

## 5. OTHER INFORMATION

### 5.1 Fair value of assets and liabilities

#### 5.1.1 Fair value of assets and liabilities

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 percent).
- Level 3: value measurement based on prices that do not meet the standards for Level 1 or Level 2. The percentage of unobservable inputs used in value measurement models is considerable.

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

## Triglav Group

					in EUR
As at 31 December 2016	Measurement date	Level 1	Level 2	Level 3	Total
<b>Assets - measured at fair value</b>					
Equity securities	31 December 2016	227,496,286	0	26,569,975	254,066,261
Debt securities	31 December 2016	298,016,789	1,580,719,222	0	1,878,736,011
Derivative financial instruments	31 December 2016	0	1,423,429	0	1,423,429
Unit-linked insurance assets	31 December 2016	368,826,193	84,728,138	0	453,554,331
Investments in associates	31 December 2016	0	0	6,826,400	6,826,400
<b>Assets - fair value disclosed</b>					
Land and buildings for insurance activities	31 December 2016	0	0	100,936,975	100,936,975
Land and buildings for investment activities	31 December 2016	0	0	95,095,996	95,095,996
Debt securities	31 December 2016	13,676,111	270,180,097	0	283,856,208
Deposits with banks	31 December 2016	0	88,205,953	0	88,205,953
Loans given	31 December 2016	0	35,100,132	0	35,100,132
<b>Liabilities - fair value disclosed</b>					
Subordinated bonds	31 December 2016	0	19,160,879	0	19,160,879

					in EUR
As at 31 December 2015	Measurement date	Level 1	Level 2	Level 3	Total
<b>Assets - measured at fair value</b>					
Equity securities	31 December 2015	177,134,043	0	27,715,791	204,849,834
Debt securities	31 December 2015	421,029,312	1,353,836,183	0	1,774,865,495
Derivative financial instruments	31 December 2015	1,101,100	1,607,814	0	2,708,914
Unit-linked insurance assets	31 December 2015	353,025,835	103,581,740	0	456,607,575
<b>Assets - fair value disclosed</b>					
Land and buildings for insurance activities	31 December 2015	0	0	126,564,580	126,564,580
Land and buildings for investment activities	31 December 2015	0	0	80,265,592	80,265,592
Held-to-maturity assets	31 December 2015	16,926,121	205,340,209	0	222,266,331
<b>Liabilities - fair value disclosed</b>					
Subordinated bonds	31 December 2015	21,686,280	0	0	21,686,280

## Zavarovalnica Triglav

					in EUR
As at 31 December 2016	Measurement date	Level 1	Level 2	Level 3	Total
<b>Assets - measured at fair value</b>					
Equity securities	31 December 2016	130,447,648	0	9,223,701	139,671,350
Debt securities	31 December 2016	246,621,546	1,173,402,676	0	1,420,024,222
Derivative financial instruments	31 December 2016	0	1,423,429	0	1,423,429
Unit-linked insurance assets	31 December 2016	344,987,269	82,804,103	0	427,791,372
Investments in associates	31 December 2016	0	0	9,503,046	9,503,046
<b>Assets - fair value disclosed</b>					
Land and buildings for insurance activities	31 December 2016	0	0	63,092,680	63,092,680
Land and buildings for investment activities	31 December 2016	0	0	50,351,528	50,351,528
Debt securities	31 December 2016	9,401,400	205,112,271	0	214,513,671
Deposits with banks	31 December 2016	0	45,407,951	0	45,407,951
Loans given	31 December 2016	0	45,915,389	0	45,915,389
<b>Liabilities - fair value disclosed</b>					
Subordinated bonds	31 December 2016	0	23,970,102	0	23,970,102

  

					in EUR
As at 31 December 2015	Measurement date	Level 1	Level 2	Level 3	Total
<b>Assets - measured at fair value</b>					
Equity securities	31 December 2015	100,553,534	0	9,623,123	110,176,657
Debt securities	31 December 2015	232,252,553	1,114,956,666	0	1,347,209,218
Derivative financial instruments	31 December 2015	1,101,100	1,607,814	0	2,708,914
Unit-linked insurance assets	31 December 2015	335,500,199	103,131,709	0	438,631,908
Investments in associates	31 December 2015	0	0	7,259,875	7,259,875
<b>Assets - fair value disclosed</b>					
Land and buildings for insurance activities	31 December 2015	0	0	62,260,845	62,260,845
Land and buildings for investment activities	31 December 2015	0	0	52,306,224	52,306,224
Debt securities	31 December 2015	16,926,121	205,340,209	0	222,266,331
<b>Liabilities - fair value disclosed</b>					
Subordinated bonds	31 December 2015	24,402,840	0	0	24,402,840

### 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
Equity securities	Stochastic model	EUR SWAP interest rate curve, issuer credit spreads, comparable issuer credit spreads, interest rate volatility, volatility indices		Level 2
Derivatives	Black-Scholes model	Index volatility		Level 2
<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	1y: -0.4279%. 2y: -0.5399%. 3y: -0.1559%. 4y: 0.0563%. 5Y: 0.045%. 6y: 0.2476%. 7Y: 0.4502%. 8Y: 0.6567%. 9y: 0.9046%. 10y: 1.091%; credit spreads between 0% and 1%	Level 2
Debt securities - companies and financial institutions <sup>103</sup>	Cash flow discounting according to amortisation schedule	Republic of Slovenia interest rate yield curve, issuer credit spreads	1y: -0.4279%. 2y: -0.5399%. 3y: -0.1559%. 4y: 0.0563%. 5Y: 0.045%. 6y: 0.2476%. 7Y: 0.4502%. 8Y: 0.6567%. 9y: 0.9046%. 10y: 1.091%; credit spreads between 0.3% and 1.93%	Level 2
Loans given	Cash flow discounting	Republic of Slovenia interest rate yield curve, issuer credit spreads	Credit spreads between 0.3% and 9.0938%	Level 2
Equity securities	Cash flow discounting	g (growth rate during constant growth period)	2%	Level 3
		EBIT margin (constant growth period)	33.30%	
		Discount rate	12.68%	
		Lack of marketability discount	10%-23%	
Equity investment in associates	NAV method	Real property price changes		Level 3
	Cash flow discounting	Real property price changes	2%	
		g (growth rate during constant growth period)	3.46%	
		Net margin (constant growth period)	8.80%	
		Re-discount rate	3.5%	

103 Also applied to valuation of subordinated ZT02 bonds.



### 5.1.3 Financial assets classified into Level 3

	Triglav Group			in EUR Zavarovalnica Triglav
	AFS	FVTPL	TOTAL	AFS
<b>Value as at 31 December 2014</b>	<b>24,191,370</b>	<b>1,022,563</b>	<b>25,213,933</b>	<b>14,060,363</b>
Purchases	1,114,896	43,307	1,158,203	1,114,896
Disposals	-165,400	-106,510	-271,910	-93,889
Revaluation through profit or loss	0	-473,160	-473,160	0
Revaluation in other comprehensive income	2,084,318	0	2,084,318	2,193,223
Transfers from levels 1 and 2	0	0	0	0
Merger	0	0	0	2,963,092
Changes in Group	0	0	0	-3,354,688
Foreign exchange differentials	22	4,384	4,406	0
<b>Value as at 31 December 2015</b>	<b>27,225,206</b>	<b>490,584</b>	<b>27,715,790</b>	<b>16,882,997</b>
Purchases	884,320	0	884,320	1,047,017
Disposals	-551,740	0	-551,740	-551,740
Revaluation through profit or loss	-826,820	-41,287	-868,107	-989,437
Revaluation in other comprehensive income	63,240	0	63,240	2,337,911
Transfers from levels 1 and 2	-678,694	0	-678,694	0
Merger	0	0	0	0
Changes in Group	0	0	0	0
Foreign exchange differentials	-59	5,225	5,166	0
<b>Value as at 31 December 2016</b>	<b>26,115,453</b>	<b>454,522</b>	<b>26,569,975</b>	<b>18,726,749</b>

In 2016, the sale of financial assets classified to valuation level 3 generated:

- an increase due to the purchase of interests and shares in companies Gorenjska banka, d.d., Nervteh, raziskave in razvoj, d.o.o., ABCITI, d.o.o. and the Enterprise Innovation Fund;
- an increase due to the revaluation through equity, mainly in shares of Nama, d.d. amounting to EUR 2.2 million;
- a decrease share value recognised through profit or loss, due to an impairment of investment in ABCITI, d.o.o. and Pomurske mlekarne, d.d.;
- a loss in the amount of EUR 106 recognised in profit or loss due to the sale of shares of companies Thermana, d.d. and Adriatic venture B.V.

#### 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.

	Triglav Group		Zavarovalnica Triglav	
	31 December 2016	31 December 2015	31 December 2016	31 December 2015
Non-marketable assets (Level 3)	28,185,747	27,715,790	9,223,701	9,623,123
Estimated value deviation-/+	-900,000/+2,600,000	-1,100,000/+2,300,000	-558,000/+2,320,000	-610,000/+2,110,000
Equity investment in associates	6,826,400	n/a	9,503,047	7,259,875
Estimated value deviation-/+	n/a	n/a	-1,340,000/+1,350,000	-920,000/+1,000,000

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

In appraising the value of the associate Nama d.d., Ljubljana, an estimate of the company's value was made using the discounted cash flow method and the net asset value method under the assumption of regular liquidation of commercial activity and the continued activity of leasing investment properties. Under the first method, the value of investment amounted to EUR 4,847,786 (current use of financial asset), while under the second method it was valued at EUR 9,464,548 (highest and best use of financial asset). For accounting purposes, the value under the net asset value method was used, which differs from the current use of financial asset; however, the applicable strategy also provides for such use of asset as one of available options.

#### 5.1.5 Reclassification of financial assets between levels

	Triglav Group		Zavarovalnica Triglav	
	2016	2015	2016	2015
Reclassification from level 1 to level 2	287,624,469	568,557,618	126,348,358	503,945,690
Reclassification from level 2 to level 1	149,473,959	3,384,252	136,506,888	3,107,873

In 2016, the method of measuring fair value did not change. Reclassifications between levels were a result of market factors. At the end of 2016, some financial assets showed greater liquidity and depth of the market than at the end of 2015, 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 2016, there were no reclassifications of financial assets. The table below shows the effects of reclassifications made in previous years.

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

	Triglav Group		Zavarovalnica Triglav	
Reclassifications from AFS to HTM	2016	2015	2016	2015
Carrying amount of reclassified assets as at 31 December	42,405,675	48,516,751	23,473,374	29,677,491
Fair value of reclassified assets as at 31 December	50,312,190	56,949,159	29,000,745	35,299,913
Impact on comprehensive income if not reclassified	5,527,372	5,622,422	5,527,372	5,622,422
Estimated cash flows	30,784,182	38,669,814	29,639,018	37,521,726

	Triglav Group		Zavarovalnica Triglav	
Reclassifications from AFS to L&R	2016	2015	2016	2015
Carrying amount of reclassified assets as at 31 December	26,433	0	0	0
Fair value of reclassified assets as at 31 December	27,219	0	0	0
Estimated cash flows	29,474	0	0	0

## 5.2 Additional notes to the cash flow statement

Operating cash flows and cash flows from investing activities are recognised based on the data from financial statements and adjusted for the non-cash flow items (impairments, changes of claims and other provisions). Receipts/payments for intangible assets, for property, plant and equipment and for investment property were calculated based on the changes in their carrying amount, adjusted by depreciation charges and increased or decreased by realised losses or gains on disposals. Therefore, the figures differ from those in the tables of changes in [→ Sections 3.1, 3.2 and 3.3].

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

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

## 5.3 Amounts spent on auditors

The audit of separate and consolidated financial statements for 2016 and 2015 was performed by the auditing company Ernst&Young, Revizija, poslovno svetovanje d.o.o., Ljubljana, while the financial statements of the companies of Lovćen Group were audited by Deloitte Revizija d.o.o., Ljubljana. The amounts, paid for auditing services were as follows.

	Triglav Group		Zavarovalnica Triglav	
	2016	2015	2016	2015
Auditing of the Annual Report	384,852	412,039	118,828	130,234
Other auditing services	175,685	114,680	175,685	114,680
Other assurance services	62,397	54,011	610	610
Other non-auditing services	9,052	739	0	0
<b>TOTAL</b>	<b>631,986</b>	<b>581,469</b>	<b>295,123</b>	<b>245,524</b>

Other audit services in Zavarovalnica Triglav refer to consulting services in relation with the Solvency 2 project, for which a consulting contract was concluded in 2015.

## 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 3.4]). 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 3.5].
- 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 2016, there were 53 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. 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

	in EUR	
	31 December 2016	31 December 2015
<b>ASSETS</b>		
Stakes and shares	130,632,437	134,689,036
Debt securities and loans given to members of the Group	19,331,938	18,223,726
Other financial investments	0	924,125
Receivables from insurance premium	2,600,718	1,914,689
Co-insurance receivables	11,381	22,812
Receivables for reinsurer's share in claims	5,622,496	10,147,257
Other short-term receivables from insurance operations	14,369	18,060
Short-term receivables from financing	1,172,759	13,656,651
Other short-term receivables	825,663	810,511
<b>LIABILITIES</b>		
Liabilities to insureds	444,617	344,344
Liabilities to agents and brokers	340,930	294,961
Liabilities to insurances for coinsurance premium	14,697	0
Liabilities for reinsurance premiums	9,183,540	9,028,603
Liabilities for shares in claims from coinsurance	1,712	1,110
Other short-term liabilities	190,746	189,389

	in EUR	
	2016	2015
<b>INCOME AND EXPENSES</b>		
Gross written premium	12,628,100	10,948,070
Assumed coinsurance written premium	10,364	36,981
Outward reinsurance premium (–)	-60,421,156	-60,525,507
<b>Net premium income</b>	<b>-47,782,692</b>	<b>-49,540,456</b>
Reinsurance commission income	12,209,795	10,787,451
Other income from insurance operations	4,600,334	4,712,061
Interest income	857,579	1,985,141
Other insurance income	1,792,434	2,295,231
Income from land and buildings	526,079	323,036
Income from disposal of financial assets	8,911,599	329,158
Other income	203,482	197,611
Dividends	0	29,172,864
Other income from financial assets	5,450	8,399
<b>TOTAL INCOME</b>	<b>-18,675,940</b>	<b>270,496</b>
Gross claims settled	999,133	1,211,401
Reinsurers' share in gross claims	-18,000,951	-21,199,636
Shares in indemnities from assumed co-insurances abroad	602	0
<b>Net claims</b>	<b>-17,001,217</b>	<b>-19,988,235</b>
Loss on disposal from financial assets	544,414	882,000
Other financial expenses	7,340	59,097
Other expenses	0	16,878
<b>TOTAL EXPENSES</b>	<b>-16,449,463</b>	<b>-19,030,260</b>

### Transactions with associates

	in EUR			
	Triglav Group		Zavarovalnica Triglav	
	31 December 2016	31 December 2015	31 December 2016	31 December 2015
<b>ASSETS</b>				
Stakes and shares	6,826,400	6,939,700	9,503,047	7,259,875
Insurance premium receivables from policyholders	800	987	364	769
Other short-term receivables	18,100	0	18,100	0
<b>LIABILITIES</b>				
Liabilities to agents and brokers	22,008	19,681	20,919	18,480
Other short-term liabilities	436	553	0	0
Accrued costs and expenses	60	116	0	0

	in EUR			
	Triglav Group		Zavarovalnica Triglav	
	2016	2015	2016	2015
<b>INCOME AND EXPENSES</b>				
Gross written premium	35,277	97,511	32,866	95,158
Income from dividends and stakes	0	0	62,153	145,322
Income from disposal of financial assets	0	0	0	47,255
Other income	0	0	0	0
<b>TOTAL INCOME</b>	<b>35,277</b>	<b>97,511</b>	<b>95,019</b>	<b>287,735</b>
Gross claims settled	20,628	60,498	20,628	60,498
Acquisition costs	16,083	30,959	0	0
<b>TOTAL EXPENSES</b>	<b>36,711</b>	<b>91,457</b>	<b>20,628</b>	<b>60,498</b>

## Transactions with shareholders and shareholder-related companies

	in EUR	
	Triglav Group	Zavarovalnica Triglav
	31 December 2016	31 December 2016
<b>ASSETS</b>		
Stakes and shares	10,829,436	6,020,206
Debt securities	111,600,197	81,917,309
Operating receivables	428,376	426,184
Other assets	28,085,644	20,760,486
<b>LIABILITIES</b>		
Operating liabilities	2,449,808	1,263,124

  

	in EUR	
	Triglav Group	Zavarovalnica Triglav
	2016	2016
<b>INCOME</b>		
Gross written premium	24,448,590	24,080,645
Financial income	6,632,202	4,526,623
Other income	99,605	92,687
<b>EXPENSES</b>		
Gross claims settled	7,574,150	7,496,524
Financial expenses	523,276	261,577
Other expenses	8,782,294	6,785,728

## 5.5 Members of the Management Board and Supervisory Board

In 2016, the Management Board members were paid the following amounts as compensation for their work:

	in EUR						
Management board	Fixed salary (gross)	Other additional payments*	Bonuses	Net pay received	Insurance premiums **	Other benefits***	Reimbursements
Slapar Andrej	153,264	2,105	37,601	70,607	48,266	3,372	2,749
Makoter Marica	145,601	2,457	36,402	64,559	33,577	3,777	517
Jošar Benjamin	145,601	2,395	36,402	63,257	32,764	6,062	992
Ivanc Uroš	145,601	1,837	21,998	59,988	33,613	1,037	1,143
Čoroli Tadej	145,601	1,837	21,998	60,226	33,589	670	2,161
<b>TOTAL</b>	<b>735,668</b>	<b>10,631</b>	<b>154,401</b>	<b>318,637</b>	<b>181,809</b>	<b>14,918</b>	<b>7,562</b>

\* Other additional payments include holiday allowances.

\*\* 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 2016, Zavarovalnica Triglav had the following receivables from and liabilities to the Management Board members:

	in EUR	
Management board	Receivables as at 31 December 2016	Liabilities as at 31 December 2016
Slapar Andrej	27	22,021
Makoter Marica	16	21,281
Jošar Benjamin	1,792	21,311
Ivanc Uroš	6	17,109
Čoroli Tadej	30	16,583
<b>TOTAL</b>	<b>1,871</b>	<b>98,305</b>

In 2016, 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	
Blažič Matija	14,172	2,420	1,314	17,906	13,023	
Celar Peter	17,715	3,960	192	21,867	15,904	
Gobbo Mario	21,258	4,741	23,579	49,578	32,660	
Kastelic Gregor	22,675	3,685	9,317	35,677	27,650	
Molan Boštjan	17,715	4,224	1,027	22,966	16,703	
Nose Barbara*	7,083	2,970	0	10,053	7,312	
Pervanje Milena*	449	660	0	1,109	806	
Runjak Matej	10,166	2,453	166	12,785	9,298	
Sotošek Ivan	17,715	4,521	1,352	23,588	17,155	
Stanković Rajko	17,715	4,796	166	22,677	16,493	
Štebernak Igor	13,577	2,376	0	15,953	11,603	
Svoljšak Mitja*	1,180	1,320	0	2,500	1,818	
Štimac Dubravko	0	0	0	0	0	
<b>TOTAL</b>	<b>161,420</b>	<b>38,126</b>	<b>37,113</b>	<b>236,659</b>	<b>170,425</b>	

\*External committee members.

As at 31 December 2016, Zavarovalnica Triglav the outstanding payables to the above stated members of the Supervisory Board, its committees and commission were as follows:

			in EUR
Surname and name	Receivables as at 31 December 2016	Liabilities as at 31 December 2016	
Gobbo Mario	0	356	
Runjak Matej	20	0	
Štimac Dubravko	287	0	
<b>TOTAL</b>	<b>307</b>	<b>356</b>	

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

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

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



## 5.6 Contingent assets and contingent liabilities

	Triglav Group		Zavarovalnica Triglav	
	31 December 2016	31 December 2015	31 December 2016	31 December 2015
Outstanding subrogated receivables	50,815,616	48,830,683	44,791,232	42,875,344
Derivatives - futures	111,151,895	0	111,151,895	0
Alternative investments	19,889,990	0	19,889,990	0
Bonds, guarantees and other sureties issued	332,925	9,280,276	54,000	5,895,180
Contingent assets	3,327,806	3,558,941	1,896,311	2,207,358
Receivables from option agreements	1,363,886	16,555,886	0	15,192,000
Receivables from forward contracts	0	50,000,000	0	50,000,000
Contingent liabilities	563,667	637,745	0	0
Properties under acquisition	162,675	170,172	0	0
Assets under management	31,335,362	25,499,557	0	0
<b>TOTAL OFF-BALANCE SHEET ITEMS</b>	<b>218,943,822</b>	<b>154,533,259</b>	<b>177,783,428</b>	<b>116,169,882</b>

At the reporting date, Zavarovalnica Triglav disclosed a contingent liability in the amount of EUR 3.6 million for a guarantee in relation to liabilities for due premium of Triglav Pojišt'ovna a.s. Final settlement of these receivables was realised in 2016. A guarantee amounting to EUR 4.2 million was cashed (see [→ Section 3.20]). As at the balance sheet date, the Company therefore had no obligations and the off-balance-sheet contingent liability related to that guarantee was released.

## 5.7 Employees

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

Level of education	Triglav Group		Zavarovalnica Triglav	
	31 December 2016	31 December 2015	31 December 2016	31 December 2015
Primary and vocational	975	1,267	136	154
Secondary school	1,461	1,553	864	908
Post-Secondary Education	598	622	380	371
Higher Education and University	1,815	1,773	871	837
Masters and Doctorates	197	164	84	71
<b>TOTAL</b>	<b>5,046</b>	<b>5,379</b>	<b>2,335</b>	<b>2,341</b>
Average number of employees	5,005	5,251	2,357	2,357

## 5.8 Significant legal disputes

- Matjaž Rakovec as the plaintiff against Zavarovalnica Triglav for 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 for the payment of damages

On 3 June 2013 the District Court in Ljubljana dismissed the application to issue a temporary injunction filed by Matjaž Rakovec, in which he proposed to suspend the implementation of a Supervisory Board's resolution dated 22 May 2013 in the part referring to the recall of Matjaž Rakovec, President of the Management Board, and appointment of Andrej Slapar as temporary President of the Management Board. The plaintiff also asked the Court to verify that Matjaž Rakovec is the only President of the Company's Management Board. The Court dismissed the temporary injunction arguing that the plaintiff's claim was probably shown; however, there was no risk supporting the issue of the requested temporary injunction.

On 19 August 2013, Zavarovalnica Triglav received a claim filed by Matjaž Rakovec in which he requests 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. In the alternative the plaintiff requests that the defendant reappoint him President of the Management Board and recognise an uninterrupted service as the President and all the rights arising from the employment contract for the entire duration of unlawful dismissal from the office of the until his reappointment. Zavarovalnica Triglav responded to the claim lodged by Matjaž Rakovec within the period specified by law. On 3 November 2014, Zavarovalnica Triglav was served a partial judgement of the District Court in Ljubljana in the case of Mr Matjaž Rakovec claiming the nullity and voidness of the Supervisory Board's resolution of 22 May 2013, reinstatement and damages. The court decided that the challenged resolution of the Supervisory Board on the dismissal of Matjaž Rakovec as the President of the Management Board was null and void, since the grounds for his dismissal were not in compliance with the Companies Act (ZGD-1). On the grounds of the lack of legal interest, the Court rejected the claim of Mr Rakovec for nullity and voidness of the resolution of 22 May 2013 on the appointment of an acting President of the Management Board of Zavarovalnica Triglav, as his term of office had already been terminated and any decision of the Court in this matter was devoid of purpose. On the same grounds the Court refused the claim by Mr Rakovec for the nullity and voidness of the entry into the Companies Register (of the President of the Management Board) on 29 May 2013 was. The damages for material loss claimed by Mr. Rakovec were also denied by the Court on the grounds of *lis pendens*. On the claimed amount of EUR 80,000 of damages for immaterial loss the Court will decide when and if the partial decision becomes final. In the event the partial decision becomes final, the damages for material loss of approximately EUR 430,000 Mr. Rakovec claims in a labour dispute will also be decided on. Zavarovalnica Triglav lodged an appeal against the above-stated judgement. The Higher Court of Ljubljana confirmed the partial judgement rendered by the District Court of Ljubljana dated 3 November 2014 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 appealed against the decision of the Higher Court of Ljubljana on a point of law. The appeal is pending before the Supreme Court.

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

On 26 February 2013, Zavarovalnica Triglav lodged a claim in which it requested the payment of dividend amounting to EUR 750,904.00 with interest and any other related costs. The defendant counters by arguing that the liability was offset in the amount of EUR 926,170 with interest and

any other related costs disclosed by Skupna pokojninska družba d.d., Ljubljana to the plaintiff based on a concluded contract on the payment of additional pensions pursuant to the retirement plan from 2000. On 23 April 2013, the defendant responded to the plaintiff's claim and at the same time filed a counterclaim for the payment of EUR 926,170 with interest and any other related costs. Zavarovalnica Triglav responded by rejecting all the allegations of Skupna pokojninska družba d.d., Ljubljana as unfounded.

On 28 January 2014, Zavarovalnica Triglav d.d. started a new legal action against the company Skupna pokojninska družba d.d., Ljubljana, claiming EUR 360,844 in dividend payments which fell due in 2013. On 24 March 2014, the defendant filed a defence statement and a counterclaim against Zavarovalnica Triglav for EUR 642,473 on the basis of an agreement on the payment of supplemental pensions under a pension scheme by 2000. Zavarovalnica Triglav filed a defence statement against the counterclaim in which it negates all the claims by Skupna pokojninska družba d.d., Ljubljana, in their entirety.

- Nova Ljubljanska banka d.d., Ljubljana, Maksima holding d.d., Ljubljana, FMR d.d., Idrija and Helios d.d., Domžale as the moving parties against Zavarovalnica Triglav d.d. Ljubljana as the opposing party – non-litigious civil case requiring judicial review of the adequacy of the amount of monetary compensation

The General Meeting of Shareholders (GMS) of Pozavarovalnica Triglav RE d.d., Ljubljana on 18 April 2012, based on a proposal by Zavarovalnica Triglav d.d. as its largest shareholder, passed a resolution on the transfer of the remaining shares held by minority shareholders (the moving parties) for a monetary compensation of EUR 1,441 per share. In their application for judicial review of the adequacy of the amount of that monetary compensation, in a non-litigious civil case started before the District Court in Ljubljana, the moving parties allege that the offered compensation, set by Zavarovalnica Triglav based on a valuation by a certified business appraiser in accordance with applicable valuation standards defined by law, failed to account for the actual asset and profit position of Pozavarovalnica Triglav RE d.d., Ljubljana, at the time the GMS adopted the exclusion of minority shareholders. On the contrary, Zavarovalnica Triglav alleges to have offered such an amount of monetary compensation which fully accounted for the asset and profit position of Pozavarovalnica Triglav RE d.d., Ljubljana, in compliance with the Companies Act (ZGD-1), as proven by both documents submitted by it at the GMS before it decided on the exclusion: i.e. a report explaining the assumptions for the transfer of shares and the adequacy of the amount of monetary compensation and an auditors' report in which a court-appointed auditor verified that the amount of offered monetary compensation is adequate. In the course of the procedure, the Court obtained the opinion of the settlement committee regarding the exchange rate testing, and an expert opinion of the court nominated expert. The expert opinions show that an appropriate cash compensation per share of excluded minority shareholders of Triglav Re, d.d., Ljubljana should be significantly higher than that adopted by the General Meeting of Triglav Re, d.d., Ljubljana. Based on interviews with all parties involved regarding the possibility of a settlement, all parties to the proceedings reached a court settlement before the District Court in Ljubljana on 18 January 2017. The parties agreed that Zavarovalnica Triglav would pay the difference between the already paid indemnity in the amount of EUR 1,441 per share and the amount of EUR 2.891 per share, i.e. an additional amount of 1.450 euros per share plus interest in the amount of 2 per cent per annum for the period from 26 April 2012 to 30 November 2016. The total amount of required payments to applicants thus totaled EUR 2,137,590, of which the principal is EUR 1,957,500 and accrued interest EUR 180,090. The parties have also agreed to bear their own costs of the litigious procedure.

The Management Board of Zavarovalnica Triglav assumes that there is no need to form provisions for potential costs arising from the abovementioned disputes.

■ Triglav osiguranje d.d., Sarajevo, versus SCT BBM d.o.o., Sarajevo

After a failed mediation, the company Triglav osiguranje d.d., Sarajevo proceeded with its action against the defendants SCT BBM d.o.o., Sarajevo, and JP Ceste Federacije BiH. The dispute concerns a claim for compensation in the amount of BAM 6,385,104, of which BAM 2,065,759 refers to the company Triglav osiguranje d.d., Sarajevo. The legal basis is the payment of a performance bond. Three preliminary hearings have taken place where the appointment of experts was discussed. The case is still pending.

■ Triglav osiguranje Belgrade vs. Dunav Re

On 14 April 2014, Triglav osiguranje Belgrade, filed an application for enforcement on the basis of an authentic document claiming EUR 1,934,707. The party against whom enforcement is sought appealed and the court referred the parties to litigation. At the hearing on 25 February 2015, the defendant entered a counterclaim for the rescission of the reinsurance contract. At the hearing on 29 June 2015, witnesses were heard and a financial analysis was presented. At hearings on 13 January 2016 and 15 March 2016, witnesses were heard. After the Court the financial analysis on 5 May 2016, je Triglav Osiguranje a.d.o. Beograd, set the amount of the payment claim at RSD 236,690,436 and interest accrued from 17 March 2013 onwards, and decided to reject the counterclaim for the cancellation of the reinsurance contract. Dunav RE proposed the exclusion of the financial expert, yet on 6 October 2016, the Court rejected the request as ungrounded. Dunav RE then filed a repeated request for the exclusion of the financial expert. The case is still pending.

■ Minority shareholders of Triglav osiguranje a.d., Skopje (plaintiff) versus Zavarovalnica Triglav and Triglav osiguranje a.d., Skopje (defendants)

In May 2013, the minority shareholders Triglav osiguranje a.d., Skopje, filed a legal action on the grounds of the breaches of an agreement on a sale and/or put option amounting to just under EUR 2.5 million. In October 2013, a statement of defence was submitted by Triglav Osiguranje a.d., Skopje, but Zavarovalnica Triglav d.d. was only served with the claim in January 2016. Zavarovalnica Triglav submitted a statement of defence in due time, contesting the claim in its entirety. The Court upheld the objection of Zavarovalnica Triglav regarding the jurisdiction of the Macedonian court and rejected the claim of the plaintiff.

■ Stojan Klopčevski versus Triglav Osiguranje a.d., Skopje

In April 2012, the former general manager of Triglav Osiguranje a.d., Skopje, lodged a claim against the company for damages in the amount of EUR 2.6 million. The claim was based on an unlawful decision on the termination of employment and the resulting loss of the possibility to exercise put option and call option agreements concluded with Zavarovalnica Triglav. On the grounds of shortcomings of the action, the Court dismissed the action on 5 March 2013. The Court upheld the objection and the case was referred back to the Court of First Instance for reconsideration. The Court adopted a decision by which it rejected the subject matter jurisdiction of the Macedonian court. The case is still pending.

■ Triglav osiguranje a.d., Banja Luka, versus Republic of Srpska Public Corporation »Business Premises« and the Republic of Srpska

In 2001, Triglav osiguranje a.d., Banja Luka, lodged a claim against the Republic of Srpska Public Corporation »Business Premises« and the Republic of Srpska in which it requested the payment of outstanding insurance premium of EUR 612,727 plus cost and interest on late payment which as at 31 December 2015 totalled EUR 31.888. The part of the claim referring to the Republic of Srpska was rejected, while the part referring to the Public Corporation was granted. However, the Public Corporation has no assets from which the claim of Triglav Osiguranje could be recovered.

## 5.9 Reviews by supervisory bodies

### ■ Order of the Insurance Supervision Agency (ISA)

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

On 19 February 2016, Zavarovalnica Triglav d.d. received the Insurance Supervision Agency Decision rejecting as unfounded the objection filed by Zavarovalnica Triglav d.d. on 14 December 2010 against the Insurance Supervision Agency Order to terminate the stated infringement.

In accordance with the order the Company's Management Board proposed the Works Council to convene a meeting of the Works Council and submitted a proposal for the dismissal of members of the Supervisory Board Ivan Sotoška and Sebastian Molan. On 18 May 2016, the Works Council discussed the presented proposal of the Management Board and did not adopt the proposed decision on the dismissal of Ivan Sotoška and Sebastian Molan. In compliance with the order and within the period specified therein, the Company presented a report on the execution of the ISA order.

### ■ Termination of authorisation for brokering the purchase and sale of mutual funds investment coupons

On 22 February 2016, the Company is received the Insurance Supervision Agency decision on the termination of the authorisation for the business of brokering the purchase or sale of mutual fund investment coupons regulated under the law governing investment funds and management companies. The authorisation was terminated pursuant to Article 633(1) of the Insurance Act, which provides that with effect from 1 January 2016 the authorisation of insurance undertakings acquired on the basis of Article 14(7) of the Insurance Act shall cease to be in force, while insurance companies shall cease to perform the operations within four months after the entry into force of the Insurance Act (ZZavar-1).

### ■ Issue of authorisation to perform reinsurance operations

On 25 April 2016 the Company was issued a decision by the Insurance Supervision Agency authorising it to perform reinsurance operations in the non-life insurance segment. The Company filed the application for the authorisation in order to comply with Article 635 of the Insurance Act, as at the date of entry into force of the revised Insurance Act (ZZavar-1) the Company performed reinsurance operations under Article 14(10) of the Insurance Act and intends to perform such operations also in the future.

### ■ Inspections performed by the Insurance Supervision Agency (hereinafter: ISA) in Zavarovalnica Triglav

■ On 17 November 2016 the Company received a request for inspection by the Insurance Supervision Agency on the basis of which, on 24 November 2016 the ISA began to review the operations related to the work and cooperation of the insurance company with medical examiners. On 7 February 2017 the ISA informed the Company that on the basis of the findings of the review no imposition of measures was needed and thereby the inspection of operations was completed.

- On 17 November 2016 the Company received a request for inspection by the Insurance Supervision Agency on the basis of which, on 28 November 2016 the ISA began to review the operations related primarily to the investment-linked life insurance.
- In 2014, the Insurance Supervision Agency (hereinafter: ISA) performed a review of operations, in order to inspect whether the Company's operations are in compliance with the Insurance Act and other applicable acts and implementing regulations, regulating its operating and accounting activities. Based on the said review, on 10 June 2015 the ISA issued the Order to eliminate the violations pertaining to the evaluation of certain investments and to the amendment and testing of the business continuity plan (hereinafter: the Order). In line with the issued Order, Zavarovalnica Triglav is required to implement the additional measures imposed by the Order: to revise the internal documents which define the values of such investments and to take them into account in the future when evaluating and/or categorising investments, as well as to amend and test the business continuity plan. On 22 June 2015, Zavarovalnica Triglav lodged an appeal against that Order, stating that the said violations were not mentioned in the Order. The Insurance Supervision Agency rejected the Company's appeal and established that the Company eliminated the violations pertaining to the evaluation of certain investments in due time. In addition, On 8 March 2016 the ISA further established that the alleged violation was eliminated in the part related to completing and testing the business continuity plan. On 7 August 2015, Zavarovalnica Triglav brought legal proceedings before the Administrative Court of the Republic of Slovenia, challenging the validity of the ISA Order and stating that the said violations were not mentioned in the issued Order. On 27 February 2017, the Company received the judgement of the The Supreme Court upheld the action and delivered a judgement of the Administrative Court by which the action was rejected.

#### ■ Lovćen Osiguranje, a.d., Podgorica

In March 2016, the Insurance Supervision Agency of Montenegro in cooperation with the Slovenian Insurance Supervision Agency carried out an inspection in the areas of corporate governance, related party transactions, information systems and accounting of technical reserves.

In August 2016, the Agency imposed the following measures on the Company: revision of the Rules for the Work of the Audit Committee, disclosure of information about transactions with related natural persons since the beginning of 2016, inclusion of the company INPRO in the record of related parties since 2016, revision of the rules concerning transactions with related persons, adoption of internal rules on advances paid to the representation company. On 28 December 2016, the Company notified the Agency of the fulfilment of all the imposed measures.

On 24 July 2015 the Competition Protection Office of Montenegro adopted a decision on the basis of which it found that Lovćen and Sava Montenegro violated competition rules in the area of non-life insurance by arranging, conclusion and execution of the agreement, which restricted and prevented competition. By the same decision, it was found that the agreements were null and void and that all parties were prohibited to further execute the agreements. Based on the decision of 21 August 2015, the Office upheld the claim of Lovćen to postpone the enforcement of the Office's decision until the final decision of the Administrative Court of Montenegro. On 25 August 2015 Lovćen brought the action against the decision of the Office. The action was finally rejected as ungrounded. The Office also filed a complaint against Lovćen and the person responsible with the Misdemeanor Court in Podgorica. On 2 March 2016, the Misdemeanor Court issued a decision terminating the proceedings due to statute of and illegal retroactive application of regulations. The complaint of the Office was rejected and the case has become final.

The tax authority carried out an inspection in the Company in 2016, which included checking the correctness and timeliness of tax returns and contribution payments, examination of operations of taxpayers, checking of updatedness, accuracy and veracity of bookkeeping and other records. Certain irregularities were found in the course of inspection. The Company has paid additional obligations in the amount of EUR 18,092.

■ Triglav Osiguranje, d.d., Sarajevo

In 2016, the Insurance Supervision Agency FBIH carried out two inspections of business operations on the basis of submitted reports and documentation which the Company in accordance with the rules regularly submitted to the Agency. The inspection concentrated on insurance policies for motor vehicle liability insurance has not yet been completed to the reporting date. In the second inspection, the Agency ordered the Company to pay some claims that have been resolved. The Company has already met its obligation and informed the Agency accordingly.

Additional inspection was also carried out by the Insurance Supervision Agency of the Republic of Srpska. Based on the inspection, the Agency issued a decision, ordering the Company to organise the work in the Banja Luka branch in such a way that all the original documentation for life insurance is kept in an appropriate manner. The Company has already complied with the obligations imposed.

■ Triglav Osiguranje, a.d.o., Beograd

In 2016, the National Bank of Serbia started an inspection in the Company, looking into cost accounting, real estate and equity, classification of financial assets, market behavior, business planning, monitoring the adequacy of the provisions for unearned premiums, and mathematical reserves. To the reporting date, the inspection was not completed.

In addition, a tax inspection by the Tax Administration is underway. This time, the subject of inspection is the calculation and payment of the corporate income tax for the 2011–2015 period.

■ Triglav Osiguranje, d.d., Zagreb

In 2016, the Croatian Financial Services Supervisory Agency (hereinafter: HANFA) performed a direct inspection of the Company's operations. On 14 October 2016, the HANFA adopted a decision imposing elimination of some deficiencies. The Company has to meet its obligations by 31 July 2017.

■ Triglav Osiguruvanje, a.d., Skopje

The Insurance Supervision Agency of Macedonia undertook a compliance review in the company and concluded that premiums passed for reinsurance are not recorded in the appropriate manner. The Company has corrected the deficiencies and submitted some comments to the minutes, to which the Agency agreed and completed the review on 18 May 2016.

In addition to the above, the Agency carried out two field inspections related to the Company's operations. Two offences were found and two fines imposed in total amount of EUR 15,925. The fines were paid in October 2016.



## 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 the guarantee fund of Zavarovalnica Triglav for 2016, as well as no material non-adjusting events.

The events after the reporting date that are important for the operations in 2017 are the following:

- On 2 February 2017, Zavarovalnica Triglav d.d. and KGAL Beteiligungsverwaltungs GmbH (hereinafter: the KGAL Group) signed an agreement on the establishment of the company TRIGAL d.o.o., Ljubljana. Upon its establishment, the newly founded company will have EUR 1 million of capital, of which EUR 499 thousand will be paid in by Zavarovalnica Triglav. By founding a new company, Zavarovalnica Triglav d.d. is launching the project of setting up a regional platform for alternative investments. The purpose of the platform will be to obtain funds from institutional investors and invest them in various types of investments such as real property, infrastructure projects and other alternative investments, primarily in the Adria region.
- On 5 January 2017, Zavarovalnica Triglav was informed by the Insurance Supervision Agency (hereinafter: ISA) on the completed inspection of operations related to the Company's own models for valuation of subsidiaries, which had started on 23 February 2015. In its notice, the ISA informed the Company that due to the self-commitment of the Company to adjust the valuation model for its subsidiaries, complement the valuation bases and apply an additional control method in valuation its insurance subsidiaries, no imposition of measures in this area was needed and thereby the inspection of operations was completed.



## 5.11 Improvements in standards and interpretations

### New standards and interpretations not yet in force

The accounting policies used in the preparation of the consolidated and separate financial statements are consistent with those of the consolidated and separate annual financial statements for the year ended 31 December 2015, except for new and amended standards in force as of 1 January 2016 presented below.

#### *Amendments to the IFRS 11 Joint Arrangements Accounting for Acquisitions of Interests in Joint Operation:*

In accordance with the amendments to IFRS 11, an entity that is a party to a joint operation should on accounting for the acquisition of an interest in a joint operation whose activity constitutes a business apply the relevant accounting policies as defined in IFRS 3 Business Combinations. The amendments also contain additional interpretation that on acquisition of additional interests in the same joint operation the entity shall not remeasure its existing interests in the same joint operation, as long as such joint operation exists. In addition, the Board included some exceptions to IFRS 11, stating that the amendments shall not apply to parties participating in a joint operation (including the reporting party), if they are controlled by the same parent company.

The amendments apply to the accounting for acquisition of both existing and additional interests in the same joint operation. The Amendments apply to future periods. These amendments will not have an impact on the consolidated and separate financial statements of the Company.

#### *Amendments to the IAS 16 and IAS 38: Clarification of Acceptable Methods of Depreciation and Amortisation*

With these amendments the Board clarifies the accounting policies of IAS 16 Property, Plant and Equipment and IAS 38 Intangible assets providing that revenues reflect the pattern of economic benefits that the entity generates in its operation (also embodied in the asset), and not the economic benefits arising from the consumption of the asset. Since revenue-based methods of depreciation cannot be used for property, plant and equipment, it can only in limited circumstances be used for the amortisation of intangible assets. It is not expected that the amendment will have an impact on the Group's separate and consolidated financial statements.

#### *Amendments to the IAS 16 and IAS 41 Agriculture: Bearer Plants*

The amendments are changing the requirement in accounting for biological assets meeting the definition of bearer plants. In accordance with these amendments biological assets defined as bearer plants, are no longer accounted for under IAS 41 Agriculture, but rather under IAS 16. That means that under the requirements of IAS 16, after the initial recognition bearer plants shall be measured at accumulated costs (before maturity) and by applying either the cost model or the revaluation model (after maturity). In addition, the amendment requires that the produce growing on bearer plants be measured at fair value less the cost of sales in accordance with the provisions of IAS 41. Government subsidies for bearer plants shall be accounted for in accordance with IAS 20, including the accounting for state subsidies and disclosure of state aid. These amendments have no impact on the Company's separate and consolidated financial statements.

#### *Amendments to IAS 27: Equity method in the separate financial statements*

Amendments to IAS 27 allow companies to use the equity method in its separate financial statements to account for investments in subsidiaries, associates and joint ventures. Companies that already prepare their financial statements in accordance with International Financial Reporting Standards (IFRS) and wish to make the transition to the equity method shall also apply these amendments to the separate financial statements of the preceding period. These amendments have no impact on separate financial statements.

#### *Amendment to IAS 1: Disclosure initiative*

The amendments to IAS 1 Presentation of Financial Statements clarify, rather than significantly change, existing IAS 1 requirements. Among other things, the amendments clarify:

- the requirements of IAS 1 in relating to materiality,
- that an entity may neglect individual items in the income statement, comprehensive income and statement of financial position,
- that an entity may freely choose their order of presentation of notes to the financial statements, and
- that an entity shall recognise the share in comprehensive income of an associated or jointly controlled entity using the equity method to show the total amount in one item and then allocate it to the items that subsequently will not be reclassified to profit or loss.

The amendments further clarify the requirements for additional presentation of interim amounts in the statement of financial position, income statement and statement of comprehensive income. These amendments will have no impact on the separate and consolidated financial statements of the Company.

#### *Amendments to IFRS 10, IFRS 12 and IFRS 28: Applying the consolidation exception*

The amendments clarify the issues faced by entities when applying the consolidation exceptions in investment entities based on the provisions of IFRS 10 Consolidated Financial Statements. The amendments clarify that the exemption from preparing consolidated financial statements only applies to a parent entity that is a subsidiary of an investment entity parent in cases where the investment entity measures its interests in all its subsidiaries at fair value. In addition, the amendments clarify that consolidation only includes subsidiaries that themselves are not investment entities and only provide ancillary services to the investment entity. All other subsidiaries of an investment entity are measured at fair value. Amendments to IFRS 28 Investments in Associates and Joint Ventures, allows investors to keep the fair value method along with the equity method, so that all associates and joint ventures apply the fair value method when measuring their interests in subsidiaries. These amendments will not have an impact on consolidated financial statements of the Company.

#### **Annual Improvements to IFRSs 2012–2014 Cycle**

##### *IFRS 5 Non-current assets held for sale and discontinued operations*

In general, an entity disposes of assets (or disposal groups) through either sale or distribution to owners. The amendment clarifies that the change of asset disposal method (by sale or distribution to owners) does not constitute a new sales plan but rather a continuation of the original plan, which in no way discontinues the requirements of IFRS 5. Entities shall follow the amendment in future periods.

##### *IFRS 7 Financial Instruments: Disclosures*

The amendment clarifies that a servicing contract specifying the price of services constitutes continuing involvement in the financial asset. To establish whether disclosure is required or not, an entity shall assess the type and price of the servicing contract and on that basis determine whether or not the contract represents continuing involvement in the financial assets in accordance with IFRS 7. Furthermore, assessing whether a servicing contract represents continuing involvement in the financial assets. However, disclosure is not required for period preceding the year in which an entity observes the amendment for the first time.

### *IAS 19 Employee Benefits*

The amendment clarifies that the entity shall assess market depth of high-quality corporate bond rate based on the currency in which the obligation is expressed and not taking into account the currency of the country in which the obligation exists. In the absence of market depth, high-quality corporate bonds in a particular currency, the entity shall apply the rate of return on government bonds. The amendment shall be applied to future periods.

### **New IFRSs and interpretations not yet in force**

A number of new standards and interpretations adopted by the EU were not yet effective when these separate and consolidated financial statements were prepared. The Company intends to follow these standards and interpretations in its financial statements after they have become effective. So far, the Company has adopted none of these standards prior to their required effective date.

### *IFRS 9 Financial Instruments*

In July 2014, the International Accounting Standards Board promulgated the final version of IFRS 9 Financial Instruments, containing the requirements of all intermediate stages of the project to adjust IFRS 9 and replace IAS 39 Financial instruments. The new standard introduces new requirements for classification and measurement of financial assets and liabilities. The interpretation is effective for annual periods beginning on or after 1 January 2013. Earlier application is permitted. Companies must apply the amended standard for the previous periods, whereby the disclosure of comparative information is not required.

The adoption of IFRS 9 will have an effect on the classification and measurement of the financial assets and liabilities of the guarantee fund. The Company will apply the new standard together with the use of IFRS 4.

### *IFRS 15 Revenue from the Contracts with Customers*

In May 2014, the International Accounting Standards Board issued IFRS 15. The standard establishes a five-step model of recognising revenue expected from contracts with customers. Under IFRS 15 revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. At the same time, IFRS 15 provide a more structured approach to measuring and recognising revenue. The new standard is applicable to all entities and supersedes all current revenue recognition requirements under IFRS. Either a full or modified retrospective application is required for annual periods beginning on or after 1 January 2018. Early application is permitted.

The Company is currently evaluating the impact of the new standard, which will be observed from the date of its entry into force.

### **New standards and interpretations not yet adopted by the EU**

### *IFRS 16: Leases*

In January 2016, the International Accounting Standards Board published IFRS 16, replacing the international accounting standard IAS 17 Leases, IFRIC Interpretation 4 Determining whether an Arrangement Contains a Lease, SIC interpretation 15 Operating Leases – Incentives and SIC interpretation 27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. IFRS 16 thus determines policies for recognition, measurement, presentation and disclosure of a lease. Standard od najemnika zahteva, da pripozna vse najeme v okviru enotnega modela bilance stanja, podobno kot pri obračunu finančnega najema v skladu z MRS 17. The standard requires lessees to account for all leases under a single on-balance sheet model in a similar way to finance leases under IAS 17. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets (e.g., personal

computers) and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). At the same time, lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset. According to the new standard, they will also be required to remeasure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset.

In accordance with IFRS 16, the accounting treatment of the lease by the lessor remains essentially the same as in the existing IAS 17. The lessor will continue to classify all leases on the same principle as defined in IAS 17 and distinguish between two types of lease: operating and financial lease. IFRS 16 requires more extensive disclosures from both the lessor and the lessee than the existing IAS 17.

IFRS 16 is effective for annual periods beginning on or after 1 January 2019. Early application is permitted as long as the Company has already reported in compliance with IFRS 15. A lessee can choose to apply the standard using either a full retrospective or a modified retrospective approach. The transitional provisions of the standard also provide for certain exceptions for the companies.

It is not expected that the amendment will have an impact on the consolidated and separate financial statements.

#### *IFRS 14: Regulatory Deferral Accounts*

IFRS 14 is an optional standard that allows an entity to continue applying most of its existing generally accepted accounting principles to accounting for regulatory deferral account balances upon its first-time adoption of IFRS. Entities that adopt IFRS 14 must present the regulatory deferral accounts as separate line items on the statement of financial position and present movements in these account balances as separate line items in the statements of profit or loss and other comprehensive income. The standard requires disclosures on the nature of, and risks associated with, the entity's rate-regulation and the effects of that rate-regulation on its financial statements.

#### *Amendments to IFRS 10 and IAS 28: Sales or contributions of assets between an investor and its associate or joint venture*

The amendment deals with the conflict between the requirements of IFRS 10 and IAS 28 regarding the accounting for the loss of control over a subsidiary resulting from the sale or contribution of assets to an associate or joint venture. The amendments clarify that a full gain or loss should be recognised from the sale or contribution of assets that constitute a business as defined in IFRS 3, between an investor and its associate or joint venture. However, the gain or loss resulting from the sale or contribution of assets that does not constitute a business is recognised only to the extent of unrelated investor's interests in the associate or joint venture. The International Accounting Standards Board has deferred the effective date indefinitely. The company that decides on early adoption of these amendments has to apply them for future periods. It is not expected that the amendment will have an impact on the consolidated financial statements.

#### *IAS 12: Recognition of Deferred tax Assets – Amendments to IAS 12*

The amendments clarify that an entity needs to consider whether tax law restricts the sources of taxable profits against which it may make deductions on the reversal of that deductible temporary difference. Furthermore, the amendments provide guidance on how an entity should determine future taxable profits and explain the circumstances in which taxable profit may include the recovery of some assets for more than their carrying amount.

The amendments have to be applied retrospectively. However, on initial application of the amendments, the change in the opening equity of the earliest comparative period may be recognised in opening retained earnings (or in another component of equity, as appropriate), without allocating the change between opening retained earnings and other components of equity. Entities applying this relief must disclose that fact.

The interpretation is effective for annual periods beginning on or after 1 January 2014. Earlier application is permitted. If the amendments are applied for an earlier period, this fact has to be disclosed. It is not expected that the amendment will have an impact on the separate and consolidated financial statements.

#### *IAS 7 Disclosure Initiative – Amendments to IAS 7*

The International Accounting Standards Board (IASB) published Amendments to IAS 7 Statement of Cash Flows as part of its endeavours to encourage disclosures. Thus, Amendments to IAS 7 require entities to include in financial statement disclosure that enable the users of financial statements to see the scope of changes in the entity's liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. On initial application of the amendments, entities are not required to provide comparative information for preceding periods.

The amendments are effective for annual periods beginning on or after 1 January 2017. Earlier application is permitted. In accordance with these amendments, the Company will include additional disclosures in its annual report, if needed.

#### *Clarifications to IFRS 15 Revenue from the Contracts with Customers*

In April 2016, the International Accounting Standards Board (IASB) published amendments to IFRS 15 to address several implementation issues discussed by the »Joint Transition Resource Group for Revenue Recognition«.

The amendments clarify:

- when a promised good or service is distinct within;
- how to apply the principal versus application guidance, including the unit of account for the assessment, how to apply the control principle in service transactions and reframe the indicators;
- when an entity's activities significantly affect the intellectual property (IP) to which the customer has rights, which is a factor in determining whether the entity recognises revenue for licences over time or at a point of time;
- The scope of the exception for sales-based and usage-based royalties related to licences of IP (the royalty constraint) when there are other promised goods or services in the contract.

In addition, the amendments contain two practical expedients to the transition requirements of IFRS 15 for:

- completed contracts under the full retrospective transition approach and
- contract modifications at transition to the new standard.

The amendments have an effective date of 1 January 2018, which is the effective date of IFRS 15. The amendments are intended to clarify the requirements in IFRS 15, not to change the standard. The Group/Company is required to apply these amendments retrospectively. Early application is permitted and must be disclosed.

The Company currently assesses the impact of these clarifications that will be observed as of the effective date.

### *IFRS 2: Classification and Measurement of Share-based Payment Transactions – Amendments to IFRS 2*

Within the Amendments to IFRS 2 Share-based Payments, the International Accounting Standards Board (IASB) address the following three main areas:

- the effects of vesting conditions on the measurement of a cash-settled share-based payment transaction,
- the classification of share-based payment transactions with net settlement features for withholding tax obligations and
- the accounting where a modification to the terms and conditions of a share-based payment transaction changes its classification from cash-settled to equity-settled.

On adoption of these amendments, entities are required to apply the amendments without restating prior periods, but retrospective application is permitted only if elected for all three amendments and other criteria are met. The amendments are effective for annual periods beginning on or after 1 January 2018. Earlier application is permitted. It is not expected that the amendment will have an impact on the Group's separate and consolidated financial statements.

### *IFRS 4 – Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts – Amendments to IFRS 4*

The amendments address concerns arising from implementing the new financial instruments Standard, IFRS 9, before implementing the new insurance contracts standard that the Board is developing to replace IFRS 4. The amendments introduce two options for entities issuing insurance contracts: a temporary exemption from applying IFRS 9 and an overlay approach.

The amendments are effective for annual periods beginning on or after 1 January 2018. The Company is assessing the impact of the amendments on both separate and consolidated financial statements.

### **Annual improvements of standards in the 2014–2016 period**

The improvements comprise amendments to three standards:

- IFRS 12 Disclosure of Interests in Other Entities The amendment is effective for annual periods beginning on or after 1 January 2017. The amendments clarify the scope of the standard and provide requirements with regard to disclosures (except for those in paragraphs B10 – B16), apply to an entity's interests in paragraph 5 that are classified as held for sale, as held for distribution or as discontinued operations in accordance with IFRS 5. Non-current Assets Held for Sale and Discontinued Operations.
- IFRS 1 – First-time Adoption of International Financial Reporting Standards. The amendment is effective for annual periods beginning on or after 1 January 2018. The amendments deleted the short-term exemptions in paragraphs E3–E7 of IFRS 1, because they have now served their purpose and are no longer needed.
- IAS 28 Investments in Associates and Joint Ventures (revised) The amendments are effective for annual periods beginning on or after 1 January 2018. The amendments clarify that, upon initial recognition, an entity may elect to measure any investment in an associate or joint venture that is a venture capital organisation, or other qualifying entity at fair value through profit or loss.

The Company is currently assessing the possible impact of the amendments on its separate and consolidated financial statements.

### *IFRIC Interpretation 22: Foreign Currency Transactions and Advance Consideration*

The Interpretation addresses the exchange rate to use in transactions that involve advance consideration paid or received in a foreign currency.

The Interpretation covers foreign currency transactions when an entity recognises a non-monetary asset or nonmonetary liability arising from the payment or receipt of advance consideration before the entity recognises the related asset, expense or income. It does not apply when an entity measures the related asset, expense or income on initial recognition at fair value or at the fair value of the consideration received or paid at a date other than the date of initial recognition of the non-monetary asset or non-monetary liability. Also, the Interpretation need not be applied to income taxes, insurance contracts or reinsurance contracts.

IFRIC Interpretation 22 is effective for annual periods beginning on or after 1 January 2018. Earlier application is permitted. The Interpretation can be applied either prospectively to all foreign currency assets, expenses and income in the scope of the interpretation initially recognised on or after the beginning of the reporting period an entity first applies the interpretation in or the beginning of a prior reporting period presented as comparative information.

The Company is currently assessing the possible impact of the amendments on its separate and consolidated financial statements.

#### *Amendments to IAS 40 – Transfer of Investment Property*

The amendments clarify the requirements on transfer to, or from, investment property. The amendments are effective for annual periods beginning on or after 1 January 2018. Earlier application is permitted.

The amendments are applied to changes in use that occur on or after the beginning of the annual reporting period in which the entity first applies the amendments. Retrospective application is also permitted if that is possible without the use of hindsight. The Company is currently assessing the possible impact of the amendments on its separate and consolidated financial statements.

## 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 2016	31 December 2015
Balance sheet total (without offsetting)	2,761,482,778	2,707,758,359
Mutual receivables and liabilities	-6,410,518	-7,598,782
Deferred tax assets and liabilities	-14,739,215	-14,726,987
<b>Offset balance</b>	<b>2,740,333,045</b>	<b>2,685,432,591</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. Within individual insurance classes and types of insurance technical provisions, investment income is distributed according to the structure of technical provisions. Investment income from assets backing liabilities, long-term business funds and investments not financed by insurance technical provisions is accounted for 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 and insurance class, partly directly and partly by using a matrix (the matrix is the same as for investment income).

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. Investment expenses within individual insurance classes and types of insurance technical provisions are distributed according to the same criteria as investment income. 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 and by insurance class, partly directly and partly by using a matrix. Other expenses from insurance operations and other expenses are posted separately by insurance group. 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 2016</b>	<b>Non-life</b>	<b>Life</b>	<b>Health</b>	<b>Non-insurance</b>	<b>TOTAL</b>	
Investments in intangible assets	5,882,534	1,926,445	319,432	39,275	<b>8,167,686</b>	
Investments in property plant and equipment	5,096,370	236,929	201,677	604,424	<b>6,139,400</b>	
Investments in investment property	597,478	0	0	18,423,463	<b>19,020,941</b>	
<b>Triglav Group 2015</b>	<b>Non-life</b>	<b>Life</b>	<b>Health</b>	<b>Non-insurance</b>	<b>TOTAL</b>	in EUR
Investments in intangible assets	4,657,694	608,150	641,837	148,870	<b>6,056,551</b>	
Investments in property plant and equipment	6,138,992	150,240	290,528	4,570,828	<b>11,150,588</b>	
Investments in investment property	425,441	0	0	4,463	<b>429,904</b>	

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

- in non-life insurance, exposure to Nova ljubljanska banka, d.d. of EUR 17,668,797;
- in life insurance, exposure to Commerzbank AG of EUR 66,107,017;
- in health insurance, exposure to N.V.Bank Nederlandse Gemeenten of EUR 816,633;
- in non-insurance, exposure to Abanka, d.d. of EUR 10,253,509.

	in EUR		
<b>Zavarovalnica Triglav 2016</b>	<b>Non-life</b>	<b>Life</b>	<b>TOTAL</b>
<b>ADDITIONAL DISCLOSURES FROM THE STATEMENT OF FINANCIAL POSITION</b>			
Investments in intangible assets	4,163,365	1,805,265	5,968,630
Investments in property, plant and equipment	2,943,570	193,806	3,137,376
Investments in investment property	269,987	0	269,987
<b>ADDITIONAL DISCLOSURES FROM THE INCOME STATEMENT</b>			
Depreciation charge for the current year	-7,572,502	-1,617,712	-9,190,214
Expenses from the impairment of premium and subrogation receivables	-14,181,138	0	-14,181,138
Income from reversal of impairment of receivables	12,581,923	1,727	12,583,650
Expenses from impairment of investment property	0	0	0
Expenses from impairment of other receivables	-120,089	-10,724	-130,812
Income from reversal of impairment of other receivables	67,000	14,757	81,756

	in EUR		
<b>Zavarovalnica Triglav 2015</b>	<b>Non-life</b>	<b>Life</b>	<b>TOTAL</b>
<b>ADDITIONAL DISCLOSURES FROM THE STATEMENT OF FINANCIAL POSITION</b>			
Investments in intangible assets	4,220,723	586,034	4,806,757
Investments in property, plant and equipment	4,412,800	129,928	4,542,728
Investments in investment property	18,512,765	0	18,512,765
<b>ADDITIONAL DISCLOSURES FROM THE INCOME STATEMENT</b>			
Depreciation charge for the current year	-7,360,629	-1,604,101	-8,964,730
Expenses from the impairment of premium and subrogation receivables	-15,584,813	-6,667	-15,591,480
Income from reversal of impairment of receivables	14,961,629	0	14,961,629
Expenses from impairment of property, plant and equipment	-996,552	0	-996,552
Expenses from impairment of other receivables	-95,441	-17,876	-113,317
Income from reversal of impairment of other receivables	118,855	16,261	135,117

Maximum individual exposure of Zavarovalnica Triglav to financial institutions is:

- for non-life insurance: Nova ljubljanska banka, d.d.: EUR 15,036,596 and
- for life insurance: Commerzbank, AG: EUR 66,107,017.

	2016					2015					in EUR
Triglav Group Comprehensive income by business segments	NON-LIFE	LIFE	HEALTH	OTHER	TOTAL	NON-LIFE	LIFE	HEALTH	OTHER	TOTAL	
NET PROFIT FOR THE YEAR AFTER TAX	63,293,520	15,587,538	3,303,538	147,178	82,331,774	59,973,409	19,932,426	5,690,619	3,264,740	88,861,194	
OTHER COMPREHENSIVE INCOME AFTER TAX	5,079,234	3,929,216	432,159	1,149,402	10,590,011	-13,072,485	-5,299,412	-769,437	334,965	-18,806,369	
Items which will not be transferred in P&L in future periods	-413,840	-82,783	-18,680	-17,326	-532,629	158,819	36,305	3,605	-83,581	115,148	
Net actuarial gains/losses for pension plans	-338,072	-66,960	-18,680	-17,326	-441,038	182,824	40,489	3,605	-83,581	143,337	
Tax on items which will not be transferred in P&L	-75,768	-15,823	0	0	-91,591	-24,005	-4,184	0	0	-28,189	
Items which could be transferred into P&L in future periods	5,493,074	4,011,999	450,839	1,166,728	11,122,640	-13,231,304	-5,335,717	-773,042	418,546	-18,921,517	
Fair value gains/losses on available-for-sale financial assets	7,664,391	14,080,157	587,841	1,436,565	23,768,954	-15,939,755	-27,589,269	-931,376	994,492	-43,465,908	
- net gains/losses recognized directly in equity	11,550,817	19,433,955	766,785	1,436,565	33,188,122	-8,907,223	-3,721,391	194,931	994,492	-11,439,191	
- transfers from equity to income statement	-3,886,426	-5,353,798	-178,944	0	-9,419,168	-7,032,532	-23,867,878	-1,126,307	0	-32,026,717	
Fair value gains/losses on non-current assets held for sale	89	0	0	0	89	0	-381,226	0	0	-381,226	
Share of OCI of entities accounted for using the equity method	0	0	0	402,548	402,548	0	30,807	0	-343,792	-312,985	
Liabilities from insurance contracts with DPF	0	-6,554,570	0	0	-6,554,570	0	17,740,272	0	0	17,740,272	
Currency translation differences	634,614	51,805	0	-101,311	585,108	61,261	-16,622	0	6,330	50,969	
Tax on other comprehensive income	-2,806,020	-3,565,393	-137,002	-571,074	-7,079,489	2,647,190	4,880,321	158,334	-238,484	7,447,361	
COMPREHENSIVE INCOME OR LOSS FOR THE YEAR AFTER TAX	68,372,754	19,516,754	3,735,697	1,296,580	92,921,785	46,900,923	14,633,014	4,921,182	3,599,705	70,054,825	
Controlling interest	67,790,842	19,814,000	3,735,697	1,348,648	92,689,187	47,040,569	14,365,821	4,921,182	3,893,462	70,221,035	
Non-controlling interest	581,912	-297,246	0	-52,068	232,598	-139,646	267,193	0	-293,757	-166,210	

	2016			2015			In EUR
Zavarovalnica Triglav Comprehensive income by business segments	NON-LIFE	LIFE	TOTAL	NON-LIFE	LIFE	TOTAL	
Net profit for the year after tax	61,127,344	14,206,258	75,333,602	40,333,066	18,172,752	58,505,818	
Other comprehensive income after tax	4,517,734	4,610,781	9,128,515	-9,541,648	-7,953,479	-17,495,126	
Items which will not be transferred in P&L in future periods	-410,006	-82,783	-492,789	178,600	36,305	214,905	
Actuarial gains and losses related to post-employment benefits on retirement	-334,238	-66,960	-401,198	199,088	40,489	239,577	
Tax on items which will not be transferred in P&L	-75,768	-15,823	-91,591	-20,488	-4,184	-24,672	
Items which could be transferred into P&L in future periods	4,927,740	4,693,564	9,621,304	-9,720,248	-7,989,784	-17,710,031	
Fair value gains/losses on available-for-sale financial assets	7,387,066	14,802,889	22,189,955	-11,711,142	-30,730,657	-42,441,799	
- net gains/losses recognized directly in equity	8,940,230	19,640,087	28,580,317	-4,113,934	-6,862,923	-10,976,857	
- transfers from equity to income statement	-1,553,164	-4,837,198	-6,390,362	-7,597,208	-23,867,734	-31,464,942	
Liabilities from insurance contracts with DPF	0	-6,554,570	-6,554,570	0	17,740,272	17,740,272	
Tax on other comprehensive income	-2,459,326	-3,554,755	-6,014,081	1,990,894	5,000,601	6,991,496	
COMPREHENSIVE INCOME OR LOSS FOR THE YEAR AFTER TAX	65,645,078	18,817,039	84,462,117	30,791,418	10,219,273	41,010,692	

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

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

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

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

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

in EUR

	31 December 2016						
Statement of financial position	NON-LIFE	LIFE	HEALTH	OTHER	TOTAL (before eliminations)	ELIMINATIONS	TOTAL (after eliminations)
<b>ASSETS</b>	<b>1,710,431,404</b>	<b>1,950,198,994</b>	<b>50,565,069</b>	<b>189,872,226</b>	<b>3,901,067,693</b>	<b>-326,182,270</b>	<b>3,574,885,423</b>
Intangible assets	66,610,433	2,543,966	957,696	3,711,493	73,823,588	0	73,823,588
Property, plant and equipment	87,241,429	11,088,587	1,430,541	8,172,871	107,933,428	0	107,933,428
Deferred tax asstets	13,900,553	1,336,641	270,553	285,367	15,793,114	0	15,793,114
Investment property	53,171,613	2,286,948	0	35,020,188	90,478,749	5,363,971	95,842,720
Investments in subsidiaries	128,224,747	10,578,066	0	66,439,368	205,242,181	-205,242,181	0
Investments in associates	0	4,144,637	0	2,681,763	6,826,400	0	6,826,400
Financial assets	1,027,520,871	1,881,153,435	43,172,848	47,480,986	2,999,328,140	-25,024,859	2,974,303,281
Financial investments	1,027,520,871	1,421,170,613	43,172,848	47,480,986	2,539,345,318	-25,024,859	2,514,320,459
- loans and deposits	99,799,691	65,243,436	94,678	4,384,687	169,522,492	-20,790,854	148,731,638
- held to maturity	0	231,342,393	0	0	231,342,393	0	231,342,393
- available for sale	915,935,021	739,668,176	43,078,170	43,096,299	1,741,777,666	-3,734,594	1,738,043,072
- recognised at fair value through profit and loss	11,786,159	384,916,608	0	0	396,702,767	-499,411	396,203,356
Unit-linked insurance assets	0	459,982,822	0	0	459,982,822	0	459,982,822
Reinsurers' share of technical provisions	146,560,701	45,965	65,090	0	146,671,756	-69,586,973	77,084,783
Receivables	164,484,623	5,305,518	4,490,337	10,191,907	184,472,385	-31,551,296	152,921,089
- receivables from direct insurance operations	82,083,004	613,437	4,077,473	0	86,773,914	-2,714,748	84,059,166
- receivables from reinsurance and coinsurance operations	59,119,683	9,485	36,998	0	59,166,166	-24,066,316	35,099,850
- current tax receivables	747,686	154	0	142,436	890,276	0	890,276
- other receivables	22,534,250	4,682,442	375,866	10,049,471	37,642,029	-4,770,232	32,871,797
Other assets	2,766,763	46,341	18,490	931,591	3,763,185	-140,932	3,622,253
Cash and cash equivalents	19,949,671	31,668,890	159,514	13,936,399	65,714,474	0	65,714,474
Non-current assets held for sale	0	0	0	1,020,293	1,020,293	0	1,020,293
<b>EQUITY AND LIABILITIES</b>	<b>1,710,431,404</b>	<b>1,950,198,994</b>	<b>50,565,069</b>	<b>189,872,226</b>	<b>3,901,067,693</b>	<b>-326,182,270</b>	<b>3,574,885,423</b>
Equity	591,821,655	157,208,258	29,592,588	166,050,727	944,673,228	-200,323,481	744,349,747
Controlling interests	591,821,655	157,208,258	29,592,588	166,050,727	944,673,228	-210,717,714	733,955,514
- share capital	115,729,153	42,885,603	25,822,144	92,230,534	276,667,434	-202,966,042	73,701,392
- share premium	42,947,231	13,658,827	0	25,088,124	81,694,182	-28,205,492	53,488,690
- reserves from profit	253,088,684	46,665,650	222,038	1,956,708	301,933,080	3,602,377	305,535,457
- fair value reserve	59,890,604	15,157,857	1,493,135	22,201,532	98,743,128	-11,008,000	87,735,128
- net profit brought forward	91,831,887	22,941,388	951,202	13,663,954	129,388,431	43,804,438	173,192,869
- net profit/loss for the year	31,031,308	17,001,668	1,104,069	10,995,776	60,132,821	-15,916,344	44,216,477
- currency translation differences	-2,697,212	-1,102,735	0	-85,901	-3,885,848	-28,651	-3,914,499
Non-controlling interests	0	0	0	0	0	10,394,233	10,394,233
Subordinated liabilities	11,073,221	10,029,887	1,500,000	0	22,603,108	-5,734,006	16,869,102
Insurance technical provisions	963,579,734	1,295,414,018	12,364,372	0	2,271,358,124	-68,252,900	2,203,105,224
- unearned premiums	275,336,728	462,864	2,463,639	0	278,263,231	-14,623,611	263,639,620
- mathematical provisions	0	1,272,092,349	0	0	1,272,092,349	1,446,259	1,273,538,608
- claims provisions	662,116,426	18,911,900	9,105,769	0	690,134,095	-54,893,200	635,240,895
- other insurance technical provisions	26,126,580	3,946,905	794,964	0	30,868,449	-182,348	30,686,101
Insurance technical provisions for unit-linked insurance contracts	0	457,683,091	0	0	457,683,091	0	457,683,091
Employee benefits	10,490,082	1,981,637	477,216	601,329	13,550,264	0	13,550,264
Other provisions	1,623,462	1,714,200	258,023	375,532	3,971,217	0	3,971,217
Deferred tax liabilities	13,424,776	8,868,633	0	3,107,135	25,400,544	0	25,400,544
Other financial liabilities	5,088,991	1,112,067	99,125	1,164,440	7,464,623	-2,175,930	5,288,693
Operating liabilities	57,976,553	7,925,969	2,416,732	991,817	69,311,071	-27,282,876	42,028,195
- liabilities from direct insurance operations	6,837,341	7,912,022	2,386,126	0	17,135,489	-1,115,469	16,020,020
- liabilities from reinsurance and co-insurance operations	49,252,099	13,947	30,606	0	49,296,652	-26,167,407	23,129,245
- current tax liabilities	1,887,113	0	0	991,817	2,878,930	0	2,878,930
Other liabilities	55,352,930	8,261,234	3,857,013	17,581,246	85,052,423	-22,413,077	62,639,346
Non-current liabilities held for sale and discontinued operations	0	0	0	0	0	0	0

in EUR

	31 December 2015						
Statement of financial position	NON-LIFE	LIFE	HEALTH	OTHER	TOTAL (before eliminations))	ELIMINATIONS	TOTAL (after eliminations)
<b>ASSETS</b>	<b>1,679,001,567</b>	<b>1,889,678,781</b>	<b>50,604,574</b>	<b>210,850,496</b>	<b>3,830,135,418</b>	<b>-336,678,618</b>	<b>3,493,456,800</b>
Intangible assets	63,377,779	1,712,780	719,922	4,428,428	70,238,909	-106,577	70,132,332
Property, plant and equipment	86,951,057	10,775,245	1,441,300	24,002,591	123,170,193	-1,359,833	121,810,360
Deferred tax assets	14,008,148	1,289,370	560,675	511,746	16,369,939	-376,251	15,993,688
Investment property	62,922,320	2,340,472	0	14,260,530	79,523,322	-48,039	79,475,283
Investments in subsidiaries	133,536,347	11,644,151	0	55,021,301	200,201,799	-200,201,799	0
Investments in associates	0	4,206,493	0	5,516,391	9,722,884	-2,783,184	6,939,700
Financial assets	968,653,371	1,835,345,188	43,252,890	53,452,910	2,900,704,359	-27,267,576	2,873,436,783
Financial investments	968,653,371	1,370,611,265	43,252,890	53,452,910	2,435,970,436	-27,267,576	2,408,702,860
- loans and deposits	99,310,574	91,929,553	3,450,433	12,631,671	207,322,231	-23,450,012	183,872,219
- held to maturity	0	242,406,400	0	0	242,406,400	0	242,406,400
- available for sale	858,642,721	671,189,004	39,802,457	40,821,239	1,610,455,421	-2,773,783	1,607,681,638
- recognised at fair value through profit and loss	10,700,076	365,086,308	0	0	375,786,384	-1,043,781	374,742,603
Unit-linked insurance assets	0	464,733,923	0	0	464,733,923	0	464,733,923
Reinsurers' share of technical provisions	135,405,518	18,982	9,264	0	135,433,764	-66,709,459	68,724,305
Receivables	192,056,461	7,410,928	4,543,950	21,340,783	225,352,122	-58,908,389	166,443,733
- receivables from direct insurance operations	81,032,421	590,747	3,609,052	0	85,232,220	-1,983,214	83,249,006
- receivables from reinsurance and coinsurance operations	73,340,738	31,639	33,225	0	73,405,602	-30,581,934	42,823,668
- current tax receivables	293,547	154	0	7,572	301,273	0	301,273
- other receivables	37,389,755	6,788,388	901,673	21,333,211	66,413,027	-26,343,241	40,069,786
Other assets	4,216,294	95,710	41,536	4,350,746	8,704,286	-569,524	8,134,762
Cash and cash equivalents	17,874,272	14,839,462	35,037	17,073,947	49,822,718	-1,893,950	47,928,768
Non-current assets held for sale	0	0	0	10,891,123	10,891,123	23,545,963	34,437,086
<b>EQUITY AND LIABILITIES</b>	<b>1,679,001,567</b>	<b>1,889,678,781</b>	<b>50,604,574</b>	<b>210,850,496</b>	<b>3,830,135,418</b>	<b>-336,678,618</b>	<b>3,493,456,800</b>
Equity	546,002,252	154,237,056	27,937,085	164,399,854	892,576,247	-188,531,748	704,044,499
Controlling interests	546,002,252	154,237,056	27,937,085	164,399,854	892,576,247	-199,650,382	692,925,865
- share capital	114,852,545	41,915,113	25,822,144	159,318,064	341,907,866	-268,206,474	73,701,392
- share premium	42,947,231	13,658,828	0	29,208,975	85,815,034	-30,859,122	54,955,912
- reserves from profit	256,014,524	47,036,141	102,761	2,780,443	305,933,869	-4,988,403	300,945,466
- fair value reserve	55,437,376	12,282,668	1,060,976	20,795,083	89,576,103	-12,008,784	77,567,319
- net profit brought forward	40,642,684	18,952,322	0	-36,651,961	22,943,045	81,560,829	104,503,874
- net profit/loss for the year	38,725,413	21,541,846	951,204	-10,352,735	50,865,728	34,936,824	85,802,552
- currency translation differences	-2,617,521	-1,149,862	0	-698,015	-4,465,398	-45,085	-4,510,483
- reserve of disposal group held for sale	0	0	0	0	0	-40,167	-40,167
Non-controlling interests	0	0	0	0	0	11,118,634	11,118,634
Subordinated liabilities	12,437,213	10,028,667	1,500,000	0	23,965,880	-5,213,628	18,752,252
Insurance technical provisions	954,328,993	1,243,003,784	12,802,170	0	2,210,134,947	-66,739,736	2,143,395,211
- unearned premiums	264,095,070	437,990	1,967,811	0	266,500,871	-14,442,915	252,057,956
- mathematical provisions	0	1,219,737,727	0	0	1,219,737,727	0	1,219,737,727
- claims provisions	665,542,581	20,097,217	9,344,074	0	694,983,872	-52,296,821	642,687,051
- other insurance technical provisions	24,691,342	2,730,850	1,490,285	0	28,912,477	0	28,912,477
Insurance technical provisions for unit-linked insurance contracts	0	457,046,912	0	0	457,046,912	0	457,046,912
Employee benefits	9,228,780	1,844,498	377,843	1,307,063	12,758,184	-533,053	12,225,131
Other provisions	1,287,507	1,824,621	256,630	3,039,196	6,407,954	-2,553,110	3,854,844
Deferred tax liabilities	15,923,234	5,012,534	0	2,253,028	23,188,796	0	23,188,796
Other financial liabilities	2,123,870	1,111,726	98,854	17,482,923	20,817,373	-17,033,091	3,784,282
Operating liabilities	70,745,189	6,492,542	3,930,080	259,979	81,427,790	-33,039,065	48,388,725
- liabilities from direct insurance operations	7,160,205	6,464,014	3,908,662	0	17,532,881	-914,953	16,617,928
- liabilities from reinsurance and co-insurance operations	60,130,067	22,394	21,418	0	60,173,879	-32,120,249	28,053,630
- current tax liabilities	3,454,917	6,134	0	259,979	3,721,030	-3,863	3,717,167
Other liabilities	66,924,529	9,076,441	3,701,912	22,108,453	101,811,335	-35,469,360	66,341,975
Non-current liabilities held for sale and discontinued operations	0	0	0	0	0	12,434,173	12,434,173



in EUR										
Income statement	2016					2015				
	NON-LIFE	LIFE	HEALTH	OTHER	TOTAL	NON-LIFE	LIFE	HEALTH	OTHER	TOTAL
Net premium income	523,385,136	212,395,932	113,812,933	0	849,594,001	518,250,582	212,521,192	108,395,450	0	839,167,224
- gross written premium	609,255,380	212,562,325	114,186,110	0	936,003,815	598,195,059	212,546,504	108,374,702	0	919,116,265
- ceded written premium	-79,063,138	-17,811	0	0	-79,080,949	-77,024,897	-20,737	0	0	-77,045,634
- change in unearned premiums	-6,807,106	-148,582	-373,177	0	-7,328,865	-2,919,580	-4,575	20,748	0	-2,903,407
Total income from financial assets	51,491,182	92,331,909	1,084,435	1,109,959	146,017,485	65,263,497	231,305,439	2,081,917	2,257,721	300,908,574
Income from financial assets in associates	2,928,469	297	0	187,808	3,116,574	2,737,091	1,692,712	0	1,024,797	5,454,600
- profit on equity investments accounted for using the equity method	0	297	0	187,808	188,105	0	0	0	1,024,797	1,024,797
- interest income	0	0	0	0	0	0	0	0	0	0
- dividends	0	0	0	0	0	0	0	0	0	0
- fair value gains	0	0	0	0	0	0	0	0	0	0
- realised gains on disposals	2,928,469	0	0	0	2,928,469	2,737,091	1,692,712	0	0	4,429,803
- other financial income	0	0	0	0	0	0	0	0	0	0
Income from other financial assets	48,562,713	68,877,335	1,084,435	922,151	119,446,634	62,526,406	136,735,933	2,081,917	1,232,924	202,577,180
- interest income	27,343,518	40,731,024	737,088	23,944	68,835,574	30,029,389	40,276,814	810,115	126,230	71,242,548
- dividends	1,929,416	778,555	0	648,798	3,356,769	1,578,310	1,070,818	0	569,392	3,218,520
- fair value gains	208,040	7,605,724	0	0	7,813,764	3,890,812	35,399,997	0	0	39,290,809
- realised gains on disposals	16,002,196	17,426,228	347,231	203,434	33,979,089	18,254,536	57,721,163	1,271,796	230,010	77,477,505
- other financial income	3,079,543	2,335,804	116	45,975	5,461,438	8,773,359	2,267,141	6	307,292	11,347,798
Net unrealised gains on unit–linked life insurance assets	0	23,454,277	0	0	23,454,277	0	92,876,794	0	0	92,876,794
Other income from insurnce operations	5,280,492	70,982	40,698	0	5,392,172	6,997,314	347,086	86,558	0	7,430,958
- fees and commission income	191,692	61,101	0	0	252,793	2,182,847	311,789	0	0	2,494,636
- other income from insurance operations	5,088,800	9,881	40,698	0	5,139,379	4,814,467	35,297	86,558	0	4,936,322
Other income	8,745,715	96,490	70,929	44,624,041	53,537,175	5,620,632	1,635,822	40,005	69,963,797	77,260,256
Net claims incurred	295,134,571	181,020,651	100,947,196	0	577,102,418	296,915,115	178,527,944	94,900,235	0	570,343,294
- gross claims settled	329,541,358	182,237,935	94,240,276	0	606,019,569	330,011,987	178,448,266	86,380,263	0	594,840,516
- reinsurers' and co–insurers' share	-21,683,882	-8,138	0	0	-21,692,020	-23,519,322	-16,075	0	0	-23,535,397
- changes in claims provisions	-12,722,905	-1,209,146	-243,149	0	-14,175,200	-9,577,550	95,753	1,050,802	0	-8,430,995
- equalisation scheme expenses for supplementary health insurance	0	0	6,950,069	0	6,950,069	0	0	7,469,170	0	7,469,170
Change in other insurance technical provisions	-575,645	48,482,291	-695,321	0	47,211,325	-294,167	60,636,822	-2,263	0	60,340,392
Change in insurance technical provisions for unit–linked insurance contracts	0	776,648	0	0	776,648	0	-1,882,145	0	0	-1,882,145
Expenses for bonuses and discounts	11,322,695	8,935	0	0	11,331,630	10,199,444	3,515	0	0	10,202,959
Operating expenses	165,281,584	32,633,456	10,760,668	0	208,675,708	159,840,354	32,246,863	9,708,916	0	201,796,133
- costs of insurance contract acquisition	118,898,565	18,935,819	3,168,629	0	141,003,013	114,029,487	19,339,326	2,789,606	0	136,158,419
- other operating costs	46,383,019	13,697,637	7,592,039	0	67,672,695	45,810,867	12,907,537	6,919,310	0	65,637,714
Expenses from financial assets and liabilities	19,444,975	20,577,551	44,482	2,466,871	42,533,879	29,200,580	150,083,982	182,081	900,613	180,367,256
Expenses from financial assets and liabilities in associates	738,755	0	0	2,435,436	3,174,191	4	18,800	0	1,141,611	1,160,415
- loss on investments accounted for using the equity method	0	0	0	247,812	247,812	0	18,800	0	276,458	295,258
- interest expense	0	0	0	0	0	0	0	0	0	0
- fair value losses	0	0	0	0	0	0	0	0	0	0
- realised loss on disposals	738,755	0	0	2,187,624	2,926,379	0	0	0	865,153	865,153
- impairments	0	0	0	0	0	4	0	0	0	4
- other financial expenses	0	0	0	0	0	0	0	0	0	0
Expenses from other financial assets and liabilities	18,706,220	19,071,747	44,482	31,435	37,853,884	29,200,576	66,632,220	182,081	-240,998	95,773,879
- –interest expense	683,523	590,025	0	40,957	1,314,505	1,115,699	687,215	0	374,532	2,177,446
- fair value losses	385,818	6,502,259	0	394	6,888,471	1,728,879	47,808,348	0	74	49,537,301
- realised loss on disposals	9,348,133	10,116,648	9,685	-23,444	19,451,022	7,232,495	15,101,943	145,488	-676,029	21,803,897
- impairments	3,162,126	34,899	0	0	3,197,025	3,638,012	189,433	0	0	3,827,445
- other financial expenses	5,126,620	1,827,916	34,797	13,528	7,002,861	15,485,491	2,845,281	36,593	60,425	18,427,790
Net unrealised losses on unit–linked life insurance assets	0	1,505,804	0	0	1,505,804	0	83,432,962	0	0	83,432,962
Other insurance expenses	14,764,900	1,870,761	402,684	0	17,038,345	16,909,788	1,042,941	259,417	0	18,212,146
Other expenses	12,639,440	1,811,607	82,068	40,199,675	54,732,790	14,300,153	1,605,296	80,293	66,923,558	82,909,300
Profit before tax	70,890,005	17,713,413	3,467,218	3,067,454	95,138,090	69,060,758	23,544,321	5,475,251	4,397,347	102,477,677
Income tax expense	7,596,485	2,125,875	163,680	2,920,276	12,806,316	9,087,349	3,611,895	-215,368	1,132,607	13,616,483
Net profit	63,293,520	15,587,538	3,303,538	147,178	82,331,774	59,973,409	19,932,426	5,690,619	3,264,740	88,861,194
Net profit attributable to the controlling company	62,831,756	15,601,233	3,303,538	199,226	81,935,753	59,978,948	19,597,367	5,690,619	3,558,501	88,825,435
Net profit attributable to non-controlling interest holders	461,764	-13,695	0	-52,048	396,021	-5,539	335,059	0	-293,761	35,759



## 5.12.2 Reporting by business segment for Zavarovalnica Triglav

	31 December 2016			31 December 2015			in EUR
Statement of financial position	NON - LIFE	LIFE	TOTAL	NON - LIFE	LIFE	TOTAL	
<b>ASSETS</b>	<b>1,197,481,419</b>	<b>1,564,001,358</b>	<b>2,761,482,778</b>	<b>1,174,656,551</b>	<b>1,533,101,808</b>	<b>2,707,758,359</b>	
Intangible assets	53,370,950	2,513,617	55,884,567	51,469,624	1,674,020	53,143,644	
Property, plant and equipment	57,112,392	9,118,064	66,230,456	57,485,007	9,549,987	67,034,994	
Deferred tax assets	13,442,264	1,296,951	14,739,215	13,476,586	1,250,401	14,726,987	
Investment property	48,345,052	1,266,365	49,611,417	51,575,234	1,295,574	52,870,808	
Investments in subsidiaries	122,086,439	8,545,999	130,632,438	126,143,038	8,545,998	134,689,036	
Investments in associates	0	9,503,047	9,503,047	0	7,259,875	7,259,875	
Financial assets	733,241,225	1,513,302,645	2,246,543,870	699,630,730	1,494,809,747	2,194,440,477	
Financial investments:	733,241,225	1,079,259,376	1,812,500,601	699,630,730	1,048,220,186	1,747,850,916	
- loans and deposits	38,389,616	44,008,278	82,397,894	40,234,999	68,346,748	108,581,747	
- held to maturity	0	168,983,706	168,983,706	0	178,250,255	178,250,255	
- available for sale	687,302,729	678,146,717	1,365,449,446	651,006,775	617,271,546	1,268,278,321	
- investments recognised at fair value	7,548,880	188,120,675	195,669,555	8,388,956	184,351,637	192,740,593	
Unit-linked insurance assets	0	434,043,269	434,043,269	0	446,589,561	446,589,561	
Reinsurers' share of technical provisions	76,416,041	39,066	76,455,107	69,916,901	18,493	69,935,394	
Receivables	79,220,347	3,059,256	82,279,603	98,253,231	5,062,276	103,315,507	
- receivables from direct insurance operations	58,026,869	464,734	58,491,603	57,484,337	474,676	57,959,013	
- receivables from reinsurance and co-insurance operations	7,536,781	1,315	7,538,096	12,204,759	14,439	12,219,198	
- current tax receivables	0	0	0	0	0	0	
- other receivables	13,656,697	2,593,207	16,249,904	28,564,135	4,573,161	33,137,296	
Other assets	1,946,367	3,044	1,949,412	2,784,635	7,044	2,791,679	
Cash and cash equivalentst	12,300,342	15,353,304	27,653,646	3,921,565	3,628,393	7,549,958	
<b>EQUITY AND LIABILITIES</b>	<b>1,197,481,419</b>	<b>1,564,001,358</b>	<b>2,761,482,778</b>	<b>1,174,656,551</b>	<b>1,533,101,808</b>	<b>2,707,758,359</b>	
Equity	448,114,222	115,274,895	563,389,117	416,857,921	113,702,351	530,560,272	
- 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	243,448,752	45,513,891	288,962,643	237,152,390	45,513,891	282,666,281	
- fair value reserve	48,073,456	16,816,861	64,890,318	43,547,114	12,204,329	55,751,443	
- net profit brought forward	41,379,152	3,309,126	44,688,278	4,828,190	2,382,620	7,210,810	
- net profit/loss for the year	23,527,344	14,206,258	37,733,602	39,644,710	18,172,752	57,817,462	
Subordinated liabilities	11,073,221	10,029,887	21,103,108	11,072,611	10,028,667	21,101,278	
Insurance technical provisions	663,716,670	981,461,141	1,645,177,811	667,217,986	947,726,143	1,614,944,129	
- unearned premiums	188,067,543	420,333	188,487,876	180,141,569	417,422	180,558,991	
- mathematical provisions	0	959,268,937	959,268,937	0	925,402,898	925,402,898	
- claims provisions	453,377,312	17,863,463	471,240,775	467,032,829	19,214,892	486,247,722	
- other insurance technical provisions	22,271,815	3,908,408	26,180,223	20,043,588	2,690,931	22,734,518	
Insurance technical provisions for unit-linked insurance contracts	0	431,125,308	431,125,308	0	438,920,157	438,920,157	
Employee benefits	8,690,246	1,857,268	10,547,514	7,559,612	1,629,426	9,189,038	
Other provisions	577,969	111,700	689,669	381,762	0	381,762	
Deferred tax liabilities	11,434,105	10,370,519	21,804,624	14,179,377	6,815,763	20,995,140	
Other financial liabilities	1,852,710	0	1,852,710	1,752,990	0	1,752,990	
Operating liabilities	18,179,880	6,272,070	24,451,951	18,165,801	5,720,912	23,886,713	
- liabilities from direct insurance operations	4,930,272	6,272,070	11,202,342	5,270,069	5,715,512	10,985,581	
- liabilities from reinsurance and co-insurance operations	11,507,585	0	11,507,586	10,259,196	5,400	10,264,596	
- current tax liabilities	1,742,023	0	1,742,023	2,636,536	0	2,636,536	
Other liabilities	33,842,396	7,498,570	41,340,966	37,468,491	8,558,389	46,026,880	

	31 December 2016			31 December 2015		
	NON - LIFE	LIFE	TOTAL	NON - LIFE	LIFE	TOTAL
<b>Income statement</b>						
<b>Net premium income</b>	<b>339,908,447</b>	<b>169,856,757</b>	<b>509,765,204</b>	<b>342,706,800</b>	<b>174,333,436</b>	<b>517,040,236</b>
- gross written premium	422,860,052	170,268,959	593,129,011	411,536,169	174,724,776	586,260,945
- ceded written premium	-78,099,107	-409,291	-78,508,398	-72,073,868	-386,750	-72,460,618
- change in unearned premiums	-4,852,498	-2,911	-4,855,409	3,244,499	-4,590	3,239,909
<b>Total income from financial assets</b>	<b>43,583,122</b>	<b>72,413,992</b>	<b>115,997,114</b>	<b>70,575,579</b>	<b>204,307,590</b>	<b>274,883,169</b>
Income from financial assets in associates	9,774,628	62,153	9,836,781	29,275,772	2,412,367	31,688,139
- interest income	857,579	0	857,579	1,985,141	0	1,985,141
- dividends	0	62,153	62,153	26,905,819	2,412,367	29,318,186
- realised gains on disposals	8,911,599	0	8,911,599	376,413	0	376,413
- other financial income	5,450	0	5,450	8,399	0	8,399
Income from other financial assets	33,808,494	49,275,625	83,084,119	41,299,807	110,022,606	151,322,413
- interest income	18,803,992	29,552,144	48,356,136	20,330,127	28,587,457	48,917,584
- dividends	1,770,834	596,811	2,367,645	1,494,241	989,813	2,484,054
- fair value gains	20,948	1,687,166	1,708,114	3,525,559	22,727,877	26,253,436
- realised gains on disposals	12,285,124	16,967,581	29,252,705	12,907,061	55,634,928	68,541,989
- other financial income	927,596	471,923	1,399,519	3,042,819	2,082,531	5,125,350
Net unrealised gains on unit–linked life insurance assets	0	23,076,214	23,076,214	0	91,872,617	91,872,617
<b>Other income from insurance operations</b>	<b>19,074,180</b>	<b>85,969</b>	<b>19,160,149</b>	<b>17,349,033</b>	<b>334,798</b>	<b>17,683,831</b>
- fees and commission income	15,115,964	85,902	15,201,866	12,661,828	334,798	12,996,626
- other income from insurance operations	3,958,216	67	3,958,283	4,687,205	0	4,687,205
<b>Other income</b>	<b>8,987,440</b>	<b>3,658,175</b>	<b>12,645,615</b>	<b>5,219,708</b>	<b>4,039,244</b>	<b>9,258,952</b>
<b>Net claims incurred</b>	<b>188,656,282</b>	<b>162,083,483</b>	<b>350,739,765</b>	<b>189,964,845</b>	<b>159,633,465</b>	<b>349,598,310</b>
- gross claims settled	227,621,163	163,615,157	391,236,320	230,472,707	160,094,850	390,567,557
- reinsurers' share	-20,519,696	-159,671	-20,679,367	-24,305,147	-613,809	-24,918,956
- changes in claims provisions	-18,445,185	-1,372,003	-19,817,188	-16,202,715	152,424	-16,050,291
<b>Change in other insurance technical provisions</b>	<b>550,376</b>	<b>28,208,149</b>	<b>28,758,525</b>	<b>-737,495</b>	<b>39,994,720</b>	<b>39,257,225</b>
<b>Change in insurance technical provisions for unit–linked insurance contracts</b>	<b>0</b>	<b>-7,469,473</b>	<b>-7,469,473</b>	<b>0</b>	<b>-4,032,292</b>	<b>-4,032,292</b>
<b>Expenses for bonuses and discounts</b>	<b>9,108,703</b>	<b>0</b>	<b>9,108,703</b>	<b>8,265,040</b>	<b>0</b>	<b>8,265,040</b>
<b>Operating expenses</b>	<b>111,447,026</b>	<b>30,782,572</b>	<b>142,229,598</b>	<b>107,699,032</b>	<b>30,162,937</b>	<b>137,861,969</b>
- costs of insurance contract acquisition	81,862,364	20,725,169	102,587,533	78,975,624	20,633,364	99,608,988
- other operating costs	29,584,662	10,057,403	39,642,065	28,723,408	9,529,573	38,252,981
<b>Expenses from financial assets and liabilities</b>	<b>16,003,185</b>	<b>14,160,209</b>	<b>30,163,394</b>	<b>66,316,362</b>	<b>133,750,753</b>	<b>200,067,115</b>
Expenses from financial assets and liabilities in associates	551,754	0	551,754	47,292,586	0	47,292,586
- realised loss on disposals	544,414	0	544,414	882,000	0	882,000
- loss on impairment of financial assets	0	0	0	46,351,490	0	46,351,490
- other expenses from financial assets and liabilities	7,340	0	7,340	59,096	0	59,096
Expenses from other financial assets and liabilities	15,451,431	12,801,425	28,252,856	19,023,776	50,317,791	69,341,567
- interest expense	764,078	618,986	1,383,064	1,180,586	719,656	1,900,242
- fair value losses	309,525	1,575,491	1,885,016	1,554,335	32,514,026	34,068,361
- realised loss on disposals	8,547,686	9,610,849	18,158,535	5,595,339	14,907,416	20,502,755
- loss on impairment of financial assets	3,097,058	0	3,097,058	231,310	0	231,310
- other expenses from financial assets and liabilities	2,733,084	996,099	3,729,183	10,462,206	2,176,693	12,638,899
Net unrealised losses on unit–linked life insurance assets	0	1,358,784	1,358,784	0	83,432,962	83,432,962
<b>Other insurance expenses</b>	<b>8,229,970</b>	<b>246,109</b>	<b>8,476,079</b>	<b>7,603,408</b>	<b>232,591</b>	<b>7,835,999</b>
<b>Other expenses</b>	<b>10,463,310</b>	<b>1,680,379</b>	<b>12,143,689</b>	<b>10,071,067</b>	<b>1,508,258</b>	<b>11,579,325</b>
<b>Profit before tax</b>	<b>67,094,337</b>	<b>16,323,465</b>	<b>83,417,802</b>	<b>46,668,861</b>	<b>21,764,636</b>	<b>68,433,497</b>
Income tax expense	5,966,993	2,117,207	8,084,200	6,335,795	3,591,884	9,927,679
<b>Net profit for the accounting period</b>	<b>61,127,344</b>	<b>14,206,258</b>	<b>75,333,602</b>	<b>40,333,066</b>	<b>18,172,752</b>	<b>58,505,818</b>

in EUR

5.12.3 Reporting by geographical area for Triglav Group

in EUR

Statement of financial position	31 December 2016				
	SLOVENIA	OTHER	TOTAL (before eliminations)	ELIMINATIONS	TOTAL (after eliminations)
<b>ASSETS</b>	<b>3,530,198,569</b>	<b>370,869,124</b>	<b>3,901,067,693</b>	<b>-326,182,270</b>	<b>3,574,885,423</b>
Intangible assets	60,636,141	13,187,447	73,823,588	0	73,823,588
Property, plant and equipment	72,319,690	35,613,738	107,933,428	0	107,933,428
Deferred tax assets	15,295,135	497,979	15,793,114	0	15,793,114
Investment property	76,022,350	14,456,399	90,478,749	5,363,971	95,842,720
Investments in subsidiaries	198,843,920	6,398,261	205,242,181	-205,242,181	0
Investments in associates	6,826,400	0	6,826,400	0	6,826,400
Financial assets	2,776,715,851	222,612,289	2,999,328,140	-25,024,859	2,974,303,281
Financial investments	2,335,975,934	203,369,384	2,539,345,318	-25,024,859	2,514,320,459
- loans and deposits	104,567,347	64,955,145	169,522,492	-20,790,854	148,731,638
- held to maturity	212,410,092	18,932,301	231,342,393	0	231,342,393
- available for sale	1,628,468,878	113,308,788	1,741,777,666	-3,734,594	1,738,043,072
- recognised at fair value through profit and loss	390,529,617	6,173,150	396,702,767	-499,411	396,203,356
Unit–linked insurance assets	440,739,917	19,242,905	459,982,822	0	459,982,822
Reinsurers’ share of technical provisions	126,409,373	20,262,383	146,671,756	-69,586,973	77,084,783
Receivables	139,051,920	45,420,465	184,472,385	-31,551,296	152,921,089
- receivables from direct insurance operations	62,579,234	24,194,680	86,773,914	-2,714,748	84,059,166
- receivables from reinsurance and coinsurance operations	52,836,852	6,329,314	59,166,166	-24,066,316	35,099,850
- current tax receivables	687,497	202,779	890,276	0	890,276
- other receivables	22,948,337	14,693,692	37,642,029	-4,770,232	32,871,797
Other assets	2,153,552	1,609,633	3,763,185	-140,932	3,622,253
Cash and cash equivalents	54,903,944	10,810,530	65,714,474	0	65,714,474
Non–current assets held for sale	1,020,293	0	1,020,293	0	1,020,293
<b>EQUITY AND LIABILITIES</b>	<b>3,530,198,569</b>	<b>370,869,124</b>	<b>3,901,067,693</b>	<b>-326,182,270</b>	<b>3,574,885,423</b>
Equity	843,069,531	101,603,697	944,673,228	-200,323,481	744,349,747
Controlling interests	843,069,531	101,603,697	944,673,228	-210,717,714	733,955,514
- share capital	183,946,127	92,721,307	276,667,434	-202,966,042	73,701,392
- share premium	80,238,633	1,455,549	81,694,182	-28,205,492	53,488,690
- reserves from profit	292,830,748	9,102,332	301,933,080	3,602,377	305,535,457
- fair value reserve	93,773,260	4,969,868	98,743,128	-11,008,000	87,735,128
- net profit brought forward	133,115,418	-3,726,987	129,388,431	43,804,438	173,192,869
- net profit/loss for the year	59,165,345	967,476	60,132,821	-15,916,344	44,216,477
- currency translation differences	0	-3,885,848	-3,885,848	-28,651	-3,914,499
- reserve of disposal group held for sale	0	0	0	0	0
Non–controlling interests	0	0	0	10,394,233	10,394,233
Subordinated liabilities	22,603,108	0	22,603,108	-5,734,006	16,869,102
Insurance technical provisions	2,064,922,488	206,435,636	2,271,358,124	-68,252,900	2,203,105,224
- unearned premiums	214,691,367	63,571,864	278,263,231	-14,623,611	263,639,620
- mathematical provisions	1,215,423,328	56,669,021	1,272,092,349	1,446,259	1,273,538,608
- claims provisions	607,358,659	82,775,436	690,134,095	-54,893,200	635,240,895
- other insurance technical provisions	27,449,134	3,419,315	30,868,449	-182,348	30,686,101
Insurance technical provisions for unit–linked insurance contracts	438,557,715	19,125,376	457,683,091	0	457,683,091
Employee benefits	11,734,153	1,816,111	13,550,264	0	13,550,264
Other provisions	2,817,708	1,153,509	3,971,217	0	3,971,217
Deferred tax liabilities	24,295,651	1,104,893	25,400,544	0	25,400,544
Other financial liabilities	3,262,821	4,201,802	7,464,623	-2,175,930	5,288,693
Operating liabilities	59,136,359	10,174,712	69,311,071	-27,282,876	42,028,195
- liabilities from direct insurance operations	14,216,505	2,918,984	17,135,489	-1,115,469	16,020,020
- liabilities from reinsurance and co–insurance operations	42,225,370	7,071,282	49,296,652	-26,167,407	23,129,245
- current tax liabilities	2,694,484	184,446	2,878,930	0	2,878,930
Other liabilities	59,799,035	25,253,388	85,052,423	-22,413,077	62,639,346
Non–current liabilities held for sale and discontinued operations	0	0	0	0	0

in EUR

Statement of financial position	31 December 2015				
	SLOVENIA	OTHER	TOTAL (before eliminations)	ELIMINATIONS	TOTAL (after eliminations)
ASSETS	3,475,955,971	354,179,447	3,830,135,418	-336,678,618	3,493,456,800
Intangible assets	58,308,428	11,930,481	70,238,909	-106,577	70,132,332
Property, plant and equipment	88,915,999	34,254,194	123,170,193	-1,359,833	121,810,360
Deferred tax r assets	15,692,464	677,475	16,369,939	-376,251	15,993,688
Investment property	62,223,242	17,300,080	79,523,322	-48,039	79,475,283
Investments in subsidiaries	191,482,451	8,719,348	200,201,799	-200,201,799	0
Investments in associates	9,722,884	0	9,722,884	-2,783,184	6,939,700
Financial assets	2,703,969,214	196,735,145	2,900,704,359	-27,267,576	2,873,436,783
Financial investments	2,257,379,652	178,590,784	2,435,970,436	-27,267,576	2,408,702,860
- loans and deposits	147,216,758	60,105,473	207,322,231	-23,450,012	183,872,219
- held to maturity	223,562,676	18,843,724	242,406,400	0	242,406,400
- available for sale	1,514,419,654	96,035,767	1,610,455,421	-2,773,783	1,607,681,638
- recognised at fair value through profit and loss	372,180,564	3,605,820	375,786,384	-1,043,781	374,742,603
Unit–linked insurance assets	446,589,562	18,144,361	464,733,923	0	464,733,923
Reinsurers’ share of technical provisions	116,118,364	19,315,400	135,433,764	-66,709,459	68,724,305
Receivables	179,223,864	46,128,258	225,352,122	-58,908,389	166,443,733
- receivables from direct insurance operations	61,568,523	23,663,697	85,232,220	-1,983,214	83,249,006
- receivables from reinsurance and coinsurance operations	66,267,315	7,138,287	73,405,602	-30,581,934	42,823,668
- current tax receivables	1,520	299,753	301,273	0	301,273
- other receivables	51,386,506	15,026,521	66,413,027	-26,343,241	40,069,786
Other assets	6,472,963	2,231,323	8,704,286	-569,524	8,134,762
Cash and cash equivalents	32,934,975	16,887,743	49,822,718	-1,893,950	47,928,768
Non–current assets held for sale	10,891,123	0	10,891,123	23,545,963	34,437,086
EQUITY AND LIABILITIES	3,475,955,971	354,179,447	3,830,135,418	-336,678,618	3,493,456,800
Equity	805,360,060	87,216,187	892,576,247	-188,531,748	704,044,499
Controlling interests	805,360,060	87,216,187	892,576,247	-199,650,382	692,925,865
- share capital	254,276,474	87,631,393	341,907,866	-268,206,474	73,701,392
- share premium	84,359,485	1,455,549	85,815,034	-30,859,122	54,955,912
- reserves from profit	289,215,855	16,718,014	305,933,869	-4,988,403	300,945,466
- fair value reserve	86,744,877	2,831,226	89,576,103	-12,008,784	77,567,319
- net profit brought forward	28,608,097	-5,665,052	22,943,045	81,560,829	104,503,874
- net profit/loss for the year	62,155,272	-11,289,544	50,865,729	34,936,824	85,802,552
- currency translation differences	0	-4,465,398	-4,465,398	-45,085	-4,510,483
- reserve of disposal group held for sale	0	0	0	-40,167	-40,167
Non–controlling interests	0	0	0	11,118,634	11,118,634
Subordinated liabilities	22,601,278	1,364,602	23,965,880	-5,213,628	18,752,252
Insurance technical provisions	2,012,095,221	198,039,726	2,210,134,947	-66,739,736	2,143,395,211
- unearned premiums	206,018,138	60,482,733	266,500,871	-14,442,915	252,057,956
- mathematical provisions	1,168,121,665	51,616,062	1,219,737,727	0	1,219,737,727
- claims provisions	613,576,044	81,407,828	694,983,872	-52,296,821	642,687,051
- other insurance technical provisions	24,379,374	4,533,103	28,912,477	0	28,912,477
Insurance technical provisions for unit–linked insurance contracts	438,920,157	18,126,755	457,046,912	0	457,046,912
Employee benefits	11,057,978	1,700,206	12,758,184	-533,053	12,225,131
Other provisions	5,387,726	1,020,228	6,407,954	-2,553,110	3,854,844
Deferred tax liabilities	22,456,661	732,135	23,188,796	0	23,188,796
Other financial liabilities	18,610,929	2,206,444	20,817,373	-17,033,091	3,784,282
Operating liabilities	69,219,963	12,207,827	81,427,790	-33,039,065	48,388,725
- liabilities from direct insurance operations	14,894,693	2,638,188	17,532,881	-914,953	16,617,928
- liabilities from reinsurance and co–insurance operations	50,796,666	9,377,213	60,173,879	-32,120,249	28,053,630
- current tax liabilities	3,528,604	192,426	3,721,030	-3,863	3,717,167
Other liabilities	70,245,998	31,565,337	101,811,335	-35,469,360	66,341,975
Non–current liabilities held for sale and discontinued operations	0	0	0	12,434,173	12,434,173

in EUR

	31 December 2016			31 December 2015		
Income statement	SLOVENIA	OTHER	TOTAL	SLOVENIA	OTHER	TOTAL
Net premium income	703,239,403	146,354,598	849,594,001	702,635,173	136,532,051	839,167,224
- gross written premium	774,450,456	161,553,359	936,003,815	760,924,325	158,191,940	919,116,265
- ceded written premium	-66,045,977	-13,034,972	-79,080,949	-60,163,244	-16,882,390	-77,045,634
- change in unearned premiums	-5,165,076	-2,163,789	-7,328,865	1,874,092	-4,777,499	-2,903,407
Total income from financial assets	136,077,184	9,940,301	146,017,485	287,979,097	12,929,477	300,908,574
Income from financial assets in associates	3,116,574	0	3,116,574	5,217,670	236,930	5,454,600
- profit on equity investments accounted for using the equity method	188,105	0	188,105	1,024,797	0	1,024,797
- interest income	0	0	0	0	0	0
- dividends	0	0	0	0	0	0
- fair value gains	0	0	0	0	0	0
- realised gains on disposals	2,928,469	0	2,928,469	4,192,873	236,930	4,429,803
- other financial income	0	0	0	0	0	0
Income from other financial assets	109,884,396	9,562,238	119,446,634	190,888,810	11,688,370	202,577,180
- interest income	60,768,780	8,066,794	68,835,574	62,820,699	8,421,849	71,242,548
- dividends	3,224,538	132,231	3,356,769	3,182,732	35,788	3,218,520
- fair value gains	7,536,482	277,282	7,813,764	38,994,534	296,275	39,290,809
- realised gains on disposals	33,567,044	412,045	33,979,089	75,807,946	1,669,559	77,477,505
- other financial income	4,787,552	673,886	5,461,438	10,082,899	1,264,899	11,347,798
Net unrealised gains on unit–linked life insurance assets	23,076,214	378,063	23,454,277	91,872,617	1,004,177	92,876,794
Other income from insurance operations	1,470,316	3,921,856	5,392,172	3,750,073	3,680,885	7,430,958
- fees and commission income	-736,231	989,024	252,793	1,271,035	1,223,601	2,494,636
- other income from insurance operations	2,206,547	2,932,832	5,139,379	2,479,038	2,457,284	4,936,322
Other income	47,121,790	6,415,385	53,537,175	70,867,093	6,393,163	77,260,256
Net claims incurred	502,368,127	74,734,291	577,102,418	493,102,870	77,240,424	570,343,294
- gross claims settled	525,445,004	80,574,565	606,019,569	515,310,930	79,529,586	594,840,516
- reinsurers' and co–insurers' share	-15,942,335	-5,749,685	-21,692,020	-18,639,706	-4,895,691	-23,535,397
- changes in claims provisions	-14,084,611	-90,589	-14,175,200	-11,037,524	2,606,529	-8,430,995
- equalisation scheme expenses for supplementary health insurance	6,950,069	0	6,950,069	7,469,170	0	7,469,170
Change in other insurance technical provisions	43,783,805	3,427,520	47,211,325	57,288,062	3,052,330	60,340,392
Change in insurance technical provisions for unit–linked insurance contracts	-37,067	813,715	776,648	-4,032,292	2,150,147	-1,882,145
Expenses for bonuses and discounts	9,106,886	2,224,744	11,331,630	8,261,787	1,941,172	10,202,959
Operating expenses	152,430,778	56,244,930	208,675,708	147,879,451	53,916,682	201,796,133
- costs of insurance contract acquisition	102,328,037	38,674,976	141,003,013	99,688,817	36,469,602	136,158,419
- other operating costs	50,102,741	17,569,954	67,672,695	48,190,634	17,447,080	65,637,714
Expenses from financial assets and liabilities	41,041,678	1,492,201	42,533,879	176,968,682	3,398,574	180,367,256
Expenses from financial assets and liabilities in associates	3,406,619	-232,428	3,174,191	1,160,415	0	1,160,415
- loss on investments accounted for using the equity method	247,812	0	247,812	295,258	0	295,258
- interest expense	0	0	0	0	0	0
- fair value losses	0	0	0	0	0	0
- realised loss on disposals	3,158,807	-232,428	2,926,379	865,153	0	865,153
- impairments	0	0	0	4	0	4
- other financial expenses	0	0	0	0	0	0
Expenses from other financial assets and liabilities	36,276,275	1,577,609	37,853,884	92,375,305	3,398,574	95,773,879
- interest expense	1,259,386	55,119	1,314,505	2,024,386	153,060	2,177,446
- fair value losses	6,787,412	101,059	6,888,471	48,869,717	667,584	49,537,301
- realised loss on disposals	19,375,586	75,436	19,451,022	21,712,858	91,039	21,803,897
- impairments	3,098,169	98,856	3,197,025	2,641,953	1,185,492	3,827,445
- other financial expenses	5,755,722	1,247,139	7,002,861	17,126,391	1,301,399	18,427,790
Net unrealised losses on unit–linked life insurance assets	1,358,784	147,020	1,505,804	83,432,962	0	83,432,962
Other insurance expenses	10,633,917	6,404,428	17,038,345	8,898,298	9,313,848	18,212,146
Other expenses	44,067,794	10,664,996	54,732,790	70,962,831	11,946,469	82,909,300
Profit before tax	84,512,775	10,625,315	95,138,090	105,901,747	-3,424,070	102,477,677
Income tax expense	12,286,560	519,756	12,806,316	12,835,853	780,630	13,616,483
Net profit	72,226,215	10,105,559	82,331,774	93,065,894	-4,204,700	88,861,194
Net profit attributable to the controlling company	72,303,030	9,632,723	81,935,753	92,774,859	-3,949,424	88,825,435
Net profit attributable to non–controlling interest holders	-76,815	472,836	396,021	291,035	-255,276	35,759

#### 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 99% of premium income is generated by the sale of insurance to the domestic insureds, the Company does not report by geographical area.