

1. Financial statements¹⁰⁴

1.1. Statement of financial position

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

¹⁰⁴ Notes on pages from 187 to 284 are part of financial statements.

1.2. Income statement

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

1.3. Other comprehensive income

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

1.4. Statement of changes in equity

in EUR

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

in EUR

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

1.5. Cash flow statement

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