018
Maintenance costs	3,688,532	1,169,448	314,427	7,074,080	1,257,000	13,503,487
Reimbursement of labour-related costs	3,560,819	124,904	47,343	948,107	764,284	5,445,457
Costs of intellectual and personal services	732,261	455,234	217,860	2,435,529	1,416,645	5,257,529
Membership fees and charges	818,020	101,926	3,933	1,789,368	667,878	3,381,125
Costs of services - transport and communications	2,079,895	461,001	44,219	2,245,613	145,904	4,976,632
Costs for insurance premiums	360,384	67,085	8,368	363,363	49,049	848,249
Payment transaction costs and banking services	387,577	9,854	95,386	1,651,171	2,434,813	4,578,801
Rents	1,311,953	328,268	19,351	1,435,254	663,110	3,757,936
Costs of professional training services	391,845	111,120	15,927	668,554	151,199	1,338,645
Other costs of services	2,154,035	1,085,665	113,182	3,673,188	3,292,099	10,318,169
<b>TOTAL OPERATING EXPENSES</b>	<b>162,566,584</b>	<b>26,992,891</b>	<b>2,797,563</b>	<b>81,886,268</b>	<b>31,025,419</b>	<b>305,268,725</b>

						in EUR
Triglav Group 2018	Cost of contract acquisition	Claim handling costs	Costs of asset management	Other operating expenses	Costs of non-insurance operations	TOTAL
Acquisition costs	45,981,309	0	0	0	0	45,981,309
Cost of goods sold	0	0	0	0	52,904	52,904
Depreciation of operating assets	6,464,125	1,724,817	123,906	4,702,660	1,249,119	14,264,627
Labour costs	68,966,811	18,355,084	1,404,281	42,943,448	14,204,726	145,874,350
Wages and salaries	49,098,833	12,351,548	1,026,916	29,380,924	9,710,045	101,568,266
Social security and pension insurance costs	10,509,211	2,860,813	213,231	7,159,576	2,746,253	23,489,084
Other labour costs	9,358,767	3,142,723	164,134	6,402,948	1,748,428	20,817,000
Costs of services provided by natural persons other than SPs, including related taxes	1,943,097	458,251	2,301	353,345	0	2,756,994
Other operating costs	35,889,751	5,091,399	854,945	26,392,879	11,667,058	79,896,032
Costs of entertainment, advertising, trade shows	13,962,904	50,660	12,726	2,456,120	691,744	17,174,154
Costs of material and energy	3,526,442	858,291	38,430	2,102,540	1,611,346	8,137,049
Maintenance costs	4,221,553	1,176,547	236,140	6,047,709	993,988	12,675,937
Reimbursement of labour-related costs	3,758,919	115,886	31,835	884,529	690,379	5,481,548
Costs of intellectual and personal services	819,409	493,175	264,442	2,661,197	824,578	5,062,801
Membership fees and charges	933,423	148,540	23,564	1,456,235	922,998	3,484,760
Costs of services - transport and communications	2,643,442	505,079	17,950	2,167,091	154,015	5,487,577
Costs for insurance premiums	759,510	200,048	11,029	533,080	53,797	1,557,464
Payment transaction costs and banking services	802,267	7,941	65,163	1,511,170	1,093,494	3,480,035
Rents	2,398,047	521,247	36,678	2,539,138	1,007,809	6,502,919
Costs of professional training services	282,710	79,847	9,247	577,445	184,220	1,133,469
Other costs of services	1,781,125	934,138	107,741	3,456,625	3,438,690	9,718,319
<b>TOTAL OPERATING EXPENSES</b>	<b>159,245,093</b>	<b>25,629,551</b>	<b>2,385,433</b>	<b>74,392,332</b>	<b>27,173,807</b>	<b>288,826,216</b>

Zavarovalnica Triglav 2019	Cost of contract acquisition	Claim handling costs	Costs of asset management	Other operating expenses	in EUR
					TOTAL
<b>Acquisition costs</b>	<b>28,759,115</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>28,759,115</b>
<b>Depreciation of operating assets</b>	<b>5,082,222</b>	<b>2,581,480</b>	<b>136,042</b>	<b>3,367,999</b>	<b>11,167,743</b>
<b>Labour costs</b>	<b>55,024,679</b>	<b>14,703,524</b>	<b>1,214,263</b>	<b>28,931,366</b>	<b>99,873,832</b>
Wages and salaries	39,869,143	10,166,569	902,729	19,299,641	70,238,082
Social security and pension insurance costs	6,671,805	1,709,510	153,935	3,301,767	11,837,017
Other labour costs	8,483,731	2,827,445	157,599	6,329,958	17,798,733
<b>Costs of services provided by natural persons other than SPs, including related taxes</b>	<b>26,619</b>	<b>270,593</b>	<b>1,048</b>	<b>51,656</b>	<b>349,916</b>
<b>Other operating costs</b>	<b>21,975,745</b>	<b>2,930,753</b>	<b>750,108</b>	<b>14,686,764</b>	<b>40,343,370</b>
Costs of entertainment, advertising, trade shows	8,176,881	39,165	12,324	370,477	8,598,847
Costs of material and energy	1,748,105	600,282	34,366	1,043,126	3,425,879
Maintenance costs	3,337,188	986,807	297,099	5,006,665	9,627,759
Reimbursement of labour-related costs	2,871,332	49,205	29,300	410,799	3,360,636
Costs of intellectual and personal services	512,470	52,622	200,793	1,197,495	1,963,380
Membership fees and charges	603,041	80,045	459	944,821	1,628,366
Costs of services - transport and communications	1,783,027	331,672	34,684	923,266	3,072,649
Costs for insurance premiums	76,763	31,988	1,575	216,978	327,304
Payment transaction costs and banking services	647,645	762	81,612	968,152	1,698,171
Rents	569,482	214,860	13,166	1,418,550	2,216,058
Costs of professional training services	313,902	94,488	13,143	480,668	902,201
Other costs of services	1,335,909	448,857	31,587	1,705,767	3,522,120
<b>TOTAL OPERATING EXPENSES</b>	<b>110,868,380</b>	<b>20,486,350</b>	<b>2,101,461</b>	<b>47,037,785</b>	<b>180,493,976</b>

Zavarovalnica Triglav 2018	Cost of contract acquisition	Claim handling costs	Costs of asset management	Other operating expenses	in EUR
					TOTAL
<b>Acquisition costs</b>	<b>27,174,986</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>27,174,986</b>
<b>Depreciation of operating assets</b>	<b>5,438,220</b>	<b>1,486,233</b>	<b>104,925</b>	<b>2,573,657</b>	<b>9,603,035</b>
<b>Labour costs</b>	<b>54,369,024</b>	<b>14,546,113</b>	<b>1,023,137</b>	<b>26,468,812</b>	<b>96,407,086</b>
Wages and salaries	39,291,695	10,002,413	760,734	18,156,247	68,211,089
Social security and pension insurance costs	6,678,803	1,722,700	128,377	3,200,563	11,730,443
Other labour costs	8,398,526	2,821,000	134,026	5,112,002	16,465,554
<b>Costs of services provided by natural persons other than SPs, including related taxes</b>	<b>29,704</b>	<b>273,507</b>	<b>951</b>	<b>34,975</b>	<b>339,137</b>
<b>Other operating costs</b>	<b>23,218,177</b>	<b>3,309,549</b>	<b>669,517</b>	<b>13,701,363</b>	<b>40,898,606</b>
Costs of entertainment, advertising, trade shows	8,369,713	34,175	4,622	303,894	8,712,404
Costs of material and energy	1,858,397	630,913	26,360	1,091,079	3,606,749
Maintenance costs	3,372,299	1,020,337	226,148	4,250,704	8,869,488
Reimbursement of labour-related costs	2,860,342	55,413	17,824	372,716	3,306,295
Costs of intellectual and personal services	547,897	59,728	244,509	1,394,028	2,246,162
Membership fees and charges	745,358	132,577	19,519	626,465	1,523,919
Costs of services - transport and communications	1,874,885	387,405	12,624	935,654	3,210,568
Costs for insurance premiums	535,498	162,096	6,244	389,346	1,093,184
Payment transaction costs and banking services	686,384	767	54,358	860,861	1,602,370
Rents	1,244,227	321,541	20,727	1,717,249	3,303,744
Costs of professional training services	201,627	70,028	8,230	352,602	632,487
Other costs of services	921,550	434,569	28,352	1,406,765	2,791,236
<b>TOTAL OPERATING EXPENSES</b>	<b>110,230,111</b>	<b>19,615,402</b>	<b>1,798,530</b>	<b>42,778,807</b>	<b>174,422,850</b>

#### 4.13. Other expenses from insurance operations

	in EUR			
	Triglav Group		Zavarovalnica Triglav	
	2019	2018	2019	2018
Fee and commission expenses	23,732,270	16,747,703	3,976,854	3,598,300
Expenses from impairment of insurance receivables and write-offs	4,481,382	4,040,324	2,658,427	1,511,505
Fire tax	4,465,062	4,543,801	4,088,719	4,100,129
Expenses of preventive activity	2,421,801	2,197,547	1,805,266	1,498,562
Contributions for claims from uninsured or unidentified vehicles	2,036,902	1,427,306	766,364	-90,685
Supervisory authority fees	1,617,379	1,534,377	866,690	815,368
Other net insurance expenses	4,810,514	3,253,078	788,387	386,460
<b>OTHER EXPENSES FROM INSURANCE OPERATIONS</b>	<b>43,565,310</b>	<b>33,744,135</b>	<b>14,950,707</b>	<b>11,819,639</b>

#### 4.14. Other expenses

	in EUR			
	Triglav Group		Zavarovalnica Triglav	
	2019	2018	2019	2018
<b>Financial expenses</b>	<b>3,098,502</b>	<b>1,384,359</b>	<b>2,867,130</b>	<b>1,507,022</b>
Interest expenses for bonds issued	2,504,904	1,042,856	2,691,945	1,227,366
Lease interest expenses	554,387	0	76,026	0
Other financing expenses	39,211	341,503	99,159	279,655
<b>Other expenses</b>	<b>51,435,454</b>	<b>43,234,402</b>	<b>14,946,882</b>	<b>14,087,222</b>
Operating expenses of non-insurance companies	30,092,616	26,450,272	0	0
Employee and Management Board bonuses	12,133,664	10,877,720	10,559,226	9,864,000
Expenses from impairment of investment property	2,415,650	474,484	164,017	0
Other investment property expenses	2,368,430	2,649,014	2,674,784	3,070,405
Depreciation of investment property	1,385,473	1,415,406	1,047,990	938,600
Loss from investment property disposal	18,301	27,840	0	5,813
Expenses from reversal of impairment of other receivables	536,735	522,638	45,606	-210,129
Expenses from disposal of property, plant and equipment	33,072	18,189	10,329	14,159
Expenses from disposal of intangible assets	30,782	3,616	30,782	3,093
Other expenses	2,420,731	795,223	414,149	401,281
<b>TOTAL OTHER EXPENSES</b>	<b>54,533,956</b>	<b>44,618,763</b>	<b>17,814,012</b>	<b>15,594,244</b>

## 4.15. Income tax expense

### 4.15.1. Tax expense in the income statement

	in EUR			
	Triglav Group		Zavarovalnica Triglav	
	2019	2018	2019	2018
Current tax expense	16,731,029	15,560,650	13,481,140	12,127,605
Deferred tax expense	341,769	1,068,907	516,051	785,783
<b>TOTAL TAX EXPENSE IN THE INCOME STATEMENT</b>	<b>17,072,798</b>	<b>16,629,557</b>	<b>13,997,191</b>	<b>12,913,388</b>

### 4.15.2. Tax expense in other comprehensive income

Triglav Group	2019			2018			in EUR
	Before tax	Tax	After tax	Before tax	Tax	After tax	
	Profit from increase in fair value of available for sale financial assets	29,429,816	-7,207,343	22,222,473	-52,468,348	11,453,351	
Liabilities from insurance contracts with a discretionary participating feature (shadow accounting)	-4,944,885	939,528	-4,005,357	14,887,351	-2,376,972	12,510,379	
Gains/losses recognised in fair value reserve and net profit/loss brought forward arising from equity in associates and jointly controlled entities recognised using the equity method	0	0	0	-310,367	58,970	-251,397	
Actuarial gains/losses	-351,094	0	-351,094	-303,550	125	-303,425	
Translation differences	137,442	0	137,442	127,483	0	127,483	
<b>TOTAL OTHER COMPREHENSIVE INCOME</b>	<b>24,271,279</b>	<b>-6,267,815</b>	<b>18,003,464</b>	<b>-38,067,431</b>	<b>9,135,474</b>	<b>-28,931,957</b>	

Zavarovalnica Triglav	2019			2018			in EUR
	Before tax	Tax	After tax	Before tax	Tax	After tax	
	Profit from increase in fair value of available-for-sale financial assets	14,214,278	-3,316,420	10,897,858	-41,891,860	9,650,071	
Liabilities from insurance contracts with a discretionary participating feature (shadow accounting)	-4,944,885	939,528	-4,005,357	14,887,351	-2,376,972	12,510,379	
Actuarial gains/losses	-309,508	0	-309,508	-266,153	0	-266,153	
<b>TOTAL OTHER COMPREHENSIVE INCOME</b>	<b>8,959,885</b>	<b>-2,376,892</b>	<b>6,582,993</b>	<b>-27,270,662</b>	<b>7,273,099</b>	<b>-19,997,563</b>	

### 4.15.3. Reconciliation between tax expense and accounting profit

	in EUR			
	Triglav Group		Zavarovalnica Triglav	
	2019	2018	2019	2018
<b>Accounting profit</b>	<b>100,937,227</b>	<b>97,455,802</b>	<b>84,611,607</b>	<b>78,457,252</b>
Income tax rate - tax rate average of several countries	19.39%	19.73%	19%	19%
<b>Accounting profit multiplied by tax rate</b>	<b>19,567,913</b>	<b>19,232,615</b>	<b>16,076,205</b>	<b>14,906,878</b>
Tax effect of income deductible for tax purposes	-1,715,820	-1,665,125	-1,348,982	-1,447,934
Tax effect of income added for tax purposes	192,147	129,619	0	0
Tax effect on the reduction in expenses not deductible for tax purposes	1,717,579	1,436,315	627,370	1,120,647
Tax relief	-2,338,768	-2,032,557	-1,398,032	-1,563,505
Previously unrecognized deferred taxes	-385,249	-545,267	0	-176,654
Other tax effects	35,106	73,957	40,629	73,957
<b>TOTAL TAX EXPENSE</b>	<b>17,072,908</b>	<b>16,629,557</b>	<b>13,997,190</b>	<b>12,913,388</b>
Effective tax rate <sup>113</sup>	16.91%	17.06%	16.54%	16.46%
<b>Final liabilities for corporate income tax</b>	<b>16,731,029</b>	<b>15,560,650</b>	<b>13,481,140</b>	<b>12,127,605</b>

In accordance with the Corporate Income Tax Act (ZDDPO–2), the applicable tax rate in Slovenia was 19% in 2019, the same as in the previous year.

In subsidiaries operating outside the Republic of Slovenia, tax rates were used as applicable in the country of operation and in compliance with the local legislation. For the applied tax rates see [→ [Section 2.10](#)].

Unused tax losses of the Group amounted to EUR 21.8 million as at 31 December 2019 (EUR 22.7 million as at 31 December 2018).

<sup>113</sup> In the data of the Triglav Group, the average of all countries was taken into account in the corporate income tax rate.



## 5. Other information

### 5.1. Fair value measurement

#### 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 fair values of assets and liabilities, classified according to the fair value hierarchy.

Triglav Group					in EUR
As at 31 December 2019	Measurement date	Level 1	Level 2	Level 3	Total
<b>Assets - measured at fair value</b>					
Equity securities	31 Dec. 2019	150,929,053	0	61,061,888	211,990,941
Debt securities	31 Dec. 2019	689,898,611	1,539,454,173	0	2,229,352,784
Derivative financial instruments	31 Dec. 2019	0	0	0	0
Unit-linked insurance assets	31 Dec. 2019	414,992,543	63,112,698	0	478,105,241
<b>Assets - fair value disclosed</b>					
Land and buildings for insurance activities	31 Dec. 2019	0	0	102,603,482	102,603,482
Land and buildings for investment activities	31 Dec. 2019	0	0	95,349,597	95,349,597
Debt securities (HTM)	31 Dec. 2019	6,903,608	223,422,728	0	230,326,336
Deposits with banks	31 Dec. 2019	0	100,371,835	0	100,371,835
Loans given	31 Dec. 2019	0	9,171,013	0	9,171,013
Debt securities (L&R)	31 Dec. 2019	0	6,357,852	0	6,357,852
<b>Liabilities - fair value disclosed</b>					
Subordinated bonds	31 Dec. 2019	0	68,199,075	0	68,199,075

Triglav Group					in EUR
As at 31 December 2018	Measurement date	Level 1	Level 2	Level 3	Total
<b>Assets - measured at fair value</b>					
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
<b>Assets - fair value disclosed</b>					
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	236,599,916	0	236,599,916
Deposits with banks	31 Dec. 2018	0	89,997,524	0	89,997,524
Loans given	31 Dec. 2018	0	47,193,884	0	47,193,884
Debt securities (L&R)	31 Dec. 2018	0	6,054,643	0	6,054,643
<b>Liabilities - fair value disclosed</b>					
Subordinated bonds	31 Dec. 2018	0	16,369,802	0	16,369,802

Zavarovalnica Triglav					in EUR
As at 31 December 2019	Measurement date	Level 1	Level 2	Level 3	Total
<b>Assets - measured at fair value</b>					
Equity securities	31 Dec. 2019	53,796,804	0	55,685,145	109,481,949
Debt securities	31 Dec. 2019	571,882,208	1,031,323,825	0	1,603,206,033
Derivative financial instruments	31 Dec. 2019	0	0	0	0
Unit-linked insurance assets	31 Dec. 2019	373,498,861	56,537,014	0	430,035,875
Investments in associates	31 Dec. 2019	0	0	18,054,026	18,054,026
<b>Assets - fair value disclosed</b>					
Land and buildings for insurance activities	31 Dec. 2019	0	0	65,323,896	65,323,896
Land and buildings for investment activities	31 Dec. 2019	0	0	60,115,354	60,115,354
Debt securities (HTM)	31 Dec. 2019	0	192,128,559	0	192,128,559
Deposits with banks	31 Dec. 2019	0	34,113,282	0	34,113,282
Loans given	31 Dec. 2019	0	11,171,288	0	11,171,288
Debt securities (L&R)	31 Dec. 2019	0	6,357,852	0	6,357,852
<b>Liabilities - fair value disclosed</b>					
Subordinated bonds	31 Dec. 2019	0	73,646,914	0	73,646,914

Zavarovalnica Triglav					in EUR
As at 31 December 2018	Measurement date	Level 1	Level 2	Level 3	Total
<b>Assets - measured at fair value</b>					
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
<b>Assets - fair value disclosed</b>					
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
<b>Liabilities - fair value disclosed</b>					
Subordinated bonds	31 Dec. 2018	0	21,822,171	0	21,822,171

### 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
<b>EXTERNAL APPRAISERS (market operator)</b>				
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
Debt 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		Nivo 2
<b>BLOOMBERG BVAL</b>				
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
<b>INTERNAL APPRAISERS</b>				
Debt securities - government	Cash flow discounting according to amortisation schedule	Republic of Slovenia interest rate yield curve	yield curve issued by Republic of Slovenia (Bloomberg ID: I259 Currency); credit spread between 0% and 0.63%	Level 2
Debt securities - companies and financial institutions <sup>114</sup>	Cash flow discounting according to amortisation schedule	Republic of Slovenia interest rate yield curve, issuer credit spreads	yield curve issued by Republic of Slovenia (Bloomberg ID: I259 Currency); credit spread between 0.42% and 3.98%	Level 2
Equity securities	Cash flow discounting	g (growth rate during constant growth period)	2%	Level 3
		EBIT margin (constant growth period)	35.00%	
		Discount rate	12.8% up to 70% for start ups	
		Lack of marketability discount	10%	
	NAV method	Real property price changes		
	Market approach	MVIC/EBITDA		
Equity investment in associates	Equity method	Accumulated gains and losses		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%–15% depending on risk/location Market values based on information available	Level 3

<sup>114</sup> Also applied to valuation of subordinated ZT02 bonds.

### 5.1.3. Financial assets classified into Level 3

	in EUR			
	Triglav Group		Zavarovalnica Triglav	
	2019	2018	2019	2018
Value as at 1 January	35,999,032	37,121,010	47,019,220	42,819,002
Purchases	29,929,720	14,552,716	30,842,619	18,383,186
Disposals	-7,103,994	-16,195,789	-6,475,694	-15,426,370
Revaluation through profit or loss	-20,775	-235,267	0	-22,003
Revaluation in other comprehensive income	2,681,708	773,189	2,353,024	1,265,406
Transfers from/to other levels	-422,558	-18,472	0	0
Foreign exchange differentials	-1,245	1,645	0	0
Value as at 31 December	61,061,888	35,999,032	73,739,170	47,019,220

The value of financial assets classified into Level 3 increased in 2019 due to the payments into venture capital funds. The largest total amount of payments into the fund MEAG INFRA DEBT – SUB FUND 1 was EUR 9.9 million. The largest disposal was the sale of Gorenjska banka d.d. shares in the total amount of EUR 4.7 million. Revaluation is the result of changes in the value of venture capital funds.

### 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 2019	31 December 2018	31 December 2019	31 December 2018
Non-marketable assets (Level 3)	61,061,888	35,999,032	55,685,145	30,059,866
Estimated value deviation-/+	-10,344,834/7,145,254	-4,388,887/4,608,847	-9,776,996/6,447,385	-3,649,235/+3,829,181
Equity investment in associates	13,154,397	14,125,975	18,054,025	16,959,355
Estimated value deviation-/+	-1,973,157/1,973,157	-1,412,598/5,982,426	-1,389,341/368,894	-1,292,529/+749,481

With regard to investments valued using model-based valuation techniques, the value deviation is determined in the valuation process with adjustments made to key assumptions (price of invested capital, growth rate). For non-valued investments,  $\pm 15\%$  of the change in investment value is taken into account in calculating the deviation,  $\pm 10\%$  of the change in investment value for alternative investment funds investing in debt securities, and asymmetric  $-25/+10\%$  of the change in investment value for alternative investment funds investing in equity securities.

### 5.1.5. Reclassification of financial assets between levels

	in EUR			
	Triglav Group		Zavarovalnica Triglav	
	2019	2018	2019	2018
Reclassification from level 1 to level 2	69,235,699	176,158,469	55,945,228	135,990,522
Reclassification from level 2 to level 1	291,060,269	105,798,635	238,555,889	90,557,353

In 2019, the method of measuring fair value did not change. Reclassifications between levels were a result of market factors. At the end of 2019, some financial assets showed greater liquidity and depth of the market than at the end of 2018, 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 2019, no reclassifications of financial assets between categories were carried out. The effects of 2008 reclassifications are shown below. The effective interest rate on the day of reclassification was 5.8%.

Reclassifications from AFS to HTM	in EUR			
	Triglav Group		Zavarovalnica Triglav	
	2019	2018	2019	2018
Carrying amount of reclassified assets as at 31 December	31,695,191	35,147,942	18,849,099	18,780,741
Fair value of reclassified assets as at 31 December	34,253,771	39,666,531	21,054,272	21,987,888
Impact on comprehensive income if not reclassified	2,205,174	3,207,147	2,205,174	3,207,147
Estimated cash flows	32,574,646	24,365,660	20,922,559	21,964,462

## 5.2. Additional notes to the cash flow statement

Below is the cash flow statement as required by the Insurance Supervision Agency. 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. Cash flows from financing activities in 2019 include expenses for interest and principal payments from leases. In 2018, lease expenses were included in cash flows from operating activities.

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

	Triglav Group		Zavarovalnica Triglav	
	2019	2018	2019	2018
<b>A. CASH FLOWS FROM OPERATING ACTIVITIES</b>				
<b>a. Income statement items</b>	<b>91,179,693</b>	<b>63,558,277</b>	<b>31,051,477</b>	<b>27,298,196</b>
Net written premium for the period	1,075,625,420	992,822,784	582,599,216	558,913,321
Investment income (excluding financial income)	24,277,722	21,545,047	11,669,749	11,916,643
Other operating income (excluding revaluation and provisions reductions) and financial income from operating receivables	43,070,868	39,089,344	10,445,796	10,868,255
Net claims paid for the period	-687,175,444	-658,958,408	-393,708,934	-383,234,969
Bonuses and discounts paid	-12,209,631	-10,350,140	-10,203,376	-9,374,088
Net operating expenses excluding depreciation costs and change in deferred acquisition costs	-255,951,926	-240,531,743	-130,532,605	-129,555,100
Investment expenses (excluding depreciation and financial expenses)	-8,164,999	-11,076,031	-5,331,552	-5,595,378
Other operating expenses excluding depreciation (other than revaluation and excluding the increase in provisions)	-71,184,276	-54,675,615	-19,373,055	-16,773,686
Corporate income tax and other taxes excluded from operating expenses	-17,108,041	-14,306,961	-14,513,762	-9,866,802
<b>b. Changes in net operating current assets – operating balance sheet items</b>	<b>-882,254</b>	<b>-19,565,937</b>	<b>-297,987</b>	<b>-14,036,824</b>
Changes in operating receivables from direct insurance operations	-9,855,418	-10,439,344	-6,458,904	-8,151,580
Changes in receivables from reinsurance operations	-7,317,799	-10,452,845	937,934	-4,267,818
Changes in other receivables from (re)insurance operations	-3,735,330	2,614,724	-1,819,040	-1,264,030
Changes in other receivables and assets	-4,155,344	-2,998,138	703,234	-1,302,382
Changes in deferred tax assets	431,650	-1,444,446	0	0
Changes in inventories	-58,436	27,655	-49,146	-2,973
Changes in liabilities from direct insurance operations	1,779,437	843,066	2,932,659	-47,430
Changes in liabilities from reinsurance operations	10,148,782	4,012,279	1,489,129	-1,429,852
Changes in other operating liabilities	330,405	5,751,510	-300,429	-2,718
Changes in other liabilities (other than unearned premium)	6,236,683	-6,159,491	2,266,576	2,431,959
Changes in deferred tax liabilities	5,313,116	-1,320,907	0	0
<b>c. Net cash from/(used in) operating activities (a + b)</b>	<b>90,297,439</b>	<b>43,992,340</b>	<b>30,753,490</b>	<b>13,261,372</b>
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>				
<b>a. Cash inflows from investing activities</b>	<b>1,469,286,636</b>	<b>999,778,200</b>	<b>1,198,898,504</b>	<b>796,648,222</b>
Cash inflows from interest received from investing activities	65,980,623	53,035,031	36,683,169	36,970,864
Cash inflows from dividends and profit sharing	5,037,378	3,828,099	7,206,057	7,557,132
Cash inflows from disposal of intangible assets	71,871	3,094	30,782	3,094
Cash inflows from disposal of plant, property and equipment	7,961,376	8,715,584	1,404,653	8,181,979
Cash inflows from disposal of financial investments	1,390,235,388	934,196,392	1,153,573,843	743,935,153
– Cash outflows for acquisition of investments in subsidiaries and other companies	2,340,104	0	0	0
– Other cash outflows for acquisition of financial investments	1,387,895,284	934,196,392	1,153,573,843	743,935,153
<b>b. Cash outflows from investing activities</b>	<b>-1,540,674,760</b>	<b>-996,334,697</b>	<b>-1,210,737,724</b>	<b>-769,343,650</b>
Cash outflows for acquisition of intangible assets	-5,182,272	-6,223,811	-3,282,390	-2,948,864
Cash outflows for acquisition of property, plant and equipment	-13,134,912	-14,669,708	-8,068,006	-10,003,879
Cash outflows for acquisition of financial investments	-1,522,357,576	-975,441,178	-1,199,387,328	-756,390,907
– Cash outflows for acquisition of investments in subsidiaries and other companies	-1,149,098	-11,617,277	-4,094,671	-17,060,388
– Other cash outflows for acquisition of financial investments	-1,521,208,478	-963,823,901	-1,195,292,657	-739,330,519
<b>c. Net cash from/(used in) investing activities (a + b)</b>	<b>-71,388,124</b>	<b>3,443,503</b>	<b>-11,839,220</b>	<b>27,304,572</b>
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>				
<b>a. Cash inflows from financing activities</b>	<b>49,367,159</b>	<b>0</b>	<b>49,367,159</b>	<b>0</b>
Cash inflows from paid-in capital	0	0	0	0
Cash inflows from long-term loans received (issued bond)	49,367,159	0	49,367,159	0
Cash inflows from short-term loans received	0	0	0	0
<b>b. Cash outflows for financing activities</b>	<b>-62,882,638</b>	<b>-58,256,189</b>	<b>-60,167,804</b>	<b>-58,082,203</b>
Cash outflows for interest paid	-2,829,914	-1,227,366	-2,351,553	-1,227,366
Cash outflows for purchase of treasury shares	0	0	0	0
Cash outflows for capital repayment	0	-133,062	0	0
Cash outflows for payments of long-term financial liabilities	-240,011	0	0	0
Cash outflows for payments of short-term financial liabilities	-3,035,142	0	-977,954	0
Cash outflows for dividends and profit sharing	-56,777,571	-56,895,761	-56,838,297	-56,854,837
<b>c. Net cash from/(used in) financing activities (a +b)</b>	<b>-13,515,479</b>	<b>-58,256,189</b>	<b>-10,800,645</b>	<b>-58,082,203</b>
<b>D. Closing balance of cash and cash equivalents</b>	<b>75,869,775</b>	<b>67,601,660</b>	<b>26,112,112</b>	<b>17,998,487</b>
<b>E1. Net cash flow for the period</b>	<b>5,393,836</b>	<b>-10,820,346</b>	<b>8,113,625</b>	<b>-17,516,259</b>
<b>E2. External acquisition</b>	<b>2,862,910</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>E3. Exchange rate differences</b>	<b>11,369</b>	<b>4,159</b>	<b>0</b>	<b>0</b>
<b>F. Opening balance of cash and cash equivalents</b>	<b>67,601,660</b>	<b>78,417,847</b>	<b>17,998,487</b>	<b>35,514,746</b>

in EUR

### 5.3. Amounts spent on auditors

The audit of the stand-alone and consolidated financial statements for 2019 was conducted by the audit firm Deloitte, Revizija d.o.o., Ljubljana. Said audit firm also carried out an audit in all Group members. The amounts spent on the services of this audit firm are shown in the table below.

	Triglav Group		Zavarovalnica Triglav	
	2019	2018	2019	2018
Auditing of the Annual Report	482,355	415,054	122,720	73,139
Other auditing services	3,767	22,838	0	0
Other assurance services	0	2,745	0	2,745
Other non-auditing services	1,619	137,095	0	137,095
<b>TOTAL</b>	<b>487,741</b>	<b>577,732</b>	<b>122,720</b>	<b>212,979</b>

in EUR

### 5.4. Related party transaction

Related party transactions are disclosed separately for the Group and Zavarovalnica Triglav:

- Transactions with subsidiaries are disclosed only at the level of Zavarovalnica Triglav and include transactions with entities in which Zavarovalnica Triglav has a dominant influence (presented in [→ Section 3.5]). At the level of the Triglav Group, these transactions are eliminated in the consolidation processes.
- Associates in whom the Group and Zavarovalnica Triglav have significant influence – these are presented in [→ Section 3.6].
- Transactions with shareholders and shareholder-related companies.

The largest shareholders of Zavarovalnica Triglav are Zavod za pokojninsko in invalidsko zavarovanje (ZPIZ), holding an equity stake of 34.47% and Slovenski državni holding (SDH) with a 28.09% shareholding.

The shareholder-related companies are those in which the SDH and the Republic of Slovenia together directly hold at least a 20% stake. As at 31 December 2019, there were 43 of such companies; the list is published on the SDH website (<http://sdh.si/sl-si/upravljanje-nalozb/seznam-nalozb>).

Business with the two largest shareholders and the state-related parties is limited to regular business cooperation. The only material transaction in 2019 was the payment of dividends. In 2019, the Company paid dividends for 2018 in the total amount of EUR 56.8 million, of which the Pension and Disability Insurance Institute of the Republic of Slovenia received EUR 19.5 million and the Slovenian Sovereign Holding EUR 16 million.

In the reporting period, there were no individual significant transactions between the above-stated companies. Total transaction value is shown in the table below.

The services exchanged between Group companies are rendered at prices that are applied to other companies outside the Group. Pricing methods include external comparable, internal comparable and cost contribution arrangement.

Outstanding balances referring to the above-mentioned related parties as at the reporting date and income and expenses during the period are shown below.

#### Transactions with subsidiaries

	31 December 2019	31 December 2018
<b>ASSETS</b>		
Stakes and shares	134,938,667	131,938,667
Debt securities and loans given to members of the Group	8,205,916	14,264,601
Right of use assets	894,363	0
Insurance premium receivables from policyholders	16,117	13,835
Co-insurance receivables	0	0
Re-insurance receivables	2,658,012	2,561,802
Receivables for co-insurer's share in claims	2,207	245
Receivables for reinsurer's share in claims	6,516,400	8,499,977
Other short-term receivables from insurance operations	20,131	30,972
Short-term receivables from financing	27,743	1,372,945
Other short-term receivables	787,779	740,157
Short-term deferred expenses	31,010	30,809
<b>LIABILITIES</b>		
Liabilities to policyholders	1,924	0
Liabilities to agents and brokers	389,637	350,644
Liabilities to insurances for co-insurance premium	20,523	13,862
Liabilities for reinsurance premiums	8,769,818	9,022,657
Liabilities for shares in claims from co-insurance	0	13,712
Liabilities for shares in claims from re-insurance	488,063	684,674
Lease liabilities	905,208	0
Other short-term liabilities	348,599	163,432

	in EUR	
	2019	2018
<b>INCOME AND EXPENSES</b>		
Gross written premium and active reinsurance premium	17,989,584	17,253,553
Assumed co-insurance written premium	0	0
Outward re-/co-insurance premium (-)	-65,341,032	-60,924,424
<b>Net premium income</b>	<b>-47,351,448</b>	<b>-43,670,871</b>
Re-/co-insurance commission income	14,291,836	12,140,542
Other income from insurance operations	4,438,250	4,778,246
Interest income	427,211	787,607
Other insurance income	1,498,150	1,868,894
Income from land and buildings	738,458	787,739
Income from disposal of financial assets	0	0
Other income	374,487	305,533
Dividends	3,172,950	4,442,997
Other income from financial assets	1,290	11,597
<b>TOTAL INCOME</b>	<b>-22,408,816</b>	<b>-18,547,716</b>
Gross claims settled	5,026,827	10,890,698
Re-/co-insurers' share in gross claims	-21,114,777	-25,163,434
Shares in indemnities from assumed co-insurances abroad	0	4,286
<b>Net claims</b>	<b>-16,087,950</b>	<b>-14,268,450</b>
Expenses for reinsurance premiums	1,914,849	1,875,885
Loss on disposal from financial assets	0	0
Other financial expenses	195,478	4,759
Other expenses	0	0
Interest expenses	23,499	0
<b>TOTAL EXPENSES</b>	<b>-13,954,124</b>	<b>-12,387,806</b>

**Transactions with associates**

	in EUR			
	Triglav Group		Zavarovalnica Triglav	
	31 Dec. 2019	31 Dec. 2018	31 Dec. 2019	31 Dec. 2018
<b>ASSETS</b>				
Stakes and shares	13,154,379	14,125,973	18,054,026	16,959,355
Insurance premium receivables from policyholders	1,511	618	1,380	182
<b>LIABILITIES</b>				
Liabilities to policy holders	27	27	0	0
Liabilities to agents and brokers	5,902	11,752	5,421	11,236
Other short-term liabilities	312	484	0	0
Accrued costs and expenses	1,182	702	0	0

	in EUR			
	Triglav Group		Zavarovalnica Triglav	
	2019	2018	2019	2018
<b>INCOME AND EXPENSES</b>				
Gross written premium	39,745	38,854	37,564	35,801
Income from dividends and stakes	0	0	40,988	63,345
Income from land and buildings	0	559	0	559
Gains on the sale of securities	560,414	0	0	0
<b>TOTAL INCOME</b>	<b>600,159</b>	<b>39,413</b>	<b>78,552</b>	<b>99,705</b>
Gross claims settled	24,069	5,030	24,069	5,030
Acquisition costs	5,844	8,245	0	0
Other operating expenses	0	0	0	0
<b>TOTAL EXPENSES</b>	<b>29,913</b>	<b>13,275</b>	<b>24,069</b>	<b>5,030</b>

**Transactions with shareholders and shareholder-related companies**

	in EUR			
	Triglav Group		Zavarovalnica Triglav	
	31 Dec. 2019	31 Dec. 2018	31 Dec. 2019	31 Dec. 2018
<b>ASSETS</b>				
Stakes and shares	8,963,246	9,017,103	17,747,194	16,269,741
Debt securities	98,462,080	80,752,961	75,690,601	65,876,560
Operating receivables	62,634	5,747	68,729	10,383
Re-insurance receivables	0	0	25,135	39,386
Other assets	4,809,284	4,983,653	0	0
<b>LIABILITIES</b>				
Operating liabilities	1,477,079	2,056,005	1,506,890	1,861,031
Re-insurance liabilities	0	0	9,840	33,852

	in EUR			
	Triglav Group		Zavarovalnica Triglav	
	2019	2018	2019	2018
<b>INCOME</b>				
Gross written premium	19,526,782	21,443,107	20,182,072	22,001,648
Financial income	3,544,478	4,368,126	3,363,589	4,149,869
Other income	60,003	67,616	106,426	159,864
<b>EXPENSES</b>				
Gross claims settled	7,216,309	8,517,985	7,436,835	8,732,795
Financial expenses	470,230	317,663	317,301	205,043
Other expenses	11,491,301	10,855,849	10,552,112	10,294,621



## 5.5. Members of the Management Board and Supervisory Board

In 2019, 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
Andrej Slapar	179,558	2,017	48,895	79,755	58,817	7,068	1,874
Uroš Ivanc	170,580	2,017	46,450	76,257	41,403	3,558	1,253
Tadej Čoroli	170,580	2,017	46,450	74,166	41,376	9,008	1,139
Barbara Smolnikar	170,580	2,017	24,590	65,634	40,849	9,552	724
David Benedek****	43,961	672	0	12,848	6,974	8,154	268
Marica Makoter	170,580	2,017	46,450	73,574	41,362	7,992	607
Benjamin Jošar*****	0	0	4,400	2,570	0	0	0
<b>TOTAL</b>	<b>905,839</b>	<b>10,757</b>	<b>217,235</b>	<b>384,804</b>	<b>230,781</b>	<b>45,332</b>	<b>5,865</b>

\* 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.

As at 31 December 2019, Zavarovalnica Triglav had the following receivables from and liabilities to the Management Board members:

	in EUR	
Management board	Receivables as at 31 December 2019	Liabilities as at 31 December 2019
Andrej Slapar	13	69,998
Uroš Ivanc	19	66,481
Tadej Čoroli	30	66,463
Barbara Smolnikar	27	42,804
David Benedek****	13	14,314
Marica Makoter	29	66,402
Benjamin Jošar*****	0	8,223
<b>TOTAL</b>	<b>131</b>	<b>334,685</b>

\*\*\*\* David Benedek's term of office as a Management Board member began on 29 August 2019.

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

In 2019 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	
Igor Stebernak	28,125	3,872	579	32,576	23,692	
Andrej Andoljšek	20,381	2,365	0	22,746	16,543	
Milan Tomažević	20,625	2,640	579	23,844	17,342	
Žiga Škerjanec	22,500	4,312	579	27,391	19,921	
Nataša Damjanovič	22,500	5,588	579	28,667	20,849	
Mario Gobbo	20,625	3,916	42,097	66,638	43,897	
Peter Celar	18,881	2,585	245	21,711	15,790	
Branko Gorjan	10,111	1,320	129	11,560	8,408	
Igor Zupan	4,417	1,045	0	5,462	3,972	
Boštjan Molan	7,813	2,112	652	10,577	7,693	
Ivan Sotošek	7,813	1,265	1,291	10,369	7,541	
Simon Kolenc*	7,500	2,145	305	9,950	7,237	
<b>TOTAL</b>	<b>191,291</b>	<b>33,165</b>	<b>47,035</b>	<b>271,491</b>	<b>192,885</b>	

\* 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.

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. Off balance sheet items

	in EUR			
	Triglav Group		Zavarovalnica Triglav	
	31 Dec. 2019	31 Dec. 2018	31 Dec. 2019	31 Dec. 2018
Outstanding subrogated receivables	39,095,779	42,672,288	38,022,409	36,281,241
Derivatives - futures	0	65,416,000	0	65,416,000
Alternative investments	47,538,801	55,300,980	44,030,995	55,300,980
Bonds, guarantees and other sureties issued	3,327,108	8,198,004	0	29,000
Contingent assets	3,971,417	6,779,136	2,899,401	1,896,311
Receivables from option agreements	3,247,638	1,363,886	3,247,638	0
Receivables from forward contracts	19,489,247	19,435,695	19,489,247	19,435,695
Contingent liabilities	6,787,697	2,111,809	0	0
Properties under acquisition	0	139,974	0	0
Assets under management	82,454,303	50,011,356	0	0
<b>TOTAL OFF-BALANCE SHEET ITEMS</b>	<b>205,911,992</b>	<b>251,429,128</b>	<b>107,689,690</b>	<b>178,359,227</b>

## 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	
	31 Dec. 2019	31 Dec. 2018	31 Dec. 2019	31 Dec. 2018
	2-5	2,364	2,394	844
6/1	562	544	395	393
6/2	718	694	415	405
7	1,429	1,340	506	491
8/1	186	174	84	82
8/2	22	20	9	9
<b>TOTAL</b>	<b>5,281</b>	<b>5,166</b>	<b>2,253</b>	<b>2,290</b>
Average number of employees	4,584	5,144	2,267	2,284

## 5.8. Major legal and arbitrary disputes

- Matjaž Rakovec as the plaintiff against Zavarovalnica Triglav d.d., 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 d.d., 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 d.d., 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 d.d., 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 Zavarovalnice 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 a labour law dispute brought against the Company by the plaintiff Matjaž Rakovec, the Ljubljana Labour and Social Court initially ruled that his employment contract did not cease to be in force, i.e. remained in force, therefore Zavarovalnica Triglav d.d., owed the plaintiff compensation for salaries plus interest in the amount of around EUR 430,000. Zavarovalnica Triglav d.d., lodged an appeal against this

judgment before the Higher Court, which upheld the appeal by partly modifying and partly setting aside the judgment of the first instance court. The judgment was thus modified in the material part relating to the unlawful termination of the employment contract or the employment relationship, in that the court rejected the plaintiff's claim in that part, as well as set aside the part of the judgment which reads "including all the resulting rights", and referred the parts of the case relating to the claim for compensation for salaries, holiday allowance and legal costs back to the first instance court for reconsideration. The plaintiff filed a review against the final part by which the Higher Court modified the judgment of the first instance court (Judgment Pdp 899/2016), which, however, the Supreme Court of the Republic of Slovenia (Decision VIII Ips 105/2018) rejected and upheld the judgment of the Higher Court. The plaintiff's employment contract was thus terminated lawfully, and by said decision the proceedings concerning the alleged unlawfulness of the termination of the employment contract and the employment relationship pending before the ordinary court were completed. However, the plaintiff, according to his statement, filed a constitutional complaint against the judgment of the Supreme Court of the Republic of Slovenia, regarding which Zavarovalnica Triglav d.d., has not yet been informed whether it was accepted for consideration by the Constitutional Court of the Republic of Slovenia or not.

In the retrial, the claims for compensation for salaries and annual holiday allowance that were remitted for reconsideration were rejected by the first instance court (Judgment I Pd 672/2017), and such a decision was upheld also by the Higher Court following the plaintiff's appeal (Judgment and Decision Pdp 96/2018). The Supreme Court of the Republic of Slovenia, on the motion of the plaintiff, allowed the review and, on the basis of the filed review, set aside the first and second instance judgment in the main part and remitted the case to the first instance court for a new trial (Decision VIII Ips 193/2018), with the argument that the court should also have considered the relevant part on the basis of compensation for damages.

In addition to the above, separate proceedings were conducted based on the plaintiff's claim for the compensation of the costs of preventive medical examinations, education and training, annual personal insurance premium, group accident insurance, voluntary pension and supplementary pension insurance, rewards, the use of a business vehicle for personal purposes, membership dues and anniversary bonuses in the amount of EUR 192,466.39 with statutory default interest. By Judgment I Pd 25/2016, the first instance court rejected the plaintiff's claims put forward on the basis of labour law (in consequence of a final ruling rejecting the claim for establishing an unlawful termination of employment contract and employment relationship). Such a decision was also upheld by the Higher Court (Pdp 639/2018) following the plaintiff's appeal. The Supreme Court of the Republic of Slovenia granted a review to the plaintiff in that matter as well; the plaintiff already filed the review concerned and Zavarovalnica Triglav d.d., already lodged a response thereto.

In addition, separate proceedings referred to the labour court by the ordinary court are pending before the former, in which the plaintiff also claims the payment of salaries, holiday allowances, preventive medical examinations, education and training, annual insurance premiums and rewards; in the proceedings concerned, it is disputed whether the plaintiff asserts these claims as arising from his employment relationship or as compensation for damages. The first instance court considered the case on the labour

law basis and on the grounds of *lis pendens* or *res iudicate* dismissed the lawsuit in the main part and rejected the remainder of the claims (I Pd 507/2016). Based on the plaintiff's appeal, the Higher Court set aside the judgment of the first instance court in the main part and remanded the case to the court for a new trial (Decision Pdp 607/2018), with the instruction that there is no *lis pendens* and that the claims also have to be considered on the basis of compensation for damages.

- Zavarovalnica Triglav d.d., and Triglav Skladi d.o.o., as the 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 (hereinafter: the Commission) issued, in the repeated procedure of 6 June 2018, a decision ordering the companies Zavarovalnica Triglav d.d., and Triglav Skladi d.o.o., to publish a takeover bid for the acquisition of Energoinvest Dalekovo-dizgradnja d.d. (hereinafter: the offeree company). The Commission issued the decision on the basis of the alleged concerted action of the 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 of ownership and management relationships of said companies towards the offeree company. Among the reasons why Zavarovalnica Triglav d.d., was obliged to publish a takeover bid for the acquisition of the offeree company, the Commission also pointed out the fact that Zavarovalnica Triglav d.d., is the entity linking all the previously mentioned shareholders of the offeree company with their owner, the Republic of Slovenia. Against the decision of the Commission, Zavarovalnica Triglav d.d., and Triglav Skladi d.d., initiated an administrative dispute that 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 (unjust enrichment on the account of purchase money received from the sale of real property in Zrenjanin), and for the payment of EUR 123,900 with all dues (unjust enrichment on the account of received rent money from renting out the real property in Zrenjanin).

The universal legal predecessor of Triglav, Upravljanje nepremičnin d.d., i.e. Slovenijales d.d., concluded a sales contract for the sale of real property in Zrenjanin. Before that, the aforementioned real property had been rented out. The plaintiff claims that said real property had not been taken into account in the opening balance sheet of the universal legal predecessor of Slovenijales d.d., i.e. LGM Lesnina d.o.o., and therefore, pursuant to Article 6 of the Act Concluding Ownership Transformation and Privatisation of Legal Entities Owned by the Development Corporation of Slovenia (ZZLPPO), it belongs to the plaintiff as the legal successor of the Slovene Development Corporation. The claim was rejected in its entirety by the first-instance court. The plaintiff appealed against the decision of the first instance court claiming the erroneous application of substantive law, but the appeal has not been decided yet.

- GRADINE INŽENJERING d.d., Pula, as the plaintiff, against Triglav, Upravljanje nepremičnin d.d., as the defendant, for the payment of HRK 748.74 and EUR 138,514.00 with all dues

In 1989, a contract was concluded with the legal predecessor of Triglav, Upravljanje nepremičnin d.d., i.e. Slovenijales d.d., for the supply of equipment and the carrying out of the accompanying works at the Monvidal facilities in Pula. It was agreed that the plaintiff can take over the goods after their full payment. As no final payment was made, the goods were not delivered. In the claim, the return of partial payments and the payment of the costs of the works carried out by third parties is sought. The claim was rejected in its entirety by the first instance court. An appeal was lodged against the first instance decision but was also rejected. The plaintiff filed a petition for a review. The Supreme Court of the Republic of Croatia set aside the decision of the second instance court on the ground of the erroneous application of substantive law and remitted the case to the second instance court for reconsideration of the plaintiff's appeal. The second instance court delivered a judgment, again ruling in favour of the defendant. The plaintiff again lodged a petition for a review against the judgment of the second instance court. The Supreme Court has not yet ruled on the petition for a review.

- Triglav Osiguranje d.d., Sarajevo and others, as the plaintiffs, against SCT BBM d.o.o., Sarajevo, as the defendant

Following unsuccessful mediation, Triglav Osiguranje d.d., Sarajevo, continued litigation proceedings against the defendants SCT BBM d.o.o., Sarajevo, and JP Ceste Federacije BiH. This litigation involves a claim for damages in the amount of BAM 6,385,104, of which BAM 2,065,759 is the share of Triglav Osiguranje d.d., Sarajevo. The legal basis for the claim is compensation to be paid from the performance guarantee. The case is still pending. On 5 April 2019, Sarajevo Municipal Court delivered a judgment in favour of Triglav Osiguranje d.d., Sarajevo, but following the appeal lodged by the defendants, the Cantonal Court in Sarajevo set aside the judgment on 11 December 2019 and remitted the case for retrial for procedural reasons. The court has not yet ruled on the case.

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

On 14 April 2014, Triglav Osiguranje a.d.o., Belgrade filed a request for enforcement 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 litigation. The defendant lodged a counterclaim for the annulment of the reinsurance contract. On the basis of the financial analysis conducted in the procedure, Triglav Osiguranje a.d.o., set the amount of its payment claim to RSD 236,690,436, plus interest from 17 March 2013 onwards, and requested 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 Osiguranje a.d.o., Belgrade, and ordered the defendant to pay RSD 236,690,436, plus the statutory late payment interest from 17 December 2013 onwards. On 27 October 2017, the defendant lodged an appeal, which has not been decided yet.

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

In May 2013, minority shareholders of Triglav Osiguranje a.d., Skopje filed a lawsuit for the compensation of damages for breach of the provisions of the put option or call option contract in the amount of slightly less than EUR 2.5 million. In October 2013, Triglav Osiguranje a.d., Skopje filed its response to the lawsuit, while Zavarovalnica Triglav d.d., was served with the lawsuit as late as in January 2016. The latter responded to the lawsuit within the prescribed time limit, fully objecting to the claim. The court upheld the objection of Zavarovalnica Triglav d.d., concerning the lack of jurisdiction of the Macedonian court and rejected the plaintiff's appeal, thereby rendering the case final. In the proceedings against Triglav Osiguranje a.d., Skopje, the first instance court issued a judgment in favour of Triglav Osiguranje a.d., Skopje, rejecting the claim. The plaintiffs filed an appeal, which has not yet been decided by the second instance court.

- Stojan Klopčevski, as the plaintiff, against Triglav Osiguranje a.d., Skopje, as the defendant

In April 2012, Stojan Klopčevski, the former general manager of Triglav Osiguranje a.d., Skopje, lodged a lawsuit for the compensation of damages in the amount of EUR 2.6 million against the Company. The claim was based on an unlawful decision on the termination of his employment and the resulting loss of the possibility to exercise put option or call option contracts concluded with Zavarovalnica Triglav d.d. The court dismissed the lawsuit on the ground of being deficient on 5 March 2013. The court upheld the appeal and the case was remitted to the first instance court for reconsideration. The court rendered a decision rejecting the objection of the lack of substantive jurisdiction of the Macedonian court. The plaintiff filed an appeal, but on 4 October 2017 the higher court issued a decision rejecting the appeal. On 18 December 2018, the court issued a judgment rejecting the claim of the plaintiff Stojan Klopčevski. The plaintiff filed an appeal that has not yet been decided by the second instance court.

## 5.9. Significant reviews by supervisory bodies

- Zavarovalnica Triglav d.d.

On the basis of the performed review of the business of Zavarovalnica Triglav d.d., the Insurance Supervision Agency issued a recommendation to the Management Board for improving the efficiency of conducting business and a warning in accordance with Article 282 of the Insurance Act on 1 July 2020. All recommendations were duly implemented and the two breaches found in the warning were eliminated.

- Lovćen Osiguranje a.d., Podgorica

Insurance Supervision Agency: At the request of the Agency of 25 December 2018, the company prepared an action plan on 11 April 2019 with the aim of reducing insurance acquisition costs and adjusting them to the overhead allowance level for the years 2019, 2020 and 2021. The procedure has been completed.

- Triglav Osiguranje a.d.o., Belgrade

In 2019, the National Bank of Serbia issued a decision based on the direct and indirect supervision of the company. It refers to the supervision of the management of insurance acquisition costs, the profitability of life insurance and the adequacy of premium. The supervision procedure has not been completed yet.

- Triglav Osiguranje d.d., Zagreb

On 18 December 2018, the Croatian Financial Services Supervisory Agency started to carry out supervision that refers to the issue of certificates on the paid premium for crop and animal insurance policies. No irregularities were identified in the supervision procedure.

- Triglav Osiguranje a.d., Banja Luka

In 2018, the Insurance Agency of the Republic of Srpska started to carry out regular supervision of the company and stated in its opinion certain findings based on a sample of policies that refer to incorrect calculation or premium rates, and to some irregularities regarding reinsurance and coinsurance. The company did not submit comments but clarifications to the findings. The company developed an action plan to eliminate the identified irregularities. The procedure has not been completed yet.

In 2019, the Insurance Agency of the Republic of Srpska started to carry out extraordinary supervision relating to databases for compulsory motor insurance in transport. The Agency noted in the record that the company did not maintain a database of insurance contracts, damage claims and claim settlements based on motor insurance. The company has taken steps to remedy the identified irregularities. The Agency has not yet delivered the relevant decision to the company.



- Triglav Osiguranje d.d., Sarajevo

In September 2018, the Insurance Supervision Agency of the Federation of Bosnia and Herzegovina carried out regular supervision of the entire business of the company. The company lodged a complaint against the Agency's record. On 9 January 2019, the company received the Agency's decision ordering the company to undertake certain activities necessary to improve the efficiency of conducting business and set the deadlines for their implementation. The company informed the Agency of the activities carried out. The procedure has been completed.

The Insurance Supervision Agency of the Federation of Bosnia and Herzegovina carried out indirect supervision of the conduct of the company relating to the motor insurance premium scheme, as well as the conditions and tariffs for accident and road vehicle insurance in one case of the insured. The record was sent to the company on 19 March 2019. The company submitted some comments regarding the Agency's record which were duly taken into account. The procedure has been completed.

The Insurance Supervision Agency of the Federation of Bosnia and Herzegovina carried out indirect supervision of the company's documents and forms. The Agency found an inconsistency between the insurance acquisition costs and administration according to the Agency's legal acts. The Agency ordered the company to eliminate the irregularities by 31 December 2021. The company prepared an action plan for the elimination of irregularities and submitted it to the Agency.

- Sarajevostan d.o.o

The Tax Administration of the Federation of Bosnia and Herzegovina conducted an inspection of the calculation, reporting and payment of public revenues in the associate Sarajevostan d.o.o., for the period from 1 January 2013 to 28 February 2018. The company received the Agency's record establishing an additional tax liability of BAM 2,119,159. The Tax Administration ignored the comments that the company submitted regarding the record and issued a decision ordering the company to pay BAM 2,333,435. The company appealed against the decision, but the appeal was not granted. The company initiated an administrative dispute and a temporary order staying enforcement was issued pending the conclusion of the administrative dispute.

- Triglav Osiguranje a.d., Skopje

The Insurance Supervision Agency of the Republic of North Macedonia conducted a review of business that covered certain segments of the company's operations in the period from 1 January 2017 to 30 September 2018. The supervision was focused on evaluating the performance of the certified actuary in the company and the associated risks. On 4 April 2019, the Agency sent the final record to the company, and on 27 May 2019 the decision to eliminate the inconsistencies set out in the record. The Agency found no breaches. In the final record and the decision, the Agency made recommendations for the elimination of the identified inconsistencies. Within the set deadlines, the company sends to the Agency the reports on the performed activities in accordance with the record and the decision.

- Triglav Osiguranje Život a.d., Skopje

In November 2018, the Insurance Supervision Agency carried out the supervision of the company's operations in the information technology (IT) field. On 19 February 2019, the record on the on-the-spot supervision No. UP1 08-1-895 and the order to eliminate the irregularities identified in the record were submitted to the company. The Agency found that the information system was completely dependent on external providers. It also found that the company did not have a business continuity system set up and that it did not have a risk register in place. The company eliminated all irregularities within the set deadlines. The procedure has been completed.

The Insurance Supervision Agency carried out the supervision of the business of Triglav Osiguranje Život a.d., Skopje, and on 19 August 2019 issued a record thereon. Based on the reports for the second quarter of 2019, the Agency found that the company's operations did not comply with the legislation. On 30 July 2019, the company informed the Agency that it had fully aligned the investments of assets covering mathematical reserves with the required legal restrictions. The procedure has been completed.

- Triglav, Zdravstvena Zavarovalnica d.d.

The Market Inspectorate of the Republic of Slovenia carried out supervision regarding possible unfair sales practices. The procedure was terminated without breaches found and measures imposed.

The Market Inspectorate of the Republic of Slovenia carried out supervision regarding possible unfair insurance terms and conditions and distance underwriting. The procedure is in progress.

- Triglav Upravljanje nekretninama d.o.o., Zagreb

In 2016, Triglav Osiguranje d.d., Zagreb, established Triglav upravljanje nekretninama d.o.o., Zagreb, and transferred its investment property to said company through capital increase. At the end of 2016, Triglav, Upravljanje nepremičnin d.d., Slovenia, as a specialised real property management company in the Triglav Group, purchased from Triglav Osiguranje d.d., Zagreb, all of its participating interests in Triglav upravljanje nekretninama d.o.o., Zagreb, and became the sole partner of said company. In 2019, tax control was carried out in Triglav Osiguranje d.d., Zagreb, and the taxpayer Triglav, Upravljanje nekretninama d.o.o., Zagreb, was issued decisions for the payment of real estate sales tax by the competent tax offices for all real estate that was the subject of capital increase in 2016, in the total amount of HRK 1,249,648.97. Given that in accordance with the issued tax decisions the appeals do not stay the execution, the taxpayer Triglav, Upravljanje nekretninama d.o.o., paid the tax and filed appeals against all issued decisions, but the appeals have not yet been decided.

## 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 2019, 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 2019.

New International Financial Reporting Standards came into force in 2019, affecting the valuation of individual balance sheet items. Details are presented in the next section.

In early March 2020, international financial markets saw major changes in prices over a short period of time, primarily as a result of uncertainty surrounding the effects of the spread of coronavirus infections on the global economy. We have witnessed a steep decline in share prices and some commodities (e.g. oil), a further sharp fall in risk-free interest rates and an increase in credit spreads.

The Triglav Group is exposed to these movements on the financial markets particularly in the context of market risks related to asset and liability portfolios. The Group regularly monitors and manages all these risks within the framework of a comprehensive risk management system, as described in detail in [[→ Risk Management Report, Section 2.4](#)] of the Annual Report

No events occurring after the reporting date were material to the financial statements for 2019.



## 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 2018, except for the new or amended standards and interpretations effective for annual periods beginning on or after 1 January 2019, which are presented below.

### IFRS 16: Leases

The new accounting standard IFRS 16 Leases is effective from 1 January 2019, and is a mandatory change in the accounting policy. In implementing this standard, the simplified transition approach was used. As at 1 January 2019, right-of-use assets were recognised in the amount of the recognised lease liability in the amount of the present value of future payments. Potential initial direct costs were not taken into account in the right-of-use assets. In the initial calculation, no differences were recognised in retained profit or loss. Comparative data for 2018 are not adjusted.

In calculating the initial values, an interest rate was used which is a combination of the interest rate on risk-free government bonds and the credit spread for an individual company. The interest rate also varies by lease term. In calculating the initial values, the weighted average discount rate of approximately 4.5% was used for the Triglav Group and 1.7% for Zavarovalnica Triglav. The initial value of right-of-use assets as at 1 January 2019 amounted to EUR 12,193,805 for the Triglav Group and EUR 4,681,658 for Zavarovalnica Triglav. The right-of-use assets and lease liabilities are disclosed in the statement of financial position as separate items.

Exemptions were used in the calculation of rights and liabilities. Short-term leases (leases up to 12 months) and leases of low-value assets (the purchase price of underlying assets is less than USD 5,000) were excluded. Such exemptions are disclosed in the same way as in the previous year, i.e. as lease expenses under operating expenses. Right-of-use assets are depreciated on a straight-line basis over the lease term. For leases for an indefinite period, lease term was assessed based on the option of renewal or termination. For fixed-term leases, lease term was individually assessed. The guidelines set out in the strategy of the Triglav Group were taken into account in the assessment. Leases predominantly have a fixed or variable payment, which largely depends on the consumer price index. Depreciation expenses are recognised within operating expenses and interest expenses within finance costs.

No gains or losses on leaseback transactions and no costs associated with variable lease payments not included in the measurement of lease liabilities were recorded in 2019.

The Triglav Group as a lessor has only operating leases. Leased assets are recognised as investment property. Lease agreements are largely concluded for an indefinite period of time with a one-year notice period. Lessees have no purchase option at the end of the lease term.

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

The amendments address concerns arising from implementing the new IFRS 9 Financial Instruments, before the new standard, which is currently under development and applies to insurance contracts, comes into effect. The new standard will replace the existing IFRS 4. The amendments provide two options when accounting for insurance contracts: a temporary exemption from applying IFRS 9 and the overlay approach, which allows the entities issuing insurance contracts falling within the scope of IFRS 4 to re-classify, from profit or loss to other comprehensive income, some of the income or expenses arising from designated financial assets.

Due to the adoption of the new standard that addresses insurance contracts, IFRS 17, insurance companies may apply the standard from 1 January 2022. The deferral condition is that the carrying amount of liabilities arising from the insurance business is at least 90% of total carrying amount of liabilities. The fulfilment of the conditions was verified as at 31 December 2015. The calculation is shown in the table below. There have been no changes since 31 December 2015 that would significantly impact 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
Total liabilities	2,789,412,299	2,154,872,319
<b>Ratio of insurance liabilities to total liabilities</b>	<b>93 %</b>	<b>95 %</b>

The table below presents an analysis of the fair value of financial assets at the end of the reporting period and the corresponding change in fair value during the reporting period. Financial assets are divided into assets whose contractual cash flows are solely payments of principal and interest on the principal amounts outstanding (SPPI), excluding any financial assets held for trading, and all other financial assets.

	in EUR			
	Assets whose contractual cash flows are solely payments of principal and interest on the principal amounts outstanding		Other financial assets	
Triglav Group	Fair value as at 1 January 2019	Fair value as at 31 December 2019	Fair value as at 1 January 2019	Fair value as at 31 December 2019
Debt securities	1,872,407,991	2,431,352,987	447,334,376	36,781,268
Equity securities	0	0	166,413,190	220,357,062
Derivatives	0	0	1,393,263	0
Loans and deposits	122,466,039	92,994,219	0	237
Cash and cash equivalents	67,601,696	75,860,559	0	0
<b>Total</b>	<b>2,062,475,726</b>	<b>2,600,207,766</b>	<b>615,140,829</b>	<b>257,138,568</b>

	in EUR			
	Assets whose contractual cash flows are solely payments of principal and interest on the principal amounts outstanding		Other financial assets	
Zavarovalnica Triglav	Fair value as at 1 January 2019	Fair value as at 31 December 2019	Fair value as at 1 January 2019	Fair value as at 31 December 2019
Debt securities	1,463,225,281	1,780,053,478	239,471,377	21,689,527
Equity securities	0	0	85,583,228	109,481,949
Derivatives	0	0	1,393,263	0
Loans and deposits	83,408,015	39,767,882	0	0
Cash and cash equivalents	17,998,487	19,226,740	0	0
<b>Total</b>	<b>1,564,631,783</b>	<b>1,839,048,101</b>	<b>326,447,868</b>	<b>131,171,475</b>

The table below shows the carrying amount of assets whose contractual cash flows are solely payments of principal and interest on the principal amounts outstanding by credit risk rating grades. The carrying amount is measured in accordance with IAS 39 prior to any impairment allowance for assets measured at amortised cost.

in EUR

Triglav Group	Ratings of assets whose cash flows are solely payments of principal and interest on the principal amounts outstanding					
	Unrated	AAA	AA/A	BBB	BB/B	Total
Debt securities	108,116,108	247,171,318	1,082,994,012	762,566,583	186,269,334	2,387,117,356
Loans and deposits	76,563,224	0	0	9,006	17,087,874	93,660,104
Cash and cash equivalents	41,050,172	0	4,934	784,740	34,029,938	75,869,784
<b>Total</b>	<b>225,729,504</b>	<b>247,171,318</b>	<b>1,082,998,947</b>	<b>763,360,329</b>	<b>237,387,145</b>	<b>2,556,647,244</b>

in EUR

Zavarovalnica Triglav	Ratings of assets whose cash flows are solely payments of principal and interest on the principal amounts outstanding					
	Unrated	AAA	AA/A	BBB	BB/B	Total
Debt securities	66,741,227	218,250,696	921,484,864	471,911,635	59,998,306	1,738,386,727
Loans and deposits	30,588,373	0	0	0	10,367,170	40,955,543
Cash and cash equivalents	5,083,695	0	4,934	34,962	14,103,149	19,226,740
<b>Total</b>	<b>102,413,294</b>	<b>218,250,696</b>	<b>921,489,799</b>	<b>471,946,597</b>	<b>84,468,624</b>	<b>1,798,569,010</b>

The table below shows the fair value and carrying amount of assets whose contractual cash flows are solely payments of principal and interest on the principal amounts outstanding and for which the Group determined that their credit risk was not low. The carrying amount is measured in accordance with IAS 39 prior to any impairment allowance for assets measured at amortised cost.

in EUR

Triglav Group	Assets whose contractual cash flows are solely payments of principal and interest and do not have a low rating	
	Fair value	Carrying amount
Debt securities	295,175,613	294,385,442
Loans and deposits	92,985,180	93,651,097
Cash and cash equivalents	75,070,885	75,080,110
<b>Total</b>	<b>463,231,678</b>	<b>463,116,649</b>

in EUR

Zavarovalnica Triglav	Assets whose contractual cash flows are solely payments of principal and interest and do not have a low rating	
	Fair value	Carrying amount
Debt securities	126,747,278	126,739,532
Loans and deposits	37,327,369	38,515,029
Cash and cash equivalents	19,226,740	19,226,740
<b>Total</b>	<b>183,301,387</b>	<b>184,481,301</b>

*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 the consolidated and separate financial statements of Zavarovalnica Triglav.

*IAS 19: Plan Amendment, Curtailment or Settlement (amendments)*

The amendments are effective for annual periods beginning on or after 1 January 2019. Earlier application is permitted. The amendments to the accounting standard require companies to determine the service cost and net interest for the remainder of the annual reporting period after a plan amendment, curtailment or settlement based on updated actuarial assumptions. The amendments also clarify the effect of a plan amendment, curtailment or settlement on the requirements regarding the asset ceiling. The amendments do not have any impact on the 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. The amendments clarify that an entity must apply IFRS 9 Financial Instruments before applying IAS 28 to recognise long-term interests not measured using the equity method. In applying IFRS 9, the entity does not take account of any adjustments to the carrying amount of long-term interests that result from the application of IAS 28. The amendments do not have an impact on the consolidated and separate financial statements of Zavarovalnica Triglav.

*IFRIC Interpretation 23: Uncertainty over Income Tax Treatments*

The interpretations are effective for annual periods beginning on or after 1 January 2019. Earlier application is permitted. The interpretation addresses the uncertainty in accounting for income tax that affects the application of IAS 12. The interpretation provides guidance on accounting for uncertain tax treatments separately or together, examination by taxation authorities, the appropriate method that reflects the uncertainty, and on considering changes in facts and circumstances. The interpretation does not have an impact on the consolidated and separate financial statements of Zavarovalnica Triglav.

**Annual improvements to IFRS standards 2015 – 2017 cycle**

The International Accounting Standards Board (IASB) issued the annual improvements to IFRS 2015–2017 cycle. The improvements do not have any impact on the consolidated and separate financial statements of Zavarovalnica Triglav.

Amendments to various standards arise from the IFRS annual improvements project (IFRS 3, IFRS 11, IAS 12 and IAS 23), which are primarily aimed at eliminating inconsistencies and clarifying the wording. The amendments include the following clarifications:

IFRS 3: an entity remeasures its previously held interest in a joint operation when it obtains control over a business entity;

IFRS 11: if an entity obtains joint control of a business entity, it does not remeasure its previously held interest in the joint operation;

IAS 12: an entity accounts for all income tax consequences of dividend payments in the same way;

IAS 23: an entity treats as general borrowings any borrowing originally made to develop an asset when the asset is ready for its intended use or sale (IAS 23).

**Standards not yet effective and not early adopted by the Company***IFRS 17: Insurance Contracts*

This standard applies for annual periods beginning on or after 1 January 2022, 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 Insurance Contracts thus establishes principles for the recognition, measurement, presentation and disclosure of insurance contracts. The standard also requires that similar principles be applied to reinsurance contracts and investment contracts with discretionary participation features. The objective of the standard is to ensure that an entity provides relevant information that faithfully represents those contracts. This information enables users of financial statements to assess the effect that contracts within the scope of IFRS 17 have on the entity's financial position, financial performance and cash flows. This standard has not yet been endorsed by the European Union. The management is still assessing the effects of the transition to the new standard.

*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 an acknowledged inconsistency between the requirements in IFRS 10 and IAS 28 in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The main consequence of the amendments is that a full gain or loss is recognised when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary. The International Accounting Standards Board indefinitely deferred the effective date of the standard, pending the identify the of its research project on the equity method of accounting. These amendments to the standard have not yet been endorsed by the European Union. The management is still assessing the impact of the amendments on the consolidated and separate financial statements of Zavarovalnica Triglav.

*IFRS Conceptual Framework*

The International Accounting Standards Board (IASB) published the revised Conceptual Framework for Financial Reporting (Conceptual Framework) on 29 March 2018. The Conceptual Framework sets out a comprehensive set of concepts for financial reporting, standard setting, guidance for preparers in developing consistent accounting policies and assistance to understand and interpret the standards. The IASB also issued a separate accompanying document, Amendments to References to the Conceptual Framework in IFRS Standards, which sets out the amendments to affected standards in order to update references to the revised Conceptual Framework. The objective of the IASB is to provide support for the transition to the revised Conceptual Framework to entities that develop their accounting policies based on the guidance of the Conceptual Framework when no standard applies to a particular transaction. For preparers that use the Conceptual Framework to develop their accounting policies, the revised Conceptual Framework is effective for annual periods beginning on or after 1 January 2020. The amendments were endorsed by the European Union on 29 November 2019. The management is still assessing the potential impact of the revision on the consolidated and separate financial statements of Zavarovalnica Triglav.

*IFRS 3: Business Combinations (amendments)*

The IASB has issued amendments to the definition of a business (amendments to IFRS 3) aimed at resolving the uncertainty that arises when an entity determines whether it 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 to asset acquisitions that occur on or after the beginning of that period. Earlier application is permitted. These amendments to the standard have not yet been endorsed by the European Union. The management is still assessing the impact of the amendments on the 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 are effective for annual periods beginning on or after 1 January 2020. Earlier application is permitted. The amendments clarify the definition of material and how it should be applied. The new definition states that »information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity«. In addition, the IASB clarified the explanation accompanying this definition. The amendments also ensure that the definition of material is consistent across all IFRS. The amendments were endorsed by the European Union on 29 November 2019. The management is still assessing the potential impact of the amendments on the consolidated and separate financial statements of Zavarovalnica Triglav.

*IAS 39 – Financial Instruments: Recognition and Measurement and IFRS 7 – Financial Instruments: Disclosures*

The Interest Rate Benchmark Reform (Amendments to IFRS 9, IAS 39 and IFRS 7) was published by the IASB on 26 September 2019. The changes in Interest Rate Benchmark Reform:

- modify specific hedge accounting requirements so that entities would apply those hedge accounting requirements assuming that the interest rate benchmark on which the hedged cash flows and cash flows from the hedging instrument are based will not be altered as a result of interest rate benchmark reform;
- are mandatory for all hedging relationships that are directly affected by the interest rate benchmark reform;
- are not intended to provide relief from any other consequences arising from interest rate benchmark reform (if a hedging relationship no longer meets the requirements for hedge accounting for reasons other than those specified by the amendments, discontinuation of hedge accounting is required); and
- require specific disclosures about the extent to which the entities' hedging relationships are affected by the amendments.

The amendments were endorsed by the European Union on 15 January 2020. The management is still assessing the potential impact of the amendments on the consolidated and separate financial statements of Zavarovalnica Triglav.

*IFRS 14 – Regulatory Statutory Deferral*

This standard was published by the IASB on 30 January 2014. The objective of the standard is to enable an entity that is a first-time adopter of IFRS to continue to account for regulatory deferral account balances in accordance with its previous GAAP when it adopts IFRS. This standard has not yet been endorsed by the European Union. The management is still assessing the potential impact of the standard on the consolidated and separate financial statements of Zavarovalnica Triglav.

## 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 2019	31 December 2018
Balance sheet total (without offsetting)	2,920,864,739	2,748,856,353
Mutual receivables and liabilities	-8,063,058	-6,491,237
Deferred tax assets and liabilities	-11,661,540	-12,177,591
<b>Offset balance</b>	<b>2,901,140,141</b>	<b>2,730,187,525</b>

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:

					in EUR
<b>Triglav Group</b>					
<b>2019</b>	<b>Non-life</b>	<b>Life</b>	<b>Health</b>	<b>Non-insurance</b>	<b>TOTAL</b>
Investments in intangible assets	4,114,609	1,802,291	229,266	674,639	<b>6,820,806</b>
Investments in property, plant and equipment	8,407,222	219,571	139,002	556,087	<b>9,321,882</b>
Investments in investment property	4,483,999	0	0	976,497	<b>5,460,496</b>

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

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 2019	in EUR		
	Non-life	Life	TOTAL
<b>ADDITIONAL DISCLOSURES FROM THE STATEMENT OF FINANCIAL POSITION</b>			
Investments in intangible assets	2,906,839	1,769,875	4,676,714
Investments in property, plant and equipment	3,786,310	77,405	3,863,715
Investments in investment property	4,204,291	0	4,204,291
<b>ADDITIONAL DISCLOSURES FROM THE INCOME STATEMENT</b>			
Depreciation charge for the current year	-9,469,409	-1,714,845	-11,184,254
Depreciation of right of use assets	-861,070	-170,409	-1,031,479
Expenses from the impairment of premium and subrogation receivables	-11,947,278	0	-11,947,278
Income from reversal of impairment of receivables	9,667,270	11,963	9,679,233
Expenses from impairment of investment property	-164,017	0	-164,017
Expenses from impairment of other receivables	-101,513	-5,246	-106,759
Income from reversal of impairment of other receivables	61,134	19	61,153

Zavarovalnica Triglav 2018	in EUR		
	Non-life	Life	TOTAL
<b>ADDITIONAL DISCLOSURES FROM THE STATEMENT OF FINANCIAL POSITION</b>			
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
<b>ADDITIONAL DISCLOSURES FROM THE INCOME STATEMENT</b>			
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 property, plant and equipment	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

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.



Triglav Group	2019					2018					in EUR
	NON-LIFE	LIFE	HEALTH	OTHER	TOTAL	NON-LIFE	LIFE	HEALTH	OTHER	TOTAL	
<b>Other comprehensive income by business segments</b>											
<b>NET PROFIT FOR THE YEAR AFTER TAX</b>	<b>62,896,114</b>	<b>17,244,702</b>	<b>4,373,002</b>	<b>-649,389</b>	<b>83,864,429</b>	<b>62,862,390</b>	<b>12,486,107</b>	<b>3,108,231</b>	<b>2,369,517</b>	<b>80,826,245</b>	
<b>OTHER COMPREHENSIVE INCOME AFTER TAX</b>	<b>8,911,767</b>	<b>4,510,742</b>	<b>411,447</b>	<b>4,169,509</b>	<b>18,003,465</b>	<b>-18,027,432</b>	<b>-5,534,695</b>	<b>-683,406</b>	<b>-4,686,425</b>	<b>-28,931,958</b>	
Items which will not be transferred in P&L in future periods	-307,238	-47,664	-20,212	24,020	-351,094	-243,770	-41,662	-13,613	-4,380	-303,425	
Net actuarial gains/losses for pension plans	-307,238	-47,664	-20,212	24,020	-351,094	-243,770	-41,662	-13,613	-4,505	-303,550	
Tax on items which will not be transferred in P&L	0	0	0	0	0	0	0	0	125	125	
Items which could be transferred into P&L in future periods	9,219,005	4,558,406	431,659	4,145,489	18,354,559	-17,783,662	-5,493,033	-669,793	-4,682,045	-28,628,533	
Fair value gains/losses on available-for-sale financial assets	10,813,731	9,580,568	532,912	7,563,077	28,490,288	-22,207,016	-21,643,500	-826,905	-5,414,080	-50,091,501	
– net gains/losses recognized directly in equity	17,832,579	15,014,263	654,159	7,837,795	41,338,796	-12,938,575	-16,334,830	-981,222	-1,797,972	-32,052,599	
– transfers from equity to income statement	-7,018,848	-5,433,695	-121,247	-274,718	-12,848,508	-9,268,441	-5,308,670	154,317	-3,616,108	-18,038,902	
Fair value gains/losses on non-current assets held for sale	0	0	0	0	0	0	0	0	0	0	
Share of OCI of entities accounted for using the equity method	0	0	0	0	0	0	0	0	-310,367	-310,367	
Liabilities from insurance contracts with DPF	0	-4,005,357	0	0	-4,005,357	0	12,510,378	0	0	12,510,378	
Currency translation differences	186,748	-37,740	0	-11,565	137,443	57,124	57,100	0	13,259	127,483	
Tax on other comprehensive income	-1,781,474	-979,065	-101,253	-3,406,023	-6,267,815	4,366,230	3,582,989	157,112	1,029,143	9,135,474	
<b>COMPREHENSIVE INCOME OR LOSS FOR THE YEAR AFTER TAX</b>	<b>71,807,881</b>	<b>21,755,444</b>	<b>4,784,449</b>	<b>3,520,120</b>	<b>101,867,894</b>	<b>44,834,958</b>	<b>6,951,412</b>	<b>2,424,825</b>	<b>-2,316,908</b>	<b>51,894,287</b>	
Controlling interest	71,601,272	21,745,624	4,784,449	3,535,233	101,666,578	44,606,567	6,962,392	2,424,825	-2,291,015	51,702,769	
Non-controlling interest	206,609	9,820	0	-15,113	201,316	228,391	-10,980	0	-25,893	191,518	

Zavarovalnica Triglav	2019			2018			in EUR
	NON-LIFE	LIFE	TOTAL	NON-LIFE	LIFE	TOTAL	
<b>Other comprehensive income by business segments</b>							
<b>Net profit for the year after tax</b>	<b>56,289,644</b>	<b>14,324,772</b>	<b>70,614,416</b>	<b>58,259,539</b>	<b>7,284,325</b>	<b>65,543,864</b>	
<b>Other comprehensive income after tax</b>	<b>5,745,525</b>	<b>837,468</b>	<b>6,582,993</b>	<b>-15,894,778</b>	<b>-4,102,785</b>	<b>-19,997,563</b>	
Items which will not be transferred in P&L in future periods	-261,844	-47,664	-309,508	-224,491	-41,662	-266,153	
Actuarial gains and losses related to post-employment benefits on retirement	-261,844	-47,664	-309,508	-224,491	-41,662	-266,153	
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	6,007,369	885,132	6,892,501	-15,670,287	-4,061,123	-19,731,410	
Fair value gains/losses on available-for-sale financial assets	7,416,505	5,858,245	13,274,750	-19,346,033	-20,168,855	-39,514,888	
– net gains/losses recognized directly in equity	13,649,773	11,383,441	25,033,214	-10,991,664	-14,819,878	-25,811,542	
– transfers from equity to income statement	-6,233,268	-5,525,196	-11,758,464	-8,354,369	-5,348,977	-13,703,346	
Liabilities from insurance contracts with DPF	0	-4,005,357	-4,005,357	0	12,510,379	12,510,379	
Tax on other comprehensive income	-1,409,136	-967,756	-2,376,892	3,675,746	3,597,353	7,273,099	
<b>COMPREHENSIVE INCOME OR LOSS FOR THE YEAR AFTER TAX</b>	<b>62,035,169</b>	<b>15,162,240</b>	<b>77,197,409</b>	<b>42,364,761</b>	<b>3,181,540</b>	<b>45,546,301</b>	



### 5.12.1. Reporting by business segment for Triglav Group

in EUR

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 reflected in investment income and expenses. Consolidated profit was also affected by the elimination of intragroup leases.

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.

The non-insurance segment includes real estate management, financial asset management and other support activities in conducting insurance business.

	31 December 2019				TOTAL (before eliminations)	ELIMINATIONS	TOTAL (after eliminations)
Statement of financial position	NON-LIFE	LIFE	HEALTH	OTHER			
<b>ASSETS</b>	<b>1,886,331,447</b>	<b>2,127,584,025</b>	<b>69,867,321</b>	<b>200,898,657</b>	<b>4,284,681,450</b>	<b>-347,681,630</b>	<b>3,936,999,820</b>
Intangible assets	73,873,704	4,960,073	1,410,073	21,481,875	101,725,725	0	101,725,725
Property, plant and equipment	95,558,447	10,287,688	1,330,907	6,895,248	114,072,290	0	114,072,290
Deferred tax assets	11,673,552	286,682	179,837	322,011	12,462,082	0	12,462,082
Investment property	48,371,952	1,867,050	0	25,659,463	75,898,465	4,023,015	79,921,480
Right of use assets	11,003,727	818,995	813,973	2,416,991	15,053,686	-4,115,761	10,937,925
Investments in subsidiaries	127,367,858	15,104,174	0	72,875,056	215,347,088	-215,347,088	0
Investments in associates	12,628,315	526,064	0	0	13,154,379	0	13,154,379
Financial assets	1,081,648,504	2,054,668,134	57,376,656	42,720,774	3,236,414,068	-14,351,828	3,222,062,240
Financial investments	1,081,648,504	1,572,636,846	57,376,656	42,720,774	2,754,382,780	-14,351,828	2,740,030,952
– loans and deposits	82,447,820	28,035,356	108	11,294,539	121,777,823	-9,199,672	112,578,151
– held to maturity	0	186,109,072	0	0	186,109,072	0	186,109,072
– available for sale	938,892,715	803,897,253	57,376,548	31,426,235	1,831,592,751	-4,652,335	1,826,940,416
– recognised at fair value through profit and loss	60,307,969	554,595,165	0	0	614,903,134	-499,821	614,403,313
Unit-linked insurance assets	0	482,031,288	0	0	482,031,288	0	482,031,288
Reinsurers' share of technical provisions	174,939,813	372,098	1,977,798	0	177,289,709	-74,541,903	102,747,806
Receivables	218,205,416	3,401,672	6,225,706	9,702,838	237,535,632	-43,299,884	194,235,748
– receivables from direct insurance operations	98,750,207	940,602	5,904,061	39,889	105,634,759	-174,930	105,459,829
– receivables from reinsurance and coinsurance operations	98,989,542	212,839	191,854	0	99,394,235	-41,404,733	57,989,502
– current tax receivables	194,416	1,172	0	1,085,761	1,281,349	0	1,281,349
– other receivables	20,271,251	2,247,059	129,791	8,577,188	31,225,289	-1,720,221	29,505,068
Other assets	4,718,106	74,106	60,856	841,262	5,694,330	-48,181	5,646,149
Cash and cash equivalents	26,342,053	35,217,289	491,515	13,818,918	75,869,775	0	75,869,775
Non-current assets held for sale	0	0	0	4,164,221	4,164,221	0	4,164,221
<b>EQUITY AND LIABILITIES</b>	<b>1,886,331,447</b>	<b>2,127,584,025</b>	<b>69,867,321</b>	<b>200,898,657</b>	<b>4,284,681,450</b>	<b>-347,681,630</b>	<b>3,936,999,820</b>
Equity	624,320,880	163,093,029	34,970,059	179,818,228	1,002,202,196	-210,250,408	791,951,788
Controlling interests	624,320,880	163,093,029	34,970,059	179,818,228	1,002,202,196	-212,676,073	789,526,123
– share capital	114,718,513	48,491,866	25,822,144	104,271,537	293,304,060	-219,602,668	73,701,392
– share premium	43,118,794	13,658,827	0	20,596,489	77,374,110	-27,097,473	50,276,637
– reserves from profit	304,169,128	47,203,902	759,573	1,737,217	353,869,820	864,454	354,734,274
– 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	56,592,416	13,594,911	1,357,420	13,742,971	85,287,718	-1,187,794	84,099,924
– net profit brought forward	63,783,256	26,125,799	4,385,242	35,792,884	130,087,181	35,808,989	165,896,170
– net profit for the year	43,800,570	14,660,149	2,645,680	3,713,810	64,820,209	-1,415,385	63,404,824
– currency translation differences	-1,861,797	-642,425	0	-36,680	-2,540,902	-46,196	-2,587,098
– reserve of disposal group held for sale	0	0	0	0	0	0	0
Non-controlling interests	0	0	0	0	0	2,425,665	2,425,665
Subordinated liabilities	60,160,065	9,839,385	1,500,000	0	71,499,450	-6,652,157	64,847,293
Insurance technical provisions	1,008,682,231	1,438,237,510	21,698,247	0	2,468,617,988	-74,690,652	2,393,927,336
– unearned premiums	343,950,574	443,779	3,436,474	0	347,830,827	-15,319,892	332,510,935
– mathematical provisions	0	1,404,439,748	0	0	1,404,439,748	0	1,404,439,748
– claims provisions	637,832,876	20,761,018	14,541,924	0	673,135,818	-57,737,074	615,398,744
– other insurance technical provisions	26,898,781	12,592,965	3,719,849	0	43,211,595	-1,633,686	41,577,909
Insurance technical provisions for unit-linked insurance contracts	0	484,942,835	0	0	484,942,835	0	484,942,835
Employee benefits	12,308,513	2,265,686	628,812	670,035	15,873,046	0	15,873,046
Other provisions	1,377,941	127,805	130,334	1,114,320	2,750,400	0	2,750,400
Deferred tax liabilities	13,090,239	5,030,501	0	4,407,808	22,528,548	-11,856	22,516,692
Other financial liabilities	1,746,437	25,699	98,854	1,189,450	3,060,440	-1,196,027	1,864,413
Operating liabilities	91,801,534	11,691,145	5,348,431	138,345	108,979,455	-42,107,124	66,872,331
– liabilities from direct insurance operations	6,784,884	11,128,658	4,346,780	0	22,260,322	-701,778	21,558,544
– liabilities from reinsurance and co-insurance operations	82,218,277	532,812	203,170	0	82,954,259	-41,405,346	41,548,913
– current tax liabilities	2,798,373	29,675	798,481	138,345	3,764,874	0	3,764,874
Lease liabilities	10,997,796	794,424	819,669	2,491,774	15,103,663	-4,187,985	10,915,678
Other liabilities	61,845,811	11,536,007	4,672,915	11,068,697	89,123,430	-8,585,422	80,538,008
Non-current liabilities held for sale and discontinued operations	0	0	0	0	0	0	0

in EUR

	31 December 2018				TOTAL	ELIMINATIONS	TOTAL
Statement of financial position	NON-LIFE	LIFE	HEALTH	OTHER	(before eliminations)		(after eliminations)
<b>ASSETS</b>	<b>1,760,375,116</b>	<b>1,975,276,808</b>	<b>59,416,391</b>	<b>191,819,384</b>	<b>3,986,887,699</b>	<b>-341,610,212</b>	<b>3,645,277,487</b>
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
<b>EQUITY AND LIABILITIES</b>	<b>1,760,375,116</b>	<b>1,975,276,808</b>	<b>59,416,391</b>	<b>191,819,384</b>	<b>3,986,887,699</b>	<b>-341,610,212</b>	<b>3,645,277,487</b>
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/loss 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
– reserve of disposal group held for sale	0	0	0	0	0	0	0
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
Non-current liabilities held for sale and discontinued operations	0	0	0	0	0	0	0

Income statement	2019					2018					in EUR
	NON-LIFE	LIFE	HEALTH	OTHER	TOTAL	NON-LIFE	LIFE	HEALTH	OTHER	TOTAL	
<b>Net premium income</b>	<b>620,166,204</b>	<b>231,200,262</b>	<b>176,262,359</b>	<b>0</b>	<b>1,027,628,825</b>	<b>585,971,063</b>	<b>222,084,638</b>	<b>143,707,161</b>	<b>0</b>	<b>951,762,862</b>	
– gross written premium	775,494,930	231,930,884	176,748,293	0	1,184,174,107	702,217,196	222,162,500	144,014,711	0	1,068,394,407	
– ceded written premium	-135,738,308	-714,789	0	0	-136,453,097	-106,529,888	-95,020	0	0	-106,624,908	
– change in unearned premium reserve	-19,590,418	-15,833	-485,934	0	-20,092,185	-9,716,245	17,158	-307,550	0	-10,006,637	
<b>Income from investments in subsidiaries and associates</b>	<b>208,868</b>	<b>0</b>	<b>0</b>	<b>867,459</b>	<b>1,076,327</b>	<b>197,552</b>	<b>0</b>	<b>0</b>	<b>823,607</b>	<b>1,021,159</b>	
– profit on equity investments accounted for using the equity method	208,868	0	0	307,045	515,913	197,552	0	0	823,607	1,021,159	
– other income from investments in subsidiaries and associates	0	0	0	560,414	560,414	0	0	0	0	0	
<b>Income from investments</b>	<b>32,870,628</b>	<b>151,747,522</b>	<b>886,374</b>	<b>1,484,681</b>	<b>186,989,205</b>	<b>34,632,804</b>	<b>49,788,938</b>	<b>770,319</b>	<b>3,697,016</b>	<b>88,889,077</b>	
– interest income calculated using the effective interest method	16,208,950	36,274,202	631,895	22,695	53,137,742	17,301,940	37,548,168	662,032	61,102	55,573,242	
– gains on disposals	12,106,924	24,015,652	251,753	1,194,490	37,568,819	11,976,273	8,082,627	102,829	3,616,108	23,777,837	
– other income from investments	4,554,754	91,457,668	2,726	267,496	96,282,644	5,354,591	4,158,143	5,458	19,806	9,537,998	
<b>Other income from insurance operations</b>	<b>36,860,695</b>	<b>280,726</b>	<b>42,091</b>	<b>0</b>	<b>37,183,512</b>	<b>29,682,258</b>	<b>117,141</b>	<b>38,582</b>	<b>0</b>	<b>29,837,981</b>	
– fees and commission income	21,841,642	227,613	0	0	22,069,255	15,731,478	74,703	0	0	15,806,181	
– other income from insurance operations	15,019,053	53,113	42,091	0	15,114,257	13,950,780	42,438	38,582	0	14,031,800	
<b>Other income</b>	<b>6,633,071</b>	<b>352,611</b>	<b>79,818</b>	<b>32,455,622</b>	<b>39,521,122</b>	<b>8,416,445</b>	<b>81,218</b>	<b>73,197</b>	<b>27,578,673</b>	<b>36,149,533</b>	
<b>Net claims incurred</b>	<b>349,831,663</b>	<b>181,811,031</b>	<b>152,505,134</b>	<b>0</b>	<b>684,147,828</b>	<b>330,958,972</b>	<b>170,347,333</b>	<b>125,254,093</b>	<b>0</b>	<b>626,560,398</b>	
– gross claims settled	394,737,465	181,736,829	140,267,842	0	716,742,136	391,236,589	169,247,828	119,115,801	0	679,600,218	
– reinsurers' share	-35,136,449	-118,092	0	0	-35,254,541	-39,988,691	-275	0	0	-39,988,966	
– changes in claims provisions	-9,769,353	192,294	4,670,123	0	-4,906,936	-20,288,926	1,099,780	-59,406	0	-19,248,552	
– equalisation scheme expenses for supplementary health insurance	0	0	7,567,169	0	7,567,169	0	0	6,197,698	0	6,197,698	
<b>Change in other insurance technical provisions (excluding ULI)</b>	<b>176,456</b>	<b>58,687,111</b>	<b>445,023</b>	<b>0</b>	<b>59,308,590</b>	<b>-1,062,012</b>	<b>39,919,496</b>	<b>1,002,889</b>	<b>0</b>	<b>39,860,373</b>	
<b>Change in insurance technical provisions for unit-linked insurance contracts</b>	<b>0</b>	<b>69,205,056</b>	<b>0</b>	<b>0</b>	<b>69,205,056</b>	<b>0</b>	<b>-46,889,547</b>	<b>0</b>	<b>0</b>	<b>-46,889,547</b>	
<b>Expenses for bonuses and discounts</b>	<b>11,544,916</b>	<b>16,342</b>	<b>0</b>	<b>0</b>	<b>11,561,258</b>	<b>11,363,385</b>	<b>54,300</b>	<b>0</b>	<b>0</b>	<b>11,417,685</b>	
<b>Operating expenses</b>	<b>191,503,701</b>	<b>35,403,309</b>	<b>17,545,841</b>	<b>0</b>	<b>244,452,851</b>	<b>184,623,966</b>	<b>34,712,670</b>	<b>14,300,789</b>	<b>0</b>	<b>233,637,425</b>	
– acquisition costs	135,465,781	20,245,934	6,854,869	0	162,566,584	134,064,349	19,835,483	5,345,261	0	159,245,093	
– other operating costs	56,037,920	15,157,375	10,690,972	0	81,886,267	50,559,617	14,877,187	8,955,528	0	74,392,332	
<b>Expenses from investments in subsidiaries and associates</b>	<b>84,936</b>	<b>85,704</b>	<b>0</b>	<b>562,704</b>	<b>733,344</b>	<b>40,624</b>	<b>96,468</b>	<b>0</b>	<b>0</b>	<b>137,092</b>	
– loss on investments accounted for using the equity method	84,936	85,704	0	0	170,640	40,624	96,468	0	0	137,092	
– other expenses from financial assets and liabilities	0	0	0	562,704	562,704	0	0	0	0	0	
<b>Expenses from investments</b>	<b>9,657,415</b>	<b>13,913,508</b>	<b>67,088</b>	<b>315,561</b>	<b>23,953,572</b>	<b>10,255,409</b>	<b>56,558,933</b>	<b>46,677</b>	<b>257,467</b>	<b>67,118,486</b>	
– loss on impairment of investments	737,255	111,707	0	0	848,962	962,748	334,735	0	200,000	1,497,483	
– loss on disposal of investments	3,543,500	6,216,066	7,600	0	9,767,166	4,385,692	8,681,959	7,554	53,723	13,128,928	
– other expenses from investments	5,376,660	7,585,735	59,488	315,561	13,337,444	4,906,969	47,542,239	39,123	3,744	52,492,075	
<b>Other insurance expenses</b>	<b>40,947,571</b>	<b>1,550,829</b>	<b>1,066,910</b>	<b>0</b>	<b>43,565,310</b>	<b>32,784,314</b>	<b>367,369</b>	<b>592,452</b>	<b>0</b>	<b>33,744,134</b>	
<b>Other expenses</b>	<b>17,466,023</b>	<b>2,681,377</b>	<b>605,206</b>	<b>33,781,350</b>	<b>54,533,956</b>	<b>14,234,004</b>	<b>2,784,219</b>	<b>29,867</b>	<b>27,570,673</b>	<b>44,618,763</b>	
– expenses from financing	2,497,381	422,456	0	178,665	3,098,502	777,130	604,356	0	2,875	1,384,361	
– other expenses	14,968,642	2,258,921	605,206	33,602,685	51,435,454	13,456,874	2,179,863	29,867	27,567,798	43,234,402	
<b>Profit before tax</b>	<b>75,526,786</b>	<b>20,226,854</b>	<b>5,035,440</b>	<b>148,147</b>	<b>100,937,227</b>	<b>75,701,460</b>	<b>14,120,694</b>	<b>3,362,492</b>	<b>4,271,156</b>	<b>97,455,802</b>	
Income tax expense	12,630,672	2,982,152	662,438	797,536	17,072,798	12,839,070	1,634,587	254,261	1,901,639	16,629,557	
<b>NET PROFIT FOR THE PERIOD</b>	<b>62,896,114</b>	<b>17,244,702</b>	<b>4,373,002</b>	<b>-649,389</b>	<b>83,864,429</b>	<b>62,862,390</b>	<b>12,486,107</b>	<b>3,108,231</b>	<b>2,369,517</b>	<b>80,826,245</b>	
Net profit/loss attributable to the controlling company	62,712,607	17,239,310	4,373,002	-634,275	83,690,644	62,683,418	12,475,561	3,108,231	2,395,544	80,662,753	
Net profit/loss attributable to the non-controlling interest holders	183,507	5,392	0	-15,114	173,785	178,972	10,546	0	-26,027	163,491	

**5.12.2. Reporting by business segment for Zavarovalnica Triglav**

	31 December 2019			31 December 2018		
Statement of financial position	NON-LIFE	LIFE	TOTAL	NON-LIFE	LIFE	TOTAL
<b>ASSETS</b>	<b>1,296,007,131</b>	<b>1,624,857,608</b>	<b>2,920,864,739</b>	<b>1,221,102,015</b>	<b>1,527,754,338</b>	<b>2,748,856,353</b>
Intangible assets	57,101,033	4,823,240	61,924,273	57,598,248	4,564,254	62,162,502
Property, plant and equipment	60,163,552	8,142,132	68,305,684	59,735,959	8,250,141	67,986,100
Deferred tax assets	11,414,866	246,674	11,661,540	11,956,605	220,986	12,177,591
Investment property	45,233,734	857,401	46,091,135	44,056,810	1,213,730	45,270,540
Right of use assets	4,106,316	0	4,106,316	0	0	0
Investments in subsidiaries	121,792,669	13,145,998	134,938,667	118,792,669	13,145,998	131,938,667
Investments in associates	18,054,026	0	18,054,026	16,959,355	0	16,959,355
Financial assets	763,048,943	1,582,917,049	2,345,965,992	720,655,616	1,486,045,412	2,206,701,028
Financial investments	763,048,943	1,149,158,439	1,912,207,382	720,655,616	1,119,381,334	1,840,036,950
– loans and deposits	42,585,064	6,464,783	49,049,847	56,833,143	35,837,166	92,670,309
– held to maturity	0	150,469,553	150,469,553	0	159,463,950	159,463,950
– available for sale	663,894,901	718,907,168	1,382,802,069	662,429,210	721,426,295	1,383,855,505
– recognised at fair value through profit and loss	56,568,978	273,316,935	329,885,913	1,393,263	202,653,923	204,047,186
Unit-linked insurance assets	0	433,758,610	433,758,610	0	366,664,078	366,664,078
Reinsurers' share of technical provisions	98,415,614	17,656	98,433,270	87,883,266	10,040	87,893,306
Receivables	99,996,693	1,782,360	101,779,053	93,426,058	3,046,130	96,472,188
– receivables from direct insurance operations	68,028,729	372,408	68,401,137	62,281,265	354,072	62,635,337
– receivables from reinsurance and coinsurance operations	17,218,816	861	17,219,677	18,154,451	3,160	18,157,611
– current tax receivables	0	0	0	0	0	0
– other receivables	14,749,148	1,409,091	16,158,239	12,990,342	2,688,898	15,679,240
Other assets	3,443,061	49,610	3,492,671	3,268,118	28,471	3,296,589
Cash and cash equivalents	13,236,624	12,875,488	26,112,112	6,769,311	11,229,176	17,998,487
<b>EQUITY AND LIABILITIES</b>	<b>1,296,007,131</b>	<b>1,624,857,608</b>	<b>2,920,864,739</b>	<b>1,221,102,015</b>	<b>1,527,754,338</b>	<b>2,748,856,353</b>
Equity	478,889,482	101,590,793	580,480,275	466,409,221	93,711,515	560,120,736
– 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	293,448,752	45,513,891	338,962,643	273,448,752	45,513,891	318,962,643
– fair value reserve	47,533,632	6,326,248	53,859,881	41,774,285	5,485,903	47,260,189
– net profit brought forward	9,931,936	-2,877	9,929,059	1,241,127	-1,363	1,239,764
– net profit for the year	36,289,644	14,324,772	50,614,416	58,259,539	7,284,325	65,543,864
Subordinated liabilities	60,160,066	9,839,385	69,999,451	10,777,635	9,835,316	20,612,951
Insurance technical provisions	662,915,656	1,050,505,865	1,713,421,521	658,684,690	1,037,458,785	1,696,143,475
– unearned premiums	232,398,752	392,304	232,791,056	213,519,363	400,574	213,919,937
– mathematical provisions	0	1,020,231,686	1,020,231,686	0	1,009,712,605	1,009,712,605
– claims provisions	408,984,759	19,336,004	428,320,763	423,416,968	19,143,220	442,560,188
– other insurance technical provisions	21,532,145	10,545,871	32,078,016	21,748,359	8,202,386	29,950,745
Insurance technical provisions for unit-linked insurance contracts	0	435,592,711	435,592,711	0	365,238,075	365,238,075
Employee benefits	9,826,388	2,066,061	11,892,449	9,212,790	1,954,366	11,167,156
Other provisions	621,111	111,700	732,811	646,735	111,700	758,435
Deferred tax liabilities	11,343,388	6,024,831	17,368,219	9,934,252	5,057,075	14,991,327
Other financial liabilities	1,638,375	1,750	1,640,125	1,585,693	1,750	1,587,443
Operating liabilities	22,317,389	9,595,349	31,912,738	21,559,229	6,964,343	28,523,572
– liabilities from direct insurance operations	4,651,168	9,588,327	14,239,495	4,348,116	6,958,719	11,306,835
– liabilities from reinsurance and co-insurance operations	15,302,053	7,022	15,309,075	13,814,322	5,624	13,819,946
– current tax liabilities	2,364,168	0	2,364,168	3,396,791	0	3,396,791
Lease liabilities	4,166,278	0	4,166,278	0	0	0
Other liabilities	44,128,998	9,529,163	53,658,161	42,291,770	7,421,413	49,713,183

	2019			2018			in EUR
Income statement	NON-LIFE	LIFE	TOTAL	NON-LIFE	LIFE	TOTAL	
<b>Net premium income</b>	<b>394,414,318</b>	<b>179,141,039</b>	<b>573,555,357</b>	<b>378,258,596</b>	<b>173,682,272</b>	<b>551,940,868</b>	
– gross written premium	522,227,959	179,904,010	702,131,969	486,096,461	174,113,971	660,210,432	
– ceded written premium	-118,761,248	-771,505	-119,532,753	-100,859,391	-437,719	-101,297,110	
– change in unearned premium reserve	-9,052,393	8,534	-9,043,859	-6,978,474	6,020	-6,972,454	
<b>Income from investments in subsidiaries and associates</b>	<b>3,642,440</b>	<b>0</b>	<b>3,642,440</b>	<b>5,231,767</b>	<b>73,778</b>	<b>5,305,545</b>	
– profit on equity investments accounted for using the equity method	0	0	0	0	0	0	
– other income from investments in subsidiaries and associates	3,642,440	0	3,642,440	5,231,767	73,778	5,305,545	
<b>Income from investments</b>	<b>23,082,111</b>	<b>118,430,116</b>	<b>141,512,227</b>	<b>24,439,758</b>	<b>37,315,377</b>	<b>61,755,135</b>	
– interest income calculated using the effective interest method	9,238,349	25,898,500	35,136,849	9,974,613	26,915,406	36,890,019	
– gains on disposals	10,513,445	21,545,989	32,059,434	10,575,678	7,945,971	18,521,649	
– other income from investments	3,330,317	70,985,627	74,315,944	3,889,467	2,454,000	6,343,467	
<b>Other income from insurance operations</b>	<b>29,490,605</b>	<b>264,398</b>	<b>29,755,003</b>	<b>27,303,374</b>	<b>145,010</b>	<b>27,448,384</b>	
– fees and commission income	19,598,985	249,021	19,848,006	16,885,011	119,121	17,004,132	
– other income from insurance operations	9,891,620	15,377	9,906,997	10,418,363	25,889	10,444,252	
<b>Other income</b>	<b>7,216,917</b>	<b>4,138,518</b>	<b>11,355,435</b>	<b>8,468,264</b>	<b>4,023,715</b>	<b>12,491,979</b>	
<b>Net claims incurred</b>	<b>217,114,940</b>	<b>159,645,937</b>	<b>376,760,877</b>	<b>210,564,633</b>	<b>149,377,041</b>	<b>359,941,674</b>	
– gross claims settled	265,384,653	159,819,727	425,204,380	272,247,890	148,754,692	421,002,582	
– reinsurers' share	-31,136,225	-359,222	-31,495,447	-37,665,083	-102,530	-37,767,613	
– changes in claims provisions	-17,133,488	185,432	-16,948,056	-24,018,174	724,879	-23,293,295	
<b>Change in other insurance technical provisions (excluding ULI)</b>	<b>265,640</b>	<b>22,072,501</b>	<b>22,338,141</b>	<b>-824,163</b>	<b>30,323,553</b>	<b>29,499,390</b>	
<b>Change in insurance technical provisions for unit-linked insurance contracts</b>	<b>0</b>	<b>57,140,018</b>	<b>57,140,018</b>	<b>0</b>	<b>-50,884,979</b>	<b>-50,884,979</b>	
<b>Expenses for bonuses and discounts</b>	<b>9,721,522</b>	<b>0</b>	<b>9,721,522</b>	<b>10,571,287</b>	<b>0</b>	<b>10,571,287</b>	
<b>Operating expenses</b>	<b>125,759,389</b>	<b>32,146,776</b>	<b>157,906,165</b>	<b>121,357,937</b>	<b>31,650,981</b>	<b>153,008,918</b>	
– acquisition costs	89,452,908	21,415,472	110,868,380	89,212,605	21,017,507	110,230,112	
– other operating costs	36,306,481	10,731,304	47,037,785	32,145,332	10,633,474	42,778,806	
<b>Expenses from investments in subsidiaries and associates</b>	<b>195,478</b>	<b>0</b>	<b>195,478</b>	<b>4,759</b>	<b>0</b>	<b>4,759</b>	
– loss on investments accounted for using the equity method	0	0	0	0	0	0	
– other expenses from financial assets and liabilities	195,478	0	195,478	4,759	0	4,759	
<b>Expenses from investments</b>	<b>7,956,648</b>	<b>10,425,287</b>	<b>18,381,935</b>	<b>8,100,760</b>	<b>42,828,967</b>	<b>50,929,727</b>	
– loss on impairment of investments	249,476	94,699	344,175	942,865	306,012	1,248,877	
– loss on disposal of investments	3,530,238	6,149,273	9,679,511	4,015,614	8,550,750	12,566,364	
– other expenses from investments	4,176,934	4,181,315	8,358,249	3,142,281	33,972,205	37,114,486	
<b>Other insurance expenses</b>	<b>14,366,392</b>	<b>584,315</b>	<b>14,950,707</b>	<b>11,481,635</b>	<b>338,004</b>	<b>11,819,639</b>	
<b>Other expenses</b>	<b>15,120,494</b>	<b>2,693,518</b>	<b>17,814,012</b>	<b>12,852,347</b>	<b>2,741,897</b>	<b>15,594,244</b>	
– expenses from financing	2,270,915	596,215	2,867,130	874,476	632,546	1,507,022	
– other expenses	12,849,579	2,097,303	14,946,882	11,977,871	2,109,351	14,087,222	
<b>Profit before tax</b>	<b>67,345,888</b>	<b>17,265,719</b>	<b>84,611,607</b>	<b>69,592,564</b>	<b>8,864,688</b>	<b>78,457,252</b>	
Income tax expense	11,056,244	2,940,947	13,997,191	11,333,025	1,580,363	12,913,388	
<b>NET PROFIT FOR THE PERIOD</b>	<b>56,289,644</b>	<b>14,324,772</b>	<b>70,614,416</b>	<b>58,259,539</b>	<b>7,284,325</b>	<b>65,543,864</b>	



## 5.12.3. Reporting by geographical area for Triglav Group

	in EUR				
	31 December 2019				
Statement of financial position	SLOVENIA	OTHER	TOTAL (before eliminations)	ELIMINATIONS	TOTAL (after eliminations)
<b>ASSETS</b>	<b>3,838,569,798</b>	<b>446,111,652</b>	<b>4,284,681,450</b>	<b>-347,681,630</b>	<b>3,936,999,820</b>
Intangible assets	86,275,221	15,450,504	101,725,725	0	101,725,725
Property, plant and equipment	72,964,687	41,107,603	114,072,290	0	114,072,290
Deferred tax assets	12,141,162	320,920	12,462,082	0	12,462,082
Investment property	69,084,866	6,813,599	75,898,465	4,023,015	79,921,480
Right of use assets	6,838,989	8,214,697	15,053,686	-4,115,761	10,937,925
Investments in subsidiaries	209,585,814	5,761,274	215,347,088	-215,347,088	0
Investments in associates	13,154,379	0	13,154,379	0	13,154,379
Financial assets	2,973,735,046	262,679,022	3,236,414,068	-14,351,828	3,222,062,240
Financial investments	2,513,307,413	241,075,367	2,754,382,780	-14,351,828	2,740,030,952
– loans and deposits	74,692,193	47,085,630	121,777,823	-9,199,672	112,578,151
– held to maturity	166,255,014	19,854,058	186,109,072	0	186,109,072
– available for sale	1,663,388,304	168,204,447	1,831,592,751	-4,652,335	1,826,940,416
– recognised at fair value through profit and loss	608,971,902	5,931,232	614,903,134	-499,821	614,403,313
Unit-linked insurance assets	460,427,633	21,603,655	482,031,288	0	482,031,288
Reinsurers' share of technical provisions	150,961,953	26,327,756	177,289,709	-74,541,903	102,747,806
Receivables	181,409,391	56,126,241	237,535,632	-43,299,884	194,235,748
– receivables from direct insurance operations	74,305,445	31,329,314	105,634,759	-174,930	105,459,829
– receivables from reinsurance and coinsurance operations	84,833,856	14,560,379	99,394,235	-41,404,733	57,989,502
– current tax receivables	1,067,973	213,376	1,281,349	0	1,281,349
– other receivables	21,202,117	10,023,172	31,225,289	-1,720,221	29,505,068
Other assets	4,099,703	1,594,627	5,694,330	-48,181	5,646,149
Cash and cash equivalents	54,303,470	21,566,305	75,869,775	0	75,869,775
Non-current assets held for sale	4,015,117	149,104	4,164,221	0	4,164,221
<b>EQUITY AND LIABILITIES</b>	<b>3,838,569,798</b>	<b>446,111,652</b>	<b>4,284,681,450</b>	<b>-347,681,630</b>	<b>3,936,999,820</b>
Equity	881,561,015	120,641,181	1,002,202,196	-210,250,408	791,951,788
Controlling interests	881,561,015	120,641,181	1,002,202,196	-212,676,073	789,526,123
– share capital	192,452,158	100,851,902	293,304,060	-219,602,668	73,701,392
– share premium	75,746,998	1,627,112	77,374,110	-27,097,473	50,276,637
– reserves from profit	343,392,459	10,477,361	353,869,820	864,454	354,734,274
– treasury share reserves	0	0	0	364,680	364,680
– treasury shares	0	0	0	-364,680	-364,680
– fair value reserve	73,405,014	11,882,704	85,287,718	-1,187,794	84,099,924
– net profit brought forward	133,037,893	-2,950,712	130,087,181	35,808,989	165,896,170
– net profit/loss for the year	63,526,493	1,293,716	64,820,209	-1,415,385	63,404,824
– currency translation differences	0	-2,540,902	-2,540,902	-46,196	-2,587,098
– reserve of disposal group held for sale	0	0	0	0	0
Non-controlling interests	0	0	0	2,425,665	2,425,665
Subordinated liabilities	71,499,450	0	71,499,450	-6,652,157	64,847,293
Insurance technical provisions	2,223,254,495	245,363,493	2,468,617,988	-74,690,652	2,393,927,336
– unearned premiums	263,723,691	84,107,136	347,830,827	-15,319,892	332,510,935
– mathematical provisions	1,332,983,430	71,456,318	1,404,439,748	0	1,404,439,748
– claims provisions	586,682,208	86,453,610	673,135,818	-57,737,074	615,398,744
– other insurance technical provisions	39,865,166	3,346,429	43,211,595	-1,633,686	41,577,909
Insurance technical provisions for unit-linked insurance contracts	463,586,629	21,356,205	484,942,835	0	484,942,835
Employee benefits	13,354,845	2,518,201	15,873,046	0	15,873,046
Other provisions	1,628,428	1,121,972	2,750,400	0	2,750,400
Deferred tax liabilities	20,596,705	1,931,843	22,528,548	-11,856	22,516,692
Other financial liabilities	1,777,384	1,283,056	3,060,440	-1,196,027	1,864,413
Operating liabilities	84,924,626	24,054,829	108,979,455	-42,107,124	66,872,331
– liabilities from direct insurance operations	19,009,220	3,251,102	22,260,322	-701,778	21,558,544
– liabilities from reinsurance and co-insurance operations	62,416,891	20,537,368	82,954,259	-41,405,346	41,548,913
– current tax liabilities	3,498,515	266,359	3,764,874	0	3,764,874
Lease liabilities	6,940,044	8,163,619	15,103,663	-4,187,985	10,915,678
Other liabilities	69,446,177	19,677,253	89,123,430	-8,585,422	80,538,008
Non-current liabilities held for sale and discontinued operations	0	0	0	0	0

in EUR

Statement of financial position	31 December 2018				
	SLOVENIA	OTHER	TOTAL (before eliminations)	ELIMINATIONS	TOTAL (after eliminations)
<b>ASSETS</b>	<b>3,587,778,966</b>	<b>399,108,733</b>	<b>3,986,887,699</b>	<b>-341,610,212</b>	<b>3,645,277,487</b>
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
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
– 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
– 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
<b>EQUITY AND LIABILITIES</b>	<b>3,587,778,966</b>	<b>399,108,733</b>	<b>3,986,887,699</b>	<b>-341,610,212</b>	<b>3,645,277,487</b>
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
– 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
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



in EUR

Income statement	2019			2018		
	SLOVENIA	OTHER	TOTAL	SLOVENIA	OTHER	TOTAL
<b>Net premium income</b>	<b>849,061,777</b>	<b>178,567,048</b>	<b>1,027,628,825</b>	<b>779,269,087</b>	<b>172,493,775</b>	<b>951,762,862</b>
– gross written premium	969,466,571	214,707,536	1,184,174,107	877,185,838	191,208,569	1,068,394,407
– ceded written premium	-109,556,836	-26,896,261	-136,453,097	-89,697,015	-16,927,893	-106,624,908
– change in unearned premium reserve	-10,847,958	-9,244,227	-20,092,185	-8,219,736	-1,786,901	-10,006,637
<b>Income from investments in subsidiaries and associates</b>	<b>1,076,327</b>	<b>0</b>	<b>1,076,327</b>	<b>1,021,159</b>	<b>0</b>	<b>1,021,159</b>
– profit on equity investments accounted for using the equity method	515,913	0	515,913	1,021,159	0	1,021,159
– other income from investments in subsidiaries and associates	560,414	0	560,414	0	0	0
<b>Income from investments</b>	<b>172,658,424</b>	<b>14,330,781</b>	<b>186,989,205</b>	<b>79,460,683</b>	<b>9,428,394</b>	<b>88,889,077</b>
– interest income calculated using the effective interest method	45,861,466	7,276,276	53,137,742	47,848,810	7,724,432	55,573,242
– gains on disposals	34,965,783	2,603,036	37,568,819	23,219,606	558,231	23,777,837
– other income from investments	91,831,175	4,451,469	96,282,644	8,392,267	1,145,731	9,537,998
<b>Other income from insurance operations</b>	<b>27,613,954</b>	<b>9,569,558</b>	<b>37,183,512</b>	<b>24,411,526</b>	<b>5,426,455</b>	<b>29,837,981</b>
– fees and commission income	17,993,706	4,075,549	22,069,255	14,757,683	1,048,498	15,806,181
– other income from insurance operations	9,620,248	5,494,009	15,114,257	9,653,843	4,377,957	14,031,800
<b>Other income</b>	<b>32,754,811</b>	<b>6,766,311</b>	<b>39,521,122</b>	<b>28,874,202</b>	<b>7,275,331</b>	<b>36,149,533</b>
<b>Net claims incurred</b>	<b>583,659,536</b>	<b>100,488,292</b>	<b>684,147,828</b>	<b>523,119,553</b>	<b>103,440,845</b>	<b>626,560,398</b>
– gross claims settled	609,654,208	107,087,928	716,742,136	569,323,507	110,276,711	679,600,218
– reinsurers' share	-26,988,642	-8,265,899	-35,254,541	-34,216,954	-5,772,012	-39,988,966
– changes in claims provisions	-6,573,199	1,666,263	-4,906,936	-18,184,698	-1,063,854	-19,248,552
– equalisation scheme expenses for supplementary health insurance	7,567,169	0	7,567,169	6,197,698	0	6,197,698
<b>Change in other insurance technical provisions (excluding ULI)</b>	<b>52,940,551</b>	<b>6,368,039</b>	<b>59,308,590</b>	<b>37,683,950</b>	<b>2,176,423</b>	<b>39,860,373</b>
<b>Change in insurance technical provisions for unit-linked insurance contracts</b>	<b>65,280,488</b>	<b>3,924,568</b>	<b>69,205,056</b>	<b>-44,833,006</b>	<b>-2,056,541</b>	<b>-46,889,547</b>
<b>Expenses for bonuses and discounts</b>	<b>9,722,479</b>	<b>1,838,779</b>	<b>11,561,258</b>	<b>10,346,687</b>	<b>1,070,998</b>	<b>11,417,685</b>
<b>Operating expenses</b>	<b>175,408,811</b>	<b>69,044,040</b>	<b>244,452,851</b>	<b>167,445,429</b>	<b>66,191,996</b>	<b>233,637,425</b>
– acquisition costs	114,882,181	47,684,403	162,566,584	112,892,556	46,352,537	159,245,093
– other operating costs	60,526,630	21,359,637	81,886,267	54,552,873	19,839,459	74,392,332
<b>Expenses from investments in subsidiaries and associates</b>	<b>733,344</b>	<b>0</b>	<b>733,344</b>	<b>137,092</b>	<b>0</b>	<b>137,092</b>
– loss on investments accounted for using the equity method	170,640	0	170,640	137,092	0	137,092
– other expenses from financial assets and liabilities	562,704	0	562,704	0	0	0
<b>Expenses from investments</b>	<b>22,755,661</b>	<b>1,197,911</b>	<b>23,953,572</b>	<b>63,012,641</b>	<b>4,105,845</b>	<b>67,118,486</b>
– loss on impairment of investments	344,175	504,787	848,962	1,448,876	48,607	1,497,483
– loss on disposal of investments	9,767,121	45	9,767,166	12,821,070	307,858	13,128,928
– other expenses from investments	12,644,365	693,079	13,337,444	48,742,695	3,749,380	52,492,075
<b>Other insurance expenses</b>	<b>37,834,645</b>	<b>5,730,665</b>	<b>43,565,310</b>	<b>26,638,755</b>	<b>7,105,380</b>	<b>33,744,134</b>
<b>Other expenses</b>	<b>42,883,479</b>	<b>11,650,477</b>	<b>54,533,956</b>	<b>34,305,265</b>	<b>10,313,498</b>	<b>44,618,763</b>
– expenses from financing	2,655,501	443,001	3,098,502	1,324,643	59,718	1,384,361
– other expenses	40,227,978	11,207,476	51,435,454	32,980,622	10,253,780	43,234,402
<b>Profit before tax</b>	<b>91,946,299</b>	<b>8,990,928</b>	<b>100,937,227</b>	<b>95,180,291</b>	<b>2,275,511</b>	<b>97,455,802</b>
Income tax expense	16,539,422	533,376	17,072,798	15,960,473	669,084	16,629,557
<b>NET PROFIT FOR THE PERIOD</b>	<b>75,406,877</b>	<b>8,457,552</b>	<b>83,864,429</b>	<b>79,219,818</b>	<b>1,606,427</b>	<b>80,826,245</b>
Net profit/loss attributable to the controlling company	75,407,867	8,282,777	83,690,644	79,230,941	1,431,813	80,662,753
Net profit/loss attributable to the non-controlling interest holders	-990	174,775	173,785	-11,123	174,614	163,491

#### 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 96% 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 2019				31 December 2018				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	
<b>ASSETS</b>	<b>223,263,701</b>	<b>202,064,810</b>	<b>12,250,191</b>	<b>9,628,806</b>	<b>207,106,565</b>	<b>192,764,055</b>	<b>8,947,445</b>	<b>5,851,602</b>	
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	218,207,628	199,094,576	10,573,293	8,539,760	202,653,923	188,967,366	8,435,560	5,250,997	
Measured at amortised cost, of which:	0	0	0	0	0	0	0	0	
- loans and deposits	0	0	0	0	0	0	0	0	
- debt 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:	218,207,628	199,094,576	10,573,293	8,539,760	202,653,923	188,967,366	8,435,560	5,250,997	
- debt securities	202,463,978	198,398,661	4,065,317	0	192,543,106	188,967,366	3,575,740	0	
- equity securities	15,743,650	695,915	6,507,976	8,539,760	10,110,817	0	4,859,820	5,250,997	
Receivables	200,463	2,705,196	396,436	492,739	194,973	2,432,172	322,001	390,271	
Receivables from fund manager up to guaranteed return	0	0	0	0	0	0	0	0	
Other receivables	200,463	2,705,196	396,436	492,739	194,973	2,432,172	322,001	390,271	
Cash and cash equivalents	4,855,610	265,038	1,280,462	596,307	4,257,669	1,364,517	189,884	210,334	
Other assets	0	0	0	0	0	0	0	0	
Off-balance-sheet assets	4,304,085	4,304,085	0	0	0	0	0	0	
Financial derivatives	0	0	0	0	0	0	0	0	
Other off-balance-sheet assets	4,304,085	4,304,085	0	0	0	0	0	0	
<b>LIABILITIES</b>	<b>223,263,701</b>	<b>202,064,810</b>	<b>12,250,191</b>	<b>9,628,806</b>	<b>207,106,565</b>	<b>192,764,055</b>	<b>8,947,445</b>	<b>5,851,602</b>	
Insurance technical provisions	222,531,067	201,392,590	12,191,841	8,946,636	206,522,062	192,206,083	8,897,217	5,418,762	
Mathematical provisions for net paid-in premiums	155,436,323	155,436,323	0	0	149,000,891	149,000,891	0	0	
Mathematical provisions for capital gain on the guarantee fund	45,956,267	45,956,267	0	0	43,205,192	43,205,192	0	0	
- fair value reserve	0	0	0	0	0	0	0	0	
Insurance provisions for business funds backing unit-linked insurance, of which:	21,138,477	0	12,191,841	8,946,636	14,315,979	0	8,897,217	5,418,762	
- fair value reserve	0	0	0	0	0	0	0	0	
Financial liabilities	0	0	0	0	0	0	0	0	
Operating liabilities	726,235	646,894	55,744	22,073	583,051	557,003	12,826	11,962	
Liabilities from acquired securities and other financial instruments	0	0	0	0	0	0	0	0	
Guarantee fund manager liabilities	244,056	212,194	16,625	15,237	226,491	202,216	12,826	11,449	
Cash surrender value payments to guarantee fund members	480,655	434,700	39,119	6,836	355,300	354,787	0	513	
Other operating liabilities	1,524	0	0	0	1,260	0	0	0	
Other liabilities	6,399	25,326	2,606	660,097	1,452	969	37,402	420,878	
Off-balance-sheet liabilities	4,304,085	4,304,085	0	0	0	0	0	0	
Financial derivatives	0	0	0	0	0	0	0	0	
Guarantees given	0	0	0	0	0	0	0	0	
Other off-balance-sheet liabilities	4,304,085	4,304,085	0	0	0	0	0	0	

## 5.13.2. Statement of financial position for funds posted separately

	31 December 2019		31 December 2018	
	Renta 1	Renta 2	Renta 1	Renta 2
<b>Statement of financial position for funds posted separately</b>				
<b>ASSETS</b>	<b>41,065,669</b>	<b>15,894,216</b>	<b>37,156,896</b>	<b>10,445,014</b>
Investment property and financial investments	40,163,494	15,152,187	36,181,097	10,046,928
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	40,163,494	15,152,187	36,181,097	10,046,928
Shares and other floating rate securities and fund coupons	0	0	0	0
Debt and other fixed return securities	40,163,494	15,152,187	36,181,097	10,046,928
Investment fund shares	0	0	0	0
Mortgage loans	0	0	0	0
Other loans	0	0	0	0
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
- 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	606,007	0	234,921	37,548
Receivables from direct insurance	0	0	0	0
- 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	606,007	0	234,921	37,548
Other assets	296,168	742,029	740,878	360,538
Cash and cash equivalents	296,168	742,029	740,878	360,538
Other assets	0	0	0	0
Short-term deferred assets	0	0	0	0
Accrued income from interest and rent	0	0	0	0
Short-term deferred expenses	0	0	0	0
Other short-term deferred items	0	0	0	0
		0		
<b>LIABILITIES</b>	<b>41,065,669</b>	<b>15,894,216</b>	<b>37,156,896</b>	<b>10,445,014</b>
Fair value reserves	0	0	0	0
Gross insurance technical provisions	40,835,678	15,377,361	36,863,008	10,101,083
- gross provisions for unearned premiums	0	0	0	0
- gross mathematical provisions	40,835,678	15,377,361	36,863,008	10,101,083
- 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	229,991	516,855	293,888	343,931
Liabilities from direct insurance operations	185,400	448,267	250,957	311,230
- liabilities to policy holders	16,773	1,017	12,478	2,003
- liabilities to agents and brokers	0	0	0	0
- other liabilities from direct insurance operations	168,627	447,250	238,479	309,227
Liabilities from co-insurance and re-insurance operations	0	0	0	0
Other liabilities	44,591	68,588	42,931	32,701
Accruals	0	0	0	0

	in EUR	
<b>Statement of financial position for guarantee fund backing unit-linked life insurance</b>	<b>31 December 2019</b>	<b>31 December 2018</b>
<b>ASSETS</b>	<b>419,695,687</b>	<b>369,602,435</b>
Investment property and financial investments	414,645,557	366,664,078
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	414,645,557	366,664,078
Shares and other floating rate securities and fund coupons	357,857,547	316,843,905
Debt and other fixed return securities	53,065,275	45,790,181
Investment fund shares	0	0
Mortgage loans	0	0
Other loans	0	0
Deposits with banks	3,722,735	4,029,992
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	41,528	4,218
Receivables from direct insurance	38,359	1,625
- receivables from insurers	0	0
- receivables from insurance brokers	0	0
- other receivables from direct insurance operations	38,359	1,625
Receivables from re-insurance operations	0	0
Other receivables	3,169	2,593
Other assets	5,008,602	2,934,139
Cash and cash equivalents	5,008,602	2,934,139
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
	0	0
<b>LIABILITIES</b>	<b>419,695,687</b>	<b>369,602,435</b>
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	414,454,235	365,238,075
Liabilities from reinsurers' investments in reinsurance contracts	0	0
Other liabilities	5,241,452	4,364,360
Liabilities from direct insurance operations	103,033	35,990
- liabilities to policy holders	0	0
- liabilities to agents and brokers	0	0
- other liabilities from direct insurance operations	103,033	35,990
Liabilities from co-insurance and re-insurance operations	0	0
Other liabilities	5,138,419	4,328,370
Accruals	0	0

## 5.13.3. Income statement of pension funds formed as a guarantee fund

	2019				2018				in EUR
	PDPZ skupina	PDPZ zajamčeni	PDPZ zmerni	PDPZ drzni	PDPZ skupina	PDPZ zajamčeni	PDPZ zmerni	PDPZ drzni	
<b>Income statement for PDPZ funds</b>									
<b>Financial income</b>	<b>12,483,582</b>	<b>8,951,299</b>	<b>1,659,527</b>	<b>1,872,756</b>	<b>5,265,973</b>	<b>4,565,400</b>	<b>379,548</b>	<b>321,025</b>	
Income from dividends and profit sharing	202,038	0	94,523	107,515	208,074	42,760	81,222	84,092	
Interest income	3,737,667	3,656,702	80,961	4	3,840,785	3,773,690	67,093	2	
Gains on disposal of financial investments	2,426,395	2,042,024	138,768	245,603	371,567	346,305	25,242	20	
Net income from changes in the fair value of investments which are recognised at fair value through profit or loss	5,969,600	3,252,405	1,275,691	1,441,504	617,329	402,473	101,060	113,796	
Other financial income	147,882	168	69,584	78,130	228,218	172	104,931	123,115	
<b>Income from investment property</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
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	
<b>Financial expenses</b>	<b>1,880,231</b>	<b>1,695,845</b>	<b>93,615</b>	<b>90,771</b>	<b>5,701,233</b>	<b>4,276,930</b>	<b>668,545</b>	<b>755,758</b>	
Interest expenses	0	0	0	0	0	0	0	0	
Losses from disposal of financial investments	283,314	240,764	12,196	30,354	791,077	773,132	9,533	8,412	
Revaluation operating expenses arising from a change in the fair value of financial investment through profit and loss	1,560,326	1,454,949	72,799	32,578	4,885,448	3,503,754	647,551	734,143	
Other financial expenses	36,591	132	8,620	27,839	24,708	44	11,461	13,203	
<b>Expenses from investment property</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
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	
<b>Result of investment activities</b>	<b>10,603,351</b>	<b>7,255,454</b>	<b>1,565,912</b>	<b>1,781,985</b>	<b>-435,260</b>	<b>288,470</b>	<b>-288,997</b>	<b>-434,733</b>	
<b>Income (from) payments by investment manager for not achieving the guaranteed return</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
<b>Other income</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
<b>Other expenses directly charged to the guarantee fund in line with the fund management rules</b>	<b>2,184,047</b>	<b>1,979,864</b>	<b>118,522</b>	<b>85,660</b>	<b>2,056,071</b>	<b>1,901,055</b>	<b>95,231</b>	<b>59,785</b>	
Management commission	2,159,296	1,979,864	105,319	74,112	2,035,385	1,901,055	83,141	51,189	
Custodian bank fees	7,177	0	4,213	2,964	5,373	0	3,326	2,047	
Auditing expenses	4,422	0	2,211	2,211	3,812	0	1,906	1,906	
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	13,152	0	6,779	6,373	11,501	0	6,858	4,643	
<b>Other expenses</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>2</b>	<b>0</b>	<b>1</b>	<b>1</b>	
<b>Net profit intended for the insured</b>	<b>8,419,303</b>	<b>5,275,590</b>	<b>1,447,390</b>	<b>1,696,324</b>	<b>-2,491,333</b>	<b>-1,612,585</b>	<b>-384,229</b>	<b>-494,519</b>	

### 5.13.4. Income statement for funds posted separately

	2019		2018	
	Renta 1	Renta 2	Renta 1	Renta 2
<b>Income statement of the guarantee fund backing additional pension insurance during the annuity payout period</b>				
<b>Transfer of funds from the pension scheme of additional pension insurance</b>	<b>5,794,234</b>	<b>6,823,410</b>	<b>3,608,382</b>	<b>5,215,651</b>
This legal entity	3,719,486	2,572,406	3,305,260	760,294
Other insurance company	0	0	0	0
Other pension companies	2,074,748	4,251,004	303,122	4,455,357
Mutual pension fund	0	0	0	0
<b>Income from investments</b>	<b>1,776,424</b>	<b>264,208</b>	<b>1,433,512</b>	<b>119,039</b>
Income from dividends	0	0	0	0
Income from other investments	1,144,960	117,598	843,424	108,805
Income from land and buildings	0	0	0	0
Interest income	539,004	117,598	608,554	71,257
Other investment income	605,956	0	234,870	37,548
Income from asset value adjustments	0	0	0	0
Profit on disposal of investments	631,464	146,610	590,088	10,234
<b>Claims incurred</b>	<b>3,588,403</b>	<b>1,698,711</b>	<b>3,541,029</b>	<b>1,102,574</b>
Gross claims settled	3,588,403	1,698,711	3,541,029	1,102,574
Change in gross provisions for claims outstanding	0	0	0	0
<b>Change in other net technical provisions (+/-)</b>	<b>3,388,879</b>	<b>5,105,084</b>	<b>1,013,338</b>	<b>4,018,142</b>
Change of mathematical provisions (+/-)	3,388,879	5,105,084	1,013,338	4,018,142
Change of other net technical provisions (+/-)	0	0	0	0
<b>Expenses included in policies</b>	<b>572,716</b>	<b>248,799</b>	<b>487,527</b>	<b>200,613</b>
Initial expenses	62,462	180,675	10,703	156,470
Collection, administrative expenses	396,465	0	364,944	0
Costs of claim settlement	113,789	68,124	111,880	44,143
<b>Net operating expenses</b>	<b>119,613</b>	<b>129,608</b>	<b>109,356</b>	<b>94,043</b>
Acquisition costs	0	79,855	0	64,563
Change of deferred acquisition costs (+/-)	0	0	0	0
Other operating expenses	119,613	49,753	109,356	29,480
Depreciation of assets used in insurance business	7,841	3,295	5,578	1,501
Labour costs	66,472	27,933	58,664	15,790
- wages and salaries	46,037	19,346	40,922	11,015
- social security and pension insurance costs	7,895	3,317	7,207	1,940
- other labour costs	12,540	5,270	10,535	2,835
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	130	55	100	27
Other operating expenses	45,170	18,470	45,014	12,162
Income from reinsurance commissions and from participation in the positive technical result from reinsurance contract (-)	0	0	0	0
<b>Expenses from investments</b>	<b>20,660</b>	<b>35,024</b>	<b>0</b>	<b>13,361</b>
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	35,024	0	9,538
Revaluation financial expenses	20,660	0	0	0
Loss on disposal of investments	0	0	0	3,823
<b>Profit or loss of the guarantee fund, taking into account expenses included in policies</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Profit or loss of the guarantee fund, taking into account net operating expenses</b>	<b>453,103</b>	<b>119,191</b>	<b>378,171</b>	<b>106,570</b>



	in EUR	
<b>Income statement for guarantee fund backing unit-linked life insurance</b>	<b>2019</b>	<b>2018</b>
<b>Gross written premium</b>	<b>47,841,329</b>	<b>46,834,564</b>
<b>Income from investments</b>	<b>68,020,482</b>	<b>1,560,287</b>
Income from dividends	2,995	1,442
Income from other investments	62,786,844	1,252,017
Income from land and buildings	0	0
Interest income	650,800	811,771
Other investment income	62,136,044	440,246
- financial income from revaluation	62,136,041	440,246
- other financial income	3	0
Income from asset value adjustments	0	0
Profit on disposal of investments	5,230,643	306,828
<b>Expenses from cash surrender value</b>	<b>57,234,124</b>	<b>59,839,416</b>
Ordinary termination	29,511,616	40,103,123
Extraordinary termination	27,722,508	19,736,293
- withdrawal from insurance contract	26,075,166	18,221,987
- cancellation of insurance contract	0	0
- death of the insured person	1,647,342	1,514,306
<b>Change in other net technical provisions (+/-)</b>	<b>49,372,992</b>	<b>-50,884,979</b>
Change of mathematical provisions (+/-)	49,372,992	-50,884,979
Change of other net technical provisions (+/-)	0	0
<b>Fund management costs</b>	<b>9,221,840</b>	<b>8,157,745</b>
Entry fees	2,653,112	1,170,538
Exit costs	0	0
Management commission	6,568,728	6,987,207
<b>Expenses from investments</b>	<b>32,855</b>	<b>31,282,669</b>
Depreciation and amortization of assets not used in operations	0	0
Expenses arising from asset management, interest expenses and other financial expenses	968	0
Revaluation financial expenses	31,347	28,122,518
Loss on disposal of investments	540	3,160,151
<b>Net profit for the period</b>	<b>0</b>	<b>0</b>