

## 4. Notes to the Income Statement

### 4.1 Premium income

	in EUR			
	Triglav Group		Zavarovalnica Triglav	
	2018	2017	2018	2017
<b>NON-LIFE INSURANCE</b>				
Gross written premium	628,813,312	588,139,280	458,879,616	431,190,372
Assumed re-insurance written premium	71,681,191	62,175,221	26,143,238	16,237,471
Assumed co-insurance written premium	1,722,693	2,035,926	1,073,607	1,067,798
Ceded co-insurance written premium	-2,659,181	-1,870,838	-1,583,712	-1,339,637
Reinsurance written premium	-103,870,707	-95,625,499	-99,275,679	-91,591,642
Changes in gross provisions for unearned premiums	-15,998,370	-11,291,823	-12,921,249	-6,899,198
Changes in reinsurers' share of unearned premiums	6,282,125	284,406	5,942,775	493,754
<b>Net premium income on non-life insurance</b>	<b>585,971,063</b>	<b>543,846,673</b>	<b>378,258,596</b>	<b>349,158,918</b>
<b>LIFE INSURANCE</b>				
Gross written premium	222,162,500	218,279,696	174,113,971	173,475,695
Assumed co-insurance written premium	0	3,008	0	0
Ceded co-insurance written premiums	0	0	-9,820	0
Reinsurance written premium	-95,020	-54,396	-427,898	-591,302
Changes in gross provisions for unearned premiums	12,058	23,933	5,717	14,041
Changes in reinsurers' share of unearned premiums	5,100	-113	302	0
<b>Net premium income on life insurance</b>	<b>222,084,638</b>	<b>218,252,128</b>	<b>173,682,272</b>	<b>172,898,434</b>
<b>HEALTH INSURANCE</b>				
Gross written premium	144,014,711	129,283,495	0	0
Changes in gross provisions for unearned premiums	-307,551	-184,927	0	0
<b>Net premium income on health insurance</b>	<b>143,707,160</b>	<b>129,098,568</b>	<b>0</b>	<b>0</b>
<b>TOTAL NET PREMIUM INCOME</b>	<b>951,762,862</b>	<b>891,197,369</b>	<b>551,940,868</b>	<b>522,057,353</b>

Overview of premium income by insurance class for Triglav Group <sup>115</sup>						in EUR
2018	Gross written premium <sup>116</sup>	Co-insurers' share in gross written premium	Ceded co-insurance written premium	Reinsurance written premium	Own share	
<b>NON-LIFE INSURANCE</b>						
Accident insurance	40,848,248	70,274	-48,460	-683,132	40,186,930	
Health insurance	148,697,953	183,987	-25,055	-363,493	148,493,392	
Land motor vehicle insurance	142,002,450	27	-9,198	-9,411,913	132,581,366	
Railway insurance	3,181,714	0	0	-1,123,078	2,058,636	
Aircraft insurance	1,807,213	0	0	-799,871	1,007,342	
Marine Insurance	5,300,424	4	0	-453,152	4,847,276	
Cargo insurance	7,774,190	0	-647,213	-1,637,678	5,489,299	
Fire and natural forces insurance	96,115,705	1,140,434	-946,360	-32,658,558	63,651,221	Business Report
Other damage to property insurance	133,418,045	256,108	-365,190	-31,722,516	101,586,447	
Motor TPL insurance	165,750,020	13,127	0	-5,915,860	159,847,287	
Aircraft liability insurance	1,489,205	0	0	-840,624	648,581	
Marine liability insurance	1,231,416	0	-63,478	-184,711	983,227	
General liability insurance	46,130,908	58,732	-448,040	-8,839,709	36,901,891	Risk Management
Credit insurance	26,825,201	0	0	-5,021,329	21,803,872	
Suretyship insurance	2,749,305	0	0	-577,142	2,172,163	
Miscellaneous financial loss insurance	6,171,395	0	-106,187	-3,377,937	2,687,271	
Legal expenses insurance	482,824	0	0	-11,554	471,270	
Travel assistance insurance	14,532,996	0	0	-248,450	14,284,546	
<b>Total non-life insurance</b>	<b>844,509,212</b>	<b>1,722,693</b>	<b>-2,659,181</b>	<b>-103,870,707</b>	<b>739,702,017</b>	Accounting Report
<b>LIFE INSURANCE</b>						
Life insurance	93,522,973	0	0	-93,203	93,429,770	
Wedding insurance or birth insurance	0	0	0	0	0	
Unit-linked life insurance	111,706,354	0	0	0	111,706,354	
Tontines	0	0	0	0	0	
Capital redemption insurance	16,748,583	0	0	0	16,748,583	Table of Contents
Loss of income due to illness	184,592	0	0	-1,817	182,775	
<b>Total life insurance</b>	<b>222,162,502</b>	<b>0</b>	<b>0</b>	<b>-95,020</b>	<b>222,067,482</b>	
<b>TOTAL</b>	<b>1,066,671,714</b>	<b>1,722,693</b>	<b>-2,659,181</b>	<b>-103,965,727</b>	<b>961,769,499</b>	

<sup>115</sup>Non-life insurance also includes health insurance.<sup>116</sup>Gross written premium also includes written reinsurance premiums accepted.

	in EUR				
2017	Gross written premium	Co-insurers' share in gross written premium	Ceded co-insurance written premium	Reinsurance written premium	Own share
<b>NON-LIFE INSURANCE</b>					
Accident insurance	41,521,924	40,990	-192,590	-618,677	40,751,647
Health insurance	132,135,186	102,821	0	-265,861	131,972,146
Land motor vehicle insurance	127,257,100	564	-8,196	-8,193,807	119,055,661
Railway insurance	3,293,165	0	0	-853,666	2,439,499
Aircraft insurance	2,026,693	0	0	-1,578,658	448,035
Marine Insurance	4,697,325	0	0	-415,184	4,282,141
Cargo insurance	8,030,434	6,489	-526,388	-1,404,198	6,106,337
Fire and natural forces insurance	93,035,217	1,104,580	-535,013	-33,796,144	59,808,640
Other damage to property insurance	114,543,643	805,658	-369,027	-25,621,392	89,358,882
Motor TPL insurance	158,620,966	0	0	-5,680,208	152,940,758
Aircraft liability insurance	1,468,319	0	0	-826,368	641,951
Marine liability insurance	974,752	0	0	-96,880	877,872
General liability insurance	43,760,894	-25,176	-234,741	-8,629,839	34,871,138
Credit insurance	26,593,398	0	0	-3,836,796	22,756,602
Suretyship insurance	2,323,580	0	0	-441,312	1,882,268
Miscellaneous financial loss insurance	5,654,309	0	-4,883	-3,117,328	2,532,098
Legal expenses insurance	418,048	0	0	-12,737	405,311
Travel assistance insurance	13,243,043	0	0	-236,443	13,006,600
<b>Total non-life insurance</b>	<b>779,597,996</b>	<b>2,035,926</b>	<b>-1,870,838</b>	<b>-95,625,498</b>	<b>684,137,586</b>
<b>LIFE INSURANCE</b>					
Life insurance	94,109,927	3,008	0	-53,561	94,059,374
Wedding insurance or birth insurance	0	0	0	0	0
Unit-linked life insurance	105,851,192	0	0	0	105,851,192
Tontines	0	0	0	0	0
Capital redemption insurance	18,070,394	0	0	0	18,070,394
Loss of income due to illness	248,183	0	0	-836	247,347
<b>Total life insurance</b>	<b>218,279,696</b>	<b>3,008</b>	<b>0</b>	<b>-54,397</b>	<b>218,228,307</b>
<b>TOTAL</b>	<b>997,877,692</b>	<b>2,038,934</b>	<b>-1,870,838</b>	<b>-95,679,895</b>	<b>902,365,893</b>

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Overview of premium income by insurance class for Zavarovalnica Triglav						in EUR
2018	Gross written premium	Co-insurers' share in gross written premium	Ceded co-insurance written premium	Reinsurance written premium	Own share	
<b>NON-LIFE INSURANCE</b>						
Accident insurance	26,173,583	0	-137	-859,071	25,314,375	
Health insurance	692,746	0	-263,937	-809	428,000	
Land motor vehicle insurance	118,662,443	0	0	-9,423,547	109,238,896	
Railway insurance	3,041,772	0	0	-697,135	2,344,637	
Aircraft insurance	611,302	0	0	-420,762	190,540	
Marine Insurance	333,966	4	0	-67,123	266,847	
Cargo insurance	4,952,630	0	-647,200	-1,745,678	2,559,752	
Fire and natural forces insurance	54,464,093	995,356	-179,158	-20,869,711	34,410,580	Business Report
Other damage to property insurance	102,508,202	0	-12,711	-40,355,181	62,140,310	
Motor TPL insurance	92,415,938	1,058	0	-6,546,249	85,870,747	
Aircraft liability insurance	988,282	0	0	-894,148	94,134	
Marine liability insurance	453,104	0	-63,478	-40,410	349,216	
General liability insurance	37,594,425	77,189	-417,091	-10,836,827	26,417,696	Risk Management
Credit insurance	25,456,965	0	0	-3,892,223	21,564,742	
Suretyship insurance	1,842,317	0	0	-446,035	1,396,282	
Miscellaneous financial loss insurance	2,816,203	0	0	-1,580,068	1,236,135	
Legal expenses insurance	443,097	0	0	-29,009	414,088	
Travel assistance insurance	11,571,786	0	0	-571,693	11,000,093	
<b>Total non-life insurance</b>	<b>485,022,854</b>	<b>1,073,607</b>	<b>-1,583,712</b>	<b>-99,275,679</b>	<b>385,237,070</b>	Accounting Report
<b>LIFE INSURANCE</b>						
Life insurance	81,164,340	0	-9,820	-427,898	80,726,622	
Wedding insurance or birth insurance	0	0	0	0	0	
Unit-linked life insurance	76,201,048	0	0	0	76,201,048	
Tontines	0	0	0	0	0	
Capital redemption insurance	16,748,583	0	0	0	16,748,583	Table of Contents
Loss of income due to illness	0	0	0	0	0	
<b>Total life insurance</b>	<b>174,113,971</b>	<b>0</b>	<b>-9,820</b>	<b>-427,898</b>	<b>173,676,253</b>	
<b>TOTAL</b>	<b>659,136,825</b>	<b>1,073,607</b>	<b>-1,593,532</b>	<b>-99,703,577</b>	<b>558,913,323</b>	

	in EUR				
2017	Gross written premium	Co-insurers' share in gross written premium	Ceded co-insurance written premium	Reinsurance written premium	Own share
<b>NON-LIFE INSURANCE</b>					
Accident insurance	27,032,366	0	0	-1,113,944	25,918,422
Health insurance	486,414	0	-282,754	0	203,661
Land motor vehicle insurance	106,632,936	0	0	-8,947,981	97,684,954
Railway insurance	3,142,650	0	0	-653,914	2,488,736
Aircraft insurance	970,750	0	0	-842,888	127,862
Marine Insurance	345,918	0	0	-57,235	288,683
Cargo insurance	5,324,046	0	-526,375	-2,085,500	2,712,170
Fire and natural forces insurance	53,754,842	1,006,231	-174,701	-21,927,034	32,659,338
Other damage to property insurance	84,122,714	0	-248,030	-31,225,699	52,648,985
Motor TPL insurance	87,528,335	0	0	-6,509,296	81,019,038
Aircraft liability insurance	994,150	0	0	-980,308	13,842
Marine liability insurance	335,514	0	0	-38,793	296,721
General liability insurance	35,112,942	61,567	-107,321	-10,829,655	24,237,533
Credit insurance	26,094,676	0	0	-3,615,555	22,479,121
Suretyship insurance	1,601,544	0	0	-382,619	1,218,926
Miscellaneous financial loss insurance	2,821,601	0	-456	-1,764,644	1,056,502
Legal expenses insurance	393,897	0	0	-33,473	360,423
Travel assistance insurance	10,732,548	0	0	-583,105	10,149,444
<b>Total non-life insurance</b>	<b>447,427,843</b>	<b>1,067,798</b>	<b>-1,339,637</b>	<b>-91,591,642</b>	<b>355,564,362</b>
<b>LIFE INSURANCE</b>					
Life insurance	82,276,487	0	0	-591,302	81,685,185
Wedding insurance or birth insurance	0	0	0	0	0
Unit-linked life insurance	73,128,814	0	0	0	73,128,814
Tontines	0	0	0	0	0
Capital redemption insurance	18,070,394	0	0	0	18,070,394
Loss of income due to illness	0	0	0	0	0
<b>Total life insurance</b>	<b>173,475,695</b>	<b>0</b>	<b>0</b>	<b>-591,302</b>	<b>172,884,393</b>
<b>TOTAL</b>	<b>620,903,538</b>	<b>1,067,798</b>	<b>-1,339,637</b>	<b>-92,182,944</b>	<b>528,448,755</b>

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## 4.2 Total income from financial assets

	in EUR			
	Triglav Group		Zavarovalnica Triglav	
	2018	2017	2018	2017
<b>INTEREST INCOME FROM FINANCIAL ASSETS</b>				
– available for sale	31,745,848	34,336,923	22,352,655	23,885,897
– loans and deposits	3,673,878	2,810,704	3,223,478	2,865,277
– held to maturity	9,815,935	10,618,005	7,657,191	7,836,163
– at fair value through profit and loss	10,337,581	10,430,950	4,444,301	5,120,346
<b>Interest income</b>	<b>55,573,242</b>	<b>58,196,582</b>	<b>37,677,625</b>	<b>39,707,684</b>
<b>DIVIDENDS FROM</b>				
– available-for-sale financial assets	3,577,567	5,011,305	2,868,187	2,695,236
– financial assets at fair value through profit and loss	466,275	335,146	209,516	92,338
– subsidiaries and associates	0	0	4,506,342	6,172,954
<b>TOTAL DIVIDENDS</b>	<b>4,043,842</b>	<b>5,346,451</b>	<b>7,584,045</b>	<b>8,960,528</b>
<b>Fair value gains</b>	<b>1,492,063</b>	<b>36,619,731</b>	<b>1,108,893</b>	<b>30,527,723</b>
<b>Realised gains on disposals</b>	<b>23,777,837</b>	<b>29,790,480</b>	<b>18,521,649</b>	<b>25,453,585</b>
<b>Other financial income</b>	<b>4,002,093</b>	<b>2,991,194</b>	<b>2,168,468</b>	<b>1,701,209</b>
<b>Profit on investments accounted for using the equity method</b>	<b>1,021,159</b>	<b>224,605</b>	<b>0</b>	<b>0</b>
<b>TOTAL INVESTMENT INCOME</b>	<b>89,910,236</b>	<b>133,169,043</b>	<b>67,060,680</b>	<b>106,350,731</b>

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

## 4.3 Total expenses from financial assets

	in EUR			
	Triglav Group		Zavarovalnica Triglav	
	2018	2017	2018	2017
Fair value losses	45,840,584	4,528,102	33,533,878	1,757,407
Realised loss on disposals	13,128,928	11,083,596	12,566,364	10,588,356
Loss on disposals of subsidiaries	0	1,145,000	0	0
Loss on impairment of financial assets	1,497,483	335,255	1,248,877	200,000
<b>Other finance costs</b>	<b>6,651,494</b>	<b>11,704,106</b>	<b>3,585,367</b>	<b>7,897,651</b>
- Net exchange losses	2,497,447	7,942,171	660,647	4,982,901
- Other expenses from financial assets and liabilities	1,768,614	1,447,262	1,126,190	1,075,438
- Asset management costs	2,385,433	2,314,673	1,798,530	1,839,313
<b>Loss on equity investments in associates accounted for using the equity method</b>	<b>137,092</b>	<b>1,981,853</b>	<b>0</b>	<b>0</b>
<b>TOTAL EXPENSES FROM FINANCIAL ASSETS</b>	<b>67,255,581</b>	<b>30,777,912</b>	<b>50,934,486</b>	<b>20,443,413</b>

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

## 4.4 Fair value gains and losses

	in EUR			
	Triglav Group		Zavarovalnica Triglav	
	2018	2017	2018	2017
Financial assets recognised at fair value through profit/loss	-43,705,592	31,402,827	-31,770,799	28,081,514
– gains	1,429,476	35,930,929	1,057,563	29,838,921
– losses	-45,135,068	-4,528,102	-32,828,362	-1,757,407
Derivative financial instruments	-642,929	688,802	-654,187	688,802
– gains	62,587	688,802	51,330	688,802
– losses	-705,516	0	-705,516	0
<b>NET GAINS FROM CHANGES IN FAIR VALUE</b>	<b>-44,348,521</b>	<b>32,091,629</b>	<b>-32,424,985</b>	<b>28,770,316</b>

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

## 4.5 Realised gains and losses

	in EUR			
	Triglav Group		Zavarovalnica Triglav	
	2018	2017	2018	2017
Financial assets recognised at fair value through profit/loss	-3,325,788	2,155,198	-3,279,198	2,109,274
– realised gains on disposals	696,651	3,493,012	678,530	3,375,768
– realised losses on disposals	-4,022,439	-1,337,814	-3,957,728	-1,266,495
Available-for-sale financial assets	17,014,673	18,028,216	11,925,982	14,232,486
– realised gains on disposals	18,164,581	20,278,752	12,939,619	16,059,101
– realised losses on disposals	-1,149,908	-2,250,536	-1,013,637	-1,826,615
Loans and deposits	-294,753	0	0	0
– realised gains on disposals	13,105	0	0	0
– realised losses on disposals	-307,858	0	0	0
Derivative financial instruments	-2,745,223	-1,409,793	-2,691,500	-1,409,796
– realised gains on disposals	4,903,500	6,018,716	4,903,500	6,018,716
– realised losses on disposals	-7,648,723	-7,428,509	-7,595,000	-7,428,510
Held-to-maturity financial assets	0	0	0	0
– realised gains on disposals	0	0	0	0
– realised losses on disposals	0	0	0	0
Financial liabilities	0	-66,736	0	-66,736
– realised gains on disposals	0	0	0	0
– realised losses on disposals	0	-66,736	0	-66,736
<b>TOTAL REALISED GAINS AND LOSSES</b>	<b>10,648,909</b>	<b>18,706,885</b>	<b>5,955,284</b>	<b>14,865,230</b>

## 4.6 Other insurance income

	in EUR			
	Triglav Group		Zavarovalnica Triglav	
	2018	2017	2018	2017
<b>Fees and commission income</b>	<b>15,806,181</b>	<b>16,487,470</b>	<b>17,004,132</b>	<b>18,011,729</b>
– reinsurance commission income	15,750,966	16,399,287	16,948,917	17,923,546
– investment management services	55,215	88,183	55,215	88,183
<b>Other income from insurance operations</b>	<b>14,031,800</b>	<b>12,749,762</b>	<b>10,444,252</b>	<b>9,720,855</b>
– income from sale of green cards for motor vehicles	2,388,333	2,365,643	999,019	970,788
– income from claims settled for other insurance companies	712,579	763,106	455,901	448,300
– income from assistance services	50,398	28,214	37,576	11,817
– other income from insurance operations	4,521,771	3,798,819	2,851,248	2,495,970
– interest from receivables	6,358,721	5,793,980	6,100,508	5,793,980
<b>OTHER INSURANCE INCOME</b>	<b>29,837,981</b>	<b>29,237,232</b>	<b>27,448,384</b>	<b>27,732,584</b>

## 4.7 Other income

	in EUR			
	Triglav Group		Zavarovalnica Triglav	
	2018	2017	2018	2017
Income from investment property	6,860,194	6,637,396	5,569,135	5,205,856
Income from disposal of investment property	1,473,740	325,860	1,171,222	77,514
Income from disposal of intangible assets	8,665	39,798	0	0
Income from disposal of property, plant and equipment	170,318	103,381	32,572	431
Income from other services	1,986,091	1,821,079	5,514,416	5,499,648
Income from non-insurance companies in the Group	25,330,425	24,506,898	0	0
Fair value gains	241,939	409,651	165,465	134,548
Claims refund	78,161	189,053	39,169	33,426
<b>TOTAL OTHER INCOME</b>	<b>36,149,533</b>	<b>34,033,116</b>	<b>12,491,979</b>	<b>10,951,423</b>

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## 4.8 Claims

	in EUR			
	Triglav Group		Zavarovalnica Triglav	
	2018	2017	2018	2017
<b>NON-LIFE INSURANCE</b>				
Gross claims settled	374,502,594	332,902,222	273,030,985	250,056,103
Gross claims paid from inward reinsurance	33,701,523	29,745,087	12,719,613	2,751,897
Income from gross subrogated receivables	-16,967,528	-15,335,223	-13,502,708	-12,387,832
Reinsurers' share of gross claims settled	-40,184,452	-24,825,626	-37,927,113	-24,830,340
Co-insurers' share of gross claims settled	195,761	252,466	262,030	465,802
Change in gross claims provisions	-31,600,189	1,497,691	-27,372,969	-2,587,374
Change in gross claims provisions for re/co-insurer's share	11,311,263	-6,801,652	3,354,795	-8,385,490
<b>Net claims incurred on non-life insurance</b>	<b>330,958,972</b>	<b>317,434,965</b>	<b>210,564,633</b>	<b>205,082,765</b>
<b>LIFE INSURANCE</b>				
Gross claims settled	169,247,828	189,454,483	148,754,692	170,885,356
Reinsurers' share in gross claims	-275	-450	-102,530	-259,497
Change in gross claims provisions	1,077,159	553,739	702,258	577,500
Change in reinsurers' share in gross claims provisions	22,621	6,706	22,621	6,706
<b>Net claims incurred on life insurance</b>	<b>170,347,333</b>	<b>190,014,478</b>	<b>149,377,041</b>	<b>171,210,065</b>
<b>HEALTH INSURANCE</b>				
Gross claims settled	119,145,307	105,440,900	0	0
Income from gross exercised subrogation receivables	-29,506	-44,900	0	0
Change in gross claims provisions	-70,820	797,446	0	0
Change in claims provisions for reinsurers' share	11,414	30,106	0	0
Equalisation scheme expenses	6,197,698	6,285,786	0	0
<b>TOTAL net claims incurred on health insurance</b>	<b>125,254,093</b>	<b>112,509,338</b>	<b>0</b>	<b>0</b>
<b>NET CLAIMS INCURRED TOTAL</b>	<b>626,560,398</b>	<b>619,958,781</b>	<b>359,941,674</b>	<b>376,292,830</b>

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Overview of net claims incurred by insurance class				in EUR
Triglav Group 2018	Gross claims <sup>117</sup>	Income from subrogated receivables	Reinsurers' share	Net claims incurred
<b>NON-LIFE INSURANCE</b>				
Accident insurance	24,227,816	-10,801	-230,009	23,987,006
Health insurance	121,362,005	-29,523	-122,892	121,209,590
Land motor vehicle insurance	97,815,885	-3,513,921	-3,733,347	90,568,617
Railway insurance	2,583,036	-30	-244,676	2,338,330
Aircraft insurance	659,117	0	-166,071	493,046
Marine Insurance	3,437,920	-8,716	-367,337	3,061,867
Cargo insurance	2,519,395	-199,348	-114,151	2,205,896
Fire and natural forces insurance	52,496,392	-152,359	-13,895,816	38,448,217
Other damage to property insurance	74,508,007	-564,165	-12,359,892	61,583,950
Motor TPL insurance	98,955,254	-3,700,133	-1,686,194	93,568,927
Aircraft liability insurance	285,242	0	-24,169	261,073
Marine liability insurance	270,764	0	-2,501	268,263
General liability insurance	18,947,236	-221,192	-3,056,247	15,669,797
Credit insurance	11,945,067	-8,063,118	-1,396,156	2,485,793
Suretyship insurance	687,953	-506,428	42,206	223,731
Miscellaneous financial loss insurance	4,812,263	0	-2,639,070	2,173,193
Legal expenses insurance	67,104	0	-331	66,773
Travel assistance insurance	11,768,968	-27,300	-187,799	11,553,869
<b>Total non-life insurance</b>	<b>527,349,424</b>	<b>-16,997,034</b>	<b>-40,184,452</b>	<b>470,167,938</b>
<b>LIFE INSURANCE</b>				
Life insurance	92,419,363	0	-275	92,419,088
Wedding insurance or birth insurance	0	0	0	0
Unit-linked life insurance	70,889,784	0	0	70,889,784
Tontines	0	0	0	0
Capital redemption insurance	5,885,491	0	0	5,885,491
Loss of income due to illness	53,190	0	0	53,190
<b>Total life insurance</b>	<b>169,247,828</b>	<b>0</b>	<b>-275</b>	<b>169,247,553</b>
<b>TOTAL</b>	<b>696,597,252</b>	<b>-16,997,034</b>	<b>-40,184,727</b>	<b>639,415,491</b>

Overview of net claims incurred by insurance class				in EUR
Triglav Group 2017	Gross claims	Income from subrogated receivables	Reinsurers' share	Net claims incurred
<b>NON-LIFE INSURANCE</b>				
Accident insurance	23,728,233	-29,754	-221,688	23,476,791
Health insurance	106,578,530	-44,900	-106,415	106,427,215
Land motor vehicle insurance	91,410,178	-3,195,556	-2,347,464	85,867,158
Railway insurance	1,502,312	0		1,502,312
Aircraft insurance	343,520	0	-73,018	270,502
Marine Insurance	5,074,829	-67,228	-2,340,979	2,666,622
Cargo insurance	2,279,920	-125,676	-174,013	1,980,231
Fire and natural forces insurance	39,713,867	-393,224	-3,720,669	35,599,974
Other damage to property insurance	65,293,836	-351,141	-11,287,461	53,655,234
Motor TPL insurance	93,228,583	-3,049,463	-2,550,038	87,629,082
Aircraft liability insurance	320,341	-1,005	-56,195	263,141
Marine liability insurance	346,883	0	-6,113	340,770
General liability insurance	15,508,421	-450,292	-726,044	14,332,085
Credit insurance	10,305,007	-7,436,476	-568,355	2,300,176
Suretyship insurance	741,141	-195,003	-59,595	486,543
Miscellaneous financial loss insurance	1,645,767	-30	-497,277	1,148,460
Legal expenses insurance	56,928	0	0	56,928
Travel assistance insurance	10,009,913	-40,375	-90,302	9,879,236
<b>Total non-life insurance</b>	<b>468,088,209</b>	<b>-15,380,123</b>	<b>-24,825,626</b>	<b>427,882,460</b>
<b>LIFE INSURANCE</b>				
Life insurance	91,029,628	0	-450	91,029,178
Wedding insurance or birth insurance	0	0	0	0
Unit-linked life insurance	92,969,964	0	0	92,969,964
Tontines	0	0	0	0
Capital redemption insurance	5,365,889	0	0	5,365,889
Loss of income due to illness	89,002	0	0	89,002
<b>Total life insurance</b>	<b>189,454,483</b>	<b>0</b>	<b>-450</b>	<b>189,454,033</b>
<b>TOTAL</b>	<b>657,542,692</b>	<b>-15,380,123</b>	<b>-24,826,076</b>	<b>617,336,493</b>

<sup>117</sup>Gross claims paid also include gross claims paid from inward reinsurance.

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

Overview of net claims incurred by insurance class				in EUR
Zavarovalnica Triglav 2017	Gross claims	Income from subrogated receivables	Reinsurers' share	Net claims incurred
<b>NON-LIFE INSURANCE</b>				
Accident insurance	13,065,186	-29,470	-343,233	12,692,483
Health insurance	20,465	0	-2,952	17,513
Land motor vehicle insurance	75,282,043	-2,113,481	-3,584,895	69,583,667
Railway insurance	1,502,245	0	0	1,502,245
Aircraft insurance	115,129	0	-65,530	49,599
Marine Insurance	241,063	-66,074	-6,452	168,537
Cargo insurance	1,341,420	-97,872	-351,243	892,305
Fire and natural forces insurance	22,973,913	-378,671	-2,992,205	19,603,037
Other damage to property insurance	45,645,793	-332,758	-10,453,568	34,859,468
Motor TPL insurance	58,673,179	-1,669,518	-4,647,902	52,355,759
Aircraft liability insurance	58,780	-1,005	-22,718	35,057
Marine liability insurance	78,018	0	-2,323	75,695
General liability insurance	13,592,447	-397,618	-1,158,944	12,035,885
Credit insurance	9,780,693	-7,119,944	-341,993	2,318,755
Suretyship insurance	111,947	-141,097	-1,810	-30,960
Miscellaneous financial loss insurance	950,583	-30	-440,713	509,841
Legal expenses insurance	55,256	0	12	55,268
Travel assistance insurance	9,319,837	-40,293	-413,871	8,865,673
<b>Total non-life insurance</b>	<b>252,808,000</b>	<b>-12,387,832</b>	<b>-24,830,340</b>	<b>215,589,827</b>
<b>LIFE INSURANCE</b>				
Life insurance	82,932,298	0	-259,497	82,672,802
Wedding insurance or birth insurance	0	0	0	0
Unit-linked life insurance	82,587,169	0	0	82,587,169
Tontines	0	0	0	0
Capital redemption insurance	5,365,889	0	0	5,365,889
Loss of income due to illness	0	0	0	0
<b>Total life insurance</b>	<b>170,885,356</b>	<b>0</b>	<b>-259,497</b>	<b>170,625,860</b>
<b>TOTAL</b>	<b>423,693,356</b>	<b>-12,387,832</b>	<b>-25,089,837</b>	<b>386,215,687</b>

## 4.9 Reinsurance result

	in EUR			
	Triglav Group		Zavarovalnica Triglav	
	2018	2017	2018	2017
Reinsurance premiums	-103,965,727	-95,679,895	-101,297,110	-93,522,581
Changes in reinsurers' share of unearned premiums	6,287,215	284,293	5,943,077	493,754
Reinsurers' share of claims	40,184,727	24,826,076	38,029,643	25,089,837
Changes in claims provisions for reinsurers' shares	-11,345,298	6,764,840	-3,377,416	8,378,784
<b>Net result from reinsurance operations</b>	<b>-68,839,083</b>	<b>-63,804,686</b>	<b>-60,701,806</b>	<b>-59,560,206</b>
Reinsurance commission	15,750,967	16,382,965	16,948,916	17,923,547
<b>GROSS REINSURANCE RESULT</b>	<b>-53,088,116</b>	<b>-47,421,721</b>	<b>-43,752,889</b>	<b>-41,636,659</b>

## 4.10 Change in other insurance-technical provisions

	in EUR			
	Triglav Group		Zavarovalnica Triglav	
	2018	2017	2018	2017
<b>Change in other insurance technical provisions</b>	<b>39,860,373</b>	<b>60,281,190</b>	<b>29,499,390</b>	<b>35,366,975</b>
– changes in gross provisions for cancellations	69,299	53,070	1,593	67,747
– changes in gross provisions for unexpired risks	55,176	875,957	-825,756	-818,663
– changes in gross provisions for other catastrophic risks	-183,598	0	0	0
– changes in gross provisions for life insurance	39,657,720	57,909,518	30,061,777	34,675,246
– changes in gross provisions for bonuses from with-profits life insurance	261,776	1,442,645	261,776	1,442,645
<b>Change in gross provisions for unit-linked insurance contracts</b>	<b>-46,889,547</b>	<b>-8,250,712</b>	<b>-50,884,979</b>	<b>-14,678,837</b>
<b>TOTAL CHANGE IN OTHER INSURANCE TECHNICAL PROVISIONS</b>	<b>-7,029,174</b>	<b>52,030,478</b>	<b>-21,385,589</b>	<b>20,688,138</b>

## 4.11 Expenses for bonuses and discounts

	in EUR			
	Triglav Group		Zavarovalnica Triglav	
	2018	2017	2018	2017
Settled bonuses and discounts	10,319,128	9,190,486	9,374,088	8,218,663
Changes in gross provisions for bonuses and discounts	1,098,555	152,405	1,197,198	-145,575
<b>TOTAL EXPENSES FOR BONUSES AND DISCOUNTS</b>	<b>11,417,685</b>	<b>9,342,891</b>	<b>10,571,287</b>	<b>8,073,088</b>

## 4.12 Acquisition costs and other operating expenses

	in EUR			
	Triglav Group		Zavarovalnica Triglav	
	2018	2017	2018	2017
Acquisition costs	159,245,093	147,942,412	110,230,111	105,301,136
Other operating costs	74,392,332	72,820,221	42,778,807	40,621,773
Claim handling costs*	25,629,551	25,322,704	19,615,402	19,982,533
Costs of asset management**	2,385,433	2,314,673	1,798,530	1,839,313
Operating expenses from non-insurance operations***	27,173,807	25,645,287	0	0
<b>TOTAL</b>	<b>288,826,216</b>	<b>274,045,297</b>	<b>174,422,850</b>	<b>167,744,757</b>

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

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

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

## 4.12.1 Gross operating expenses by nature and business segment

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

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Triglav Group 2017						in EUR
	Non-life insurance	Life insurance	Health insurance	Total costs of insurance operations	Costs of non-insurance operations	TOTAL
Acquisition costs	29,143,920	4,776,143	1,934,970	35,855,033	0	35,855,033
Cost of goods sold	0	0	0	0	230,774	230,774
Depreciation of operating assets	9,471,082	1,958,532	523,766	11,953,380	1,268,876	13,222,256
Labour costs	105,154,889	18,419,295	4,446,763	128,020,947	13,772,241	141,793,188
Wages and salaries	73,250,152	12,846,200	3,377,661	89,474,013	9,406,974	98,880,987
Social security and pension insurance costs	16,894,384	2,674,702	572,606	20,141,692	2,519,614	22,661,306
Other labour costs	15,010,353	2,898,393	496,496	18,405,242	1,845,653	20,250,895
Costs of services provided by natural persons other than SPs, including related taxes	800,448	73,156	146,211	1,019,815	0	1,019,815
Other operating costs	55,060,559	10,946,451	5,543,825	71,550,835	10,373,396	81,924,231
Costs of entertainment, advertising, trade shows	16,991,352	2,502,394	663,419	20,157,165	693,732	20,850,897
Costs of material and energy	4,767,179	951,018	261,796	5,979,993	1,552,051	7,532,044
Maintenance costs	8,357,123	2,116,448	2,045,539	12,519,110	778,405	13,297,515
Reimbursement of labour-related costs	4,068,779	516,836	162,845	4,748,460	645,034	5,393,494
Costs of intellectual and personal services	3,484,199	708,542	473,628	4,666,369	669,591	5,335,960
Membership fees and charges	1,936,144	389,527	85,976	2,411,647	710,368	3,122,015
Costs of services - transport and communications	3,231,418	916,719	853,080	5,001,217	172,918	5,174,135
Costs for insurance premiums	1,152,043	155,051	16,865	1,323,959	56,554	1,380,513
Payment transaction costs and banking services	1,334,870	639,757	313,842	2,288,469	1,029,697	3,318,166
Rents	4,253,550	716,164	11,621	4,981,335	905,088	5,886,423
Costs of professional training services	543,106	115,189	71,124	729,419	149,366	878,785
Other costs of services	4,940,796	1,218,806	584,090	6,743,692	3,010,592	9,754,284
<b>TOTAL OPERATING EXPENSES</b>	<b>199,630,898</b>	<b>36,173,577</b>	<b>12,595,535</b>	<b>248,400,010</b>	<b>25,645,287</b>	<b>274,045,297</b>

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Zavarovalnica Triglav	2018			2017			in EUR
	Non-life insurance	Life insurance	TOTAL	Non-life insurance	Life insurance	TOTAL	
Acquisition costs	18,729,044	8,445,942	27,174,986	16,013,168	8,309,539	24,322,707	
Depreciation of operating assets	8,136,900	1,466,135	9,603,035	7,089,004	1,670,764	8,759,768	
Labour costs	81,286,516	15,120,570	96,407,086	79,699,395	14,874,389	94,573,784	
Wages and salaries	57,631,614	10,579,475	68,211,089	56,833,223	10,513,000	67,346,222	
Social security and pension insurance costs	9,889,336	1,841,107	11,730,443	9,669,567	1,807,379	11,476,946	
Other labour costs	13,765,566	2,699,988	16,465,554	13,196,605	2,554,010	15,750,615	
Costs of services provided by natural persons other than SPs, including related taxes	274,040	65,097	339,137	227,587	50,068	277,655	
Other operating costs	31,621,398	9,277,208	40,898,606	31,577,741	8,233,101	39,810,842	
Costs of entertainment, advertising, trade shows	6,940,513	1,771,891	8,712,404	7,171,165	1,645,523	8,816,687	
Costs of material and energy	2,789,901	816,848	3,606,749	2,497,926	739,288	3,237,214	
Maintenance costs	6,708,088	2,161,400	8,869,488	7,330,919	2,027,333	9,358,251	
Reimbursement of labour-related costs	2,903,368	402,927	3,306,295	2,918,310	433,124	3,351,434	
Costs of intellectual and personal services	1,447,154	799,008	2,246,162	1,815,967	464,000	2,279,967	
Membership fees and charges	1,168,667	355,252	1,523,919	1,183,708	326,478	1,510,185	
Costs of services - transport and communications	2,232,851	977,717	3,210,568	2,093,070	802,099	2,895,170	
Costs for insurance premiums	937,893	155,291	1,093,184	752,862	134,007	886,868	
Payment transaction costs and banking services	1,047,188	555,182	1,602,370	1,000,570	540,022	1,540,592	
Rents	2,746,549	557,195	3,303,744	2,298,994	500,538	2,799,533	
Costs of professional training services	489,471	143,016	632,487	351,086	96,655	447,741	
Other costs of services	2,209,755	581,481	2,791,236	2,163,163	524,037	2,687,200	
<b>TOTAL OPERATING EXPENSES</b>	<b>140,047,898</b>	<b>34,374,952</b>	<b>174,422,850</b>	<b>134,606,895</b>	<b>33,137,861</b>	<b>167,744,757</b>	

In addition to the above-stated amount of EUR 68,211,089 (vs. EUR 67,346,222 in 2017), total wages and salaries include employee bonuses based on performance results in 2018 in the total amount of EUR 8,496,124 (vs. EUR 6,828,596 in 2017). Total costs for wages and salaries in 2017 thus amount to EUR 76,707,213 (vs. EUR 74,174,818 in 2017).

Total costs of Zavarovalnica Triglav for the above-mentioned item, including taxes and other contributions chargeable to the employer, amount to EUR 7,864,000 and are disclosed as other expenses.

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## 4.12.2 Gross operating expenses by nature and function

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

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						in EUR
Triglav Group 2017	Cost of contract acquisition	Claim handling costs	Costs of asset management	Other operating expenses	Costs of non-insurance operations	TOTAL
Acquisition costs	35,855,033	0	0	0	0	35,855,033
Cost of goods sold	0	0	0	0	230,774	230,774
Depreciation of operating assets	5,793,389	1,614,801	116,427	4,428,763	1,268,876	13,222,256
Labour costs	66,487,559	18,097,039	1,373,183	42,063,166	13,772,241	141,793,188
Wages and salaries	47,437,322	12,230,065	1,012,937	28,793,689	9,406,974	98,880,987
Social security and pension insurance costs	10,188,254	2,804,962	202,837	6,945,639	2,519,614	22,661,306
Other labour costs	8,861,983	3,062,012	157,409	6,323,838	1,845,653	20,250,895
Costs of services provided by natural persons other than SPs, including related taxes	300,074	396,993	2,078	320,670	0	1,019,815
Other operating costs	39,506,357	5,213,871	822,985	26,007,622	10,373,396	81,924,231
Costs of entertainment, advertising, trade shows	17,872,787	54,433	8,127	2,221,818	693,732	20,850,897
Costs of material and energy	3,046,893	830,052	41,089	2,061,959	1,552,051	7,532,044
Maintenance costs	4,689,729	1,401,831	213,386	6,214,164	778,405	13,297,515
Reimbursement of labour-related costs	3,734,075	147,210	19,582	847,593	645,034	5,393,494
Costs of intellectual and personal services	895,448	420,456	245,270	3,105,195	669,591	5,335,960
Membership fees and charges	1,023,827	251,496	20,771	1,115,553	710,368	3,122,015
Costs of services - transport and communications	2,513,101	489,169	18,971	1,979,976	172,918	5,174,135
Costs for insurance premiums	658,769	170,899	8,130	486,161	56,554	1,380,513
Payment transaction costs and banking services	789,283	9,319	56,017	1,433,850	1,029,697	3,318,166
Rents	2,153,194	534,123	31,647	2,262,371	905,088	5,886,423
Costs of professional training services	237,040	83,598	7,207	401,574	149,366	878,785
Other costs of services	1,892,211	821,285	152,788	3,877,408	3,010,592	9,754,284
<b>TOTAL OPERATING EXPENSES</b>	<b>147,942,412</b>	<b>25,322,704</b>	<b>2,314,673</b>	<b>72,820,221</b>	<b>25,645,287</b>	<b>274,045,297</b>

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

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Zavarovalnica Triglav 2017	in EUR					TOTAL
	Cost of contract acquisition	Claim handling costs	Costs of asset management	Other operating expenses		
<b>Acquisition costs</b>	<b>24,322,707</b>	<b>0</b>	<b>0</b>	<b>0</b>		<b>24,322,707</b>
<b>Depreciation of operating assets</b>	<b>4,834,281</b>	<b>1,433,949</b>	<b>103,499</b>	<b>2,388,038</b>		<b>8,759,768</b>
<b>Labour costs</b>	<b>52,988,762</b>	<b>14,679,708</b>	<b>1,072,860</b>	<b>25,832,454</b>		<b>94,573,784</b>
Wages and salaries	38,472,290	10,129,717	803,345	17,940,870		67,346,222
Social security and pension insurance costs	6,528,896	1,742,737	135,446	3,069,869		11,476,946
Other labour costs	7,987,576	2,807,254	134,069	4,821,716		15,750,615
<b>Costs of services provided by natural persons other than SPs, including related taxes</b>	<b>23,995</b>	<b>234,576</b>	<b>1,527</b>	<b>17,557</b>		<b>277,655</b>
<b>Other operating costs</b>	<b>23,131,391</b>	<b>3,634,301</b>	<b>661,427</b>	<b>12,383,724</b>		<b>39,810,842</b>
Costs of entertainment, advertising, trade shows	8,533,127	38,892	4,304	240,365		8,816,687
Costs of material and energy	1,604,998	590,670	24,605	1,016,940		3,237,214
Maintenance costs	3,948,459	1,273,710	203,745	3,932,337		9,358,251
Reimbursement of labour-related costs	2,880,088	73,546	12,499	385,301		3,351,434
Costs of intellectual and personal services	544,400	53,369	227,940	1,454,258		2,279,967
Membership fees and charges	891,620	241,321	17,568	359,677		1,510,185
Costs of services - transport and communications	1,675,184	388,710	14,816	816,460		2,895,170
Costs for insurance premiums	417,795	131,996	5,054	332,024		886,868
Payment transaction costs and banking services	644,841	830	43,266	851,655		1,540,592
Rents	1,095,476	339,543	19,006	1,345,508		2,799,533
Costs of professional training services	162,444	66,529	5,494	213,274		447,741
Other costs of services	732,960	435,187	83,128	1,435,925		2,687,200
<b>TOTAL OPERATING EXPENSES</b>	<b>105,301,136</b>	<b>19,982,533</b>	<b>1,839,313</b>	<b>40,621,774</b>		<b>167,744,757</b>

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## 4.13 Other expenses from insurance operations

	in EUR			
	Triglav Group		Zavarovalnica Triglav	
	2018	2017	2018	2017
Fee and commission expenses	16,747,703	15,698,735	3,598,300	2,211,487
Expenses from impairment of insurance receivables and write-offs	4,040,324	-439,219	1,511,505	-1,114,709
Fire tax	4,543,801	4,298,380	4,100,129	3,909,295
Expenses of preventive activity	2,197,547	1,934,354	1,498,562	1,218,704
Contributions for claims from uninsured or unidentified vehicles	1,427,306	1,544,342	-90,685	-276,721
Supervisory authority fees	1,534,377	1,605,036	815,368	780,468
Other net insurance expenses	3,253,078	3,416,434	386,460	252,228
<b>OTHER EXPENSES FROM INSURANCE OPERATIONS</b>	<b>33,744,134</b>	<b>28,058,062</b>	<b>11,819,639</b>	<b>6,980,751</b>

## 4.14 Other expenses

	in EUR			
	Triglav Group		Zavarovalnica Triglav	
	2018	2017	2018	2017
<b>Financial expenses</b>	<b>1,384,359</b>	<b>1,631,023</b>	<b>1,507,022</b>	<b>1,549,066</b>
<b>Other expenses</b>	<b>43,234,402</b>	<b>40,629,898</b>	<b>14,087,222</b>	<b>13,319,580</b>
Depreciation of investment property	1,415,406	1,413,250	938,600	950,469
Expenses from impairment of investment property	474,484	181,170	0	0
Loss from investment property disposal	27,840	60,266	5,813	60,147
Other investment property expenses	2,649,014	2,158,172	3,070,405	3,077,799
Expenses from disposal of property, plant and equipment	18,189	56,842	14,159	12,484
Expenses from disposal of intangible assets	3,616	518,063	3,093	517,839
Expenses from reversal of impairment of other receivables	522,638	544,930	-210,129	256,312
Operating expenses of non-insurance companies	26,450,272	25,294,103	0	0
Other expenses	11,672,943	10,403,102	10,265,281	8,444,529
<b>TOTAL OTHER EXPENSES</b>	<b>44,618,763</b>	<b>42,260,921</b>	<b>15,594,244</b>	<b>14,868,646</b>

Other expenses relate to bonuses for employees based on business results for 2018 in total amount of EUR 10.9 million (in Zavarovalnica Triglav EUR 9.9 million).

## 4.15 Income tax expense

### 4.15.1 Tax expense in the income statement

	in EUR			
	Triglav Group		Zavarovalnica Triglav	
	2018	2017	2018	2017
Current tax expense	15,560,650	12,746,346	12,127,605	9,524,525
Deferred tax expense	1,068,907	1,990,784	785,783	1,775,841
<b>TOTAL TAX EXPENSE IN THE INCOME STATEMENT</b>	<b>16,629,557</b>	<b>14,737,130</b>	<b>12,913,388</b>	<b>11,300,366</b>

## 4.15.2 Tax expense in other comprehensive income

	in EUR					
	2018			2017		
	Before tax	Tax	After tax	Before tax	Tax	After tax
<b>Triglav Group</b>						
Profit from increase in fair value of available-for-sale financial assets	-52,468,348	11,453,351	-41,014,997	8,279,736	-735,573	7,544,163
Liabilities from insurance contracts with a discretionary participating feature (shadow accounting)	14,887,351	-2,376,972	12,510,379	-579,756	92,566	-487,190
Gains/losses recognised in fair value reserve and net profit/loss brought forward arising from equity in associates and jointly controlled entities recognised using the equity method	-310,367	58,970	-251,397	603,255	-114,618	488,637
Actuarial gains/losses	-303,550	125	-303,425	391,597	0	391,597
Translation differences	127,483	0	127,483	1,080,805	0	1,080,805
<b>TOTAL OTHER COMPREHENSIVE INCOME</b>	<b>-38,067,431</b>	<b>9,135,474</b>	<b>-28,931,957</b>	<b>9,775,637</b>	<b>-757,625</b>	<b>9,018,012</b>

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	in EUR					
	2018			2017		
	Before tax	Tax	After tax	Before tax	Tax	After tax
<b>Zavarovalnica Triglav</b>						
Profit from increase in fair value of available-for-sale financial assets	-41,891,860	9,650,071	-32,241,789	3,027,949	-552,369	2,475,580
Liabilities from insurance contracts with a discretionary participating feature (shadow accounting)	14,887,351	-2,376,972	12,510,379	-579,756	92,566	-487,190
Actuarial gains/losses	-266,153	0	-266,153	350,717	0	350,717
<b>TOTAL OTHER COMPREHENSIVE INCOME</b>	<b>-27,270,662</b>	<b>7,273,099</b>	<b>-19,997,563</b>	<b>2,798,909</b>	<b>-459,803</b>	<b>2,339,106</b>

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### 4.15.3 Reconciliation between tax expense and accounting profit

	in EUR			
	Triglav Group		Zavarovalnica Triglav	
	2018	2017	2018	2017
Accounting profit	97,455,802	84,445,082	78,457,252	73,822,316
Income tax rate – tax rate average of several countries	19.73%	20.49%	19%	19%
<b>Accounting profit multiplied by tax rate</b>	<b>19,232,615</b>	<b>17,298,592</b>	<b>14,906,878</b>	<b>14,026,240</b>
Tax effect of income deductible for tax purposes	-1,665,125	-1,900,718	-1,447,934	-1,652,798
Tax effect of income added for tax purposes	129,619	116,657	0	0
Tax effect on the reduction in expenses not deductible for tax purposes	1,436,315	1,147,649	1,120,647	895,013
Tax relief	-2,032,557	-1,722,090	-1,563,505	-1,324,685
Previously unrecognized deferred taxes	-545,267	-287,365	-176,654	-727,809
Changes due to a new accounting method	73,957	84,405	73,957	84,405
<b>TOTAL TAX EXPENSE</b>	<b>16,629,557</b>	<b>14,737,130</b>	<b>12,913,388</b>	<b>11,300,366</b>
Effective tax rate <sup>118</sup>	17.06%	17.45%	16.46%	15.31%
Final liabilities for corporate income tax	15,560,650	12,746,346	12,127,605	9,524,525

In accordance with the Corporate Income Tax Act (ZDDPO–2), the applicable tax rate in Slovenia was 19% in 2018, the same as in the previous year.

Unused tax losses of the Group amounted to EUR 22.7 million as at 31 December 2018 (EUR 21.8 million as at 31 December 2017).

In subsidiaries operating outside the Republic of Slovenia, tax rates were used as applicable in the country of operation and in compliance with the local legislation. For the applied tax rates [[→ see Section 2.7](#)].

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<sup>118</sup>In the data of the Triglav Group, the average of all countries was taken into account in the corporate income tax rate.