Accounting Report

Accounting Report

unit-linked insurance contracts

State	ment of management's responsibilities	190	3.17	Provisions for employee benefits	258
Inder	pendent auditor's report	191		Other provisions	260
	·			Deferred tax assets and liabilities	261
1.	Financial statements	195	3.20	Other financial liabilities	261
1.1	Statement of financial position	195		Lease liabilities	262
1.2	Income statement	196		Operating liabilities	262
1.3	Other comprehensive income	197	3.23	Other liabilities	262
1.4	Statement of changes in equity	198	4.	Notes to the income statement	263
1.5	Cash flow statement	200	4.1	Premium income	263
2.	General information	201	4.2	Total income from financial assets	266
2.1	Profile of Zavarovalnica Triglav and Triglav Group	201	4.3	Total expenses from financial assets	266
	Management and supervisory bodies	202	4.4	Fair value gains and losses	266
	Statement of compliance	203	4.5	Realised gains and losses	267
	Basis for the preparation of financial statements	203	4.6	Other insurance income	267
	The impact of the COVID-19 epidemic	204	4.7	Other income	267
	Basis for consolidation	205	4.8	Claims	268
2.7	Foreign currency translation	206	4.9	Reinsurance result	273
2.8	Risk management	207	4.10	Change in other insurance-technical provisions	273
2.9	Tax policy	208	4.11	Expenses for bonuses and discounts	273
	Summary of significant accounting policies	208	4.12	Acquisition costs and other operating expenses	273
2.11	Main assumptions	219	4.13	Other expenses from insurance operations	278
2.12	Composition and changes in the composition of the Triglav Group in 2020	224		Other expenses	278
3.	Notes to the statement of financial position	229	4.15	Income tax expense	279
3.1	Intangible assets	229	5.	Other information	281
3.2	Property, plant and equipment	231	5.1	Fair value measurement	281
3.3	Investment property	233	5.2	Additional notes to the cash flow statement	285
	Right of use assets	235	5.3	Amounts spent on auditors	286
	Investments in subsidiaries	236	5.4	Government grants	286
3.6	Investments in associates and joint ventures	237	5.5	Related party transaction	286
	Financial investments	238	5.6	Members of the Management Board and Supervisory Board	288
3.8	Unit-linked insurance assets	243	5.7	Off balance sheet items	289
3.9	Reinsurers' share of technical provisions	245	5.8	Employees	289
3.10	Receivables	246	5.9	Major legal and arbitrary disputes	289
3.11	Other assets	250	5.10	Significant reviews by supervisory bodies	292
3.12	Cash and cash equivalents	250		Subsequent events	294
3.13	Non-current assets held for sale	250	5.12	New and amended standards with interpretations	294
3.14	Equity	250		Segment reporting	297
3.15	Subordinated liabilities	252	5.14	Reporting by guarantee funds posted separately for Zavarovalnica Triglav	309
3.16	Insurance technical provisions and insurance technical provisions for				

253

Statement of management's responsibilities

The Management Board herewith confirms the financial statements Zavarovalnica Triglav, d.d. and Triglav Group for the year ended 31 December 2020, and the accompanying accounting policies and notes to the accounting policies.

The Management Board is responisible for preparing the Annual Report so that it is true and fair presentation of the Company's and Group's assets and liabilities, financial position and profit for the year ended 31 December 2020 in accordance with International Financial Reporting Standards as adopted by the EU.

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

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

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

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

Andrej Slapar

President of the Management Board

Uroš Ivanc

Member of the Management Board

Tadej Čoroli

Member of the Management Board

Barbara Smolnikar Member of the Management Board

David Benedek

Member of the Management Board

Marica Makoter

Member of the Management Board

Ljubljana, 10 March 2021

Independent auditor's report



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INDEPENDENT AUDITOR'S REPORT to the shareholders of the company ZAVAROVALNICA TRIGLAY, d.d.

Report on the Audit of the Financial Statements

Opinio

We have audited the separate financial statements of the company ZAVAROVALNICA TRIGLAY, d.d. (hereinafter 'the Company') and the consolidated financial statements of the TRIGLAY Group (hereinafter 'the Group'), which comprise the separate and consolidated statements of financial position as at 31 December 2020, separate and consolidated income statements, separate and consolidated statements of other comprehensive income, separate and consolidated statements of changes in equity, separate and consolidated statements for the separate and consolidated statements, including a summary of significant accounting policies.

In our opinion, the accompanying separate and consolidated financial statements present fairly, in all material respects, the financial position of the Company and the Group as at 31 December 2020, and their financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the EU (hereinafter 'iFRS').

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and Regulation (EU) No. 537/2014 of the European Parliament and of the Council of 16 April 2014 on specific requirements regarding statutory audit of public-interest entities (hereinafter the 'Regulation'). Our responsibilities under those rules are further described in the Auditor's Responsibilities for the Audit of the Separate and Consolidated Financial Statements section of our report. We are independent of the Company and the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (ISBA Code) and other ethical requirements that are relevant to our audit of the separate and consolidated financial statements in Stovenia, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



Details refers to one or more of Debatic Pooler Tohmatsu Limitar, it but greate company similar by guarantee and its movems of more are failing as a detailed description of the legal structure of Debatic Touche Tohmatsu Limited and its member firms.

In Stovenia, services are provided by Delotte revisits d.o.o. and Delotte svetovanje d.o.o. (jointly referred to as "Delotte Stovenia"), which are member firms of Delotte Event Europe Holding Limited. Delotte Stovenia is one of the leading professional services driganizations in the country providing services in audit, tax, legal consulting, risk and financial advisory services through over 15% sections and foreign professionals.

Delottle revoigs 6.6.6. - Company registered with the District Court of Ljubisjans - Registration number: \$647105 - VAT identification number: \$115049027 - Share updail: 8HR 74,214.30.

E 2020, Delotte Sovenia

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Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the separate and consolidated financial statements for the year ended 31 December 2020. These matters were addressed in the context of our audit of the separate and consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Valuation of technical provisions in the separate and consolidated financial statements

Key audit matter	How our audit addressed the key audit matter
Disclosures related to technical provisions are included in 3.16. "Technical provisions and technical provisions for the benefit of life insurance policyholders bearing the investment risk". Technical provisions are a significant item in the separate and consolidated statements of financial position. The value of technical provisions as at 31 December 2020 equals EUR 1,750,315 thousand (2019: EUR 1,713,421 thousand) in the separate financial statements and EUR 2,523,229 thousand (2019: EUR 2,393,927 thousand) in the consolidated financial statements. Provisions are measured in accordance with accounting policies, which are described in the financial statements.	We have obtained an understanding of key internal controls and tested their effectiveness. We have also reviewed the procedures for analysing economic and non-economic assumptions applied in the calculation of provisions. We have studied the adequacy of key management assumptions applied in the assessment of technical provisions for individual cases and agreed them with adequate supporting documentation. We have assessed whether provisions disclosed are in accordance with the requirements of the accounting framework, best industry practice and legal requirements.
Calculation of provisions for insurance contracts is complex as it entails a high level of management judgement and complex mathematical and statistical calculations. The models used to calculate technical provisions are designed for each category separately and this process largely depends on economic and demographic assumptions. Management reviews premiums, claims payments and other input data and assumptions of a model; the Company's actuarial function is responsible for verifying the adequacy of provisions assessed. Technical provisions are significant accounting estimates, subject to a high level of judgement, therefore we have considered them as a key audit matter.	The assessment of actuarial assumptions, including the treatment and assessment of mariagement assumptions, also included actuarial professionals as auditor's experts. Actuarial professionals took part in testing the calculations of the model and also performed independent recalculations of provisions. We have also reviewed information in the separate and consolidated financial statements in order to assess whether information related to technical provisions is adequately disclosed.

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Key audit matter

Valuation of investments in the separate and consolidated financial statements

Disclosures related to investments are included in 3.7. Investments. Investments as at 31 December 2020 equal EUR 1,989,588 thousand (2019: EUR 1,912,207 thousand) in the separate financial statements and EUR 2,887,381 thousand (2019: EUR 1,912,207 thousand) in the consolidated financial statements. Investments are classified based of the purpose of their acquisition. Management takes the decision on their classification upon initial recognition. The Company and the Group measure investments with the respect to the group into which each investment is classified: - financial assets at fair value through profit or loss are measured at fair value, - held-to-maturity financial assets are measured at mortised cost less impairment losses, - loans and deposits are measured at amortised cost less recognized impairment losses, - available-for-sale financial assets are measured at afair value. Investments are subject to significant udgments and estimates. Due to that and because of significant account balances in separate and consolidated statement of financial position, we have considered them as a key audit matter.	We have reviewed the adequacy of investments measuring in the separate and consolidated financial statements. We have performed the following procedures: For investments in marketable securities, we have recalculated the fair value of these investments based on the value arising from securities market as at 31 December 2020. For investments in non-marketable securities measured at fair value, we considered the adequacy of assumptions and methodology applied. We particularly took into account assumptions applied to calculating discount rates and expected future cash flows. Auditor's experts took part in the procedures for valuation assessment and valuation it selves. For investments measured at amortised cost, we recalculated amortised cost based on data on maturity of each investment as at 31 December 2020. We have also reviewed information in the separate and consolidated financial statements in order to assess whether it includes disclosures as required by IFRS.

How our audit addressed the key audit matter

The Triglav Group and Zavarovalnica Triglav d.d. Annual Report 2020 | Independent auditor's report

192

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Valuation of investments in the equity of subsidiaries in the separate financial statements

Key audit matter	How our audit addressed the key audit matter
Disclosures related to investments in the equity of subsidiaries are included in 3.5, investments in subsidiaries and 5.5. Related-party transactions. Investments in the equity of subsidiaries equal EUR 132,337 thousand (2019: EUR 134,939 thousand) in the separate financial statements and are measured at cost less any impairments. Management assesses indications of impairment of such investments at least on an annual basis and performs impairment testing as necessary. These procedures require management judgement. Professional judgement and application of subsidiaries are subject to significant of subsidiaries are subject to significant judgements and estimates. Due to that and because of the significance of the account balances in the separate statement of financial position, we have considered investments in the equity of subsidiaries a key audit matter.	We have assessed the treatment of indications of impairment of investments in the equity of subsidiaries in the separate financial statements by management. The emphasis of our audit procedures was put on assessing and testing the key assumptions that management applied to define indications of impairment and to assess impairments. Our procedures included the following: - checking and comparing net assets of a subsidiary with the value of the investment in the separate financial statements as at 31 December 2020, - assessing the assumptions applied to calculate discount rates and their recalculation, - reviewing projected future cash flows used by the Company to carry out impairment tests, - comparing projected cash flows, including the assumptions related to revenue growth rates and operating margins, against historical performance to test the accuracy of previous management assessments, and checking other assumptions and estimates included in judgements, - verifying the adequacy of disclosures in the separate financial statements. An auditor's expert took part in our procedures.

Other Information

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

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

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

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- the other information is, in all material respects, consistent with the audited separate and consolidated financial statements:
- the other information is prepared in compliance with applicable law and regulations; and
- based on our knowledge and understanding of the Company and the Group and their
 environment obtained in the audit, we did not identify any material misstatement of fact related
 to the other information.

Responsibilities of Management and Those Charged with Governance for the Separate and Consolidated

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

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

Those charged with governance are responsible for overseeing the Company's and the Group's financial reporting process and for approving the audited annual report.

Auditor's Responsibilities for the Audit of the Separate and Consolidated Financial Statements

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

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

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

The Triglav Group and Zavarovalnica Triglav d.d. Annual Report 2020 | Independent auditor's report

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events or conditions may cause the Company or the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the separate and consolidated financial statements, including the disclosures, and whether the separate and consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient and appropriate audit evidence concerning the financial information of the
 entities or business activities within the Group in order to express an opinion on the consolidated
 financial statements. We are responsible for conducting, overseeing and performing the audit of
 the Group. We have sole responsibility for the audit opinion expressed.

With those charged with governance we communicate the planned scope and timing of the audit and significant findings from the audit, including deficiencies in internal control we have identified during our audit.

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

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

Report on Other Legal and Regulatory Requirements

Appointment of the Auditor and the Period of Engagement

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

Confirmation to the Audit Committee

We confirm that our audit opinion on the separate and consolidated financial statements expressed herein is consistent with the additional report to the Audit Committee of the Company dated 10 March 2021 in accordance with Article 11 of Regulation (EU) No. 537/2014 of the European Parliament and the Council

Provision of Non-Audit Services

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

Auditor's Reporting on Compliance with the Commission Delegated Regulation (EU) No. 2018/815 for the Presentation of the Annual Report and Audited Consolidated Financial Statements in European Single Electronic Format (ESEF)

We undertook a reasonable assurance engagement on whether the consolidated financial statements in electronic form (ESEF documents), included in the electronic file 549300KGT/8MKH038M42-2020-12-31.zip, representing the audited consolidated financial statements of the TRIGLAV Group for the financial year ended 31 December 2020, are prepared in accordance with the requirements of the ESEF Regulation.

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Responsibilities of Management and Those Charged with Governance

Management is responsible for the preparation and content of ESEF documents and, within that framework, for correct presentation of audited consolidated financial statements in electronic form in accordance with the requirements of the ESEF Regulation. This also includes responsibility for establishing appropriate internal control as determined necessary by the management, to enable the preparation of ESEF documents that are free from material misstatement, whether due to fraud or error.

Those charged with governance are responsible for overseeing the preparation of ESEF documents.

Auditor's Responsibility

Our responsibility is to carry out a reasonable assurance engagement and to express the conclusion on whether the ESEF documents mentioned in the first paragraph of this part of the report, included in the electronic file \$49300KGI78MKH038N42-2020-12-31.zip, are prepared in accordance with the requirements of the ESEF Regulation. We conducted our reasonable assurance engagement in accordance with the International Standard on Assurance Engagements 3000 – Assurance Engagements Other than Audits or Reviews of Historical Financial Information (ISAE 3000) published by the International Auditing and Assurance Standards Board. This standard requires that we plan and perform the engagement to obtain reasonable assurance for providing a conclusion.

We have conducted the engagement in compliance with independence and ethical requirements as provided by the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants. The code is based on the principles of integrity, objectivity, professional competence and due diligence, confidentiality and professional conduct. We are in compliance with the International Standard on Quality Control (ISQC 1) and accordingly maintain an overall management control system, including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and statutory requirements.

Within the scope of the work performed, we have carried out the following audit procedures:

- we have identified and assessed the risk of material misstatement in ESEF documents and their major non-compliance with the requirements of the ESEF Regulation;
- we have obtainined understanding of the internal control processes considered important for our reasonable assurance engagement in order to design appropriate procedures in given circumstances, however, not with the purpose of expressing an opinion on the effectiveness of internal control;
- we have assessed whether the ESEF documents we received satisfy the conditions as set in paragraphs 1 and 2 of the Annex II to the ESEF Regulation;
- we have obtainined reasonable assurance that the audited consolidated financial statements (from the first paragraph of this part of the report) are presented correctly in the electronic XHTML format;
- we have obtainined reasonable assurance that the values and disclosures in the electronic version of
 the audited consolidated financial statements (from first paragraph of this report) in the XHTML
 format are tagged correctly and within the scope as anticipated for the financial year audited as well
 as in the Inline XBRL technology (XBRL), so that machine reading of ESEF documents can ensure
 complete and correct information that is included in the audited financial statements

The Triglav Group and Zavarovalnica Triglav d.d. Annual Report 2020 | Independent auditor's report

194

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Conclusion

Based on the procedures performed and the evidence obtained we confirm that the ESEF documents stated in the first paragraph of this part of report are, in all material respects, the correct reflection of the audited consolidated financial statements of the TRIGLAV Group for the financial year ended 31 December 2020, and are prepared in accordance with the requirements of the ESEF Regulation and within the extent proper for the audited financial year, and that the information is correctly and fully included in the XHTML format.

Our conclusion does not represent an opinion on true and fair view of the financial statements presented in the electronic form. We also do not provide any assurance of other information published together with the ESE? documents.

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

DELOITTE REVIZUA d.o.o. Dunajska 165 1000 Ljubljana

For signature please refer to the original Slovenian version.



Barbara Žibret Kralj Certified Auditor Ljubljana, 10 March 2021

TRANSLATION ONLY, SLOVENE ORIGINAL PREVAILS

1. Financial statements¹⁰⁰

1.1 Statement of financial position

in EUR

	Triglav Group			in EUR Zavarovalnica Triglav			
	Notes	31 December 2020	31 December 2019 ¹⁰¹	31 December 2020	31 December 2019		
ASSETS	Notes	4,139,441,072	3,917,275,222	2,995,518,165	2,901,140,141		
Intangible assets	3.1	100,975,475	101,725,725	62,397,579	61,924,273		
Property, plant and equipment	3.2	113,291,036	114,072,290	67,775,451	68,305,684		
Non-current assets held for sale	3.13	915,851	4,164,221	07,773,431	00,505,004		
Deferred tax assets	3.19	778,589	800,542	0	0		
Investment property	3.3	78,977,800	79,921,480	44,451,276	46,091,135		
Right of use assets	3.4	9,821,211	10,937,925	3,587,916	4,106,316		
Investments in subsidiaries	3.5	0	0	132,337,466	134,938,667		
Investments in associates	3.6	28,237,714	13,154,379	31,337,951	18,054,026		
– accounted for using the equity method		28,237,714	13,154,379	0	0		
– measured at fair value		0	0	31,337,951	18,054,026		
Financial investments	3.7	2,887,380,559	2,740,030,952	1,983,588,373	1,912,207,382		
– loans and deposits		97,971,079	112,578,151	36,951,085	49,049,847		
– held to maturity		162,824,686	186,109,072	143,908,512	150,469,553		
– available for sale		2,101,914,068	1,826,940,416	1,595,002,429	1,382,802,069		
– recognised at fair value through profit and loss		524,670,726	614,403,313	207,726,347	329,885,913		
Unit-linked insurance assets	3.8	501,808,980	482,031,288	442,292,488	433,758,610		
Reinsurers' share of technical provisions	3.9	125,873,637	102,747,806	105,903,438	98,433,270		
Receivables	3.10	203,183,851	186,172,690	95,800,206	93,715,995		
– receivables from direct insurance operations		105,484,939	105,459,829	67,632,214	68,401,137		
– receivables from reinsurance and coinsurance operations		72,355,133	57,989,502	19,797,094	17,219,677		
– current tax receivables		1,950,631	1,281,349	0	0		
– other receivables		23,393,148	21,442,010	8,370,898	8,095,181		
Other assets	3.11	6,296,705	5,646,149	3,741,799	3,492,671		
Cash and cash equivalents	3.12	81,899,664	75,869,775	22,304,222	26,112,112		
EQUITY AND LIABILITIES		4,139,441,072	3,917,275,222	2,995,518,165	2,901,140,141		
Equity	3.14	870,151,947	791,951,788	644,003,173	580,480,275		
Controlling interests		867,648,574	789,526,123	644,003,173	580,480,275		
– share capital		73,701,392	73,701,392	73,701,392	73,701,392		
– share premium		50,271,107	50,276,637	53,412,884	53,412,884		
– reserves from profit		384,106,692	354,734,274	367,862,643	338,962,643		
– treasury share reserves		364,680	364,680	0	0		
– treasury shares		-364,680	-364,680	0	0		
– fair value reserve		89,293,484	84,099,924	59,402,079	53,859,881		
– net profit brought forward		229,284,048	165,896,170	60,526,536	9,929,059		
net profit/loss for the year		44,131,955	63,404,824	29,097,639	50,614,416		
– currency translation differences		-3,140,104	-2,587,098	0	0		
Non-controlling interests	2.12	2,503,373	2,425,665	0	0		
Subordinated liabilities	3.15	49,423,693	64,847,293	49,423,693	69,999,451		
Insurance technical provisions	3.16	2,523,229,144	2,393,927,336	1,750,315,382	1,713,421,521		
– unearned premiums		344,760,927	332,510,935	235,190,816	232,791,056		
– mathematical provisions		1,457,023,963	1,404,439,748	1,041,557,084	1,020,231,686		
– claims provisions		645,331,168	615,398,744	430,259,621	428,320,763		
- other insurance technical provisions		76,113,086	41,577,909	43,307,861	32,078,016		
Insurance technical provisions for unit-linked insurance contracts	3.16	509,984,710	484,942,835	448,726,097	435,592,711		
Provisions for employee benefits	3.17	17,781,153	15,873,046	13,073,364	11,892,449		
Other provisions	3.18	2,809,101	2,750,400	769,957	732,811		
Deferred tax liabilities	3.19	14,539,515	10,855,152	9,531,162	5,706,679		
Other financial liabilities	3.20	2,895,834	1,864,413	1,633,896	1,640,125		
Operating liabilities	3.22	70,313,038	66,872,331	33,977,772	31,912,738		
- liabilities from direct insurance operations		16,801,856	21,558,544	10,636,904	14,239,495		
— liabilities from reinsurance and co-insurance operations		48,940,738	41,548,913	19,824,185	15,309,075		
- current tax liabilities	2.21	4,570,444	3,764,874	3,516,683	2,364,168		
Lease liabilities Other liabilities	3.21	10,025,532	10,915,678	3,675,805	4,166,278		
Other liabilities	3.23	68,287,405	72,474,950	40,387,864	45,595,103		

 ¹⁰⁰ Notes on pages from 201 to 308 are part of financial statements.
 101 Data for the comparable year are adjusted. Further explanations can be found in Section 2.4.

1.2 Income statement

in EUR

		Triglav Gro	ир	Zavarovalnio	ca Triglav
	Notes	2020	2019	2020	2019
Net premium income	4.1	1,066,754,825	1,027,628,825	583,867,846	573,555,357
- gross written premium		1,233,775,365	1,184,174,107	719,255,868	702,131,969
- ceded written premium		-160,022,349	-136,453,097	-137,934,204	-119,532,753
- change in unearned premium reserve		-6,998,191	-20,092,185	2,546,182	-9,043,859
Income from investments in subsidiaries and associates	4.2	436,610	1,076,327	302,643	3,642,440
- profit on equity investments accounted for using the equity method		436,610	515,913	0	0
- other income from investments in subsidiaries and associates		0	560,414	302,643	3,642,440
Income from investments	4.2	123,079,449	186,989,205	89,181,634	141,512,227
- interest income calculated using the effective interest method		42,055,802	53,137,742	25,933,800	35,136,849
- gains on disposals		40,162,889	37,568,819	37,288,158	32,059,434
- other income from investments		40,860,758	96,282,644	25,959,676	74,315,944
Other income from insurance operations	4.6	41,006,993	37,183,512	38,110,029	29,755,003
- fees and commission income		30,649,757	22,069,255	30,080,891	19,848,006
- other income from insurance operations		10,357,236	15,114,257	8,029,138	9,906,997
Other income	4.7	43,613,977	39,521,122	7,872,585	11,355,435
Net claims incurred	4.8	683,631,775	684,147,828	375,336,947	376,760,877
- gross claims settled		697,443,568	716,742,136	408,278,140	425,204,380
- reinsurers' share		-34,278,930	-35,254,541	-31,689,089	-31,495,447
- changes in claims provisions		12,541,034	-4,906,936	-1,252,104	-16,948,056
- equalisation scheme expenses for supplementary health insurance		7,926,103	7,567,169	0	0
Change in other insurance technical provisions (excluding ULI)	4.10	62,636,590	59,308,590	13,449,956	22,338,141
Change in insurance technical provisions for unit-linked insurance contracts	4.10	25,492,453	69,205,056	13,270,367	57,140,018
Expenses for bonuses and discounts	4.11	21,350,276	11,561,258	16,029,498	9,721,522
Operating expenses	4.12	240,912,735	244,452,851	155,904,617	157,906,165
- acquisition costs		163,528,966	162,566,584	113,568,435	110,868,380
- other operating costs		77,383,769	81,886,267	42,336,182	47,037,785
Expenses from investments in subsidiaries and associates	4.3	139,422	733,344	3,930,396	195,478
- loss on investments accounted for using the equity method		139,422	170,640	0	0
- other expenses from financial assets and liabilities		0	562,704	3,930,396	195,478
Expenses from investments	4.3	40,993,211	23,953,572	25,675,273	18,381,935
- loss on impairment of investments		1,971,302	848,962	1,632,351	344,175
- loss on disposal of investments		6,941,490	9,767,166	5,719,183	9,679,511
- other expenses from investments		32,080,419	13,337,444	18,323,739	8,358,249
Other insurance expenses	4.13	51,523,388	43,565,310	24,308,038	14,950,707
Other expenses	4.14	57,308,722	54,533,956	20,359,679	17,814,012
- expenses from financing		2,937,501	3,098,502	2,578,946	2,867,130
- other expenses		54,371,221	51,435,454	17,780,733	14,946,882
Profit before tax		90,903,282	100,937,227	71,069,966	84,611,607
Income tax expense	4.15	17,238,584	17,072,798	13,072,327	13,997,191
NET PROFIT FOR THE PERIOD		73,664,698	83,864,429	57,997,639	70,614,416
Earnings per share (basic and diluted) ¹⁰²		3.24	3.69	-	-
Net profit/loss attributable to the controlling company		73,504,373	83,690,644	-	-
Net profit/loss attributable to the non-controlling interest holders		160,325	173,785	-	-

¹⁰² Basic earnings per share are calculated by dividing the shareholders' net profit by the weighted average number of ordinary shares, excluding ordinary shares held by the Company or the Group. The Group and the Company do not have dilutive potential ordinary shares, thus the basic and diluted earnings per share are the same.

1.3 Other comprehensive income

ın	FL.	JR

		Triglav Gr	oup	Zavarovalnica Triglav		
	Notes	2020	2019	2020	2019	
Net profit for the year after tax	3.14	73,664,698	83,864,429	57,997,639	70,614,416	
Other comprehensive income after tax		4,584,416	18,003,465	5,525,259	6,582,993	
Items which will not be transferred in income statement in future periods		-281,989	-351,094	-283,076	-309,508	
Actuarial gains/losses on defined benefit pension plans	3.17	-281,989	-351,094	-283,076	-309,508	
Tax on items which will not be transferred in income statement		0	0	0	0	
Items which could be transferred into income statement in future periods		4,866,405	18,354,559	5,808,335	6,892,501	
Fair value gains/losses on available-for-sale financial assets	3.7	24,484,439	28,490,288	24,426,078	13,274,750	
 net gains/losses recognized directly in fair value reserve 		42,532,142	41,338,796	40,317,546	25,033,214	
– transfers from fair value reserve to income statement		-18,047,703	-12,848,508	-15,891,468	-11,758,464	
Liabilities from insurance contracts with DPF		-14,238,050	-4,005,357	-14,238,050	-4,005,357	
Currency translation differences		-556,570	137,443	0	0	
Tax on other comprehensive income		-4,823,414	-6,267,815	-4,379,693	-2,376,892	
COMPREHENSIVE INCOME OR LOSS FOR THE YEAR AFTER TAX		78,249,114	101,867,894	63,522,898	77,197,409	
Controlling interest		78,127,981	101,666,578	-	-	
Non-controlling interest		121,133	201,316	-	-	

1.4 Statement of changes in equity

in EUR

				Res	erves from profi	t								III LOK
Triglav Group	Share capital	Share premium	Contingency reserves	Legal and statutory reserves	Treasury share reserves	Treasury shares	Other reserves from profit	Fair value reserve	Net profit brought forward	Net profit/	Currency translation differences	Total equity attributable to the controlling company	Non- controlling interests	Total
As at 1 January 2019	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
Comprehensive income for the year after tax	0	0	0	0	0	0	0	5,193,560	-16,946	73,504,373	-553,006	78,127,981	121,133	78,249,114
a) Net profit	0	0	0	0	0	0	0	0	0	73,504,373	0	73,504,373	160,325	73,664,698
b) Other comprehensive income	0	0	0	0	0	0	0	5,193,560	-16,946	0	-553,006	4,623,608	-39,192	4,584,416
Transfer to retained earnings	0	0	0	0	0	0	0	0	63,404,824	-63,404,824	0	0	0	0
Transfer of net profit to reserves from profit	0	0	0	472,418	0	0	28,900,000	0	0	-29,372,418	0	0	0	0
Change in Group	0	-5,530	0	0	0	0	0	0	0	0	0	-5,530	-43,421	-48,951
As at 31 December 2020	73,701,392	50,271,107	640,340	20,266,352	364,680	-364,680	363,200,000	89,293,484	229,284,048	44,131,955	-3,140,104	867,648,574	2,503,373	870,151,947

in EUR

			Reserves from	m profit				
Zavarovalnica Triglav	Share capital	Share premium	Legal and statutory reserves	Other reserves from profit	Fair value reserve	Net profit brought forward	Net profit/loss	Total
As at 1 January 2019	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
Comprehensive income for the year after tax	0	0	0	0	5,542,198	-16,939	57,997,639	63,522,898
a) Net profit	0	0	0	0	0	0	57,997,639	57,997,639
b) Other comprehensive income	0	0	0	0	5,542,198	-16,939	0	5,525,259
Transfer of net profit to other reserves from profit	0	0	0	28,900,000	0	0	-28,900,000	0
Transfer to retained earnings	0	0	0	0	0	50,614,416	-50,614,416	0
As at 31 December 2020	73,701,392	53,412,884	4,662,643	363,200,000	59,402,079	60,526,536	29,097,639	644,003,173

1.5 Cash flow statement

						in EUR
		Notes	Triglav Grou 2020	ир 2019	Zavarovalnica Trigla 2020	iv 2019
Α.	OPERATING CASH FLOW	Notes	2020	2019	2020	2019
a.	Net profit for the period	3.14	73,664,698	83,864,429	57,997,639	70,614,416
b.	Adjustments:		75,812,482	20,602,022	-2,529,943	-25,835,186
	– depreciation and amortisation		19,063,160	18,212,851	13,288,592	12,215,733
	- changes in fair value of investments		-16,440,324	-80,270,766	-21,180,963	-63,561,375
	– other investment income and expenses		-71,130,714	-85,905,413	-42,433,628	-65,117,337
	– interest expenses and other expenses		2,937,501	3,098,502	2,578,947	2,867,130
	revaluation of other assets		7,348,264	5,037,035	3,895,575	2,477,665
	– changes in technical provisions		116,796,011	143,698,894	27,693,996	71,801,858
	– corporate income tax		17,238,584	16,730,919	13,627,538	13,481,140
c.	Net income before changes in operating assets (a+b)		149,477,180	104,466,451	55,467,696	44,779,230
	Changes in operating receivables		2,544,756	-13,392,691	740,368	-6,748,441
	Changes in other assets		-2,173,717	-2,675,675	-698,003	-797,687
	Changes in liabilities		-14,705,181	19,007,395	-4,509,709	8,034,150
	Paid corporate income tax		-16,087,519	-17,108,041	-12,475,023	-14,513,762
d.	Changes in net operating assets		-30,421,661	-14,169,012	-16,942,367	-14,025,740
e.	Net cash from/ (used in) operating activities (c+d)	5.2	119,055,519	90,297,439	38,525,329	30,753,490
_	CASH FLOWE FROM INVESTING ACTIVITIES					
В.	CASH FLOWS FROM INVESTING ACTIVITIES		4 264 242 567	4 400 300 030	1 122 256 127	4 400 000 ===
a.	Cash inflows from investing activities		1,361,243,567	1,469,286,636	1,132,256,197	1,198,898,504
	Cash inflows from interest from investing activities		43,998,453	65,980,623	28,815,764	36,683,169
	Cash inflows from dividends received and profit sharing		5,248,223	5,037,378	3,801,801	7,206,057
	Cash inflows from the disposal of intangible assets		132,562	71,871	12,562	30,782
	Cash inflows from the disposal of property, plant and equipment		3,005,255	7,961,376	414,273	1,404,653
	Cash inflows from the disposal of financial investments		1,308,859,074	1,390,235,388	1,099,211,797	1,153,573,843
	- Cash inflows from the disposal of investments in subsidiaries and associates		0	2,340,104	0	(
	- Other cash inflows from disposal of financial investments		1,308,859,074	1,387,895,284	1,099,211,797	1,153,573,843
b.	Cash outflows from investing activities		-1,445,191,950	-1,540,674,760	-1,149,365,270	-1,210,737,724
	Cash outflows for the purchase of intangible assets		-9,126,252	-5,182,272	-7,711,934	-3,282,390
	Cash outflows for the purchase of property, plant and equipment		-13,601,854	-13,134,912	-7,310,866	-8,068,006
	Cash outflows for the purchase of financial investments		-1,422,463,844	-1,522,357,576	-1,134,342,470	-1,199,387,328
	- Cash outflows for the purchase of investments in subsidiaries and associates		-14,948,951	-1,149,098	-14,900,000	-4,094,671
	- Other cash outflows to acquire financial investments		-1,407,514,893	-1,521,208,478	-1,119,442,470	-1,195,292,657
c.	Net cash from/ (used in) investing activities (a+b)	5.2	-83,948,383	-71,388,124	-17,109,073	-11,839,220
C.	CASH FLOWS FROM FINANCING ACTIVITIES					
a.	Cash inflows from financing activities		0	49,367,159	0	49,367,159
	Cash inflows from paid-in capital		0	0	0	C
	Cash inflows from long-term loans received and issued		0	49,367,159	0	49,367,159
	Cash inflows from short-term loans received		0	0	0	C
b.	Cash outflows from financing activities		-29,035,063	-62,882,638	-25,224,146	-60,167,804
	Cash outflows for paid interest	4.14	-3,982,947	-2,829,914	-3,513,302	-2,351,553
	Cash outflows for purchase of treasury shares		0	0	0	0
	Cash outflows for capital repayment		0	0	0	0
	Cash outflows for payments of long-term financial liabilities		-21,620,132	-240,011	-20,628,000	0
	Cash outflows for payments of short-term financial liabilities		-3,431,984	-3,035,142	-1,082,844	-977,954
	Cash outflows from dividends paid		0	-56,777,571	0	-56,838,297
c.	Net cash from/ (used in) financing activities (a+b)	5.2	-29,035,063	-13,515,479	-25,224,146	-10,800,645
D.	Closing balance of cash and cash equivalents	3.12	81,899,664	75,869,775	22,304,222	26,112,112
E1.	Net cash flow for the period		6,072,073	5,393,836	-3,807,890	8,113,625
E2.	External acquisition	2.12	0	2,862,910	0	0
E3.	Foreign exchange differences		-42,184	11,369	0	0
			·	•	26,112,112	

2. General information

2.1 Profile of Zavarovalnica Triglav and Triglav Group

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

Zavarovalnica Triglav is also the controlling company of the Triglav Group (hereinafter: the Group). The structure of the Group is presented in detail in Section 2.12. The Group is the leading insurance/financial group in Slovenia and the Adria region as well as one of the leading groups in South-East Europe. Insurance is the core business of the Group, including asset management, support activities and other services. Both separate and consolidated financial statements are compiled.

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

In the life insurance segment, the following funds of assets for supplemental voluntary pension insurance operated in 2020:

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

- fund of assets, covering technical provisions for supplemental voluntary pesnion insurance during the payout period of pension annuities rent 2 (registration number 5063345033);
- unit-linked life insurance contracts (registration number 5063345023).

The manager of the Triglav PDPZ – zmerni and Triglav PDPZ – drzni funds is Triglav Skladi d.o.o. Zavarovalnica Triglav manages the other abovementioned funds. Custody services are provided by the custodian bank. Until 31 August 2020, these services were provided for all PDPZ guarantee funds by Abanka d.d. On 1 September 2020, the legal merger of Abanka d.d. and NKBM d.d. took place, whereby the latter assumed the obligations of providing these custody services.

The financial statements of guarantee funds and the group of PDPZ guarantee funds, with which the Company implements the members' life cycle investment policy, were compiled in accordance with the Decision on an annual report and interim financial statements of a pension fund, which is set up as a guarantee fund and a group of guarantee funds. For these guarantee funds and the group of guarantee funds, the Company also compiles separate annual reports published on website.

The financial statements of PDPZ guarantee funds in the period of pension annuity payout are compiled in accordance with the prescribed scheme for funds kept separately, as defined in the Decision on an annual report and quarterly financial statements of insurance undertakings.

The financial statements of the guarantee fund backing unit-linked life insurance are compiled in accordance with the prescribed scheme for other insurance kept separately (e.g. unit-linked insurance), as defined in the Decision on an annual report and quarterly financial statements of insurance undertakings.

Assets and liabilities and income statements of the funds kept separately are presented in <u>Section 5.14</u>. The same accounting policies are used in the compilation of the financial statements of guarantee funds as in the compilation of the financial statements of the Triglav Group and Zavarovalnica Triglav and are described in greater detail in <u>Section 2.10</u>.

2.2 Management and supervisory bodies

Supervisory Board

The Supervisory Board monitors and supervises the management and performance of Zavarovalnica Triglav. According to the Articles and Memorandum of Association, the Supervisory Board has nine members (six representatives of shareholders and three representatives of employees). Members of the Supervisory Board are given a four-year mandate and can be re-elected without limitation. In 2020, the Supervisory Board had the following members:

Name	SB	AC	ACC	SC	NC	Notes
lgor Stebernak	M					since 2 June 2016 until 18 August 2016 and since 18 August 2020
	Р					since 18 August 2016 until 18 August 2020
		M				since 19 September 2020
			Р			since 18 August 2016 until 12 June 2017 and since 21 June 2017
					Р	since 25 September 2020 until 1 January 2021
					Р	since 12 November 2020 until 25 May 2021
Andrej Andoljšek	Μ					since 13 June 2017 until 18 August 2020
	Р					since 18 August 2020
				Μ		since 21 June 2017
					Р	since 19 December 2019 until 1 June 2020
					Μ	since 25 September 2020 until 1 January 2021
Milan Tomaževič	M					since 13 June 2017
				Р		since 21 June 2017
Žiga Škerjanec	M					since 13 June 2017
			Μ			since 21 June 2017
				Μ		since 21 June 2017
					Μ	since 19 December 2019 until 1 June 2020
					Μ	since 25 September 2020 until 1 January 2021
					Μ	since 12 November 2020 until 25 May 2021
Nataša Damjanovič	M					since 13 June 2017 until 18 September 2020
		M				since 21 June 2017 until 18 September 2020
			М			since 21 June 2017 until 18 September 2020
Mario Gobbo	Μ					since 12 June 2013
		Р				since 1 July 2013 until 12 June 2017 and since 21 June 2017
Peter Celar	Μ					since 30 May 2011
			М			since 1 July 2013 until 12 June 2017 and since 21 June 2017
					Μ	since 19 December 2019 until 1 June 2020
					Μ	since 25 September 2020 until 1 January 2021
					Μ	since 12 November 2020 until 25 May 2021
Branko Gorjan	M			М		since 1 June 2019
Igor Zupan	M	M				since 27 September 2019
Simon Kolenc*		M				since 19 August 2017
Boštjan Koler*					Μ	since 19 December 2019 until 1 June 2020
-					М	since 25 September 2020 until 1 January 2021
					М	since 12 November 2020 until 25 May 2021

The Triglav Group and Zavarovalnica Triglav d.d. Annual Report 2020 | General information

Legend:

_	
SB – Supervisory Board	
AC – Audit Comittee	
ACC – Appointments and Compensation Committee	
SC – Strategy Committee	
NC - Nomination Committee	
P – President	
M – Member	
*External member	

Management Board

The Management Board directs, represents and acts on behalf of Zavarovalnica Triglav, independently and on its own responsibility. In compliance with the Articles and Memorandum of Association, the Supervisory Board can appoint three to six members to the Management Board. The President and members of the Management Board are appointed for a five-year term with the possibility of reappointment or early termination of office in the case of a serious breach of obligations. In 2020, the Management Board had the following composition:

202

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

2.3 Statement of compliance

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

2.4 Basis for the preparation of financial statements

The financial statements have been prepared on a going concern basis and on the historical cost basis, except in the case of financial assets recognised at fair value through profit or loss and available-for-sale financial assets measured at fair value. The methods used to measure fair value are described in more detail in Section 2.10.12.

The accounting policies used are consistent with those of the financial statements for the comparable period.

The preparation of financial statements in conformity with IFRS requires the use of certain accounting estimates and assumptions that affect the reported amounts of assets and liabilities as at the reporting date and the amount of income and expenses in the reporting period. Although these estimates are based on the management's best knowledge of current events and activities, actual results may differ from these estimates. The estimates and assumptions are regularly reviewed and their corrections are recognised in the period of change. In compiling the financial statements for 2020, the adequacy of estimates and assumptions was additionally checked due to the impact of the COVID-19 epidemic on the global economy, which is presented in the sections 2.5 and 2.11.

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

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

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

On 10 March 2021, the Management Board approved the Annual Report, which is available at the headquarters of Zavarovalnica Triglav and on its website.

2.4.1 Comparable data

In order to present more reliable and accurate information, in 2020 individual items of the statement of financial position of the Triglav Group were reclassified. In accordance with this reclassification, the comparative data for 2019 were also adjusted, as follows from the table below. This is a presentation difference that is immaterial and does not affect the true and fair view of the financial statements.

203

			In EUR
Triglav Group	Before changes	After changes	Difference
STATEMENT OF FINANCIAL POSITION	2019	2019	2019
Deferred tax assets	12,462,082	800,542	-11,661,540
Other receivables	29,505,068	21,442,010	-8,063,058
Total assets	3,936,999,820	3,917,275,222	-19,724,598
Deferred tax liabilities	22,516,692	10,855,152	-11,661,540
Other liabilities	80,538,008	72,474,950	-8,063,058
Total liabilities	3,936,999,820	3,917,275,222	-19,724,598

Deferred tax assets and liabilities relating to individual Group members are offset in the consolidated statement of financial position. Before the change, deferred tax assets and liabilities by individual company were disclosed in non-offset amounts. In addition, assets and liabilities related to operations between business segments were offset and disclosed under the items »Other receivables« and »Other liabilities«

2.5 The impact of the COVID-19 epidemic

The COVID-19 epidemic has had a significant impact on the economic and financial markets, thus the Company additionally tested the appropriateness of the accounting policies, estimates and assumptions used in 2020 and assessed the impact on its financial position, cash flows and profit or loss.

2.5.1 Verification of the going concern assumption

An assessment was made of the ability of both the Group and the Company to continue as a going concern due to the COVID-19 pandemic. The sensitivity of the Group's and the Company's profitability, financial position and liquidity to significant assumptions or uncertainties in the environment are described in the section on risk management (Section 2.9 Future risks as a result of the pandemic). On the basis of all the calculations presented, it can be confirmed that the going concern assumption is appropriate.

2.5.2 Impairment of non financial assets

The value of goodwill was verified under non-financial assets. Goodwill impairment testing showed that impairments of goodwill are not necessary, which is presented in more detail in <u>Section 3.1</u>. Accounting policies for goodwill are described in <u>Section 2.10.1</u>.

In addition, the value of own-use real property and investment property was checked within the framework of non-financial assets. Valuation of all real property segments in all markets was carried out. The valuation was performed by an independent certified real estate valuer. The valuation showed that the Group's real property portfolio was not significantly affected by the negative impact of the pandemic. Lower activity was seen in the markets, whereas market data did not show a drop in prices. The use of estimates and assumptions in real property valuation is presented in more detail in Section 2.11.9.

Below is a summary of the impairment of real property in 2020 and 2019.

			IN EUK	
Triglav	Triglav Group		Zavarovalnica Triglav	
2020	2019	2020	2019	
697,313	2,415,650	653,340	164,016	
316,494	12,466	132,467	0	
98,856,269	98,709,071	59,706,182	60,484,726	
138,540,867	140,762,067	86,348,055	87,988,202	
0.71%	2.45%	1.09%	0.27%	
0.23%	0.01%	0.15%	0.00%	
	98,856,269 138,540,867	2020 2019 697,313 2,415,650 316,494 12,466 98,856,269 98,709,071 138,540,867 140,762,067 0.71% 2.45%	2020 2019 2020 697,313 2,415,650 653,340 316,494 12,466 132,467 98,856,269 98,709,071 59,706,182 138,540,867 140,762,067 86,348,055 0.71% 2.45% 1.09%	

2.5.3 Impairment and measurement of the fair value of financial assets

Despite the fact that by the end of the year the financial markets recovered after the extremely strong fall in March, the appropriateness of the criteria for impairment of financial assets were reassessed due to the unstable economic situation resulting from the pandemic. With regard to debt securities, no impairment criteria were changed, as objective evidence of impairment includes the issuer's status changes (bankruptcy, liquidation, etc.), payment default or other significant adverse events related to the issuer's credit rating. With respect to equity securities, in addition to the issuer's status changes, objective evidence of impairment includes a significant decrease in the fair value of a security or a long-term decrease in its fair value. In previous years, a 40% decrease in value was defined as significant, while in 2020 this criterion was reduced to 20% due to being cautious. The modified criterion did not affect the amount of impaired assets. Even if this criterion were changed in 2019, no additional impairment would be required. Based on the above criteria, in 2020 available-for-sale financial assets in the amount of EUR 2 million (compared to EUR 849 thousand in 2019) were impaired at the Group level and available-for-sale financial assets in the amount of EUR 1.6 million (compared to EUR 344 thousand in 2019) at the Company level.

The value of investments in subsidiaries and associates was also checked. Signs of impairment were found in companies whose operations were affected by the COVID-19 epidemic. As a result, impairments in the amount of EUR 3.9 million were recognised in the separate financial statements of Zavarovalnica Triglav, while in 2019 no impairments of investments in subsidiaries and associates were recognised (see the sections 3.5 and 3.6). These impairments do not have an impact on the consolidated financial statements of the Triglav Group. Accounting policies for impairment of investments in subsidiaries and associates are presented in Section 2.10.13, while the use of estimates and assumptions in valuing these investments is presented in Section 2.11.8.

In addition, the creditworthiness of debtors was assessed as one of the uncertainties. In 2020, the Company therefore additionally monitored the collection of receivables from insurance operations and the adequacy of the criteria for their impairment. As the share of uncollected receivables did not increase, it is assessed that the criteria adequately reflect the recoverability of receivables. In 2020, expenses for impairment of receivables in the amount of EUR 4.5 million (compared to EUR 3.5 million in 2019) were recognised at the Group level and expenses for impairment of receivables in the amount of EUR 3 million (compared to EUR 2.3 million in 2019) at the Company level. Accounting policies related to the impairment of receivables are described in Section 2.10.9.1 and the age structure of receivables in Section 3.10.

No material impairment losses were recognised among other assets.

2.5.4 Verification of material estimates and assumptions in measuring liabilities from insurance contracts

Due to changes in the financial markets, the adequacy of the calculation of provisions for life insurance was verified and the internally set maximum interest rate used by the Company for the valuation of life insurance liabilities was reduced from 2.7% to 2.45%. As a result, insurance technical provisions increased in stand-alone financial statements by EUR 12.1 million and in consolidated financial statements by additional EUR 8.7 million. Details of the liability adequacy test for life insurance provisions are presented in Section 2.11.

Due to changes in the financial markets, the adequacy of the calculation of provisioning for non-life insurance was verified, specifically for liabilities paid out as annuities. For this purpose, additional claims provisions in the amount of EUR 10.6 million were created. Details of the liability adequacy test for non-life insurance provisions are presented in Section 2.11.

Due to restricted activities during the crisis, the Company adjusted the criteria and conditions for the payment of the extraordinary bonus to policyholders for premium for liability insurance and motor vehicle insurance. To this end, additional provisions for bonuses of EUR 4 million were formed. It is assessed that the majority of these provisions will be released in 2021 upon the renewal of insurance policies.

Due to the pandemic, other insurance technical provisions for health insurance were increased in the consolidated financial statements by EUR 18.1 million and provisions for bonuses and discounts by EUR 3.3 million. Additional other insurance technical provisions were formed based on the provisions of the fifth package of measures to mitigate the consequences of the epidemic (PKP5) and are intended to cover future (additional) payments for healthcare services. Provisions for bonuses and discounts were created to ensure fair treatment of clients and to take into account adjustment measures due to the situation caused by COVID-19, as follows from EIOPA's call.

2.5.5 Leases

In light of the COVID-19-related events in 2020, the IASB issued an amendment to IFRS 16 Leases in May 2020. The amendment to the standard allows the use of a practical solution that allows simplified accounting treatment of lessees with respect to possible rent concessions arising as a result of the COVID-19 epidemic. Such concessions need not be treated as a lease modification, but any differences arising from such concessions are recognised directly in the income statement.

There were no significant modifications in lease agreements in neither the Group nor the Company. In relation thereto, EUR 32 thousand was recognised in the consolidated financial statements and EUR 4 thousand in the stand-alone financial statements in 2020.

For leases where the Group is the lessor, there were no modifications in the lease terms and conditions and no rent concessions due to the epidemic. The lessees' payment discipline is regularly monitored. No significant deviations were recorded in the repayment of lease receivables in 2020.

Accounting policies for leases are described in <u>Section 2.10.5</u> and any additional disclosures in the sections 3.4 and 3.21.

2.5.6 Government grants related to the COVID-19 epidemic

The countries in which the Group members operate are taking various intervention measures designed to mitigate the consequences of the epidemic. Intervention measures mainly concern the reimbursement of salary compensation paid or exemption from social security contributions during the absence of workers due to force majeure and the reimbursement of various expenses. A total of EUR 381 thousand of such government grants was received at the Group level in 2020. Zavarovalnica Triglav received COVID-19-related government grants in the total amount of EUR 77 thousand. The same accounting policies were applied to the aforementioned government grants as to other government grants. See Section 2.10.31 for more information.

2.6 Basis for consolidation

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

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

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

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

The reporting date of the financial statements of Zavarovalnica Triglav and its subsidiaries does not differ from the reporting date of the consolidated financial statements.

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

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

2.7 Foreign currency translation

Functional and presentation currency

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

Translation of business events and items

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

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

Translation from the functional into the presentation currency

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

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

The Triglav Group and Zavarovalnica Triglav d.d. Annual Report 2020 | General information

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

206

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

2.8 Risk management

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

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

Risk type and reference	Nature of exposure	Method of measurement	Risk management	
Underwriting risk Risk management, Section 2.3 and Accounting Report, Sections 2.11.4, 2.11.5 and 2.11.7	 Premium risk Provision risk Lapse risk Catastrophe risk Concentration risk Low – frequency, high – severity risk Life expense risk Mortality risk Longevitiy risk Premium and provision risks 	Sensitivity analysis LAT test	Volatility analysis of the premium and provision risks, regular st monitoring of low frequency, high severity risks, liability adequacy to (the LAT test)	
Market risk Risk management, Section 2.4	 Interest rate risk Equity risk Property risk Spread risk Currency risk Market concentration risk 	Sensitivity analysis	Methods and processes with clearly defined powers and responsibilities used to promptly identify, measure, manage and monitor market risks.	
Credit risk Risk management, Section 2.5	 Investment risk Risk from reinsurance contracts Risk from insurance contracts 	Maturity analysis Credit ratings	The analysis of the credit quality of partners, the analysis of sufficient portfolio diversification, regular monitoring of exposure by credit rating and management of exposures to partners with no credit rating, monitoring of receivables below and over 0 days past due, separate monitoring of subrogation receivables including recovery efficiency.	
Liquidity risk Risk management, <u>Section 2.6</u>	 The risk of inappropriate assets in terms of their nature, duration and liquidity compared to liabilities 	Forecast of future cash flows	Planning of actual and potential net cash outflows, appropriate amount and composition of liquid investments, regular monitoring of the liquidity position at different time intervals, assuming normal and exceptional circumstances, the limit system.	

2.9 Tax policy

The Triglav Group regularly reviews and prudently implements processes for identifying, assessing, monitoring and managing tax risks, and if necessary, hires external tax consultants. The Group's strategy is pursued in the tax management process, with the main emphasis on security and reliability. In cooperating with the tax authorities, the Group is not only committed to transparency, responsiveness and an open and early dialogue, but also responds to any inquiries, information or requests in a timely manner.

The Group's key tax policies are:

- compliance with tax legislation and regulations governing the tax area,
- adapting to new digital business guidelines and
- clarity and transparency in communicating about tax matters to various stakeholders.

Zavarovalnica Triglav is responsible for tax accounting. Individual Group members are independently responsible for ensuring compliance with the local tax legislation and regularly report on any tax matters to the Accounting Division of Zavarovalnica Triglav. Tax rates by different countries where the Group members operate are presented in <u>Section 2.12</u>. Accounting policies for taxes are presented in <u>Section 2.10.30</u>, while additional disclosures are presented in <u>Section 4.15</u>.

The amount of taxes and contributions calculated by individual type is shown below.

in EUR **Triglav Group Zavarovalnica Triglav** 2019 2020 2020 2019 Insurance premium tax 50.305.506 50.806.671 41.216.351 41.994.109 Fees from income of natural persons 27,111,965 26,541,204 13,761,227 13,453,697 (employer's contributions and taxes) 18.517.571 Corporate income tax 18.997.540 13.627.538 13.481.140 Fire fee 4.885.827 4.567.599 4.400.353 4.088.719 Value added tax 4.595.183 5.258.885 1.741.219 2,424,509 827.968 722.112 Fee for the use of building land 820.327 721.485 Financial services tax 501.709 554.556 92.995 125,587 Other fees 335.453 355,059 Total fees charged in the year 107,561,151 107,421,939 75.561.795 76,289,246

2.10 Summary of significant accounting policies

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

2.10.1 Business combinations and goodwill

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

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

The accounting policies relating to goodwill impairment are described in Section 2.10.13.

2.10.2 Intangible assets

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

Amortisation is calculated using the straight-line amortisation method.

	Annual amortisation rate	
Software	20%	
Other economic rights	120%	

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

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

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

Accounting policies regarding the impairment of intangible assets are described in Section 2.10.13.

2.10.3 Property, plant and equipment

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

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

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

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

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

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

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

Accounting policies regarding the impairment of property, plant and equipment are described in <u>Section 2.10.13</u>.

2.10.4 Investment property

Investment property comprises land and leased buildings. Real property is defined as investment property if it is not used for own activity or if only an insignificant part of the building is used for own activity.

After initial recognition investment property is measured at historical cost, including costs for the purpose of acquiring the asset. Investment property is accounted for using the cost model. Investment property is depreciated and impaired using the same method as that used for property, plant and equipment described under <u>Section 2.10.3</u>.

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

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

Accounting policies regarding the impairment of investment property are described in Section 2.10.13.

2.10.5 Leases

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

Leases in the case of lessee

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

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

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

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

Leases in the case of lessor

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

2.10.6 Investments in subsidiaries

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

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

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

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

Accounting policies regarding the impairment of investments in subsidiaries are described in Section 2.10.13.

Subsidiaries are included in the consolidated financial statements under the full consolidation method. The consolidation procedures are presented in detail in Section 2.6.

2.10.7 Investments in associates and joint ventures

Investments in associates represent investments in the companies (investees) over which Zavarovalnica Triglav has significant influence arising from its power to participate in financial and operating policy decisions of an investee, but not joint control or control of those polices. In separate financial

statements investments in equity instruments of associated companies (shares, stakes) are measured at fair value.

For associated companies with no quoted price on the stock exchange, internal models of valuating are used (listed comparable companies method, comparable transactions method, discounting of cash flows, contract value). The valuation assumptions applied are presented in greater detail in Sections 2.11.8. The effects of the valuation at fair value are disclosed in other comprehensive income.

Associates of the Triglav Group are those companies in which the Company directly or indirectly holds between 20% and 50% of the voting rights and has a significant effect, but does not control them. Joint ventures are companies that are jointly controlled by the Group on the basis of a contractual agreement. In the consolidated financial statements of the Triglav Group, investments in associates and joint ventures are accounted for using the equity method. The corresponding share of the profit or loss of an associate and joint venture is recognised in the consolidated profit or loss. The associated effects included in other comprehensive income of an associate or joint venture are recognised in the consolidated statement of comprehensive income.

Dividends of associates and joint ventures are recognised in the Company's profit or loss when the right to receive the dividend is acquired. Dividends of associates and joint ventures are eliminated in the consolidated financial statements.

Accounting policies regarding the impairment of investments in associated companies are described in Section 2.10.13.

2.10.8 Financial assets

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

2.10.9 Financial investments

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

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

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

Available-for-sale financial investments

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

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

Changes in fair value are recognised directly in other comprehensive income as an increase (gain) or decrease (loss) in the fair value reserve, with the exception of investment impairments and foreign exchange differences regarding monetary items, such as debt securities recognised in the income statement.

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

Held-to-maturity financial investments

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

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

Financial investments at fair value through profit and loss

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

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

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

held in the Company's investment portfolios to cover liabilities arising from insurance contracts, relating to a change in the fair value of these investments (such a classification eliminates or reduces any mismatches that might arise from the measurement of investments and liabilities or the recognition of gains and losses arising from various contracts) or

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

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

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

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

Loans and deposits

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

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

Derivative financial instruments

After initial recognition, derivatives are measured based on their fair value, with effects recognised in the income statement. The fair value is determined on the basis of the price quoted in an active market. If the price is not known, the fair value is determined by using another pricing model (discounting of expected cash flow; the Black–Scholes option pricing model). Derivatives include financial instruments used for protecting cash flows against interest rate risk as well as for protecting the cash flows of individual financial instruments and other items. All of the documented gains and losses due to changes in fair value are recognised in profit or loss through financial income or expenses.

Temporary exemption from applying IFRS 9

In 2020, the Company continued to apply the temporary exemption from the application of IFRS 9. Due to the adoption of the new standard that addresses insurance contracts, IFRS 17, the standard may be applied from 1 January 2023. The deferral condition is that the carrying amount of liabilities arising from the insurance business is at least 90% of total carrying amount of liabilities. The fulfilment of the conditions was verified as at 31 December 2015. The calculation is shown in the table below. There have been no changes since 31 December 2015 that would significantly impact the fulfilment of the conditions.

•	 10

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

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

in EUR

Assets whose contractual cash flows are solely payments of principal and interest on the principal amounts outstanding Other financial assets					
Triglav Group	Fair value 1 January 2020	Fair value 31 December 2020	Fair value 1 January 2020	Fair value 31 December 2020	
Debt securities	2,431,352,987	2,581,853,541	36,781,268	0	
Equity securities	0	0	220,357,062	251,365,744	
Derivatives	0	0	0	113,301	
Loans and deposits	92,994,219	76,208,718	237	0	
Cash and cash equivalents	75,860,559	81,899,664	0	0	
Total	2,600,207,766	2,739,961,923	257,138,568	251,479,045	

in EUR

Other financial assets

Assets whose contractual cash flows are
solely payments of principal and interest or
the principal amounts outstanding

Zavarovalnica Triglav	Fair value 1 January 2020	Fair value 31 December 2020	Fair value 1 January 2020	Fair value 31 December 2020
Debt securities	1,780,053,478	1,860,111,108	21,689,527	19,399,127
Equity securities	0	0	109,481,949	113,586,570
Derivatives	0	0	0	113,301
Loans and deposits	39,767,882	27,542,024	0	3,654,860
Cash and cash equivalents	19,226,740	18,914,182	0	0
Total	1,839,048,101	1,906,567,313	131,171,475	136,753,858

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

Ratings of assets whose cash flows are solely

payments of principal and interest on the principal amounts outstanding

Triglav Group	Unrated	AAA	AA/A	BBB	BB/B	Total
Debt securities	59,312,085	463,012,284	1,102,058,138	713,465,040	199,903,545	2,537,751,092
Loans and deposits	70,527,890	0	0	0	6,156,440	76,684,331
Cash and cash equivalents	45,528,273	0	4,821	288,310	36,078,261	81,899,664
Total	175,368,248	463,012,284	1,102,062,958	713,753,350	242,138,247	2,696,335,086

in EUR

in EUR

Ratings of assets whose cash flows are solely payments of principal and interest on the principal amounts outstanding

Faymens or Finnellan and microst on the Finnellan annual 8						
Zavarovalnica Triglav	Unrated	AAA	AA/A	BBB	BB/B	Total
Debt securities	37,037,192	398,179,878	910,348,956	408,535,590	63,832,449	1,817,934,065
Loans and deposits	28,861,388	0	0	0	0	28,861,388
Cash and cash equivalents	5,194,494	0	4,821	284,137	13,430,730	18,914,182
Total	71,093,074	398,179,878	910,353,776	408,819,727	77,263,179	1,865,709,634

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

in EUR

Assets whose contractual cash flows are solely payments of principal and interest and do not have a low credit risk

Triglav Group	Fair value	Carrying amount
Debt securities	259,257,998	259,215,630
Loans and deposits	76,208,718	76,684,331
Cash and cash equivalents	81,606,534	81,606,534
Total	417,073,250	417,506,495

in EUR

Assets whose contractual cash flows are solely payments of principal and interest and do not have a low credit risk

Zavarovalnica Triglav	Fair value	Carrying amount
Debt securities	100,871,734	100,869,641
Loans and deposits	27,542,024	28,861,388
Cash and cash equivalents	18,625,224	18,625,224
Total	147,038,982	148,356,253

2.10.9.1 Receivables from insurance operations

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

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

Accounting policies regarding the impairment of receivables are described in <u>Section 2.10.13</u>.

2.10.9.2 Cash and cash equivalents

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

The Triglav Group and Zavarovalnica Triglav d.d. Annual Report 2020 | General information

2.10.10 Other assets

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

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

213

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

Other assets also include accrued income for goods and services supplied to clients whose performance obligations have already been met.

2.10.11 Non-current assets held for sale

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

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

2.10.12 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participant at the measurement date. A fair value measurement assumes that the asset or liability is exchanged in an orderly transaction under current market conditions in the principal (or most advantageous) market for the asset or liability.

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

All financial assets are measured at fair value, except for loans and deposits and held-to-maturity financial assets which are disclosed at amortised cost in the financial statements, while their fair value is disclosed in disclosures in <u>Section 3.7</u>. The fair value of land and buildings used for insurance operations and of investment property is disclosed under <u>Sections 3.2</u> and <u>3.3</u> that of subordinated liabilities under <u>Section 3.15</u>.

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

If there is no active market for a financial instrument, its fair value is measured by valuation techniques. In determining the fair value of financial assets, valuation techniques are applied, using the reference to the current fair value of another instrument that is substantially the same, discounted cash flow analysis and option pricing models. If there is a valuation technique commonly used by market participants for establishing instrument prices and if such a technique has yielded reliable estimates of prices used in actual market transactions, such a technique is applied. The applied estimates and assumptions involve certain risks as to their future realisation. With the aim of reducing this risk, the assumptions and estimates applied are verified by different methods (by comparing assumptions and estimates against the industry average, individual traded companies, etc.). Moreover, a sensitivity analysis of the following value drivers is applied in order to estimate the value range of an individual investment: net sales income, the EBITDA margin, financial intermediation margin, rate of return on the financial asset portfolio, operating expenses to total assets, cash flow growth over a forecast period and the discount rate. In the discounted cash flow method, future cash flows and discount rates are applied as estimated by the management, reflecting interest rates on comparable instruments.

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

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

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

2.10.13 Impairment

Intangible assets and property, plant and equipment

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

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

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

Goodwill

The value of goodwill is tested as at the reporting date so as to ascertain if there are any objective signs of impairment. Impairment of goodwill is recognised for a cash generating unit, which represents an individual company. In the event there are objective signs of impairment, the recoverable amount is assessed, which represents the higher of an asset's fair value less costs to sell and its value in use. If the recoverable amount exceeds the carrying value, the goodwill is not impaired.

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

Investment property

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

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

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

Financial investments

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

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

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

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

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

Insurance receivables

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

Reinsurers' share of technical provisions

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

2.10.14 Equity

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

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

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

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

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

According to ZGD-1, the Management Board of Zavarovalnica Triglav may allocate net profit for the current year to other profit reserves, i.e. up to one half of the net profit remaining after statutory allocations.

2.10.15 Subordinated liabilities

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

2.10.16 Insurance—technical provisions

Unearned premium provisions

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

Claims provisions

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

Provisions for claims reported are based on an inventory of claims. If a claim is settled as an annuity, the amount is reserved as a capitalised annuity, which Zavarovalnica Triglav calculates on the basis of Slovene mortality tables and a 0.75% interest rate. Other insurance subsidiaries use local mortality tables.

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

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

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

Mathematical provisions

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

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

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

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

The applied assumptions and other parameters are presented in greater detail in Section 2.11.1.

Other insurance-technical provision

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

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

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

2.10.17 Classification of insurance and financial contracts

The products of insurance subsidiaries in the Group are classified into homogeneous groups according to the features of individual products: non-life insurance, traditional life insurance, pension insurance and unit-linked life insurance. Products can contain either an insurance risk or both an insurance and financial risk.

Contracts of an individual homogeneous group are defined as insurance if they contain material insurance risk. Such insurance contracts are accounted for in accordance with IFRS 4. If the contracts contain a material financial risk, they are classified as financial and accounted for in accordance with IAS 39.

The materiality of insurance risk is determined in relation to additional benefits in the case of a loss event. The significance of additional benefits is assessed by comparing the greatest difference between the value of the payout should a loss event occur and the value of the payout in other cases. This difference must be at least 10% of the payout amount at the inception date of the insurance policy.

All non-life insurance, traditional life insurance and unit-linked life insurance contracts contain material insurance risk and are therefore defined as insurance contracts.

The same applies to all pension insurance contracts. In some pension insurance contracts, the base for determining the amount of pension annuity is already set at the time of concluding the contract, while most remaining insurance contracts provide additional benefits above the amount of accumulated assets in the case of death of the policyholder during the accumulation period. In addition, all pension insurance contracts also contain a discretionary right to profit sharing. These contracts enable the policyholder, under certain terms and conditions determined by the Company, the payment of additional coverage, which is linked to the return on assets of the guarantee fund, and are therefore also defined as insurance contracts according to this criterion.

Once an insurance contract is defined as an insurance contract, it remains so until its expiry, even if in the meantime the insurance risk is significantly reduced, unless all rights and obligations are terminated or expire.

2.10.18 Provisions for employee benefits

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

- demographic variables (employee mortality and labour turnover),
- financial assumptions, such as:
 - the discount rate taking account of the yield of sovereign securities at the balance sheet date; and
 - future salary increases taking into account inflation, seniority, promotion and other relevant factors, such as supply and demand in the labour market.

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

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

2.10.19 Other financial liabilities

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

2.10.20 Operating liabilities and other liabilities

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

2.10.21 Premium income

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

2.10.22 Income from financial investments

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

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

2.10.23 Other income from insurance operations

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

2.10.24 Other income

Other income includes investment property income, income from intangible assets and property, plant and equipment, as well as other income not directly related to insurance operations and sales income from non-insurance subsidiaries. They relate to income from contracts with clients that is recognised on the transfer of control of the goods or services to the client in an amount that reflects consideration to which the entity expects to be entitled in exchange for those goods or services. Income from contracts

with clients is recognised at the fair value of the consideration received or receivable, net of returns and discounts, rebates and volume discounts. Income is disclosed when the buyer has taken control of the goods or benefits from the services provided.

When selling goods or services, income is recognised when the goods are delivered to the client or the service is provided and the recoverability of related receivables is reasonably guaranteed. In the case of long-term projects, the percentage of completion method as at the balance sheet date is used in recognising income from services provided. Under this method, income is recognised in the accounting period in which the services are provided.

Sales income does not include any charges either paid upon purchase or sale.

2.10.25 Claims incurred

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

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

2.10.26 Operating expenses

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

2.10.27 Expenses from financial assets and liabilities

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

2.10.28 Other insurance expenses

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

2.10.29 Other expenses

Other expenses include other expenses not directly related to insurance operations and operating expenses of non-insurance companies. Other expenses also include financing expenses, which include interest expenses from subordinated bonds, interest expenses from asset leases and other interest expenses from operating activities. Other expenses are recognised in the income statement when the service is provided.

2.10.30 Taxes

Tax expense for the year comprises current and deferred tax. Deferred tax is calculated for all temporary differences between the amounts of assets and liabilities used for taxation and their carrying amount. The impact of the recognition of deferred tax receivables or liabilities is disclosed as income or expense in the income statement, excluding taxes charged on a business event recognised under other comprehensive income. Deferred tax assets and liabilities relating to the same tax jurisdiction, period and taxable unit are offset at the level of an individual company.

In the Republic of Slovenia, current income tax is charged at a 19% tax rate and in other countries where subsidiaries operate at tax rates enacted by local tax laws (as shown in <u>Section 2.12</u>). The same applies to the calculation of deferred taxes.

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

2.10.31 Government grants and government assistance

Funds received directly or indirectly by a company from the state, government agency or similar bodies at the local, national or international levels are considered a government grant or assistance. The received government grants are not the result of the performance of ordinary commercial transactions, which a company receives in exchange for the provided service or supply of goods. A government grant means the transfer of funds to a company in exchange for taking into account specific circumstances in the past or future.

The calculation of a government grant is made using the income approach, which provides for the recognition of a government grant in profit or loss. A government grant is recognised in the income statement as income over the periods necessary to match them with the related costs, for which they are intended to compensate. The grants received for costs already incurred are recognised immediately.

Government grants related to assets which are conditional on the purchase, construction or otherwise acquired asset are recognised as deferred income, which the company recognises in the income statement on a systematic basis over the useful life of the asset.

Grants related to income, i.e. grants not related to assets, are recognised as a deduction of related expenses.

2.11 Main assumptions

2.11.1 Parameters and assumptions in calculating life insurance provisions

Life and annuity insurance

For life and annuity insurance contract liabilities valuation, a modified prospective net premium method is applied by taking into account insurance acquisition costs, all of the contractual obligations and the previously allocated surplus. The insurance technical parameters used by the method are either the same as those used for calculating insurance premiums or corrected so as to reflect the subsequent circumstances which increase the value of liabilities. A correction to reflect the current circumstances applies to the annuity insurance products of Zavarovalnica Triglav, where the relevant liabilities are valued on the basis of rather conservative mortality tables and a prudently set lower interest rate. The relevant liabilities of Zavarovalnica Triglav are valued on the basis of rather conservative Slovenian mortality tables SIA65 from 2010 and an interest rate of 2.7% p.a. for the contracts containing a fixed interest rate guarantee of 2.45% or more.

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

Voluntary pension insurance

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

Voluntary pension insurance is classified under insurance contracts as it contains discretionary participation features to receive a portion of profits of a guarantee fund. In addition, the majority of voluntary pension insurance contracts include factors for calculating the pension or they have additional coverage in the case of death during the accumulation period.

The insurance technical parameters used in the calculation are either the same as those used when underwriting a policy, or they are adapted to the circumstances expected in the pension annuity payout period in the event these circumstances are worse than those taken into account in the premium calculation. The guaranteed technical interest rate used for the valuation of liabilities during the premium payment period ranges between 0.75% p.a. and 2.45% p.a. For the purpose of valuing its liabilities during the pay—out period of pension annuities bearing an interest rate from 1.0% p.a. to 2.45% p.a. the Company applies Slovenian mortality tables SIA65 from 2010.

Supplementary voluntary pension insurance

During the accumulation period, mathematical provisions are evaluated using the retrospective method. The method in the calculation of provisions takes into account all premiums paid up to the day of valuation, calculated entry fees, any payouts of assets, any surplus from the return on the guarantee fund, and in the fund with the guaranteed return also the guaranteed return and payouts into personal accounts from the participation of policyholders in surplus returns. During the pension annuity pay—out period, provisions are set aside on the basis of the current value of the expected future liabilities of the insurance company (the prospective net method).

The technical parameters used are either the same as those used when underwriting a policy or adjusted due to circumstances which will change later and increase the value of liabilities – primarily when valuing liabilities arising from pension annuity pay-outs. For the purpose of valuing its liabilities the Company applies Slovenian mortality tables SIA from 2010. During the annuity pay-out period, the insurance companies value their liabilities at an interest rate ranging from 1.0% to 2.45%.

Unit-linked insurance

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

2.11.2 The liability adequacy test (LAT) for life insurance

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

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

- traditional life insurance;
- unit-linked life insurance:
- supplemental voluntary pension insurance during the accumulation period;
- supplemental voluntary pension insurance during the pension annuity pay-out period.

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

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

Mortality, longevity and morbidity assumptions

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

Persistency

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

Expenses

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

Increasing insurance premiums

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

Expected returns and discount interest rates

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

- The yield curve of Slovene government debt securities denominated in euro as at 31 December 2020 was used for Zavarovalnica Triglav, d.d. The ten-year benchmark is 0.50% for life, annuity and voluntary pension insurance, and 0.14% for all other insurance.
- The yield curve of Slovene government debt securities denominated in euro as at 31 December 2020 was used for Triglav, pokojninska družba, d.d. The ten-year benchmark is 0.14%.

■ The yield curve of Slovene government debt securities denominated in euro as at 31 December 2020 was used for Triglav Osiguranje, d.d., Sarajevo. The ten-year benchmark is 0.14%.

220

- The yield curve of Slovene government debt securities denominated in euro as at 31 December 2020 was used for Lovćen životna osiguranja, a.d., Podgorica. The ten-year benchmark is 0.14%.
- The yield curve of Croatian government debt securities denominated in euro and with the payment of obligations in Croatian kuna as at 31 December 2020 was used for Triglav Osiguranje, d.d., Zagreb. The ten-year benchmark is 0.93%.
- The yield curves of Serbian government debt securities denominated in euro (the ten-year benchmark is 1.79%) and Serbian dinar (the ten-year benchmark is 3.59%) as at 31 December 2020 were used for Triglav Osiguranje, a.d.o., Belgrade.
- The yield curve of Slovenian government debt securities denominated in euro as at 31 December 2020 was used for Triglav Osiguruvanje Život a.d., Skopje. The ten-year benchmark is 0.14%.

Profit participation

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

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

Annuity factor guarantee

In the calculation, the liability adequacy test takes into account the annuity factor guarantee for those insurance policies where future mortality projections indicate that, until the retirement of an individual policyholder, the condition from insurance terms and conditions regarding the increase in life expectancy that enables the change in the guaranteed annuity factors will not be fulfilled. The calculation additionally takes into account that between 20% and 55% of supplemental voluntary pension insurance policyholders and 90% of voluntary pension insurance policyholders will choose to purchase pension annuity under guaranteed annuity factors, with the remaining policyholders taking advantage of other options for the payment of assets.

2.11.4 Results of the liability adequacy test for life insurance

Based on the data available, the LAT results confirm the sufficient amount of provisions formed for most insurance companies in the Group, with the exception of:

- The guarantee funds backing supplemental voluntary pension insurance by Zavarovalnica Triglav d.d. show a total deficit of EUR 15,348,574 as at 31 December 2020. The Company set aside other insurance technical provisions to offset this deficit.
- Triglav, pokojninska družba d.d. shows a total deficit of EUR 8,707,536 as at 31 December 2020.
 Mathematical provisions were formed at the Group level to offset this deficit.
- Triglav Osiguranje d.d., Zagreb shows a total deficit of EUR 7.054 as at 31 December 2020.
 The Company set aside other insurance technical provisions to offset this deficit.
- As at the reporting date, Triglav Osiguruvanje Život, a.d., Skopje recorded a deficit in the total amount
 of EUR 135,328. Zavarovalnica Triglav set aside sufficient insurance technical provisions to cover the
 deficit amount.

2.11.5 Sensitivity analysis of LAT test to parameter changes

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

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

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

For Lovćen životna osiguranja a.d., Podgorica and Triglav Osiguranje a.d.o., Belgrade, the LAT shows the sufficient amount of provisions formed even in the event of changed parameters.

2.11.6 Parameters and assumptions in calculating non-life insurance provisions

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

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

Claims provisions also include provisions for annuities in the case of liability insurance. Provisions for these claims were calculated as a capitalised annuity value as at the cut-off date based on applicable mortality tables and an interest rate of 0.75%.

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The level of deficit using the changed parameters	Zavarovalnica Triglav	Triglav, pokojninska družba	Triglav Osiguranje, Sarajevo	Triglav Osiguranje, Zagreb	Triglav Osiguruvanje Život, Skopje
Increased probability of mortality by 10%	12,955,389	8,483,469	290,479	78,335	145,982
Decreased probability of mortality by 10%	18,010,033	8,950,551	0	0	129,695
Increased lapse rate by 10%	15,456,317	9,088,817	0	82,017	93,566
Decreased lapse rate by 10%	15,221,328	8,271,641	0	0	187,301
Increased costs by 10%	17,567,283	11,793,337	328,469	352,347	204,072
Increased share of policyholders who will decide to buy a pension annuity by 10%	14,386,939	9,175,410	0	0	0

2.11.7 Liability adequacy test (LAT) for non-life insurance

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

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

The LAT results for Zavarovalnica Triglav show that provisions for unearned premium together with provisions for unexpired risks are formed in a sufficient amount. No additional provisions had to be made. Based on the test for health insurance, Triglav, Zdravstvena zavarovalnica d.d. created additional provisions for unexpired risks, mainly for the purpose of covering future healthcare service surcharges, which will be subsequently determined by the minister responsible for health in the amount of EUR 18,092,15.

In the context of testing the adequacy of provisions, the LAT for liabilities paid out as annuities was carried out. The following assumptions were used in calculating the adequacy of claims provisions using the LAT for liabilities paid out as annuities:

Mortality assumption

The risk arises from the longevity assumption. Slovenian annuity mortality tables SIA65 from 2010, which are used for the valuation of life insurance products, were used both for the valuation of provisions and the LAT. Given that the beneficiaries are persons who have suffered injuries in the past, these tables are appropriate. Due to the small size of the sample, it is not possible to perform an appropriateness analysis of the tables to confirm statistically significant appropriateness.

Indexation assumption

Annuity claims can be adjusted over time to changed circumstances, such as inflation, additional costs awarded by the court or resulting from other court decisions. Indexation is also performed every year, which is duly taken into account when valuating liabilities from annuity claims.

Discount interest rate assumption

Financial markets are currently experiencing low interest rates. The basic model for calculating the capitalised amounts for annuity claims takes into account a 0.75% discount interest rate. Within the framework of testing the adequacy of claims provisions using the LAT, a 0.21% discount interest rate was taken into account, which represents the interest rate on government bonds with a maturity corresponding to the maturity of respective cash flows.

2.11.8 Parameters and assumptions applied in measuring the value of financial income from other investing activities

Valuation of investments in subsidiaries

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

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

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

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

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

The valuation procedure includes at a minimum:

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

The key assumptions and sources applied in valuation included:

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

Valuation of investments in associates and joint ventures

In the separate financial statements, investments in associates and joint ventures are measured at fair value, and in the consolidated financial statements they are measured using the equity method. Valuation methods and measurement assumptions are presented in Section 5.1.2.

Valuation of financial income from other investing activities

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

The Triglav Group and Zavarovalnica Triglav d.d. Annual Report 2020 | General information

2.11.9 Use of estimates and assumptions in real property valuation

Both investment property and own-use real property are valued using the cost model. It is checked every year whether there are any signs of real property impairment. If there are, their recoverable amount is assessed.

223

With regard to investment property, its fair value less costs to sell is assessed for this purpose. If it is lower than the carrying value of investment property, investment property is impaired.

Own-use real property is impaired in the cases where the carrying amount exceeds the fair value less costs to sell and the business objectives of using such property are not met or a different use is expected in the long term.

In determining fair value less costs to sell, International Valuation Standards (IAS), Slovenian Accounting Standard 2 – Valuation of Real Property Rights and Slovenian Accounting Standard 8 – Valuation for Financial Reporting are taken into account. Market valuation methods are used in the valuation, such as the market approach, the income approach and the subdivision development approach. The valuation was performed by an independent certified real estate valuer.

The market approach is used as the primary method of valuation, as the valuation by this method is also the best indicator of the value of real property rights, but only in cases where there are sufficient transactions with comparable real property available. In the cases where the market analysis is not a sufficiently credible indicator to prepare a valuation, the valuation is made on the basis of other valuation methods.

Where an income approach is used, potential market rent and stabilised income are assessed. These data are obtained by analysing current rents and actual collected rent for similar real property in the vicinity and based on the comparable real property available in the vicinity of the real property under valuation. The capitalisation rate is determined by the market analysis method, based on the calculated ratio of stable profit and the sales price of real property. Transaction data are obtained through market analysis and monitoring and the real estate valuer's own database.

In the case of large undeveloped building land, where a detailed design is defined and where there is no similar land on the market, the assessment is also made using the subdivision development approach. The basis for using this method is the assumption that a rational investor will not sell the land at a lower price than the potential return generated through land development.

2.12 Composition and changes in the composition of the Triglav Group in 2020

Me	mbers of Triglav Group ¹⁰³			EQUITY STAKE (in %)		SHARE OF VOTING RIGHTS (in %)		VALUE OF EQUITY AS AT 31 DECEMBER (in EUR)		
			TAX							
NO.	COMPANY	ADDRESS	RATE (in %)	ACTIVITY	2020	2019	2020	2019	2020	2019
1	Pozavarovalnica Triglav RE d.d.	Miklošičeva cesta 19, Ljubljana, Slovenia	19	Reinsurance	100.00	100.00	100.00	100.00	87,042,129	82,868,431
2	Triglav, Zdravstvena zavarovalnica d.d.	Pristaniška ulica 10, Koper, Slovenia	19	Insurance	100.00	100.00	100.00	100.00	40,491,519	34,970,059
3	Triglav Osiguranje d.d., Zagreb	Antuna Heinza 4, Zagreb, Croatia	18	Insurance	100.00	100.00	100.00	100.00	28,943,224	32,453,111
4	Triglav Osiguranje d.d., Sarajevo	Dolina 8, Sarajevo, Bosnia and Herzegovina	10	Insurance	97.78	97.78	98.87	98.87	19,226,712	18,411,244
5	Lovćen Osiguranje a.d., Podgorica	Ulica Slobode 13a, Podgorica, Montenegro	9	Insurance	99.07	96.59	99.07	96.59	12,618,181	9,522,111
6	Lovćen životna osiguranja a.d., Podgorica	Ulica Marka Miljanova 29/III, Podgorica, Montenegro	9	Insurance	99.07	96.59	99.07	96.59	3,952,269	3,698,824
7	Triglav Osiguranje a.d.o., Beograd	Milutina Milankovića 7a, Novi Beograd, Serbia	15	Insurance	99.88	99.88	99.88	99.88	24,774,894	21,232,267
8	Triglav Osiguranje a.d., Banja Luka	Ulica Prvog krajiškog korpusa 29, Banja Luka, Bosnia and Herzegovina	10	Insurance	100.00	100.00	100.00	100.00	4,604,175	2,557,671
9	Triglav Osiguruvanje a.d., Skopje	Bulevar 8-mi Septemvri 16, Skopje, North Macedonia	10	Insurance	80.83	80.45	80.83	80.45	15,837,859	14,743,176
10	Triglav Osiguruvanje Život a.d., Skopje	Bulevar 8-mi Septemvri 16, Skopje, North Macedonia	10	Insurance	96.17	96.09	96.17	96.09	4,247,424	4,701,010
11	Triglav penzisko društvo a.d., Skopje	Bulevar 8-mi septemvri 18, kat 2, Skopje, North Macedonia	10	Fund management	100.00	100.00	100.00	100.00	2,166,756	2,692,962
12	Triglav, pokojninska družba d.d.	Dunajska cesta 22, Ljubljana, Slovenia	19	Fund management	100.00	100.00	100.00	100.00	17,767,973	18,320,294
13	Triglav INT d.d.	Dunajska cesta 22, Ljubljana, Slovenia	19	Holding company	100.00	100.00	100.00	100.00	72,347,584	73,288,185
14	Triglav Skladi d.o.o.	Slovenska cesta 54, Ljubljana, Slovenia	19	Fund management	67.50	67.50	100.00	100.00	62,557,227	56,342,387
15	Triglav Avtoservis d.o.o.	Verovškova 60b, Ljubljana, Slovenia	19	Maintenance and repair of motor vehicles	100.00	100.00	100.00	100.00	-68,008	67,513
16	Triglav Svetovanje d.o.o.	Ljubljanska cesta 86, Domžale, Slovenia	19	Insurance agency	100.00	100.00	100.00	100.00	509,500	484,259
17	Triglav Upravljanje nepremičnin d.o.o.	Dunajska cesta 22, Ljubljana, Slovenia	19	Real estate management	100.00	100.00	100.00	100.00	36,805,919	36,314,117
18	Triglav Savjetovanje d.o.o., Sarajevo	Dolina br. 8, Sarajevo, Bosnia and Herzegovina	10	Insurance agency	98.91	98.91	98.91	98.91	67,872	81,402
19	Triglav Savjetovanje d.o.o., Zagreb	Sarajevska cesta 60, Zagreb, Croatia	18	Insurance	100.00	100.00	100.00	100.00	-98,323	-128,347
20	Triglav Savetovanje d.o.o., Beograd	Zelengorska 1g, Novi Beograd, Serbia	15	Insurance agency	99.94	99.94	99.94	99.94	-31,055	25,171
21	Autocentar BH d.o.o.	Džemala Bijedića 165b, Sarajevo, Bosnia and Herzegovina	10	Maintenance and repair of motor vehicles	97.78	97.78	98.87	98.87	1,999,940	1,908,677
22	Sarajevostan d.o.o.	Džemala Bijedića br. 147, Sarajevo, Bosnia and Herzegovina	10	Real estate management	90.95	90.95	91.97	91.97	157,722	1,617,879
23	Lovćen auto d.o.o., Podgorica	Novaka Miloševa 6/2, Podgorica, Montenegro	9	Maintenance and repair of motor vehicle	99.07	96.59	99.07	96.59	3,018,591	2,900,519
24	Triglav upravljanje nekretninama d.o.o., Zagreb	Ulica Josipa Marohnića 1/1, Zagreb, Croatia	18	Real estate management	100.00	100.00	100.00	100.00	1,500,617	1,529,368
25	Triglav upravljanje nekretninama d.o.o., Podgorica	Džordža Vašingtona 44, Podgorica, Montenegro	9	Real estate management	100.00	100.00	100.00	100.00	1,823,379	2,694,136
26	PROF-IN d.o.o.	Mehmed paše Sokolovića 15, Sarajevo, Bosnia and Herzegovina	10	Fund management	62.54	62.54	62.54	62.54	4,394,556	4,095,383
27	Zavod Vse bo v redu	Miklošičeva cesta 19, Ljubljana, Slovenia	19	Institute for corporate social responsibility	100.00	100.00	100.00	100.00	100,000	100,000
28	Hotel Grad Podvin d.o.o.	Dunajska cesta 20, Ljubljana, Slovenia	19	Tourism	-	100.00	-	100.00	34,288	302,592

¹⁰³ The companies listed under numbers 1 to 25 have been included in the consolidated financial statements using the full consolidation method. The companies listed under numbers 26 to 27 have not been included using the full consolidation method, as they are not of importance to the Group. In 2020, the company under the number 28 was merged with the company under the number 17. GRI GS 102-45

Summary financial information on subsidiaries

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	ASSET	S	LIABILIT	IES	EQUIT	Υ	INCOM	\E	NET PROFIT/	LOSS
COMPANY	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Pozavarovalnica Triglav Re d.d., Ljubljana	348,003,015	306,350,076	260,960,886	223,481,645	87,042,129	82,868,431	201,204,085	176,851,086	2,817,983	4,904,789
Triglav, Zdravstvena zavarovalnica d.d., Koper	96,772,481	69,867,321	56,280,962	34,897,262	40,491,519	34,970,059	197,952,289	178,852,499	4,845,316	2,931,501
Triglav Osiguranje d.d., Zagreb	185,916,419	167,551,455	156,973,195	135,098,344	28,943,224	32,453,111	79,836,402	79,074,756	-2,582,560	329,012
Triglav Osiguranje d.d., Sarajevo	64,990,550	58,630,555	45,763,838	40,219,311	19,226,712	18,411,244	30,995,575	28,034,688	1,280,528	943,473
Lovćen Osiguranje a.d., Podgorica	52,202,701	52,374,715	39,584,520	42,852,604	12,618,181	9,522,111	36,321,508	39,220,482	3,936,476	643,877
Lovćen životna osiguranja a.d., Podgorica	8,021,088	7,525,804	4,068,819	3,826,980	3,952,269	3,698,824	4,583,354	3,959,804	495,360	362,095
Triglav Osiguranje a.d.o., Beograd	87,549,739	82,306,838	62,774,853	61,074,571	24,774,894	21,232,267	67,527,013	64,830,227	4,065,469	1,943,406
Triglav Osiguranje a.d., Banja Luka	12,783,723	11,902,070	8,179,548	9,344,399	4,604,175	2,557,671	6,725,800	6,463,781	85,342	-1,135,083
Triglav Osiguruvanje a.d., Skopje	47,506,299	41,371,349	31,668,440	26,628,173	15,837,859	14,743,176	22,282,221	25,349,063	1,199,617	303,453
Triglav Osiguruvanje Život a.d., Skopje	6,090,499	5,667,820	1,843,075	966,810	4,247,424	4,701,010	1,200,013	767,937	-428,683	-243,581
Triglav penzisko društvo a.d., Skopje	2,399,923	3,021,317	233,167	328,355	2,166,756	2,692,962	156,889	83,711	-513,592	-313,293
Triglav, pokojninska družba d.d., Ljubljana	389,872,637	362,923,664	372,104,664	344,603,370	17,767,973	18,320,294	53,881,938	57,514,415	524,523	-281,655
Triglav INT d.d., Ljubljana	72,416,802	73,471,798	69,218	183,613	72,347,584	73,288,185	18,324	101,871	-940,601	-1,769,877
Triglav Skladi d.o.o., Ljubljana	71,631,070	67,297,910	9,073,843	10,955,523	62,557,227	56,342,387	25,652,463	22,556,631	5,306,938	6,266,224
Triglav Avtoservis d.o.o., Ljubljana	783,446	653,290	851,454	585,777	-68,008	67,513	2,266,678	2,434,587	-133,613	3,909
Triglav Svetovanje d.o.o., Ljubljana	1,762,584	1,725,338	1,253,084	1,241,079	509,500	484,259	4,792,860	4,923,517	23,363	-92,041
Triglav, Upravljanje nepremičnin d.o.o., Ljubljana	39,371,023	38,969,275	2,565,104	2,655,158	36,805,919	36,314,117	4,488,485	5,446,854	481,717	1,163,668
Triglav Savjetovanje d.o.o., Sarajevo	339,949	386,618	272,077	305,216	67,872	81,402	729,177	920,945	-13,530	-13,260
Triglav Savjetovanje d.o.o., Zagreb	105,274	167,170	203,597	295,517	-98,323	-128,347	424,803	307,428	-47,450	-130,690
Triglav Savetovanje d.o.o., Beograd	185,021	110,378	216,076	85,207	-31,055	25,171	568,429	554,684	-56,109	-4,625
Autocentar BH d.o.o., Sarajevo	2,923,168	2,959,310	923,228	1,050,633	1,999,940	1,908,677	1,722,665	1,574,966	91,263	37,498
Sarajevostan d.o.o., Sarajevo	2,568,709	2,414,747	2,410,987	796,868	157,722	1,617,879	2,138,645	2,308,513	-1,460,157	85,972
Lovćen auto d.o.o., Podgorica	5,312,445	5,195,713	2,293,854	2,295,194	3,018,591	2,900,519	1,667,433	1,714,551	-581,928	-658,011
Triglav upravljanje nekretninama d.o.o., Zagreb	1,503,845	1,535,688	3,228	6,320	1,500,617	1,529,368	70,779	55,105	-6,000	-243,389
Triglav upravljanje nekretninama d.o.o., Podgorica	1,926,982	2,990,105	103,603	295,969	1,823,379	2,694,136	222,994	151,799	29,243	-613,139
PROF-IN d.o.o., Banja Luka	4,405,742	4,115,375	11,186	19,992	4,394,556	4,095,383	766,902	963,059	299,173	490,957
Hotel Grad Podvin d.d., Ljubljana	1,188,946	2,314,079	1,182,768	2,011,487	34,288	302,592	421,170	41,477	-268,304	-243,499
Zavod Vse bo v redu	97,017	128,020	-2,983	28,020	100,000	100,000	29,301	26,700	-30,355	-15,811

Non-controlling interests in the companies of the Triglav Group

NO.	COMPANY	ADDRESS	NON-CONTROLLING CAPITAL (ir		VOTING RIGHT NON-CONTRO INTERESTS (i	LLING	NET PROFIT ATTRIBUTA NON-CONTROLLI HOLDERS (i	BLE TO NG INTEREST	RETAINED EA ATTRIBUTA NON-CONTROLLI HOLDERS (i	BLE TO NG INTEREST
			2020	2019	2020	2019	2020	2019	2020	2019
1	Triglav Osiguranje d.d., Sarajevo	Dolina 8, Sarajevo, Bosnia and Herzegovina	2.22	2.22	1.13	1.13	29,768	20,582	261,476	240,897
2	Triglav Osiguranje a.d.o., Beograd	Milutina Milankovića 7a, Novi Beograd, Serbia	0.12	0.12	0.12	0.12	4,919	2,374	210,112	206,048
3	Triglav Osiguruvanje a.d., Skopje	Bulevar 8-mi Septemvri 16, Skopje, North Macedonia	19.17	19.55	19.17	19.55	229,986	59,325	1,871,646	1,703,933
4	Lovćen Osiguranje a.d., Podgorica	Ulica Slobode 13a, Podgorica, Montenegro	0.93	3.41	0.93	3.41	43,119	103,796	487,141	444,022
5	Lovćen životna osiguranja a.d., Podgorica	Marka Miljanova 29/III, Podgorica, Montenegro	0.93	3.41	0.93	3.41	4,607	12,347	83,254	88,708
6	Golf Arboretum d.o.o., Volčji Potok	Volčji Potok 43g, Radomlje, Slovenia	-	-	-	-		-990	-	-
7	Triglav Savjetovanje d.o.o., Sarajevo	Dolina br. 8, Sarajevo, Bosnia and Herzegovina	1.09	1.09	1.09	1.09	-147	-144	-16,901	-16,753
8	Autocentar BH d.o.o., Sarajevo	Džemala Bijedića 165b, Sarajevo, Bosnia and Herzegovina	2.22	2.22	1.13	1.13	2,026	684	-144,190	-145,082
9	Lovćen auto d.o.o., Podgorica	Novaka Miloševa 6/2, Podgorica, Montenegro	0.93	3.41	0.93	3.41	-5,412	-22,438	-395,500	-390,088
10	Triglav Osiguruvanje Život a.d., Skopje	Bulevar 8-mi Septemvri 16, Skopje, North Macedonia	3.83	3.91	3.83	3.91	-16,436	-9,524	-27,674	-12,135
11	Sarajevostan d.o.o., Sarajevo	Džemala Bijelića br. 147, Sarajevo, Bosnia and Herzegovina	9.05	9.05	8.03	8.03	-132,072	7,776	174,185	306,257
12	Triglav Savetovanje d.o.o., Beograd	Zelengorska 1g, Novi Beograd, Serbia	0.06	0.06	0.06	0.06	-33	-3	-173	-141
	TOTAL						160,325	173,785	2,503,377	2,425,665

Net change in cash flows

in EUR

-131.523

	Triglav Osiguruvanje S	ikopje
	31 December 2020	31 December 2019
CONDENSED BALANCE SHEET		
Current assets	6,139,945	6,280,101
Current liabilities	2,420,552	3,238,360
Net current assets/liabilities	3,719,393	3,041,741
Non-current assets	41,366,354	35,091,248
Non-current liabilities	29,247,888	23,389,813
Net non-current assets/liabilities	12,118,466	11,701,435
Net assets	15,837,859	14,743,176
	2020	2019
CONDENSED COMPREHENSIVE INCOME		
Net profit or loss for the year	1,199,617	303,453
Other comprehensive income	-104,934	56,711
Total comprehensive income	1,094,683	360,164
Dividends from associates for the year	0	0
	2020	2019
CONDENSED CASH FLOW STATEMENT		
Cash flows from operating activities	-880,935	847,503
Cash flows from investing activities	811,387	-979,026
Cash flows from financing activities	0	0

-69.548

The Triglav Group and Zavarovalnica Triglav d.d. Annual Report 2020 | General information

Changes occurred in the ownership structure of the Triglay Group in 2020

Purchase of shares of Triglav Osiguruvanje, a.d., Skopje from non-controlling interest holders

Triglav INT d.d., Ljubljana acquired a 0.38% equity stake from the non-controlling interest holders of Triglav Osiguruvanje, a.d., Skopje, thereby becoming its 80.83% owner. The acquisition price of the equity stake amounted to MKD 3,016,812 or EUR 48,951. The acquisition of the non-controlling interest stake was recognised in the consolidated financial statements as an decrease in share premium of EUR 5,530.

227

Capital increase of ZTSR d.o.o.

Through in-cash contribution of EUR 14,900,000, Zavarovalnica Triglav increased the capital of joint venture ZTSR d.o.o., thereby maintaining its 50% participating interest in said company. The capital increase had no effect on the consolidated financial statements of the Triglav Group.

Capital increase of Lovćen auto, d.o.o., Podgorica

Lovéen Osiguranje a.d., Podgorica increased the capital of its subsidiary Lovéen Auto d.o.o., Podgorica in 2020 through in-cash contribution of EUR 700,000. The ownership structure of Lovéen Auto was not changed with said capital increase, as Lovéen Osiguranje a.d. remained its 100% owner. The capital increase had no effect on the consolidated financial statements of the Triglav Group.

Capital increase of Triglav Osiguranje a.d., Banja Luka

Triglav INT d.d., Ljubljana increased the capital of its subsidiary Triglav Osiguranje a.d., Banja Luka through in-cash contribution of BAM 3,912,000 or EUR 2,000,174, thus retaining its 100% participating interest in said company. The capital increase had no effect on the consolidated financial statements of the Triglav Group.

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

In 2020, Triglav Svetovanje d.o.o., Ljubljana and Triglav Osiguranje d.d., Zagreb increased the capital of their subsidiary Triglav Savjetovanje d.o.o., Zagreb in accordance with their proportional stakes. The capital increase was raised by in-cash contributions of HRK 570,000 or EUR 76,249. As a result, both companies maintained their stakes in said company, 51% and 49% respectively.

Homogenisation of shares of Lovćen Osiguranje a.d., Podgorica

On 15 July 2020, Lovéen Osiguranje a.d., Podgorica received a decision of the Capital Market Commission, based on which—in accordance with the General Meeting of Shareholders resolution—the existing two series of Lovéen Osiguranje shares were replaced by issuing a new series of 1,828,634 LOVH shares at a nominal value of EUR 5.72. As a result of the homogenisation of shares, the participating interest of Triglav INT d.d., Ljubljana increased from 96.59% to 99.07%. The homogenisation of shares did not have an impact on the consolidated financial statements and the value of minority interest. Amendments to the Articles of Association resulting from the homogenisation of shares were entered in the Companies Register on 30 September 2020.

Acquisition of a participating interest in Alifenet d.o.o.

By converting the loan in the amount of EUR 73,202 into a participating interest, Zavarovalnica Triglav d.d. acquired a 23.58% participating interest in Alifenet d.o.o. on 29 December 2020. Said company is treated as an associate in both the stand-alone and consolidated financial statements as of the date of acquisition.

Acquisition of Diagnostični center Bled d.o.o.

On 19 March 2020, ZTSR d.o.o. completed the acquisition procedure of Diagnostični center Bled d.o.o., which began in 2019. From the point of view of the Triglav Group, this investment is part of regular activities of managing its extensive investment portfolio and has no significant impact on its composition. Diagnostični center Bled, including its subsidiaries in the Triglav Group, is treated as an joint venture and valued in the consolidated financial statements using the equity method.

The Triglav Group and Zavarovalnica Triglav d.d. Annual Report 2020 | General information 228

3. Notes to the statement of financial position

3.1 Intangible assets

						in EUR
Triglav Group	Goodwill	Deferred acquisition cost	Long-term deferred items	Licences and software	Intangible assets in course of acquisition	Total
COST						
As at 1 January 2019	0	49,279,154	2,989,489	75,060,338	2,989,220	130,318,201
– transfer in use	0	0	0	1,503,027	-1,503,027	0
– purchases	0	0	0	3,527,791	3,293,015	6,820,806
– disposals	0	0	0	-2,393,328	0	-2,393,328
– impairment	0	0	0	-443,726	0	-443,726
– increase (net value)	0	1,448,230	-1,176,041	0	0	272,189
- acquisition*	10,413,312	0	0	8,966,464	0	19,379,776
– exchange rate difference	0	47,372	0	14,317	329	62,018
As at 31 December 2019	10,413,312	50,774,756	1,813,448	86,234,883	4,779,537	154,015,936
– transfer in use	0	0	0	5,185,569	-5,185,569	0
– purchases	0	0	0	3,891,727	3,847,149	7,738,876
– disposals	0	0	0	-1,076,033	-182,941	-1,258,974
– impairment	0	0	0	-2,200,025	0	-2,200,025
– increase (net value)	0	1,932,946	-217,860	0	0	1,715,086
– transfer to property, plant and equipment	0	0	0	-53,835	0	-53,835
– exchange rate difference	0	-51,729	0	-76,794	-595	-129,118
As at 31 December 2020	10,413,312	52,655,972	1,595,588	91,905,492	3,257,581	159,827,946
ACCUMULATED AMORTISATION						
As at 1 January 2019	0	0	0	-46,258,148	0	-46,258,148
– current year amortisation	0	0	0	-8,161,376	0	-8,161,376
– disposals	0	0	0	2,356,530	0	2,356,530
– impairment	0	0	0	43,840	0	43,840
- acquisition*	0	0	0	-254,753	0	-254,753
– exchange rate difference	0	0	0	-16,299	0	-16,299
As at 31 December 2019	0	0	0	-52,290,206	0	-52,290,206
– current year amortisation	0	0	0	-8,903,702	0	-8,903,702
– disposals	0	0	0	834,249	0	834,249
– impairment	0	0	0	1,416,861	0	1,416,861
– transfer to property, plant and equipment	0	0	0	29,323	0	29,323
– exchange rate difference	0	0	0	61,011	0	61,011
As at 31 December 2020	0	0	0	-58,852,464	0	-58,852,464
CARRYING AMOUNT						
As at 31 December 2019	10,413,312	50,774,756	1,813,448	33,944,672	4,779,537	101,725,725
As at 31 December 2020	10,413,312	52,655,972	1,595,588	33,053,028	3,257,581	100,975,475

Goodwill

Upon the acquisition of Alta Skladi d.d., goodwill was recognised in 2019 due to the expected synergy effects. In verifying the value of goodwill as at 31 December 2020, the recoverable amount of the cash-generating unit, i.e. Alta Skladi, was assessed by calculating the value in use. The cash flows of this cash-generating unit have been assessed. An 11.6% discount rate was taken into account in the calculation (compared to 12.75% in 2019). The discount rate was reduced due to changed circumstances in the capital markets.

The calculated recoverable amount exceeds the carrying amount of goodwill due to sound operating results, which exceed the planned figures, although the synergy effects have not yet been realised to the full extent expected. The goodwill impairment test showed that there was no need to impair goodwill.

Other intangible fixed assets

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

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

^{*} Acquisition relates to Alta Skladi d.d.

Zavarovalnica Triglav	Deferred acquisition costs	Long-term deferred items	Licenses and software	Intangible assets in course of acquisition	Total
COST					
As at 1 January 2019	35,136,192	2,989,489	53,072,058	1,384,420	92,582,159
– transfer in use	0	0	360,322	-360,322	0
– purchases	0	0	2,797,294	1,879,420	4,676,714
– disposal	0	0	-2,341,130	0	-2,341,130
increase (net value)	1,995,928	-1,394,325	0	0	601,603
As at 31 December 2019	37,132,120	1,595,164	53,888,544	2,903,514	95,519,344
– transfer in use	0	0	2,519,526	-2,519,526	0
– purchases	0	0	3,123,231	2,969,378	6,092,609
– disposal	0	0	-856,100	0	-856,100
increase (net value)	666,735	-217,860	0	0	448,875
As at 31 December 2020	37,798,855	1,377,305	58,675,200	3,353,370	101,204,730
ACCUMULATED AMORTISATION					
As at 1 January 2019	0	0	-30,419,656	0	-30,419,656
amortisation	0	0	-5,485,765	0	-5,485,765
– disposal	0	0	2,310,348	0	2,310,348
As at 31 December 2019	0	0	-33,595,071	0	-33,595,071
amortisation	0	0	-6,055,615	0	-6,055,615
– disposal	0	0	843,538	0	843,538
As at 31 December 2020	0	0	-38,807,148	0	-38,807,148
CARRYING AMOUNT					
As at 31 December 2019	37,132,120	1,595,164	20,293,474	2,903,514	61,924,273
As at 31 December 2020	37,798,855	1,377,305	19,868,052	3,353,370	62,397,579

Zavarovalnica Triglav did not pledge any intangible assets as collateral. As at 31 December 2020, trade payables for intangible assets amounted to EUR 710,420 (vs. EUR 2,547,605 as at 31 December 2019).

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

Zavarovalnica Triglav has no individual intangible assets that are material to the financial statements. Cost of fully depreciated intangible assets still in use represents 18.51% of the total cost of intangible assets.

3.2 Property, plant and equipment

:	

Triglav Group	Land	Buildings	Equipment	PP&E in course of acquisition	Total
COST			1.1		
As at 1 January 2019	11,793,611	124,546,831	61,643,604	3,971,011	201,955,057
- transfer in use	23,517	986,157	1,505,951	-2,515,626	0
– purchases	382,859	2,629,972	4,493,328	1,815,723	9,321,882
– disposals	-50,018	-168,025	-3,630,856	0	-3,848,899
– transfer to investment property	147,127	848,796	251,433	0	1,247,356
– sale of Golf Arboretum	-773,133	-1,144,199	-571,623	-7,429	-2,496,384
– reclassification	0	-655,204	-49,951	0	-705,155
– acquisition*	0	0	125,034	0	125,034
– exchange rate differences	-16,259	-11,166	16,482	-196	-11,139
As at 31 December 2019	11,507,705	127,033,164	63,783,402	3,263,482	205,587,753
– transfer in use	0	2,733,048	1,809,846	-4,542,894	0
– purchases	0	800,756	4,174,810	3,976,865	8,952,431
– disposals	0	-1,142,229	-2,448,580	0	-3,590,809
- transfer to investment property	0	386,384	0	94,011	480,395
- transfer from intangible assets	0	0	53,835	0	53,835
– impairment	0	-240,833	-77,764	0	-318,597
– exchange rate differences	-66,506	-249,420	-70,803	-467	-387,196
As at 31 December 2020	11,441,199	129,320,870	67,224,746	2,790,997	210,777,812
ACCUMULATED DEPRECIATION					
As at 1 January 2019	0	-39,954,853	-48,704,159	0	-88,659,012
– depreciation for the current year	0	-2,365,602	-5,488,430	0	-7,854,032
– disposals	0	32,162	2,879,578	0	2,911,740
– transfer to investment property	0	35,379	90,403	0	125,782
– impairment	0	0	-12,466	0	-12,466
– sale of Golf Arboretum	0	853,968	526,550	0	1,380,518
– reclassification	0	655,204	49,951	0	705,155
– aquisition*	0	0	-112,067	0	-112,067
– exchange rate differences	0	6,676	-7,764	0	-1,088
As at 31 December 2019	0	-40,737,064	-50,778,398	0	-91,515,462
– depreciation for the current year	0	-2,593,435	-5,840,693	0	-8,434,128
– disposals	0	190,754	2,177,877	0	2,368,631
– transfer to investment property	0	0	-29,323	0	-29,323
– impairment	0	-73,544	75,647	0	2,103
– exchange rate differences	0	66,050	55,357	0	121,407
As at 31 December 2020	0	-43,147,239	-54,339,537	0	-97,486,776
CARRYING AMOUNT					
As at 31 December 2019	11,507,705	86,296,100	13,005,004	3,263,482	114,072,290
As at 31 December 2020	11,441,199	86,173,631	12,885,209	2,790,997	113,291,036

The Group has no items of property, plant and equipment pledged as collateral for liabilities.

The depreciation charge for the current year is disclosed in several items of the income statement, as income statement expenses are recorded by functional group, as described in Section 2.10.26. For details, see expenses by nature and function in Section 4.12.

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

in EUR
31 Dec. 2020 31. Dec. 2019

Carrying amount 97,614,830 97,803,805

Estimated fair value 101,997,495 102,603,482

^{*} Acquisition relates to Alta Skladi d.d.

				PP&E in course of	
Zavarovalnica Triglav	Land	Buildings	Equipment	acquisition	Total
COST					
As at 1 January 2019	5,624,737	78,499,116	38,354,998	910,815	123,389,666
– transfer in use	0	654,217	874,757	-1,528,974	0
– purchases	110,262	125,442	2,651,378	976,633	3,863,715
– disposal	0	-57,258	-1,401,371	0	-1,458,629
– transfer from investment property	122,380	1,269,159	0	0	1,391,539
As at 31 December 2019	5,857,377	80,490,677	40,479,762	358,472	127,186,288
– transfer in use	0	1,710,920	352,191	-2,063,111	0
– purchases	0	187,057	2,225,321	2,311,156	4,723,534
– disposal	0	-88,231	-1,564,959	0	-1,653,190
– impairment	0	-169,599	0	0	-169,599
- transfer to investment property	0	0	0	94,011	94,011
As at 31 December 2020	5,857,377	82,130,823	41,492,315	700,529	130,181,047
ACCUMULATED DEPRECIATION					
As at 1 January 2019	0	-26,168,889	-29,234,674	0	-55,403,563
– depreciation for the current year	0	-1,343,373	-3,450,729	0	-4,794,102
– disposal	0	26,317	1,290,744	0	1,317,061
As at 31 December 2019	0	-27,485,944	-31,394,660	0	-58,880,604
– depreciation for the current year	0	-1,377,931	-3,765,355	0	-5,143,285
– disposal	0	33,894	1,547,272	0	1,581,166
– impairment	0	37,131	0	0	37,131
As at 31 December 2020	0	-28,792,850	-33,612,742	0	-62,405,591
CARRYING AMOUNT					
As at 31 December 2019	5,857,377	53,004,733	9,085,101	358,472	68,305,684
As at 31 December 2020	5,857,377	53,337,974	7,879,573	700,529	67,775,451

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

The depreciation for the current year is split between several items of the income statement. For details, see expenses by nature and function in Section 4.12. As at 31 December 2020, trade payables for property, plant and equipment amounted to EUR 648,156 (vs. EUR 2,947,049 as at 31 December 2019). Cost of fully depreciated property, plant and equipment still in use represents 18.78% of the total cost of property, plant and equipment.

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

		in EUR
	31. Dec. 2020	31. Dec. 2019
Carrying amount	59,195,351	58,862,110
Estimated fair value	64,855,528	65,323,896

3.3 Investment property

				III EUR
Triglav Group	Land	Buildings	IP in course of acquisition	Total
COST				
As at 1 January 2019	23,960,176	71,283,245	14,232,752	109,476,173
- transfer in use	256,268	6,782,241	-7,038,509	0
– purchases	94,484	295,063	5,070,949	5,460,496
– disposals	-2,826,934	-6,117,253	0	-8,944,187
– transfer to property, plant and equipment	-147,127	-1,189,207	0	-1,336,334
– impairment	-1,444,876	-799,876	0	-2,244,752
- transfer to non-current assets held for sale	-1,806,052	-1,898,159	0	-3,704,211
– exchange rate difference	-1,115	3,005	0	1,890
As at 31 December 2019	18,084,824	68,359,056	12,265,192	98,709,072
– transfer in use	0	596,568	-596,568	0
– purchases	15,155	115,758	2,515,623	2,646,536
– disposals	-229,114	-1,048,891	-5,989	-1,283,994
– transfer to property, plant and equipment	0	-386,384	-94,011	-480,395
– impairment	-34,184	-128,893	-562,265	-725,342
– exchange rate difference	-2,655	-6,952	0	-9,607
As at 31 December 2020	17,834,026	67,500,266	13,521,982	98,856,274
ACCUMULATED DEPRECIATION				
As at 1 January 2019	0	-19,635,725	0	-19,635,725
– depreciation for the current year	0	-1,385,473	0	-1,385,473
– disposals	0	2,054,780	0	2,054,780
– transfer from property, plant and equipment	0	-36,804	0	-36,804
- impairment	0	-170,898	0	-170,898
- transfer to non-current assets held for sale	0	387,695	0	387,695
– exchange rate difference	0	-1,177	0	-1,177
As at 31 December 2019	0	-18,787,601	0	-18,787,601
- depreciation for the current year	0	-1,400,196	0	-1,400,196
– disposals	0	279,580	0	279,580
- impairment	0	28,029	0	28,029
- exchange rate difference	0	1,712	0	1,712
As at 31 December 2020	0	-19,878,474	0	-19,878,474
CARRYING AMOUNT				
As at 31 December 2019	18,084,824	49,571,455	12,265,192	79,921,480
As at 31 December 2020	17,834,026	47,621,792	13,521,982	78,977,800

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

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

Fair value is disclosed below.

		in EUR
	31. Dec. 2020	31. Dec. 2019
Carrying amount	78,977,800	79,921,480
Estimated fair value	97,660,730	95,349,597

				IN EUK
Zavarovalnica Triglav	Land	Buildings	IP in course of acquisition	Total
COST				
As at 1 January 2019	4,169,626	36,670,655	13,692,888	54,533,169
– transfer in use	0	6,285,884	-6,285,884	0
– purchases	0	59,002	4,145,289	4,204,291
– disposal	-438,428	-1,036,356	0	-1,474,784
– impairment	-59,626	-140,788	0	-200,414
– transfer to property, plant and equipment	-122,380	-1,269,159	0	-1,391,539
As at 31 January 2019	3,549,193	40,569,237	11,552,293	55,670,723
– transfer in use	0	353,320	-353,320	0
– purchases	0	14,070	274,369	288,439
– disposal	0	-272,654	-5,989	-278,643
– impairment	0	-132,064	-562,265	-694,329
– transfer to property, plant and equipment	0	0	-94,011	-94,011
As at 31 December 2020	3,549,193	40,531,909	10,811,077	54,892,179
ACCUMULATED DEPRECIATION				
As at 1 January 2019	0	-9,262,629	0	-9,262,629
– depreciation	0	-904,388	0	-904,388
– disposal	0	551,031	0	551,031
– impairment	0	36,398	0	36,398
As at 31 December 2019	0	-9,579,587	0	-9,579,587
– depreciation	0	-965,361	0	-965,361
– disposal	0	63,057	0	63,057
– impairment	0	40,990	0	40,990
As at 31 December 2020	0	-10,440,902	0	-10,440,902
CARRYING AMOUNT				
As at 31 December 2019	3,549,193	30,989,650	11,552,293	46,091,135
As at 31 December 2020	3,549,192	30,091,007	10,811,077	44,451,276

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

The Triglav Group and Zavarovalnica Triglav d.d. Annual Report 2020 | Notes to the statement of financial position

Fair value of investment property is disclosed below.

in EUR

		in EUR
	31 December 2020	31 December 2019
Carrying amount	44,451,276	46,091,135
Estimated fair value	59,837,722	60,115,354

234

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

				in EUR
	Triglav	Group	Zavarovalr	nica Triglav
	2020	2019	2020	2019
Lease income	6,519,268	5,002,968	5,577,256	5,662,363
Sublease income	90,324	92,392	58,928	61,296

There were no significant modifications or terminations of lease contracts in 2020. Based on the current contractual provisions in lease contracts, an analysis of expected future cash inflows from leases is presented below. Expected cash inflows are calculated based on the term of valid lease contracts. For contracts concluded without a term, the term was limited to five years at the inception of the lease.

				in EUR		
	Triglav	Group	Zavarovalnica Triglav			
	31 December 2020	31 December 2019	31 December 2020	31 December 2019		
Year 1	7,400,117	7,751,029	4,651,506	4,666,717		
Year 2	6,731,853	7,398,674	4,105,947	4,651,506		
Year 3	6,205,172	6,725,838	3,785,360	4,105,947		
Year 4	2,202,000	6,163,593	773,971	3,763,365		
Year 5	711,412	2,194,319	380,183	773,140		
From year 5	1,712,876	2,399,676	1,123,249	1,503,433		
TOTAL	24,963,430	32,633,129	14,820,216	19,464,108		

3.4 Right of use assets

				in EUR
Triglav Group	Land and buildings	Vechicles	Other	Total
Carrying amount as at 1 January 2019	9,869,244	2,074,186	250,375	12,193,805
- addition	1,475,367	654,077	89,492	2,218,936
 accumulated depreciation 	-2,397,799	-788,925	-78,058	-3,264,782
– modification	-84,397	-62,357	-73,905	-220,659
– exchange rate difference	69,857	-15,332	-43,900	10,625
Carrying amount as at 31 December 2019	8,932,272	1,861,649	144,004	10,937,925
- addition	1,878,175	589,883	13,142	2,481,200
 accumulated depreciation 	-2,635,806	-847,384	-63,882	-3,547,072
– modification	-749	-2,454	-12,742	-15,945
– exchange rate difference	-56,960	11,452	10,611	-34,897
Carrying amount as at 31 December 2020	8,116,932	1,613,146	91,133	9,821,211

			_
Land and buildings	Vechicles	Other	Total
3,334,307	1,313,475	33,876	4,681,658
179,957	310,687	0	490,644
-596,539	-421,318	-13,622	-1,031,479
17,748	-53,296	1,040	-34,508
2,935,474	1,149,548	21,294	4,106,316
194,896	539,327	13,142	747,365
-658,654	-452,562	-13,114	-1,124,330
-105,212	-36,223	0	-141,435
2,366,504	1,200,090	21,322	3,587,916
	buildings 3,334,307 179,957 -596,539 17,748 2,935,474 194,896 -658,654 -105,212	buildings Vechicles 3,334,307 1,313,475 179,957 310,687 -596,539 -421,318 17,748 -53,296 2,935,474 1,149,548 194,896 539,327 -658,654 -452,562 -105,212 -36,223	buildings Vechicles Other 3,334,307 1,313,475 33,876 179,957 310,687 0 -596,539 -421,318 -13,622 17,748 -53,296 1,040 2,935,474 1,149,548 21,294 194,896 539,327 13,142 -658,654 -452,562 -13,114 -105,212 -36,223 0

in EUR

The Triglav Group and Zavarovalnica Triglav d.d. Annual Report 2020	Notes to the statement of financial position
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235

in EUR

	Triglav	Group	Zavarovalnica Triglav		
	2020	2019	2020	2019	
DEPRECIATION OF RIGHT OF USE ASSETS	3,547,072	3,264,782	1,124,330	1,031,479	
Depreciation of rights to use land and buildings	2,635,806	2,397,799	658,654	596,539	
Depreciation of right to use vehicles	847,384	788,925	452,562	421,318	
Depreciation of rights to use other assets	63,882	78,058	13,114	13,622	
INTEREST EXPENSE ON LEASE LIABILITIES	512,481	554,387	65,395	76,026	
OTHER LEASE EXPENSES	665,939	623,404	433,825	497,280	
Short – term lease expenses	81,677	218,710	15,849	26,135	
Low – value lease expenses	584,262	404,694	417,976	471,145	
Payment for right of use assets	3,944,465	3,589,529	1,147,971	1,053,342	

The Group leases some business premises, vehicles and other equipment that it uses in its operations. Leases for business premises are usually concluded for an indefinite term. Liabilities arising from contracts for an indefinite term are measured in accordance with planned estimates and provide for a five-year lease term. Leases of vehicles and other equipment are usually concluded for a period of one to five years. To calculate the net present value of future leases, discount rates are used, which are determined at the level of the interest rate for risk-free government bonds, increased by the credit spread of an individual Group member. An analysis of the maturity of lease liabilities is disclosed in Note 3.21.

In relation to the COVID-19 epidemic, rent concessions of EUR 32 thousand and EUR 4 thousand were recognised in the consolidated financial statements and the stand-alone financial statements in 2020, respectively.

3.5 Investments in subsidiaries

Investments in subsidiaries are included in the consolidated financial statements under the full consolidation method. In stand-alone financial statements of Zavarovalnica Triglav, the subsidiaries directly owned by Zavarovalnica Triglav are disclosed at cost In 2020, the impairment of investments in subsidiaries was recognised in the separate financial statements within investment expenses (Section 4.3), namely Triglav, pokojninska družba d.d. in the amount of EUR 1,665,987, Triglav penzisko društvo a.d. in the amount of EUR 835,000 and Triglav Avtoservis d.o.o. in the amount of EUR 100,214. The assumptions used in the assessment of the recoverable amount are described in Section 2.11.8.

All changes in the Group in 2020 are described in Section 2.12.

Zavarovalnica Triglav's shares in subsidiaries

			TAX				SHARE OF VOTIN	G RIGHTS		
			RATE	_	EQUITY STAK	Œ (in %) _	(in %)		BOOK VALU	JE (in EUR)
NO.	COMPANY	ADDRESS	(in %)	ACTIVITY	2020	2019	2020	2019	2020	2019
1	Pozavarovalnica Triglav Re d.d.	Miklošičeva cesta 19, Ljubljana, Slovenia	19	Reinsurance	100.00	100.00	100.00	100.00	9,750,752	9,750,752
2	Triglav, Zdravstvena zavarovalnica d.d.	Pristaniška ulica 10, Koper, Slovenia	19	Insurance	100.00	100.00	100.00	100.00	3,735,886	3,735,886
3	Triglav INT d.d.	Dunajska cesta 22, Ljubljana, Slovenia	19	Holding company	100.00	100.00	100.00	100.00	79,770,730	79,770,730
4	Triglav, pokojninska družba d.d.	Dunajska cesta 22, Ljubljana, Slovenia	19	Fund management	100.00	100.00	100.00	100.00	9,965,340	11,631,327
5	Triglav Upravljanje nepremičnin d.o.o.	Dunajska cesta 22, Ljubljana, Slovenia	19	Real estate management	100.00	100.00	100.00	100.00	24,493,300	24,493,300
6	Triglav Skladi d.o.o.	Slovenska cesta 54, Ljubljana, Slovenia	19	Fund management	67.50	67.50	100.00	100.00	2,076,723	2,076,723
7	Triglav Avtoservis d.o.o.	Verovškova 60b, Ljubljana, Slovenia	19	Maintenance and repair of motor vehicle	100.00	100.00	100.00	100.00	-	100,214
8	Triglav Svetovanje d.o.o.	Ljubljanska cesta 86, Domžale, Slovenia	19	Insurance agency	100.00	100.00	100.00	100.00	279,736	279,736
9	Zavod Vse bo v redu	Miklošičeva cesta 19, Ljubljana, Slovenia	19	Insitute for corporate social responsibility	100.00	100.00	100.00	100.00	100,000	100,000
10	Triglav penzisko društvo a.d., Skopje	Bulevar 8-mi septemvri 18, kat 2, Skopje, North Macedonia	10	Fund management	100.00	100.00	100.00	100.00	2,165,000	3,000,000
	TOTAL								132,337,466	134,938,667

in FUR

3.6 Investments in associates and joint ventures

In 2020, the Company increased the capital of ZTSR d.o.o., and through a debt-to-equity swap acquired a 23.58% participating interest in Alifenet d.o.o., which is described in more detail in Section 2.12. Impairment of investments in associates and joint ventures was recognised in the separate financial statements, namely ZTSR d.o.o. in the amount of EUR 1,316,658 (recognised in investment expenses, see Section 4.3) and Nama d.d. in the amount of EUR 372,620 (recognised in other comprehensive income). The assumptions used in the valuation of these investments are described in Section 2.11.8.

The effects of valuation using the equity method are disclosed under the items "Income from investments" (Section 4.2) and "Expenses from investments" (4.3) in the consolidated income statement. A summary of accounting information for the associates and the Group's interests in these companies are shown in the tables below.¹⁰⁴

COMPANY	ADDRESS	TAX RATE (in%)	ACTIVITY
Nama d.d.	Tomšičeva 1, Ljubljana, Slovenia	19	Retail trade
Triglavko d.o.o.	Ulica XXX. divizije 23, Nova Gorica, Slovenia	19	Insurance agency
TRIGAL, upravljanje naložb in svetovanje d.o.o.	Dunajska cesta 22, Ljubljana, Slovenia	19	Management of financial funds
Društvo za upravljanje EDPF a.d., Banja Luka	Kralja Petra I Karađorđevića 109/III Banja Luka, Bosnia and Herzegovina	10	Fund management
ZTSR, raziskovanje trga d.o.o.	Miklošičeva cesta 19, Ljubljana, Slovenia	19	Business services
Alifenet, d.o.o.	Dunajska cesta 22, Ljubljana, Slovenia	19	Fund management

		Triglav Group						Zavarovalnica Triglav				
	SHARE IN CA	APITAL (in %)	VOTING RI	GHTS (in %)	VALUE OF INVES	STMENT (in EUR)	SHARE IN CA	APITAL (in %)	VOTING RI	GHTS (in %)	VALUE OF INVES	TMENT (in EUR)
COMPANY	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Nama d.d.	39.07	39.07	39.07	39.07	4,060,437	4,123,945	39.07	39.07	39.07	39.07	9,091,928	9,464,548
Triglavko d.o.o.	38.47	38.47	38.47	38.47	17,202	14,421	38.47	38.47	38.47	38.47	38,499	38,499
TRIGAL, upravljanje naložb in svetovanje d.o.o.	49.90	49.90	49.90	49.90	8,544,558	8,448,647	49.90	49.90	49.90	49.90	8,180,000	8,425,979
Društvo za upravljanje EDPF a.d.	34.00	34.00	34.00	34.00	450,150	526,064	0	0	0	0	0	0
ZTSR, raziskovanje trga d.o.o.	50.00	50.00	50.00	50.00	15,092,166	41,303	50.00	50.00	50.00	50.00	13,954,321	125,000
Allifenet d.o.o.	23.58	-	23.58	-	73,202	-	0	0	0	0	73,202	-
TOTAL					28,237,714	13,154,379					31,337,951	18,054,026

										III LOK
	ASSE	TS	LIABILIT	TIES	EQUI	TY	REVEN	UES	PROFIT/L	.oss
COMPANY	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Nama d.d.	13,620,752	14,474,729	3,033,854	3,800,216	10,586,898	10,674,513	7,325,199	10,210,217	-160,675	525,332
Triglavko d.o.o.	121,217	149,334	30,269	65,615	90,949	83,719	300,928	336,627	7,229	7,373
TRIGAL, upravljanje naložb in svetovanje d.o.o.	17,636,901	17,045,672	176,750	83,532	17,460,152	16,967,252	1,679,341	1,334,543	258,553	75,933
Društvo za upravljanje EDPF a.d.	1,359,108	1,564,976	35,577	18,169	1,323,531	1,546,807	17,628	82,448	-223,277	-252,072
ZTSR, raziskovanje trga d.o.o. ¹⁰⁵	39,992,549	95,491	9,629,935	12,885	30,362,614	82,606	10,800,852	48,313	301,725	-122,514

¹⁰⁴ Data for 2020 are unaudited. Data for 2019 are adjusted if the revised data were different from those published in the 2019 Annual Report.

 $^{^{105}}$ Presented are data from the consolidated financial statements of ZTSR d.o.o.

Presented below are the condensed balance sheet and comprehensive income for material investments in associates.

	ZTSR	d.o.o.	TRIGAL	d.o.o.	o.o. NAM/	
	31. Dec. 2020	31. Dec. 2019	31. Dec. 2020	31. 12. 2019	31. Dec. 2020	31. Dec. 2019
CONDENSED BALANCE SHEET						
Current assets	3,722,429	95,491	683,076	458,119	5,725,161	7,039,456
Current liabilities	2,569,298	12,885	170,365	78,419	1,648,658	1,963,407
Net current assets/liabilities	1,153,131	82,606	512,711	379,700	4,076,503	5,076,049
Non-current assets	36,270,120	0	16,953,826	16,587,553	7,862,544	7,435,273
Non-current liabilities	7,060,637	0	6,385	5,113	1,385,196	1,836,809
Net non-current assets/ liabilities	29,209,483	0	16,947,441	16,582,440	6,477,348	5,598,464
Net assets	30,362,614	82,606	17,460,152	16,962,140	10,553,851	10,674,513
	2020	2019	2020	2019	2020	2019
CONDENSED COMPREHENSIVE I	NCOME					
Net profit or loss for the year	301,725	-122,514	258,553	75,933	-160,675	525,332
Other comprehensive income	0	0	0	0	71,401	88,559
Total comprehensive income	301,725	-122,514	258,553	75,933	-89,274	613,891
Dividends from associates for the year	0	0	0	0	0	40,988

3.7 Financial investments¹⁰⁶

in EUR

in EUR

	Carryir	ig value	Fair	value
Triglav Group	31. Dec. 2020	31. Dec. 2019	31. Dec. 2020	31. Dec. 2019
Held to maturity	162,824,686	186,109,072	206,893,874	230,326,336
At fair value through profit and loss	524,670,726	614,403,313	524,670,726	614,403,313
 held for trading 	113,301	0	113,301	0
 classified at acquisition 	524,557,423	614,403,313	524,557,423	614,403,313
Available for sale	2,101,914,068	1,826,940,416	2,101,914,068	1,826,940,416
Loans and deposits	97,971,079	112,578,151	104,492,900	111,869,033
TOTAL	2,887,380,559	2,740,030,952	2,937,971,568	2,783,539,098

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

An overview of financial investments by type is disclosed below.

31 December 2020	нтм	FVTPL - Held for trading	FVTPL - Designated upon acquisition	AFS	L&R	TOTAL
Debt and other fixed-return securities	162,824,686	0	454,903,131	1,948,404,958	6,401,170	2,572,533,945
Investments in shares, other floating-rate securities and fund coupons	0	0	69,654,294	150,713,700	0	220,367,994
Financial derivatives	0	113,301	0	0	0	113,301
Loans and deposits	0	0	0	2,795,410	80,359,227	83,154,637
– deposits with banks	0	0	0	0	72,474,219	72,474,219
– loans given	0	0	0	0	4,218,279	4,218,279
– other financial investments	0	0	0	2,795,410	3,666,729	6,462,139
Financial investments of reinsurance companies in reinsurance contracts	0	0	0	0	11,210,682	11,210,682
TOTAL	162,824,686	113,301	524,557,423	2,101,914,068	97,971,079	2,887,380,559

31 December 2019	нтм	FVTPL - Held for trading	FVTPL - Designated upon acquisition	AFS	L&R	TOTAL
Debt and other fixed-return securities	186,109,072	0	557,283,166	1,674,156,293	6,474,012	2,424,022,543
Investments in shares, other floating-rate securities and fund coupons	0	0	57,120,147	150,082,536	0	207,202,683
Financial derivatives	0	0	0	0	0	0
Loans and deposits	0	0	0	2,701,588	97,501,684	100,203,272
– deposits with banks	0	0	0	0	77,886,707	77,886,707
– loans given	0	0	0	0	16,008,854	16,008,854
– other financial investments	0	0	0	2,701,588	3,606,123	6,307,711
Financial investments of reinsurance companies in reinsurance contracts	0	0	0	0	8,602,454	8,602,454
TOTAL	186,109,072	0	614,403,313	1,826,940,416	112,578,151	2,740,030,952

 $^{^{106}}$ For presentational ease, abbreviations of individual categories of financial assets are used in the disclosures:

HTM - financial assets held to maturity

[■] FVTPL - financial assets at fair value through profit and loss

[■] AFS - financial assets available for sale

[■] L&R - loans and deposits

42,332,294

-1,046,919

-5,732,159

2,887,380,559

0

The table below shows the movements of financial investments of Triglav Group in 2019 and 2020.

Interest income
Transfer between funds

Exchange rate difference

As at 31 December 2020

Acquisition

FINANCIAL ASSETS	нтм	FVTPL	AFS	L&R	TOTAL
As at 1 January 2019	196,773,185	450,704,373	1,802,568,767	138,857,972	2,588,904,297
Purchases	7,009,575	450,208,879	807,275,939	282,974,783	1,547,469,176
Disposals	-10,404,012	-239,461,333	-637,145,021	-54,544,876	-941,555,242
Maturities	-16,120,154	-46,880,447	-200,495,344	-258,848,679	-522,344,624
Amount removed from other comprehensive income at disposal	0	0	-12,815,251	0	-12,815,251
Valuation trough profit and loss	0	3,681,398	-17,008	0	3,664,390
Valuation through other comprehensive income	0	0	37,672,131	0	37,672,131
Impairments	0	0	-458,670	31,050	-427,620
Premiums and discounts	4,518,551	0	-6,115,483	461,509	-1,135,423
Interest income	4,342,416	9,773,252	34,926,563	3,535,938	52,578,169
Transfer between funds	0	-13,686,556	0	0	-13,686,556
Acquisition	0	0	956,895	0	956,895
Exchange rate difference	-10,489	63,747	586,898	110,454	750,610
As at 31 December 2019	186,109,072	614,403,313	1,826,940,416	112,578,151	2,740,030,952
Purchases	0	293,129,867	1,062,889,994	39,515,597	1,395,535,458
Disposals	-156,030	-352,160,420	-594,050,133	-12,244,071	-958,610,654
Maturities	-30,770,951	-46,198,195	-238,713,133	-41,365,945	-357,048,224
Amount removed from other comprehensive income at disposal	0	0	-22,047,628	0	-22,047,628
Valuation trough profit and loss	13,214	8,695,330	0	117	8,708,661
Valuation through other comprehensive income	0	0	49,108,263	0	49,108,263
Impairments	0	0	-1,646,803	48,564	-1,598,239
Premiums and discounts	4,640,706	0	-7,140,404	248,452	-2,251,246

3,127,925

-139,250

162,824,686

0

0

8,255,509

-1,454,678

524,670,724

0

29,534,521

299,404

-3,260,429

2,101,914,068

0

1,414,339

-1,346,323

97,971,079

-877,802

0

The proportion of financial investments classified as subordinated instruments by the issuer was 2.1% as at the reporting date.

			in EUR		
	Carryin	g value	Fair value		
Zavarovalnica Triglav	31 December 2020	31 December 2019	31 December 2020	31 December 2019	
Loans and deposits	36,951,085	49,049,847	36,322,025	47,819,371	
Held to maturity	143,908,512	150,469,553	186,083,461	192,128,559	
Available for sale	1,595,002,429	1,382,802,069	1,595,002,429	1,382,802,069	
At fair value through profit and loss:	207,726,347	329,885,913	207,726,347	329,885,913	
– designated	207,613,046	329,885,913	207,613,047	329,885,913	
– held for trading	113,301	0	113,301	0	
TOTAL	1,983,588,373	1,912,207,382	2,025,134,262	1,952,635,912	

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

in EUR

31 December 2020	нтм	FVTPL - Held for trading	FVTPL - Designated upon acquisition	AFS	L&R	TOTAL
Debt and other fixed-return securities	143,908,512	0	205,749,607	1,481,312,962	6,401,173	1,837,372,254
Investments in shares, other floating-rate securities and fund coupons	0	0	1,863,439	111,723,131	0	113,586,570
Financial derivatives	0	0	113,301	0	0	113,301
Loans and deposits:	0	0	0	1,966,336	30,549,912	32,516,248
 deposits with banks and certificates of deposits 	0	0	0	0	19,567,302	19,567,302
– loans given	0	0	0	0	9,294,086	9,294,086
– other financial investments	0	0	0	1,966,336	1,688,524	3,654,860
TOTAL	143,908,512	0	207,726,347	1,595,002,429	36,951,085	1,983,588,373

31 December 2019	нтм	FVTPL - Held for trading	FVTPL - Designated upon acquisition	AFS	L&R	TOTAL
Debt and other fixed-return securities	150,469,553	0	329,189,998	1,274,016,035	6,400,668	1,760,076,254
Investments in shares, other floating-rate securities and fund coupons	0	0	695,915	106,614,152	0	107,310,067
Financial derivatives	0	0	0	0	0	0
Loans and deposits:	0	0	0	2,171,881	42,649,179	44,821,060
 deposits with banks and certificates of deposits 	0	0	0	0	30,229,076	30,229,076
– loans given	0	0	0	0	10,726,466	10,726,466
– other financial investments	0	0	0	2,171,881	1,693,637	3,865,518
TOTAL	150,469,553	0	329,885,913	1,382,802,069	49,049,847	1,912,207,382

The table below shows the movements of financial investments of Zavarovalnica Triglav in 2019 and 2020.

FINANCIAL ASSETS	нтм	FVTPL	AFS	L&R	TOTAL
As at 1 January 2019	159,463,950	204,047,186	1,383,855,505	92,670,309	1,840,036,950
Purchases	0	327,036,022	674,666,881	173,433,279	1,175,136,182
Maturities	-5,707,297	-15,956,959	-151,179,634	-220,313,091	-393,156,981
Disposal	-10,404,012	-170,468,147	-558,379,985	0	-739,252,144
Amount removed from other comprehensive income at disposal	0	0	-12,102,639	0	-12,102,639
Realized gains or losses on disposal	0	0	0	0	0
Valuation trough profit and loss	0	-4,937,517	0	0	-4,937,517
Valuation through other comprehensive income	0	0	25,377,389	0	25,377,389
Impairments	0	0	-344,175	0	-344,175
Premiums and discounts	4,518,551	0	-5,754,525	461,509	-774,465
Interest income	2,598,361	3,767,593	26,322,111	2,868,834	35,556,899
Transfer between funds	0	-13,686,556	0	0	-13,686,556
Exchange rate difference	0	84,291	341,141	-70,993	354,439
As at 31 December 2019	150,469,553	329,885,913	1,382,802,069	49,049,847	1,912,207,382
Purchases	0	211,961,511	863,590,121	5,640,741	1,081,192,373
Maturities	-13,476,047	-20,514,811	-164,604,063	-18,613,902	-217,208,823
Disposal	0	-321,531,070	-553,412,878	-5,113	-874,949,061
Amount removed from other comprehensive income at disposal	0	0	-20,157,134	0	-20,157,134
Realized gains or losses on disposal	0	0	0	0	0
Valuation trough profit and loss	0	5,419,645	28,642,475	0	34,062,120
Valuation through other comprehensive income	0	0	44,955,832	0	44,955,832
Impairments	0	0	-1,632,351	0	-1,632,351
Premiums and discounts	4,640,706	0	-6,483,260	248,452	-1,594,102
Interest income	2,274,300	2,559,999	21,367,701	921,150	27,123,150
Transfer between funds	0	0	0	0	0
Exchange rate difference	0	-54,840	-66,083	-290,091	-411,014
As at 31 December 2020	143,908,512	207,726,347	1,595,002,429	36,951,085	1,983,588,373

As at the reporting date, the portfolio of Zavarovalnica Triglav included neither received securities as collateral for loans given, nor any securities pledged as collateral for its liabilities. The proportion of financial investments classified as subordinated instruments by the issuer was 3.2% as at the reporting date.

3.8 Unit-linked insurance assets

The table below shows the carrying amounts and fair values of unit-linked insurance assets.

in EUR

	Carryin	g value	Fair value		
Triglav Group	31 December 2020	31 December 2019	31 December 2020	31 December 2019	
Unit – linked insurance assets					
- at fair value through profit and loss	501,808,980	478,105,241	501,808,980	478,105,241	
- loans and deposits	0	3,926,047	0	4,031,667	
- available for sale	0	0	0	0	
TOTAL	501,808,980	482,031,288	501,808,980	482,136,908	

	Carryin	g value	Fair value		
Zavarovalnica Triglav	31 December 2020	31 December 2019	31 December 2020	31 December 2019	
Unit – linked insurance assets					
- at fair value through profit and loss	442,292,488	430,035,875	442,292,488	430,035,875	
- loans and deposits	0	3,722,735	0	3,823,051	
- available for sale	0	0	0	0	
TOTAL	442,292,488	433,758,610	442,292,488	433,858,926	

Unit-linked insurance assets are presented below according to their distribution into individual groups.

Triglav Group

31 December 2020	нтм	FVTPL - Held for trading	FVTPL - Designated upon acquisition	AFS	L&R	TOTAL
Debt and other fixed-return securities	0	0	58,109,830	0	0	58,109,830
Investments in shares, other floating-rate securities and fund coupons	0	0	443,699,150	0	0	443,699,150
TOTAL	0	0	501,808,980	0	0	501,808,980
						in EUR
			FVTPL - Designated			
31 December 2019	HTM	FVTPL - Held for trading	upon acquisition	AFS	L&R	TOTAL
31 December 2019 Debt and other fixed-return securities	НТМ 0	FVTPL - Held for trading 0	upon acquisition 65,555,390	AFS 0	L&R 0	TOTAL 65,555,390
Debt and other fixed-return securities	0	0	65,555,390			65,555,390
Debt and other fixed-return securities Investments in shares, other floating-rate securities and fund coupons	0	0	65,555,390 412,036,278			65,555,390 412,036,278

0

513,573

477,591,668

Zavarovalnica Triglav

TOTAL

in EUR

482,031,288

3,926,047

31 December 2020	нтм	FVTPL - Held for trading	FVTPL - Designated upon acquisition	AFS	L&R	TOTAL
Debt and other fixed-return securities	0	0	46,020,011	0	0	46,020,011
Investments in shares, other floating-rate securities and fund coupons	0	0	396,272,477	0	0	396,272,477
Financial derivatives	0	0	0	0	0	0
Loans and deposits:	0	0	0	0	0	0
– deposits with banks	0	0	0	0	0	0
– loans given	0	0	0	0	0	0
– other financial investments	0	0	0	0	0	0
TOTAL	0	0	442,292,488	0	0	442,292,488

31 December 2019	нтм	FVTPL - Held for trading	FVTPL - Designated upon acquisition	AFS	L&R	TOTAL
Debt and other fixed-return securities	0	0	56,635,328	0	0	56,635,328
Investments in shares, other floating-rate securities and fund coupons	0	0	372,905,282	0	0	372,905,282
Financial derivatives	0	495,265	0	0	0	495,265
Loans and deposits:	0	0	0	0	3,722,735	3,722,735
– deposits with banks	0	0	0	0	3,722,735	3,722,735
– loans given	0	0	0	0	0	0
– other financial investments	0	0	0	0	0	0
TOTAL	0	495,265	429,540,610	0	3,722,735	433,758,610

The table below shows the movement of unit-linked insurance assets for the Group and the Company in 2019 and 2020.

in EUR

UNIT-LINKED INSURANCE ASSETS	Triglav Group	Zavarovalnica Triglav
As at 1 January 2019	402,515,770	366,664,078
Purchases	47,404,907	34,430,616
Maturities	-58,244,546	-601,247
Disposals	-1,281,561	-51,546,608
Amount removed from other comprehensive income at disposal	0	0
Profit/loss on disposal	76,925,335	0
Valuation trough profit or loss	0	70,286,504
Valuation through other comprehensive income	0	0
Impairments	197,091	0
Premiums and discounts	726,665	197,092
Interest income	13,686,556	534,620
Transfer between funds	0	13,686,556
Exchange rate difference	101,071	106,999
As at 31 December 2019	482,031,288	433,758,610
Purchases	101,129,592	88,646,028
Maturities	-84,766,909	-5,788,340
DisposalsE	-6,217,099	-81,782,012
Amount removed from other comprehensive income at disposal	0	0
Profit/loss on disposal	10,898,574	0
Valuation trough profit and loss	0	7,776,032
Valuation through other comprehensive income	0	0
Impairments	93,186	0
Premium and discounts	752,721	93,186
Interest income	0	528,168
Transfer between funds	0	0
Exchange rate difference	-2,112,373	-939,183
As at 31 December 2020	501,808,980	442,292,488

3.9 Reinsurers' share of technical provisions

The Triglav Group and Zavarovalnica Triglav d.d. Annual Report 2020 | Notes to the statement of financial position

in EUR

245

	Triglav	Group	Zavarovalnica Triglav		
NON-LIFE INSURANCE	31. Dec. 2020	31. Dec. 2019	31. Dec. 2020	31. Dec. 2019	
Reinsurers' share of unearned premiums	40,742,291	37,003,404	35,626,767	31,347,630	
Reinsurers' share of claims	82,994,283	65,324,133	70,235,406	67,067,984	
Reinsurers' share of technical provisions for bonuses and discounts	16,339	48,171	0	0	
Total non-life insurance	123,752,913	102,375,708	105,862,173	98,415,614	
LIFE INSURANCE					
Reinsurers' share of unearned premiums	1,576	1,402	635	566	
Reinsurers' share of claims	114,286	23,309	40,630	17,090	
Reinsurers' share of other mathematical provisions	2,004,863	347,387	0	0	
Total life insurance	2,120,725	372,098	41,265	17,656	
TOTAL ASSETS FROM REINSURANCE CONTRACTS	125,873,637	102,747,806	105,903,438	98,433,270	

3.10 Receivables

Long-term receivables

TOTAL

Triglav Group

NOT DUE OVERDUE UP TO 180 DAYS OVERDUE OVER 180 DAYS TOTAL NET 31 December 2020 Gross value Impairment Net value Gross value Impairment Net value Gross value Impairment Net value **VALUE** Receivables from direct insurance operations 82,205,319 -171,297 82,034,022 21,237,566 -2,418,104 18,819,462 49,239,648 -44,608,193 4,631,455 105,484,939 Receivables from insurers 80,608,717 -164,228 80,444,489 20,180,616 -2,383,479 17,797,137 38,661,914 -36,805,565 1,856,349 100,097,975 296,535 0 296,535 133,003 109,356 569,694 -535,988 33,706 439,597 Receivables from insurance brokers -23,647 -7,069 1,292,998 923,947 912,969 4,947,367 Other receivables from direct insurance operations 1,300,067 -10,978 10,008,040 -7,266,640 2,741,400 Receivables from co-insurance and reinsurance operations 57,298,468 0 57,298,468 9,617,444 0 9,617,444 7,558,148 -2,118,927 5,439,221 72,355,133 Premium receivable from co-insurance 1,252,489 0 1,252,489 191,763 0 191,763 291,039 -6,101 284,938 1,729,190 Premium receivable from reinsurance 47,104,086 0 47,104,086 6,387,375 0 6,387,375 2,996,744 -98,192 2,898,552 56,390,013 0 0 0 526,076 Receivables from co-insurers' share in claims 282,865 282,865 238,961 238,961 4,250 4,250 0 2,457,343 0 4,072,999 -2,014,634 2,058,365 Receivables from reinsurers' share in claims 5,679,670 5,679,670 2,457,343 10,195,378 Other receivables from co-insurance and reinsurance operation 2,979,358 0 2,979,358 342,002 0 342,002 193,116 0 193,116 3,514,476 Receivables for income tax refund 1,950,631 0 1,950,631 0 0 0 0 1,950,631 16,114,518 -6,411 16,108,107 6,404,444 -1,214,331 67,548,697 2,094,928 23,393,148 Other receivables 5,190,113 -65,453,769 Other short-term receivables from insurance operations* 3,914,542 0 3,914,542 3,805,245 -1,067,822 2,737,423 62,828,177 -61,480,425 1,347,752 7,999,717 Short-term receivables from financing 1,343,279 0 1,343,279 46,940 -5,472 41,468 463,671 -456,887 6,784 1,391,531 Other short-term receivables 9,634,163 0 9,634,163 1,962,292 -141,037 1,821,255 4,218,305 -3,477,913 740,392 12,195,810

589,967

37,259,454

0

-3,632,435

589,967

33,627,019

38,544

124,346,493

-38,544

-112,180,889

0

12,165,604

1,806,090

203,183,851

1,222,534

157,568,936

-6,411

-177,708

1,216,123

157,391,228

^{*} Subrogated receivables are included in other short-term receivables from insurance operations.

IN EUR

NOT DUE

OVERDUE UP TO 180 DAYS

OVERDUE OVER 180 DAYS

						-			-	
31 December 2019	Gross value	Impairment	Net value	Gross value	Impairment	Net value	Gross value	Impairment	Net value	TOTAL NET VALUE
Receivables from direct insurance operations	80,214,265	-220,689	79,993,576	23,956,726	-3,206,017	20,750,709	50,983,505	-46,267,961	4,715,544	105,459,829
Receivables from insurers	78,340,800	-220,689	78,120,111	22,954,725	-3,147,053	19,807,672	40,099,018	-38,150,313	1,948,705	99,876,488
Receivables from insurance brokers	290,876	0	290,876	186,583	-31,936	154,647	584,744	-576,041	8,703	454,226
Other receivables from direct insurance operations	1,582,589	0	1,582,589	815,418	-27,028	788,390	10,299,743	-7,541,607	2,758,136	5,129,115
Receivables from co-insurance and reinsurance operations	48,951,664	0	48,951,664	6,905,606	-20,532	6,885,074	4,269,665	-2,116,901	2,152,764	57,989,502
Premium receivable from co-insurance	629,862	0	629,862	234,085	-20,532	213,553	79,997	-3,257	76,740	920,155
Premium receivable from reinsurance	35,261,396	0	35,261,396	5,207,854	0	5,207,854	1,294,404	-96,437	1,197,967	41,667,217
Receivables from co-insurers' share in claims	258,040	0	258,040	10,111	0	10,111	121	0	121	268,272
Receivables from reinsurers' share in claims	10,000,953	0	10,000,953	1,346,411	0	1,346,411	2,857,855	-2,017,207	840,648	12,188,012
Other receivables from co-insurance and reinsurance operation	2,801,413	0	2,801,413	107,145	0	107,145	37,288	0	37,288	2,945,846
Receivables for income tax refund	1,281,349	0	1,281,349	0	0	0	0	0	0	1,281,349
Other receivables	13,327,517	-17,687	13,309,830	6,171,208	-1,078,045	5,093,163	71,100,501	-68,061,483	3,039,018	21,442,010
Other short-term receivables from insurance operations *	2,932,357	-12,640	2,919,717	3,483,693	-943,383	2,540,310	64,966,233	-63,668,271	1,297,961	6,757,988
Short-term receivables from financing	1,051,537	0	1,051,537	106,296	-1,875	104,421	648,029	-603,090	44,939	1,200,897
Other short-term receivables	8,858,435	-5,047	8,853,388	2,563,665	-132,584	2,431,081	3,962,750	-3,744,906	217,844	11,502,313
Long-term receivables	485,188	0	485,188	17,554	-203	17,351	1,523,489	-45,216	1,478,274	1,980,812
TOTAL	143,774,795	-238,376	143,536,419	37,033,540	-4,304,594	32,728,946	126,353,671	-116,446,345	9,907,326	186,172,690

 $^{^{*}}$ Subrogated receivables are included in other short-term receivables from insurance operations.

Zavarovalnica Triglav

in EUR

		NOT DUE		OVER	DUE UP TO 180 DAY	S	OVER	DUE OVER 180 DAYS	_	
31 December 2020	Gross value	Impairment	Net value	Gross value	Impairment	Net value	Gross value	Impairment	Net value	TOTAL NET VALUE
Receivables from direct insurance operations	57,143,930	-146,255	56,997,675	9,381,896	-1,350,114	8,031,782	20,457,885	-17,855,130	2,602,755	67,632,214
Receivables from insurers	56,050,971	-146,255	55,904,716	8,506,172	-1,346,199	7,159,973	17,987,581	-17,713,959	273,622	63,338,311
Receivables from insurance brokers	0	0	0	0	0	0	0	0	0	0
Other receivables from direct insurance operations	1,092,959	0	1,092,959	875,724	-3,915	871,809	2,470,304	-141,170	2,329,133	4,293,902
Receivables from co-insurance and reinsurance operations	9,792,267	0	9,792,267	8,325,030	0	8,325,030	1,679,797	0	1,679,797	19,797,094
Premium receivable from co-insurance	575,795	0	575,795	0	0	0	0	0	0	575,795
Premium receivable from reinsurance	3,612,842	0	3,612,842	7,426,927	0	7,426,927	302,528	0	302,528	11,342,297
Receivables from co-insurers' share in claims	281,820	0	281,820	0	0	0	0	0	0	281,820
Receivables from reinsurers' share in claims	5,321,810	0	5,321,810	898,103	0	898,103	1,377,269	0	1,377,269	7,597,182
Other receivables from co-insurance and reinsurance operation	0	0	0	0	0	0	0	0	0	0
Other receivables	4,523,530	-2	4,523,528	4,092,985	-1,114,639	2,978,347	61,470,573	-60,601,549	869,023	8,370,898
Other short-term receivables from insurance operations*	1,387,666	-2	1,387,664	3,614,241	-1,060,037	2,554,204	61,299,633	-60,450,817	848,816	4,790,685
Short-term receivables from financing	1,297,669	0	1,297,669	37,380	-5,471	31,909	135,326	-131,306	4,020	1,333,598
Other short-term receivables	1,568,379	0	1,568,379	441,364	-49,131	392,233	35,613	-19,426	16,187	1,976,800
Long-term receivables	269,815	0	269,815	0	0	0	0	0	0	269,815
TOTAL	71,459,727	-146,257	71,313,470	21,799,912	-2,464,753	19,335,159	83,608,254	-78,456,679	5,151,575	95,800,206

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

 $^{^{*}}$ Subrogated receivables are included in other short-term receivables from insurance operations.

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

				III EUR
	Triglav Gr	roup	Zavarovaln	ica Triglav
	2020	2019	2020	2019
VALUE ADJUSTMENT OF RECEIVABLES FROM POLICYHOLDERS				
Impairment allowance for receivables as at 1 January	41,518,055	45,062,962	20,330,577	22,801,359
 Increase of impairment allowance for receivables 	5,619,174	5,616,335	2,969,080	3,064,785
 Decrease in impairment allowance for receivables 	-3,234,174	-4,475,628	-2,268,890	-2,371,711
– Receivables write-off	-4,407,712	-4,694,683	-1,824,355	-3,163,856
– Changes in Group	0	0	0	0
Acquisition	-25,545	0	0	0
– Exchange rate difference	-116,526	9,069	0	0
Impairment allowance for receivables as at 31 December	39,353,272	41,518,055	19,206,413	20,330,577
IMPAIRMENT ALLOWANCE FOR OTHER SHORT-TERM RECEIVABLES				
Impairment allowance for receivables as at 1 January	64,624,294	69,706,792	63,606,384	68,281,356
 Increase of impairment allowance for receivables 	8,457,591	8,992,161	8,428,269	8,949,908
 Decrease in impairment allowance for receivables 	-6,179,827	-7,768,697	-6,171,650	-7,310,608
– Receivables write-off	-4,352,147	-6,314,272	-4,352,147	-6,314,272
– Changes in Group	0	0	0	0
– Exchange rate difference	-1,664	8,310	0	0
Impairment allowance for receivables as at 31 December	62,548,247	64,624,294	61,510,856	63,606,384
VALUE ADJUSTMENT OF OTHER RECEIVABLES				
Impairment allowance for receivables as at 1 January	14,846,966	16,774,502	361,021	425,289
 Increase of impairment allowance for receivables 	527,886	446,940	84,788	39,343
 Decrease in impairment allowance for receivables 	-259,361	-189,049	-18,753	-58,068
– Receivables write-off	-916,168	-2,134,483	-76,637	-45,543
 Transfer on deferred income 	0	0	0	0
– Exchange rate difference	-110,807	-3,760	0	0
– Changes in Group	997	-47,958	0	0
– Merger	0	774	0	0
 Transfer on disposal group held for sale 	0	0	0	0
Impairment allowance for receivables as at 31 December	14,089,513	14,846,966	350,419	361,021
TOTAL VALUE ADJUSTMENT OF RECEIVABLES				
As at 1 January	120,989,315	131,544,256	84,297,982	91,508,004
As at 31 December	115,991,032	120,989,315	81,067,689	84,297,982

3.11 Other assets

				in EUR		
	Triglav	Group	Zavarovalnica Triglav			
	31. Dec. 2020	31. Dec. 2019	31. Dec. 2020	31. Dec. 2019		
Inventories	526,765	551,003	253,006	277,391		
Deferred costs	5,009,827	4,413,900	3,087,241	2,813,728		
Investments into computer software for the Group	401,553	401,553	401,553	401,553		
Other assets	358,560	279,693	0	0		
TOTAL	6,296,705	5,646,149	3,741,799	3,492,671		

3.12 Cash and cash equivalents

			IN EUR	
Triglav	Group	Zavarovalnica Triglav		
31. Dec. 2020	31. Dec. 2019	31. Dec. 2020	31. Dec. 2019	
58,670,999	56,539,640	17,288,122	21,095,311	
22,766,225	18,347,172	5,000,172	5,000,172	
462,440	982,963	15,928	16,628	
81,899,664	75,869,775	22,304,222	26,112,112	
	31. Dec. 2020 58,670,999 22,766,225 462,440	58,670,999 56,539,640 22,766,225 18,347,172 462,440 982,963	31. Dec. 2020 31. Dec. 2019 31. Dec. 2020 58,670,999 56,539,640 17,288,122 22,766,225 18,347,172 5,000,172 462,440 982,963 15,928	

3.13 Non-current assets held for sale

Non-current assets held for sale include land and buildings that are available for immediate sale in their present condition.

				in EUR	
	Triglav	Group	Zavarovalnica Triglav		
	31. Dec. 2020	31. Dec. 2019	31. Dec. 2020	31. Dec. 2019	
Land and property of company Triglav upravljanje nekretninama d.o.o., Zagreb	146,884	149,104	0	0	
Land and property of company Triglav Upravljanje nepremičnin d.o.o.	768,967	4,015,117	0	0	
TOTAL	915,851	4,164,221	0	0	

3.14 Equity

As at 31 December 2020, the share capital amounted to EUR 73,701,392. The share capital was divided into 22,735,148 no—par value shares. Each share represents the same stake and a corresponding amount in the share capital. The portion of each no—par value share in the share capital is determined on the basis of the number of no-par value shares issued. All of the shares have been paid up in full.

Shareholders of Zavarovalnice Triglav

	Number	of shares	Percentage o	of ownership
Shareholders	2020	2019	2020	2019
Zavod za pokojninsko in invalidsko zavarovanje Slovenije, Ljubljana	7,836,628	7,836,628	34.47	34.47
SDH d.d., Ljubljana	6,386,644	6,386,644	28.09	28.09
Addiko Bank d.d., Pension fund 1 – fiduciary account, Zagreb, Croatia	1,526,190	1,494,061	6.71	6.57
UniCredit Bank Austria – fiduciary account, Vienna, Austria	604,642	619,634	2.66	2.73
Citibank – fiduciary account, London, Great Britain	530,402	301,183	2.33	1.32
Hrvatska poštanska banka – fiduciary account d.d., Zagreb, Croatia	232,644	232,644	1.02	1.02
East Capital – East Capital Balkans, Luxembourg, Luxembourg	186,201	190,420	0.82	0.84
Pozavarovalnica Sava Re d.d., Ljubljana	166,678	166,678	0.73	0.73
The Bank of New York Mellon – fiduciary account, New York, USA	84,399	132,658	0.37	0.58
Forplan d.o.o., Ljubljana	84,298	83,108	0.37	0.37
Other shareholders (less then 1%)	5,096,422	5,291,490	22.43	23.28
TOTAL	22,735,148	22,735,148	100.00	100.00

Share price

		in EUR
	31. December 2020	31. December 2019
Quoted price of the share on the regulated securities market	30.00	33.30
Book value of equity per share	28.33	25.53

Distribution of accumulated profits of Zavarovalnica Triglav

		IN EUK
	2020	2019
Net profit/loss for the year	57,997,639	70,614,416
Net profit brought forward	60,543,475	9,945,758
Increase in retained income	-16,939	-16,699
Increase of other reserves from profit based on the decision by the Management and Supervisory Boards	-28,900,000	-20,000,000
ACCUMULATED PROFITS	89,624,175	60,543,475
Distribution of accumulated profits		
– to shareholders		0
– allocation to other reserves from profit		0
– transfer to the following year		60,543,475

Already in 2020, the Insurance Supervision Agency called on insurance companies not to pay dividends and not to make irrevocable commitments to pay dividends in order to ensure financial stability due to the uncertain situation regarding the spread of the pandemic and the consequent uncertain consequences for the economy. On 5 March 2021, the Company received a letter from the Insurance Supervision Agency, in which it reiterates its call on insurance companies to do the same when distributing accumulated profit for 2020. The Management Board is expected to inform its shareholders about the proposal for the distribution of accumulated profit for 2020 at the end of March when publishing the 2020 Annual Report. In their proposal, the Management Board and the Supervisory Board will take into account both the Company's dividend policy and the position of the regulator. The General Meeting of Shareholders will decide on the distribution of accumulated profit at the proposal of the Management Board and the Supervisory Board.

Authorised capital

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

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

Reserves from profit

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

According to the ZGD-1, the Management Board of Zavarovalnica Triglav may allocate net profit for the year to other profit reserves, i.e. up to one half of the net profit remaining after statutory allocations. In addition to prudent risk management, strategic capital needs are considered when forming these profit reserves. When preparing the Annual Report for 2020, the Management Board formed other reserves from profit in the amount of EUR 28,900,000.

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

The treasury shares include the shares of Zavarovalnica Triglav held by other companies of the Group Triglav, whose financial statements are included in the consolidated financial statements of the Triglav Group. Triglav, Upravljanje nepremičnin d.o.o. held 24,312 shares of Zavarovalnica Triglav in the amount of EUR 364,680 as at 31 December 2020. The balance of treasury shares is unchanged compared to the preceding year.

In the consolidated financial statements, treasury shares are measured at their historical cost and are recognized as a deductible item within equity. For these shares, reserves for treasury shares are formed in the same amount, and they are formed from the retained earnings.

Fair value reserve

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

Currency translation adjustment

Currency translation differences arise from foreign exchange differences in consolidation procedures. In 2020, the currency translation adjustment totalled EUR 533,006 (vs. EUR 130,602 in 2019)¹⁰⁷. Translation differences mainly refer to the change in the value of Croatian kuna and Serbian dinar.

Notes to the statement of changes in equity

The following changes are shown in the statement of changes in equity for 2020:

- Increase in other reserves from profit for the year in the amount of EUR 28,900,000
- an increase in legal and statutory reserves from profit for the year in the total amount of EUR 472.418 and
- a decrease in share premium in the amount of EUR 5,530 due to the acquisition of a participating interest from non-controlling interest holders of Triglav Osiguruvanje a.d., Skopje, which is described in greater detail in Section 2.12.

¹⁰⁷ The amount does not include translation differences relating to non-controlling interests.

3.15 Subordinated liabilities

in EUR

	Triglav	Group	Zavarovalnica Triglav		
	31 December 2020 31 December 2019		31 December 2020	31 December 2019	
Amortised cost	49,423,693	64,847,293	49,423,693	69,999,451	
Fair value	51,792,521	68,199,075	51,792,521	73,646,914	

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

The ZT02 bond, issued by Zavarovalnica Triglav in 2009, matured on 21 March 2020. The principal of EUR 20.6 million was paid to the bondholders.

When calculating the fair value, valuation is taken into account, as there are very few transactions on the Ljubljana Stock Exchange. As at 31 December 2020, the price of ZAVARO 4 3/8 10/22/49 was 102.746% (compared to 102.849% as at 31 December 2019).

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

The Triglav Group and Zavarovalnica Triglav d.d. Annual Report 2020 | Notes to the statement of financial position 252

3.16 Insurance technical provisions and insurance technical provisions for unit-linked insurance contracts

in EUR **Triglav Group** Zavarovalnica Triglav **NON-LIFE INSURANCE** 31 December 2020 31 December 2019 31 December 2020 31 December 2019 **GROSS UNEARNED PREMIUM PROVISIONS** 340,941,945 328,736,413 234,785,484 232,398,752 **GROSS CLAIMS PROVISIONS** 609,302,604 580,098,532 410,567,439 408,984,759 263,229,663 192,205,172 183,093,750 Gross claims provisions for IBNR and IBNER 284,671,957 Gross provisions for incurred and reported claims 295,382,960 285,625,604 194,301,647 199,582,429 Gross claims provisions for co-insurance 655,874 713,766 655,874 713,766 -7,044,507 -7,044,507 **Expected subrogation** -6,796,269 -6,796,269 35,388,083 37,574,010 30,201,015 32,639,321 Provisions for claim handling costs **GROSS PROVISIONS FOR BONUSES AND DISCOUNTS** 24,882,389 19,683,771 23,837,107 19,065,148 OTHER GROSS INSURANCE TECHNICAL PROVISIONS 5,412,958 5,581,324 2,067,543 2,466,997 TOTAL NON-LIFE INSURANCE TECHNICAL PROVISIONS 980,539,896 934,100,040 671,257,573 662,915,656 LIFE INSURANCE **GROSS UNEARNED PREMIUM PROVISIONS** 443,779 392,304 457,883 405,332 **GROSS MATHEMATICAL PROVISIONS** 1,457,023,963 1,404,439,748 1,041,557,084 1,020,231,686 Gross mathematical provisions covering life insurance 843,031,557 834,082,375 765,330,996 762,626,058 Gross mathematical provisions covering SVPI 547,404,191 514.144.335 209,637,873 201,392,590 Gross mathematical provisions covering SVPI during the annuity pay-out period 66,588,215 56,213,038 66,588,215 56,213,038 **GROSS CLAIMS PROVISIONS** 21,380,025 20,761,018 19,692,182 19,336,004 Gross claims provisions for IBNR and IBNER 17,325,134 17,412,195 16,280,801 16,337,595 3,780,134 3,067,313 3,175,954 2,752,151 Gross provisions for incurred and reported claims Gross claims provisions for co-insurance 0 0 0 0 **Expected subrogation** 0 0

274,757

14,516

20,323,718

3,361,099

14,648,539

13,461,809

792,999

39,453

354,277

3,298,449

22,181,056

43,489,143

2,523,229,144

509,984,710

1,499,200,105

281,509

12,592,965

3,330,743

14,539,194

13,330,156

892,555

37,825

278,658

3,719,849

21,589,786

2,393,927,336

484,942,834

0

1.438,237,510

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235,427

17,403,211

1,079,057,809

1,750,315,383

448,726,097

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O

0

0

246,258

10,545,871

1.050.505.865

1,713,421,521

435,592,711

O

O

Provisions for claim handling costs

HEAITH INSURANCE

GROSS CLAIMS PROVISIONS

Expected subrogation

GROSS PROVISIONS FOR BONUSES AND DISCOUNTS

OTHER INSURANCE TECHNICAL PROVISIONS

GROSS UNEARNED PREMIUM PROVISIONS

Gross claims provisions for IBNR and IBNER

Gross claims provisions for co-insurance

Provisions for claim handling costs

Gross provisions for incurred and reported claims

GROSS PROVISIONS FOR BONUSES AND DISCOUNTS

TOTAL HEALTH INSURANCE TECHNICAL PROVISIONS

GROSS MATHEMATICAL PROVISIONS FOR UNIT-LINKED LIFE INSURANCE

OTHER INSURANCE TECHNICAL PROVISIONS

TOTAL INSURANCE TECHNICAL PROVISIONS

TOTAL LIFE INSURANCE TECHNICAL PROVISIONS

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

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

Breakdown of gross and net claims provisions

	Triglav Gr	Zavarovalnica Triglav			
NON-LIFE INSURANCE	31 December 2020	31 December 2019	31 December 2020	31 December 2019	
Gross provisions for incurred and unreported claims	263,661,814	250,060,031	180,600,843	173,876,721	
Gross claims provisions	284,671,957	263,229,663	192,205,172	183,093,750	
Reinsurers' share	-21,010,143	-13,169,632	-11,604,329	-9,217,029	
Gross provisions for incurred and reported claims	232,983,504	232,922,591	135,260,905	141,182,960	
Gross claims provisions	295,382,960	285,625,604	194,301,647	199,582,429	
Reinsurers' and co-insurers' share	-62,399,456	-52,703,013	-59,040,742	-58,399,469	
Gross claims provisions for co-insurance	661,523	713,766	655,874	713,766	
Gross claims provisions	655,874	713,766	655,874	713,766	
Reinsurers' share	5,649	0	0	C	
Expected subrogation	-6,386,603	-6,495,992	-6,386,603	-6,495,992	
Gross claims provisions	-6,796,269	-7,044,507	-6,796,269	-7,044,507	
Reinsurers' share	409,666	548,515	409,666	548,515	
Provisions for claim handling costs	35,388,083	37,574,010	30,201,015	32,639,321	
Gross claims provisions	35,388,083	37,574,010	30,201,015	32,639,321	
Reinsurers' share	0	0	0		
TOTAL LIFE INSURANCE GROSS CLAIMS PROVISIONS	526,308,321	514,774,406	340,332,034	341,916,776	
TOTAL GROSS CLAIMS PROVISIONS	609,302,605	580,098,536	410,567,439	408,984,759	
TOTAL REINSURERS' SHARE	-82,994,284	-65,324,130	-70,235,406	-67,067,983	
TO THE REMODERS STANKE	32,331,201	03,324,130	70,233,100	07,007,505	
LIFE INSURANCE					
Gross provisions for incurred and unreported claims	17,325,134	17,412,195	16,280,801	16,337,595	
Gross claims provisions	17,325,134	17,412,195	16,280,801	16,337,595	
Reinsurers' share	0	0	0	O	
Gross provisions for incurred and reported claims	3,665,848	3,044,004	3,135,324	2,735,061	
Gross claims provisions	3,780,134	3,067,313	3,175,954	2,752,151	
Reinsurers' share	-114,286	-23,309	-40,630	-17,090	
Gross claims provisions for co-insurance	0	0	0	0	
Gross claims provisions	0	0	0	0	
Reinsurers' share	0	0	0	0	
Expected subrogation	0	0	0	0	
Gross claims provisions	0	0	0	0	
Reinsurers' share	0	0	0	0	
Provisions for claim handling costs	274,757	281,509	235,427	246,258	
Gross claims provisions	274,757	281,509	235,427	246,258	
Reinsurers' share	0	0	0	0	
TOTAL LIFE INSURANCE GROSS CLAIMS PROVISIONS	21,265,739	20,737,708	19,651,552	19,318,914	
TOTAL GROSS CLAIMS PROVISIONS	21,380,025	20,761,017	19,692,182	19,336,004	
TOTAL REINSURERS' SHARE	-114,286	-23,309	-40,630	-17,090	
TOTAL REINSORERS SHARE	-114,280	-23,309	-40,030	-17,090	
HEALTH INSURANCE					
Gross provisions for incurred and unreported claims	13,461,809	13,330,156	0	O	
Gross claims provisions	13,461,809	13,330,156	0	C	
Reinsurers' share	0	0	0	C	
Gross provisions for incurred and reported claims	792,999	892,555	0	O	
Gross claims provisions	792,999	892,555	0	C	
Reinsurers' and co-insurers' share	0	0	0	C	
Gross claims provisions for co-insurance	39,453	37,825	0	O	
Gross claims provisions	39,453	37,825	0	C	
Reinsurers' share	0	0	0	C	
Expected subrogation	0	0	0	O	
Gross claims provisions	0	0	0	0	
Reinsurers' share	0	0	0	C	
Provisions for claim handling costs	354,277	278,658	0	(
Gross claims provisions	354,277	278,658	0	(
Reinsurers' share	0	278,038	0	0	
TOTAL HEALTH INSURANCE GROSS CLAIMS PROVISIONS	14,648,538		0	0	
		14,539,194			
TOTAL GROSS CLAIMS PROVISIONS	14,648,538 0	14,539,194 0	0	0	

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

in EUR

NON-LIFE INSURANCE	Gross unearned premium	Gross mathematical provisions	Gross claims provisions	Gross provisions for bonuses and discounts	Other gross insurance- technical provisions	Unit-linked insurance- technical provisions	Total gross insurance- technical provisions
1 January 2019	296,924,690	0	584,519,134	19,833,253	5,445,662	0	906,722,739
Increase	243,437,184	0	194,015,560	14,711,158	4,188,605	0	456,352,507
Use	-211,761,019	0	-198,513,439	-14,860,612	-4,067,598	0	-429,202,668
Exchange rate difference	135,558	0	77,277	-28	14,655	0	227,462
31 December 2019	328,736,413	0	580,098,532	19,683,771	5,581,324	0	934,100,040
Increase	250,410,276	0	249,101,434	14,824,162	3,617,805	0	517,953,677
Use	-237,769,242	0	-219,450,758	-9,619,135	-3,779,951	0	-470,619,086
Exchange rate difference	-435,502	0	-446,604	-6,409	-6,220	0	-894,735
31 December 2020	340,941,945	0	609,302,604	24,882,389	5,412,958	0	980,539,896

in EUR

LIFE INSURANCE	Gross unearned premium	Gross mathematical provisions	Gross claims provisions	Gross provisions for bonuses and discounts	Other gross insurance- technical provisions	Unit-linked insurance- technical provisions	Total gross insurance- technical provisions
1 January 2019	414,329	1,357,233,017	20,555,710	0	9,605,442	402,598,038	1,790,406,536
Increase	416,793	171,154,577	15,616,819	0	3,146,933	133,012,947	323,348,069
Use	-387,342	-109,518,575	-15,410,215	0	-159,467	-64,920,594	-190,396,193
Transfer between funds	0	-14,315,978	0	0	0	14,315,978	0
Exchange rate difference	-1	-113,293	-1,296	0	57	-63,535	-178,068
31 December 2019	443,779	1,404,439,748	20,761,018	0	12,592,965	484,942,834	1,923,180,344
Increase	418,115	158,642,026	16,162,580	14,516	8,490,809	79,624,216	263,352,262
Use	-403,792	-105,366,492	-15,538,313	0	-759,914	-54,271,523	-176,340,034
Transfer between funds	0	-7,040	0	0	0	7,040	0
Exchange rate difference	-219	-684,279	-5,260	0	-142	-317,857	-1,007,757
31 December 2020	457,883	1,457,023,963	21,380,025	14,516	20,323,718	509,984,710	2,009,184,815

HEALTH INSURANCE	Gross unearned premium	Gross mathematical provisions	Gross claims provisions	Gross provisions for bonuses and discounts	Other gross insurance- technical provisions	Unit-linked insurance- technical provisions	Total gross insurance- technical provisions
1 January 2019	2,827,927	0	9,869,071	0	3,274,826	0	15,971,824
Increase	3,435,305	0	14,233,771	0	445,411	0	18,114,487
Use	-2,932,489	0	-9,563,648	0	-388	0	-12,496,525
Exchange rate difference	0	0	0	0	0	0	0
31 December 2019	3,330,743	0	14,539,194	0	3,719,849	0	21,589,786
Increase	3,466,830	0	14,230,810	3,298,449	18,816,328	0	39,812,417
Use	-3,436,474	0	-14,121,465	0	-355,121	0	-17,913,060
Exchange rate difference	0	0	0	0	0	0	0
31 December 2020	3,361,099	0	14,648,539	3,298,449	22,181,056	0	43,489,143

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

in EUR

NON-LIFE INSURANCE	Gross unearned premium	Gross claims provisions	Gross provisions for bonuses and discounts	Other gross insurance- technical provisions	Unit-linked insurance- technical provisions	Total gross insurance- technical provisions
1 January 2019	213,519,363	423,416,968	19,547,002	2,201,357	0	658,684,690
Increase	191,230,100	156,292,535	14,277,786	2,466,997	0	364,267,418
Use	-172,350,711	-170,724,744	-14,759,640	-2,201,357	0	-360,036,452
31 December 2019	232,398,752	408,984,759	19,065,148	2,466,997	0	662,915,656
Increase	189,698,292	150,796,816	14,193,523	2,067,543	0	356,756,174
Use	-187,311,560	-149,214,136	-9,421,564	-2,466,997	0	-348,414,257
31 December 2020	234,785,484	410,567,439	23,837,107	2,067,543	0	671,257,573

in EUR

LIFE INSURANCE	Gross unearned premium	Gross mathematical provisions	Gross claims provisions	Other gross insurance- technical provisions	Unit-linked insurance- technical provisions	Total gross insurance- technical provisions
1 January 2019	400,574	1,009,712,605	19,143,220	8,202,386	365,238,075	1,402,696,860
Increase	392,304	110,393,263	12,419,997	2,502,951	115,012,613	240,721,128
Use	-400,574	-85,558,204	-12,227,213	-159,466	-58,973,955	-157,319,412
Transfer between funds	0	-14,315,978	0	0	14,315,978	0
31 December 2019	392,304	1,020,231,686	19,336,004	10,545,871	435,592,711	1,486,098,576
Increase	405,332	100,648,322	12,566,405	6,936,986	61,613,890	182,170,935
Use	-392,304	-79,322,924	-12,210,227	-79,646	-48,480,504	-140,485,605
Transfer between funds	0	0	0	0	0	0
31 December 2020	405,332	1,041,557,084	19,692,182	17,403,211	448,726,097	1,527,783,906

Analysis of the decrease in gross mathematical provisions

in E

	Triglav	Group	Zavarovalnica Triglav		
	2020	2019	2020	2019	
Surrenders	41,713,979	40,127,011	28,097,610	26,302,093	
Endowments	53,130,433	52,227,344	48,648,353	47,930,673	
Deaths	3,191,863	3,076,315	2,477,250	2,333,561	
Other	7,330,215	14,087,904	99,711	8,991,877	
TOTAL	105,366,490	109,518,574	79,322,924	85,558,204	

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

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

in EUR

		Year of occurence										
	Before 2011	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	TOTAL
Cumulative loss assessment												
– at the end of year of occurrence		509,028,152	537,773,397	540,980,548	523,335,884	494,721,974	497,610,909	523,078,938	559,765,704	482,752,716	699,754,015	
-1 year after year of occurrence		461,311,067	539,573,012	447,917,990	481,304,284	477,337,992	463,199,516	513,384,536	632,372,854	405,681,200		
– 2 years after year of occurrence		474,755,005	500,921,267	463,342,293	466,027,510	463,910,257	456,287,534	521,615,400	573,190,533			
– 3 years after year of occurrence		455,085,444	496,641,454	439,583,068	458,436,319	460,400,102	455,440,704	511,186,930				
– 4 years after year of occurrence		458,416,153	487,381,079	433,339,855	453,418,013	457,147,837	452,559,663					
– 5 years after year of occurrence		450,071,089	481,306,074	431,734,293	450,793,391	455,312,261						
 6 years after year of occurrence 		448,004,684	476,606,548	426,823,333	451,067,424							
– 7 years after year of occurrence		445,950,087	464,340,622	426,896,641								
– 8 years after year of occurrence		451,232,691	472,450,574									
– 9 years after year of occurrence		447,377,664										
– 10 years after year of occurrence	20,029,829											
Cumulative loss assessment		447,377,664	472,450,574	426,896,641	451,067,424	455,312,261	452,559,663	511,186,930	573,190,533	405,681,200	699,754,015	
Cumulative payments until balane sheet date		443,898,174	459,966,563	421,167,756	443,747,041	444,999,074	436,215,833	481,710,998	509,840,139	154,390,818	353,236,204	
Claims provisions balance at the beginning of the period	83,463,962	10,909,485	22,532,038	16,771,517	19,203,910	24,052,115	33,068,338	45,956,481	82,761,667	225,110,055		563,829,569
Settled during the period	4,653,245	656,061	4,743,951	1,112,974	1,352,096	2,877,227	3,523,333	9,188,072	21,239,582	121,982,540	353,236,204	524,565,285
Claim provisions balance	15,376,584	2,823,429	7,740,060	4,615,911	5,968,288	7,435,960	12,820,497	20,287,859	42,110,812	129,307,841	346,517,811	595,005,052

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

					Υ	ear of occurence						
	Before 2011	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	TOT
Cumulative loss assessment												
– at the end of year of occurrence		344,766,188	357,523,991	317,835,549	320,473,605	288,017,455	287,798,336	303,002,462	300,175,993	306,625,399	297,229,772	
– 1 year after year of occurrence		303,201,976	304,864,538	266,546,400	276,286,823	244,620,306	248,557,097	279,993,010	278,632,613	281,008,780		
– 2 years after year of occurrence		288,324,957	296,542,971	256,384,328	265,047,929	236,877,342	244,240,955	273,830,944	269,833,005			
– 3 years after year of occurrence		282,155,740	289,326,478	249,972,030	260,339,640	233,832,537	238,886,264	270,644,347				
– 4 years after year of occurrence		281,692,146	283,750,168	245,898,744	255,549,812	229,118,262	237,422,941					
– 5 years after year of occurrence		278,889,676	279,036,814	243,246,940	251,874,520	230,089,064						
– 6 years after year of occurrence		277,885,732	273,848,769	239,361,697	252,655,777							
– 7 years after year of occurrence		276,372,349	271,275,009	238,448,945								
– 8 years after year of occurrence		269,479,638	263,385,521									
– 9 years after year of occurrence		268,680,326										
– 10 years after year of occurrence	79,808,197											
Cumulative loss assessment		268,680,326	263,385,521	238,448,945	252,655,777	230,089,064	237,422,941	270,644,347	269,833,005	281,008,780	297,229,772	
Cumulative payments until balane sheet date		260,989,118	255,537,307	227,371,818	238,634,037	213,658,893	219,121,237	248,540,095	240,915,619	231,143,768	163,270,557	
Claims provisions balance at the beginning of the period	73,262,851	8,744,354	19,786,771	12,543,294	14,073,473	17,199,908	21,851,980	30,532,285	48,469,712	136,925,318		383,389,94
Settled during the period	2,861,531	253,834	4,049,070	553,415	832,989	1,740,539	2,086,954	5,241,436	10,752,718	61,443,687	163,270,557	253,086,73
Claim provisions balance	76,946,666	7,691,208	7,848,214	11,077,127	14,021,740	16,430,171	18,301,704	22,104,252	28,917,386	49,865,011	133,959,215	387,162,69

3.17 Provisions for employee benefits

	Triglav	Group	Zavarovalnica Triglav		
	31 December 2020	31 December 2019	31 December 2020	31 December 2019	
Provisions for unused leave	4,716,203	4,281,300	3,858,499	3,525,883	
Provisions for retirement benefits	10,728,930	9,540,429	7,489,893	6,909,641	
Provisions for jubilee payments	2,336,020	2,051,316	1,724,972	1,456,925	
TOTAL	17,781,153	15,873,046	13,073,364	11,892,449	

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

- the expected mortality on the basis of crude mortality tables for the population of Slovenia from 2019 (Statistical Office of the Republic of Slovenia), taking into account a 20% lower mortality than given in those tables; in the subsidiaries outside of Slovenia, mortality tables from individual countries were taken into account:
- the expected annual employee turnover depending on age which, on average, stands at 2.5% in Slovenia; in the subsidiaries outside Slovenia, the expected employee turnover in an individual country was taken into account;
- the expected annual average salary growth in Slovenia was 2.9%; in the subsidiaries outside Slovenia, the expected average salary growth in an individual country was taken into account;
- the yield curve of the Slovenian government debt securities denominated in EUR as at 31 December 2020. The ten-year benchmark is -0.14%.
 In the subsidiaries outside Slovenia, the yield curves of government debt securities of individual countries were taken into account.

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

Analysis of the movement of employee benefits for the Triglav Group

in EUR

	Provisions for unused leave	Provisions for retirement benefits	Provisions for jubilee payments	TOTAL
As at 1 January 2019	4,280,949	8,602,839	1,920,785	14,804,574
Use of provisions in the year	-3,899,870	-406,761	-160,777	-4,467,408
Release of provisions in the year	-84,650	-57,846	-23,222	-165,718
Creation of provisions in the year	3,984,856	1,376,030	314,720	5,675,606
Acquisition	0	23,128	0	23,128
Change in Group	0	3,859	0	3,859
Exchange rate difference	15	-820	-190	-995
As at 31 December 2019	4,281,300	9,540,429	2,051,316	15,873,046
Use of provisions in the year	-3,926,696	-219,908	-215,504	-4,362,108
Release of provisions in the year	-46,551	-9,623	-10,829	-67,003
Creation of provisions in the year	4,373,293	1,464,773	513,547	6,351,613
Acquisition	0	0	0	0
Change in Group	0	0	0	0
Exchange rate difference	-1,223	-10,661	-2,510	-14,394
As at 31 December 2020	4,680,123	10,765,010	2,336,020	17,781,153

Analysis of the movement of employee benefits for the Zavarovalnica Triglav

	Provisions for unused leave	Provisions for retirement benefits	Provisions for jubilee payments	TOTAL
As at 1 January 2019	3,500,312	6,287,047	1,379,797	11,167,156
Use of provisions in the year	-3,500,312	-150,642	-138,197	-3,789,151
Creation of provisions in the year	3,525,883	773,236	215,325	4,514,444
As at 31 December 2019	3,525,883	6,909,641	1,456,925	11,892,449
Use of provisions in the year	-3,525,883	-118,256	-168,613	-3,812,752
Creation of provisions in the year	3,858,499	698,508	436,660	4,993,667
As at 31 December 2020	3,858,499	7,489,893	1,724,972	13,073,364

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

	Provisions for	Provisions for	
	retirement benefits	jubilee payments	TOTAL
As at 1 January 2019	8,602,839	1,920,785	10,523,624
Current service cost	854,173	190,426	1,044,599
Interest cost	65,175	5,844	71,019
Actuarial gains/losses due to:			
- changes in demographic assumptions	-91,135	-18,374	-109,509
- changes in financial assumptions	572,620	62,628	635,248
- experience adjustments	55,127	31,733	86,860
Past service cost	17,348	-11,739	5,609
Benefits paid during the year	-350,233	-1,669	-351,902
Gains/losses upon payment	-211,652	-128,128	-339,780
Liabilities recognised in business combinations	26,987	0	26,987
Exchange rate difference	-820	-190	-1,010
As at 31 December 2019	9,540,429	2,051,316	11,591,745
Current service cost	986,682	143,549	1,130,231
Interest cost	31,504	360	31,864
Actuarial gains/losses due to:			
- changes in demographic assumptions	-453,169	18,269	-434,900
- changes in financial assumptions	693,708	180,029	873,737
- experience adjustments	424,211	127,903	552,114
Past service cost	-25,385	-3,511	-28,896
Benefits paid during the year	-423,849	2,023	-421,826
Gains/losses upon payment	-34,473	-181,409	-215,882
Liabilities recognised in business combinations	0	0	0
Exchange rate difference	-10,728	-2,510	-13,238
As at 31 December 2020	10,728,930	2,336,020	13,064,950

Sensitivity analysis of parameter changes for Triglav Group

			in EUR
Parameter	Parameter change	2020	2019
Interest rate	shift in the discount curve by +0.25 $\%$	-290,008	131,209
	shift in the discount curve by -0.25 %	301,604	670,558
Wage growth	change in annual wage growth by +0.5 %	519,406	857,127
	change in annual wage growth by -0.5 %	-461,977	-15,637
Mortality rate	constant increase in mortality by +20 %	-86,980	315,345
	constant increase in mortality by -20 %	88,662	481,333
Early employment termination	shift in the expense curve by +20 %	-299,031	297,685
	shift in the expense curve by -20 %	338,898	516,227

Development of provisions for retirement benefits and jubilee payments in Zavarovalnicia Triglav

			in EUR
	Provisions for retirement benefits	Provisions for jubilee payments	TOTAL
As at 1 January 2019	6,287,047	1,379,797	7,666,844
Current service cost	415,753	114,057	529,810
Interest expenses	47,976	5,542	53,518
Actuarial gains/loss due to:			
 – change in demographic assumptions 	-84,493	-18,374	-102,867
 change in financial assumptions 	499,294	61,461	560,755
– experience adjustments	93,294	31,728	125,022
Profit/loss upon payment	-198,587	-138,197	-336,784
Termination payments during the year	-150,643	20,911	-129,732
As at 31 December 2019	6,909,641	1,456,925	8,366,566
Current service cost	395,878	112,350	508,228
Interest expenses	19,553	269	19,822
Actuarial gains/loss due to:			
 – change in demographic assumptions 	-415,875	18,269	-397,606
 – change in financial assumptions 	596,820	142,612	739,432
 experience adjustments 	479,754	127,041	606,795
Profit/loss upon payment	-118,256	-168,613	-286,869
Termination payments during the year	-377,622	36,119	-341,503
As at 31 December 2020	7,489,893	1,724,972	9,214,865

Sensitivity analysis of parameter changes for Zavarovalnica Triglav

			in EUR
Parameter	Parameter change	2020	2019
Interest rate	shift in the discount curve by +0.25%	-196,854	-174,865
	shift in the discount curve by -0.25%	205,400	182,036
Wage growth	change in annual wage growth by +0.5%	353,981	340,333
	change in annual wage growth by -0.5%	-310,128	-301,951
Mortality rate	constant increase in mortality by +20%	-77,126	-76,744
	constant increase in mortality by -20%	78,212	77,899
Early employment termination	shift in the expense curve by +20%	-361,713	-185,077
	shift in the expense curve by -20%	387,546	194,185

3.18 Other provisions

		in EUR
	Triglav Group	Zavarovalnica Triglav
As at 1 January 2019	1,919,555	758,435
Increase (creation)	1,100,457	224,467
Decrease (draw down)	-665,575	-250,091
Release	-50,330	0
Acquisition	292,322	0
Change in Group	152,753	0
Exchange rate difference	1,218	0
As at 31 December 2019	2,750,400	732,811
Increase (creation)	588,515	37,146
Decrease (draw down)	-529,293	0
Release	0	0
Acquisition	0	0
Change in Group	0	0
Exchange rate difference	-521	0
As at 31 December 2020	2,809,101	769,957

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

3.19 Deferred tax assets and liabilities

increase

decrease

As at 31 December 2020

Presented below is the movement of deferred tax assets and liabilities in non-offset amounts. Due to the comparability of data with 2019, the balance of deferred tax assets and liabilities as at 31 December 2019 for the Group was adjusted to the offset balance.

	Triglav Group	Zavarovalnica Triglav
DEFERRED TAX ASSETS		
As at 1 January 2019	12,893,732	12,177,591
- increase	2,630,944	2,400,815
– decrease	-3,062,594	-2,916,866
As at 31 December 2019	12,462,082	11,661,540
– increase by the offset amount	680,474	0
Balance (non-offset) as at 31 December 2019	13,142,556	11,661,540
- increase	2,808,670	2,550,528
– decrease	-1,330,482	-1,995,317
As at 31 December 2020	13,940,270	12,216,751
DEFERRED TAX LIABILITIES		
As at 1 January 2019	17,203,576	14,991,327
– increase	5,339,526	2,376,892
– decrease	-26,410	0
As at 31 December 2019	22,516,692	17,368,219
– increase by the offset amount	680,474	0
Balance (non-offset) as at 31 December 2019	23,197,166	17,368,219

Deferred tax assets are recognised for temporary differences arising from the impairment of receivables (Triglav Group: EUR 8,079,438; Zavarovalnica Triglav: EUR 7,431,140), financial assets and investment property (Triglav Group: EUR 4,273,808; Zavarovalnica Triglav: EUR 3,743,200), formation of post-employment benefits, jubilee benefits (Triglav Group: EUR 1,318,654; Zavarovalnica Triglav: EUR 1,042,411), actuarial losses and unused tax losses (Triglav Group: EUR 268,370). Deferred tax assets are not recognized from impairments of investments in subsidiaries and associates disclosed in the stand-alone financial statements. Deferred tax liabilities are recognised due to the valuation of available-for-sale financial assets (Triglav Group: EUR 27,712,874; Zavarovalnica Triglav: EUR 19,757,820).

5,252,643

27,701,195

-68,140

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

The offset balance of deferred tax assets and liabilities at the level of individual Group members is presented by tax jurisdiction and the offset value of deferred tax at the level of individual jurisdiction.

						in EUR
		2020			2019	
Tax jurisdiction	Deferred tax assets	Deferred tax liabilities	Offset deferred tax	Deferred tax assets	Deferred tax liabilities	Offset deferred tax
Slovenia	13,596,201	-26,018,022	-12,421,821	12,821,636	-21,277,178	-8,455,542
Croatia	272,316	-954,010	-681,694	272,425	-1,068,456	-796,031
Montenegro	36,143	-472,865	-436,722	22,226	-535,670	-513,444
Bosnia and Herzegovina	4,314	-154,360	-150,046	0	-208,452	-208,452
North Macedonia	5,061	-101,938	-96,877	0	-107,409	-107,409
Serbia	26,235	0	26,235	26,269	0	26,269
TOTAL DEFERRED TAX	13,940,270	-27,701,195	-13,760,926	13,142,556	-23,197,166	-10,054,610
Total deferred tax assets			26,235			26,269
Total deferred tax liabilities			-13,787,160			-10,080,878

3.20 Other financial liabilities

in EUR

4,379,694

21,747,913

				in EUR	
	Triglav	Group	Zavarovalnica Triglav		
	31. Dec. 2020	31. Dec. 2019	31. Dec. 2020	31. Dec. 2019	
Loans from banks	634,748	43,432	0	0	
Financial liabilities for acquired securities	966,043	970,295	966,043	970,295	
Liabilities for dividends	657,300	657,526	657,300	657,526	
Other financial liabilities	637,755	193,160	10,554	12,304	
TOTAL	2,895,846	1,864,413	1,633,896	1,640,125	

3.21 Lease liabilities

To calculate the net present value of future leases, discount rates are used, which are determined at the level of the interest rate for risk-free government bonds, increased by the credit spread of an individual Group member. The table below shows the analysis of maturity of lease liabilities.

				in EUR
	Triglav	Group	Zavarovaln	ica Triglav
	31 December 2020	31 December 2019	31 December 2020	31 December 2019
MATURITY ANALYSIS				
1 year	3,195,958	2,885,540	1,079,119	1,034,149
2 years	2,981,134	2,773,314	957,266	931,987
3 years	1,979,579	2,529,719	789,063	842,397
4 years	835,021	1,631,203	234,303	733,709
5 years	550,713	339,363	121,445	89,890
More than 5 years	529,028	731,970	494,608	534,146
Foreign exchange differences	-45,901	24,569	0	0
TOTAL	10,025,532	10,915,678	3,675,805	4,166,278

3.22 Operating liabilities

				in EUR
	Triglav	Group	Zavarovaln	ica Triglav
	31. Dec. 2020	31. Dec. 2019	31. Dec. 2020	31. Dec. 2019
DIRECT INSURANCE LIABILITIES	16,801,856	21,558,544	10,636,904	14,239,495
Liabilities to policyholders	10,521,036	13,989,205	7,814,702	11,166,548
Liabilities to insurance brokers	966,894	1,767,868	808,446	1,202,150
Other liabilities from direct insurance operations	5,313,926	5,801,471	1,637,753	1,473,815
Liabilities from direct insurance operations to Group companies	0	0	376,003	396,982
LIABILITIES FROM CO-INSURANCE AND REINSURANCE OPERATIONS	48,940,738	41,548,913	19,824,185	15,309,075
Liabilities for re/co-insurance premiums	25,562,611	23,302,031	14,598,383	13,978,149
Liabilities for co-insurers' share of claims	9,098,912	6,805,001	5,225,802	1,330,926
Other re/co-insurance liabilities	14,279,215	11,441,881	0	0
CURRENT TAX LIABILITIES	4,570,444	3,764,874	3,516,683	2,364,168
TOTAL LIABILITIES FROM INSURANCE OPERATIONS	70,313,038	66,872,331	33,977,772	31,912,738

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

The Triglav Group and Zavarovalnica Triglav d.d. Annual Report 2020 | Notes to the statement of financial position

262

3.23 Other liabilities

				in EUR
	Triglav Group		Zavarovalnica Triglav	
	31. Dec. 2020	31. Dec. 2019	31. Dec. 2020	31. Dec. 2019
Short-term liabilities to employees	26,040,947	24,120,800	22,227,413	20,064,741
Trade payables	5,249,560	10,595,631	5,249,560	10,595,631
Other short-term liabilities from insurance operations	8,431,655	8,957,857	5,758,140	6,270,357
Other short-term liabilities	13,029,703	9,075,970	2,673,459	2,984,438
Other long-term liabilities	1,370,189	2,361,024	0	0
Accrued interest on issued bonds	419,521	1,374,110	419,521	1,374,110
Short-term deferred income from charged interest on arrears	1,759,420	1,931,477	1,759,420	1,931,477
Other accruals	11,986,410	14,058,081	2,300,352	2,374,349
TOTAL	68,287,405	72,474,950	40,387,864	45,595,103

4. Notes to the income statement

4.1 Premium income

				in EUR		
	Triglav	Triglav Group		Zavarovalnica Triglav		
NON-LIFE INSURANCE	2020	2019	2020	2019		
Gross written premium	663,653,947	668,136,011	473,082,070	479,262,624		
Assumed re-insurance written premium	139,910,457	105,274,042	70,736,329	41,872,667		
Assumed co-insurance written premium	3,679,918	2,084,877	968,779	1,092,668		
Ceded co-insurance written premium	-4,522,997	-5,223,607	-2,307,095	-2,578,625		
Reinsurance written premium	-152,074,485	-130,514,701	-134,829,732	-116,182,623		
Changes in gross provisions for unearned premiums	-11,498,329	-31,115,490	-1,719,996	-16,883,462		
Changes in reinsurers' share of unearned premiums	4,631,041	11,525,072	4,279,137	7,831,069		
Net premium income on non-life insurance	643,779,552	620,166,204	410,209,492	394,414,318		
LIFE INSURANCE						
Gross written premium	230,808,276	231,917,205	174,468,691	179,904,010		
Assumed co-insurance written premium	9,377	13,679	0	0		
Ceded co-insurance written premiums	-1,013,843	-217,422	-59,343	-39,311		
Reinsurance written premium	-2,411,024	-497,367	-738,036	-732,194		
Changes in gross provisions for unearned premiums	-14,316	-16,513	-13,028	8,270		
Changes in reinsurers' share of unearned premiums	175	680	69	264		
Net premium income on life insurance	227,378,645	231,200,262	173,658,354	179,141,039		
HEALTH INSURANCE						
Gross written premium	195,713,390	176,748,293	0	0		
Changes in gross provisions for unearned premiums	-116,761	-485,933	0	0		
Net premium income on health insurance	195,596,628	176,262,359	0	0		
TOTAL NET PREMIUM INCOME	1,066,754,825	1,027,628,825	583,867,846	573,555,357		

Overview of premium income by insurance class for Triglav Group¹⁰⁸

in EUR in EUR

2020	Gross written premium 109	Co-insurers' share in gross written premium	Ceded co-insurance written premium	Reinsurance written premium	Own share
NON-LIFE INSURANCE					
Accident insurance	40,020,368	105,847	-297,347	-961,007	38,867,861
Health insurance	202,787,742	432,016	-532,810	-665,899	202,021,049
Land motor vehicle insurance	155,385,206	25,242	-373,428	-12,783,098	142,253,922
Railway insurance	4,266,260	0	0	-1,227,523	3,038,737
Aircraft insurance	4,676,653	0	0	-2,467,191	2,209,462
Marine Insurance	11,074,465	0	-90,082	-905,362	10,079,021
Cargo insurance	8,129,301	0	-485,408	-1,789,252	5,854,641
Fire and natural forces insurance	99,873,842	1,236,295	-1,068,597	-36,534,203	63,507,337
Other damage to property insurance	182,230,296	1,399,752	-712,723	-53,420,508	129,496,817
Motor TPL insurance	180,538,288	53,235	0	-15,468,714	165,122,809
Aircraft liability insurance	2,593,392	0	0	-1,407,445	1,185,947
Marine liability insurance	2,065,934	0	0	-311,476	1,754,458
General liability insurance	49,707,802	121,234	-599,776	-10,872,253	38,357,007
Credit insurance	25,673,296	0	0	-7,194,527	18,478,769
Suretyship insurance	5,392,700	281,659	-236,655	-2,112,584	3,325,120
Miscellaneous financial loss insurance	6,204,664	24,638	-87,849	-3,391,414	2,750,039
Legal expenses insurance	662,209	0	-38,324	-109,034	514,851
Travel assistance insurance	17,995,378	0	0	-452,993	17,542,385
Total non-life insurance	999,277,796	3,679,918	-4,522,999	-152,074,483	846,360,232
LIFE INSURANCE					
Life insurance	107,496,268	9,377	-1,013,841	-2,410,205	104,081,599
Wedding insurance or birth insurance	0	0	0	0	0
Unit-linked life insurance	104,156,321	0	0	0	104,156,321
Tontines	0	0	0	0	0
Capital redemption insurance	18,880,523	0	0	0	18,880,523
Loss of income due to illness	275,162	0	0	-821	274,341
Total life insurance	230,808,274	9,377	-1,013,841	-2,411,026	227,392,784
TOTAL	1,230,086,070	3,689,295	-5,536,840	-154,485,509	1,073,753,016

					III LOK
		Co-insurers' share in	Ceded co-insurance	Reinsurance	
	Gross written	gross written	written	written	
2019	premium	premium	premium	premium	Own share
NON-LIFE INSURANCE					
Accident insurance	41,613,025	112,562	-295,837	-903,691	40,526,059
Health insurance	183,494,721	221,615	-259,854	-645,057	182,811,425
Land motor vehicle insurance	152,015,046	430	-343,131	-11,506,202	140,166,143
Railway insurance	3,294,906	0	0	-787,049	2,507,857
Aircraft insurance	3,829,915	0	0	-2,089,373	1,740,542
Marine Insurance	6,753,821	0	-54,364	-532,860	6,166,597
Cargo insurance	7,923,780	0	-565,396	-1,358,336	6,000,048
Fire and natural forces insurance	101,733,050	1,217,028	-972,062	-34,409,340	67,568,676
Other damage to property insurance	156,492,096	383,922	-1,613,117	-41,877,887	113,385,014
Motor TPL insurance	179,157,481	40,208	0	-13,240,359	165,957,330
Aircraft liability insurance	2,960,984	0	0	-1,651,076	1,309,908
Marine liability insurance	1,790,587	0	-220,750	-230,431	1,339,406
General liability insurance	49,667,964	87,374	-758,917	-10,621,359	38,375,062
Credit insurance	29,572,216	0	0	-5,876,014	23,696,202
Suretyship insurance	3,921,136	3,932	0	-1,015,572	2,909,496
Miscellaneous financial loss insurance	6,098,459	17,806	-95,062	-3,132,482	2,888,721
Legal expenses insurance	711,465	0	-45,117	-154,092	512,256
Travel assistance insurance	19,127,697	0	0	-483,523	18,644,174
Total non-life insurance	950,158,349	2,084,877	-5,223,607	-130,514,703	816,504,916
LIFE INSURANCE					
Life insurance	104,197,450	13,679	-217,422	-496,590	103,497,117
Wedding insurance or birth insurance	0	0	0	0	0
Unit-linked life insurance	109,836,048	0	0	0	109,836,048
Tontines	0	0	0	0	0
Capital redemption insurance	17,655,904	0	0	0	17,655,904
Loss of income due to illness	227,800	0	0	-777	227,023
Total life insurance	231,917,202	13,679	-217,422	-497,367	231,216,092
TOTAL	1,182,075,551	2,098,556	-5,441,029	-131,012,070	1,047,721,008

¹⁰⁸ Non-life insurance also includes health insurance.

¹⁰⁹ Gross written premium also includes written reinsurance premiums accepted.

Overview of premium income by insurance class for Zavarovalnica Triglav

in EUR in EUR

2020	Gross written premium	Co-insurers' share in gross written premium	Ceded co-insurance written premium	Reinsurance written premium	Own share
NON-LIFE INSURANCE	·				
Accident insurance	25,696,568	0	-155,293	-878,266	24,663,009
Health insurance	926,557	0	-402,038	0	524,519
Land motor vehicle insurance	127,536,358	0	0	-10,109,680	117,426,678
Railway insurance	4,175,198	0	0	-833,423	3,341,775
Aircraft insurance	2,390,519	0	0	-2,238,203	152,316
Marine Insurance	994,760	0	0	-462,673	532,087
Cargo insurance	5,321,053	0	-485,382	-1,871,186	2,964,485
Fire and natural forces insurance	57,326,056	965,939	-428,503	-21,598,977	36,264,515
Other damage to property insurance	130,253,822	0	-85,361	-64,758,546	65,409,915
Motor TPL insurance	106,754,958	0	0	-11,037,689	95,717,269
Aircraft liability insurance	1,693,326	0	0	-1,556,733	136,593
Marine liability insurance	950,911	0	0	-134,428	816,483
General liability insurance	38,617,047	2,841	-702,639	-10,942,514	26,974,735
Credit insurance	19,137,654	0	0	-4,406,029	14,731,625
Suretyship insurance	2,775,316	0	0	-1,416,006	1,359,310
Miscellaneous financial loss insurance	2,574,281	0	-9,553	-1,693,204	871,524
Legal expenses insurance	641,309	0	-38,324	-104,841	498,144
Travel assistance insurance	16,052,704	0	0	-787,334	15,265,370
Total non-life insurance	543,818,397	968,780	-2,307,093	-134,829,732	407,650,352
LIFE INSURANCE					
Life insurance	79,466,230	0	-59,343	-717,016	78,689,871
Wedding insurance or birth insurance	0	0	0	0	0
Unit-linked life insurance	76,121,938	0	0	-21,020	76,100,918
Tontines	0	0	0	0	0
Capital redemption insurance	18,880,523	0	0	0	18,880,523
Loss of income due to illness	0	0	0	0	0
Total life insurance	174,468,691	0	-59,343	-738,036	173,671,312
TOTAL	718,287,088	968,780	-2,366,436	-135,567,768	581,321,664

					III EUK
		Co-insurers' share in	Ceded co-insurance	Reinsurance	
	Gross written	gross written	co-insurance written	written	
2019	premium	premium	premium	premium	Own share
NON-LIFE INSURANCE					
Accident insurance	26,948,216	0	-155,434	-899,385	25,893,398
Health insurance	728,634	0	-259,704	0	468,930
Land motor vehicle insurance	124,555,113	0	0	-9,724,465	114,830,648
Railway insurance	3,154,574	0	0	-692,139	2,462,435
Aircraft insurance	1,928,948	0	0	-1,730,977	197,970
Marine Insurance	308,649	0	0	-26,503	282,146
Cargo insurance	4,724,407	0	-565,396	-1,330,197	2,828,814
Fire and natural forces insurance	55,078,786	1,056,091	-416,398	-20,765,821	34,952,658
Other damage to property insurance	115,060,304	0	-135,988	-51,438,465	63,485,851
Motor TPL insurance	102,354,472	-2,116	0	-9,529,793	92,822,563
Aircraft liability insurance	1,988,419	0	0	-1,829,452	158,967
Marine liability insurance	811,322	0	-220,750	-95,363	495,209
General liability insurance	39,095,354	38,693	-767,804	-11,080,961	27,285,281
Credit insurance	22,962,440	0	0	-4,003,816	18,958,624
Suretyship insurance	2,414,586	0	0	-609,331	1,805,255
Miscellaneous financial loss insurance	2,807,251	0	-12,034	-1,546,580	1,248,636
Legal expenses insurance	700,475	0	-45,117	-123,927	531,431
Travel assistance insurance	15,513,341	0	0	-755,448	14,757,892
Total non-life insurance	521,135,291	1,092,668	-2,578,625	-116,182,623	403,466,711
LIFE INSURANCE					
Life insurance	82,300,599	0	-39,311	-732,194	81,529,094
Wedding insurance or birth insurance	0	0	0	0	0
Unit-linked life insurance	79,947,507	0	0	0	79,947,507
Tontines	0	0	0	0	0
Capital redemption insurance	17,655,904	0	0	0	17,655,904
Loss of income due to illness	0	0	0	0	0
Total life insurance	179,904,010	0	-39,311	-732,194	179,132,505
TOTAL	701,039,301	1,092,668	-2,617,936	-116,914,817	582,599,216

4.2 Total income from financial assets

				in EUR
	Triglav	Group	Zavarovaln	ica Triglav
	2020	2019	2020	2019
INTEREST INCOME FROM FINANCIAL ASSETS				
– available for sale	23,459,079	29,910,023	14,909,519	20,567,584
 loans and deposits 	1,842,659	3,921,136	1,334,800	3,620,175
– held to maturity	7,768,631	8,860,967	6,915,006	7,116,912
 at fair value through profit and loss 	8,985,433	10,445,616	3,068,915	4,259,388
Inetrest income	42,055,802	53,137,742	26,228,240	35,564,059
DIVIDENDS FROM				
– available-for-sale financial assets	3,727,040	3,289,086	3,520,893	2,684,732
– financial assets at fair value through profit and loss	758,751	525,711	276,448	205,034
– subsidiaries and associates	0	40,988	0	3,213,938
TOTAL DIVIDENDS	4,485,791	3,855,785	3,797,341	6,103,704
Fair value gains	33,085,187	87,186,487	21,180,963	68,172,441
Realised gains on disposals	40,162,889	38,129,233	37,288,158	32,059,434
Other financial income	3,289,780	5,240,372	989,574	3,255,029
Profit on investments accounted for using the equity method	436,610	515,913	0	0
TOTAL INVESTMENT INCOME	123,516,059	188,065,532	89,484,277	145,154,667

Fair value gains are described in detail in <u>Section 4.4</u>, and realised gains on disposals in <u>Section 4.5</u>. 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		
	2020	2019	2020	2019	
Fair value losses	16,644,853	6,915,721	11,353,809	4,611,063	
Realised loss on disposals	6,941,491	9,767,166	5,719,183	9,679,511	
Loss on disposals of subsidiaries	0	562,704	0	0	
Loss on impairment of financial assets	1,971,302	848,962	5,550,209	344,175	
Other finance costs	15,435,565	6,421,723	6,982,468	3,942,664	
- Net exchange losses	7,995,342	1,039,315	2,120,782	489,247	
- Other expenses from financial assets and liabilities	2,970,517	2,584,845	1,106,372	1,351,956	
- Asset management costs	4,469,706	2,797,563	3,755,314	2,101,461	
Loss on equity investments in associates accounted for using the equity method	139,422	170,640	0	0	
TOTAL EXPENSES FROM FINANCIAL ASSETS	41,132,633	24,686,916	29,605,669	18,577,413	
TOTAL LATERISES I NOM FINANCIAL ASSETS	71,132,033	27,000,310	29,003,009	10,377,413	

Fair value losses are described in detail in <u>Section 4.4</u>, and realised loss on disposals of financial assets in <u>Section 4.5</u>. Data in the table also include expenses from financial assets for shareholder-related companies. Expenses due to impairment of financial assets of Zavarovalnica Triglav also include expenses due to impairment of investments in subsidiaries and associates in the total amount of EUR 3,917,859 (see the <u>sections 3.5</u> and <u>3.6</u>).

4.4 Fair value gains and losses

				in EUR	
	Triglav	Group	Zavarovalnica Triglav		
	2020	2019	2020	2019	
Financial assets recognised at fair value through profit/					
loss	16,395,317	80,327,326	9,782,156	63,617,937	
– gains	32,983,586	87,119,619	21,079,372	68,105,572	
- losses	-16,588,269	-6,792,293	-11,297,215	-4,487,635	
Derivative financial instruments	45,007	-56,560	44,998	-56,559	
– gains	101,601	66,868	101,592	66,868	
- losses	-56,594	-123,428	-56,594	-123,428	
NET GAINS FROM CHANGES IN FAIR VALUE	16,440,324	80,270,766	9,827,154	63,561,378	

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	Zavarovalr	nica Triglav
	2020	2019	2020	2019
Financial assets recognised at fair value through profit/loss	3,504,623	7,663,277	3,642,824	7,373,185
 realised gains on disposals 	6,725,069	7,987,214	6,591,125	7,657,038
– realised losses on disposals	-3,220,446	-323,937	-2,948,301	-283,854
Available-for-sale financial assets	30,268,801	26,265,832	28,486,674	20,573,780
 realised gains on disposals 	33,427,713	29,499,354	30,695,423	23,759,731
– realised losses on disposals	-3,158,912	-3,233,522	-2,208,749	-3,185,951
Derivative financial instruments	-562,133	-5,604,207	-560,523	-5,604,207
 realised gains on disposals 	0	605,500	1,610	605,500
– realised losses on disposals	-562,133	-6,209,707	-562,133	-6,209,707
Held-to-maturity financial assets	10,107	37,165	0	37,165
– realised gains on disposals	10,107	37,165	0	37,165
– realised losses on disposals	0	0	0	0
TOTAL REALISED GAINS AND LOSSES	33,221,398	28,362,067	31,568,975	22,379,923

4.6 Other insurance income

				in EUR	
	Triglav	Group	Zavarovalnica Triglav		
	2020	2019	2020	2019	
Fees and commission income	30,649,757	22,069,255	30,080,891	19,848,006	
- reinsurance commission income	30,584,802	22,013,758	30,015,937	19,792,510	
 investment management services 	64,955	55,497	64,954	55,496	
Other income from insurance operations	10,357,236	15,114,257	8,029,138	9,906,997	
– income from sale of green cards for motor vehicles	1,811,690	1,754,473	843,416	1,004,770	
- income from claims settled for other insurance companies	671,161	685,290	474,269	550,590	
 income from assistance services 	17,245	24,179	1,612	18,355	
 – other income from insurance operations 	3,127,731	6,662,743	2,288,777	2,744,077	
– interest from receviables	4,729,408	5,987,574	4,421,064	5,589,205	
OTHER INSURANCE INCOME	41,006,993	37,183,512	38,110,029	29,755,003	

In 2019, Zavarovalnica Triglav disclosed management fee income of guarantee funds backing life insurance under the item "Other income", while in 2020 management fee income is disclosed under the item "Reinsurance commission income". The presentation difference affected only the financial statements of Zavarovalnica Triglav and had no impact on the consolidated financial statements of the Triglav Group.

4.7 Other income

				IN EUR	
	Triglav	Group	Zavarovalnica Triglav		
	2020	2019	2020	2019	
Income from investment property	6,519,268	6,951,440	5,577,256	5,662,363	
Income from disposal of investment property	366,774	999,045	129,907	340,238	
Income from disposal of intangible assets	98,163	0	2,973	0	
Income from disposal of property, plant and equipment	12,987	153,405	0	1,555	
Income from other services	2,257,129	1,568,578	2,082,333	5,274,718	
Income from non-insurance companies in the Group	34,096,405	29,515,380	0	0	
Fair value gains	225,158	140,621	75,751	70,601	
Claims refund	38,093	192,654	4,365	5,960	
TOTAL OTHER INCOME	43,613,977	39,521,122	7,872,585	11,355,435	

The Triglav Group and Zavarovalnica Triglav d.d. Annual Report 2020 | Notes to the income statement

267

In 2019, Zavarovalnica Triglav disclosed management fee income of guarantee funds backing life insurance under other income, specifically under the item "income from other services". In 2020, this income is included among other insurance income, i.e. under the item "fee and commission income«. The presentation difference affected only the financial statements of Zavarovalnica Triglav and had no impact on the consolidated financial statements of the Triglav Group.

4.8 Claims

	Triglav Group		Zavarovalnica Triglav	
	2020	2019	2020	2019
NON-LIFE INSURANCE				
Gross claims settled	349,229,525	367,371,941	258,513,244	271,314,359
Gross claims paid from inward reinsurance	49,605,448	44,762,054	14,637,963	7,882,121
Gross claims paid from coinsurance	270,798	0	-213,364	0
Income from gross subrogated receivables	-18,250,528	-17,396,530	-14,900,037	-13,811,826
Reinsurers' share of gross claims settled	-31,431,285	-34,973,279	-30,576,201	-31,232,576
Co-insurers' share of gross claims settled	-1,872,648	-163,170	-870,652	96,351
Change in gross claims provisions	29,208,174	-8,261,273	1,582,680	-14,432,209
Change in gross claims provisions for re/co-insurer's share	-17,309,578	-1,508,080	-3,167,422	-2,701,279
Net claims incurred on non-life insurance	359,449,906	349,831,663	225,006,211	217,114,940
LIFE INSURANCE				
Gross claims settled	172,878,283	181,736,829	150,240,333	159,819,727
Coinsurers' shares and gross claims	-736,112	0	-3,704	0
Reinsurers' share in gross claims	-239,544	-118,092	-238,532	-359,222
Change in gross claims provisions	624,021	205,837	356,178	192,783
Change in reinsurers' share in gross claims provisions	-90,927	-13,543	-23,540	-7,351
Net claims incurred on life insurance	172,435,721	181,811,031	150,330,735	159,645,937
HEALTH INSURANCE				
Gross claims settled	143,834,955	140,293,784	0	0
Income from gross exercised subrogation receivables	-124,254	-25,942	0	0
Change in gross claims provisions	107,716	4,673,818	0	0
Change in claims provisions for reinsurers' share	1,628	-3,695	0	0
Equalisation scheme expenses	7,926,103	7,567,169	0	0
TOTAL net claims incurred on health insurance	151,746,148	152,505,134	0	0
NET CLAIMS INCURRED TOTAL	683,631,775	684,147,828	375,336,947	376,760,877

Overview of net claims incurred by insurance class

Triglav Group 2020	Gross claims ¹¹⁰	Gross claims paid from coinsurance	Coinsurers' shares	Income from subrogated receivables	Reinsurers' share	Net claims incurred
NON-LIFE INSURANCE						
Accident insurance	21,290,057	39,557	-124,636	-9,638	-301,277	20,894,063
Health insurance	148,018,770	223,878	-28,319	-129,809	-226,086	147,858,434
Land motor vehicle insurance	98,264,951	0	-267,426	-3,779,373	-3,393,568	90,824,584
Railway insurance	703,145	0	0	-144,574	0	558,571
Aircraft insurance	1,519,206	0	0	0	-263,135	1,256,071
Marine Insurance	5,020,088	-222,792	-215,399	-6,035	-515,082	4,060,780
Cargo insurance	2,762,902	0	-263,982	-256,987	-340,862	1,901,071
Fire and natural forces insurance	43,487,374	630	-129,842	-753,002	-4,710,921	37,894,239
Other damage to property insurance	71,466,410	181,023	-349,858	-338,752	-8,545,192	62,413,631
Motor TPL insurance	98,128,200	9,430	0	-2,832,850	-3,807,640	91,497,140
Aircraft liability insurance	432,888	0	0	0	-274,564	158,324
Marine liability insurance	650,939	0	-134,064	-1,549	-64,183	451,143
General liability insurance	18,794,061	39,072	-353,558	-258,410	-5,040,228	13,180,937
Credit insurance	15,341,279	0	0	-9,211,904	-3,063,238	3,066,137
Suretyship insurance	1,027,266	0	0	-366,207	-19,165	641,894
Miscellaneous financial loss insurance	1,774,640	0	0	-261,589	-670,236	842,815
Legal expenses insurance	76,947	0	-4,905	-191	-4,561	67,290
Travel assistance insurance	13,910,147	0	0	-23,912	-191,347	13,694,888
Total non-life insurance	542,669,270	270,798	-1,871,989	-18,374,782	-31,431,285	491,262,012
LIFE INSURANCE						
Life insurance	111,517,084	0	-736,112	0	-239,544	110,541,428
Wedding insurance or birth insurance	0	0	0	0	0	0
Unit-linked life insurance	56,627,021	0	0	0	0	56,627,021
Tontines	0	0	0	0	0	0
Capital redemption insurance	4,656,031	0	0	0	0	4,656,031
Loss of income due to illness	78,146	0	0	0	0	78,146
Total life insurance	172,878,282	0	-736,112	0	-239,544	171,902,626
TOTAL	715,547,552	270,798	-2,608,101	-18,374,782	-31,670,829	663,164,638

¹¹⁰ Gross claims paid also include gross claims paid from inward reinsurance and equalisation scheme expenses for supplemental health insurance.

Triglav Group 2019	Gross claims	Income from subrogated receivables	Reinsurers' share	Net claims incurred
NON-LIFE INSURANCE				
Accident insurance	24,418,611	-35,930	-599,640	23,783,041
Health insurance	143,879,958	-26,389	-259,010	143,594,559
Land motor vehicle insurance	103,769,720	-4,111,863	-3,795,409	95,862,448
Railway insurance	1,062,241	-88	0	1,062,153
Aircraft insurance	1,166,301	0	-124,128	1,042,173
Marine Insurance	3,783,849	-33,898	-18,943	3,731,008
Cargo insurance	2,736,035	-335,519	-371,644	2,028,872
Fire and natural forces insurance	45,301,428	-221,271	-7,445,386	37,634,771
Other damage to property insurance	74,204,164	-445,857	-11,439,008	62,319,299
Motor TPL insurance	101,378,566	-3,614,028	-3,600,060	94,164,478
Aircraft liability insurance	486,289	0	-137,328	348,961
Marine liability insurance	327,872	0	-459	327,413
General liability insurance	18,173,316	-275,044	-2,599,413	15,298,859
Credit insurance	14,095,639	-8,082,298	-2,557,877	3,455,464
Suretyship insurance	607,264	-194,133	-8,289	404,842
Miscellaneous financial loss insurance	3,582,949	-7,539	-1,797,919	1,777,491
Legal expenses insurance	59,200	0	-223	58,977
Travel assistance insurance	13,394,374	-38,615	-218,550	13,137,209
Total non-life insurance	552,427,776	-17,422,472	-34,973,286	500,032,018
LIFE INSURANCE				
Life insurance	109,673,444	0	-118,092	109,555,352
Wedding insurance or birth insurance	0	0	0	0
Unit-linked life insurance	66,923,331	0	0	66,923,331
Tontines	0	0	0	0
Capital redemption insurance	5,050,338	0	0	5,050,338
Loss of income due to illness	89,719	0	0	89,719
Total life insurance	181,736,832	0	-118,092	181,618,740
TOTAL	734,164,608	-17,422,472	-35,091,378	681,650,758

Zavarovalnica Triglav 2020	Gross claims	Gross claims paid from coinsurance	Coinsurers' shares	Income from subrogated receivables	Reincurers' chare	Net claims incurred
NON-LIFE INSURANCE	Gross ciamis	nom comparance	comparers shares	receivables	Remodrery share	rece claims mearied
Accident insurance	11,267,844	0	-47,119	-8,628	-309,677	10,902,420
Health insurance	425,255	0	-7,392	0	0	417,863
Land motor vehicle insurance	79,748,505	0	0	-2,200,346	-3,847,129	73,701,030
Railway insurance	682,153	0	0	-69,689	0	612,464
Aircraft insurance	83,613	0	0	0	-2,232	81,381
Marine Insurance	240,445	-222,792	0	0	-4,678	12,975
Cargo insurance	1,662,070	0	-263,982	-167,069	-219,674	1,011,345
Fire and natural forces insurance	21,269,591	415	-126,254	-672,477	-3,189,052	17,282,223
Other damage to property insurance	47,415,587	0	-32,158	-315,089	-10,219,661	36,848,679
Motor TPL insurance	65,884,921	0	0	-1,640,304	-4,620,762	59,623,855
Aircraft liability insurance	70,596	0	0	0	-22,721	47,875
Marine liability insurance	333,012	0	-134,064	-20	-546	198,382
General liability insurance	16,334,883	9,013	-254,778	-200,165	-5,133,259	10,755,694
Credit insurance	13,685,542	0	0	-8,976,231	-2,021,059	2,688,252
Suretyship insurance	525,975	0	0	-364,908	17,487	178,554
Miscellaneous financial loss insurance	994,852	0	0	-261,589	-444,954	288,309
Legal expenses insurance	76,844	0	-4,905	-191	-4,069	67,679
Travel assistance insurance	12,449,520	0	0	-23,330	-554,217	11,871,973
Total non-life insurance	273,151,208	-213,364	-870,652	-14,900,037	-30,576,201	226,590,954
LIFE INSURANCE						
Life insurance	96,431,880	0	-3,704	0	-238,284	96,189,892
Wedding insurance or birth insurance	0	0	0	0	0	0
Unit-linked life insurance	49,152,423	0	0	0	-248	49,152,175
Tontines	0	0	0	0	0	0
Capital redemption insurance	4,656,031	0	0	0	0	4,656,031
Loss of income due to illness	0	0	0	0	0	0
Total life insurance	150,240,334	0	-3,704	0	-238,532	149,998,098
TOTAL	423,391,542	-213,364	-874,356	-14,900,037	-30,814,733	376,589,052

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

4.9 Reinsurance result

				in EUR	
	Triglav	Group	Zavarovalnica Triglav		
	2020	2019	2020	2019	
Reinsurance premiums	-154,485,509	-131,012,070	-137,934,206	-119,532,753	
Changes in reinsurers' share of unearned premiums	4,631,215	11,525,751	4,279,206	7,831,333	
Reinsurers' share of claims	31,670,829	35,091,378	30,814,733	31,591,798	
Changes in claims provisions for reinsurers' shares	17,398,877	1,525,318	3,190,962	2,708,631	
Net result from reinsurance operations	-100,784,588	-82,869,623	-99,649,305	-77,400,991	
Reinsurance commission	30,584,803	22,013,759	26,633,336	19,792,511	
GROSS REINSURANCE RESULT	-70,199,785	-60,855,864	-73,015,969	-57,608,480	

4.10 Change in other insurance-technical provisions

				IN EUR
	Triglav	Group	Zavarovaln	ica Triglav
	2020	2019	2020	2019
Change in other insurance technical provisions	62,636,591	59,308,589	13,449,956	22,338,141
 changes in gross provisions for cancellations 	1,602,164	61,201	-42,822	113,200
 changes in gross provisions for unexpired risks 	16,740,058	560,277	-356,632	152,440
- changes in gross provisions for other catastrophic risks	0	0	0	0
 changes in gross provisions for life insurance 	43,781,010	58,327,494	13,336,051	21,712,883
 changes in gross provisions for bonuses from with- profits life insurance 	513,359	359,618	513,359	359,618
Change in gross provisions for unit-linked insurance contracts	25,492,453	69,205,056	13,270,367	57,140,018
TOTAL CHANGE IN OTHER INSURANCE TECHNICAL PROVISIONS	88,129,043	128,513,645	26,720,323	79,478,159

4.11 Expenses for bonuses and discounts

				in EUR
	Triglav	Triglav Group Zavarovalnica Triglav		
	2020	2019	2020	2019
Settled bonuses and discounts	13,057,497	11,150,325	11,257,539	10,203,376
Changes in gross provisions for bonuses and discounts	8,292,779	410,933	4,771,959	-481,855
TOTAL EXPENSES FOR BONUSES AND DISCOUNTS	21,350,276	11,561,258	16,029,498	9,721,522

4.12 Acquisition costs and other operating expenses

				in EUR	
	Triglav	Group	Zavarovalnica Triglav		
	2020	2019	2020	2019	
Acquisition costs	163,528,966	162,566,584	113,568,435	110,868,380	
Other operating costs	77,383,769	81,886,268	42,336,182	47,037,785	
Claim handling costs*	26,966,051	26,992,891	20,290,917	20,486,350	
Costs of asset management**	4,469,706	2,797,563	3,755,314	2,101,461	
Operating expenses from non-insurance operations***	34,397,927	31,025,419	0	0	
TOTAL	306,746,419	305,268,725	179,950,848	180,493,976	

^{*} 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

						in EUR
Triglav Group 2020	Non-life insurance	Life insurance	Health insurance	Total costs of insurance operations	Costs of non- insurance operations	TOTAL
Acquisition costs	38,319,942	10,907,545	1,798,039	51,025,526	0	51,025,526
Cost of goods sold	0	0	0	0	11,179	11,179
Depreciation of operating assets	14,243,202	2,711,218	874,375	17,828,795	3,437,310	21,266,105
Labour costs	115,594,332	20,376,522	5,728,067	141,698,921	15,016,892	156,715,813
Wages and salaries	80,992,241	14,332,568	4,334,405	99,659,214	10,570,013	110,229,227
Social security and pension insurance costs	17,898,066	2,958,614	722,094	21,578,774	2,764,797	24,343,571
Other labour costs	16,704,025	3,085,340	671,568	20,460,933	1,682,082	22,143,015
Costs of services provided by natural persons other than SPs, including related taxes	952,434	82,047	174,288	1,208,769	0	1,208,769
Other operating costs	48,679,515	5,682,633	6,224,333	60,586,481	15,932,546	76,519,027
Costs of entertainment, advertising, trade shows	13,198,936	331,830	805,092	14,335,858	1,216,004	15,551,862
Costs of material and energy	5,330,197	522,923	458,225	6,311,345	1,606,865	7,918,210
Maintenance costs	7,865,885	1,431,081	2,475,266	11,772,232	1,233,029	13,005,261
Reimbursement of labour-related costs	2,275,896	83,910	51,619	2,411,425	566,538	2,977,963
Costs of intellectual and personal services	2,975,299	706,620	543,555	4,225,474	771,897	4,997,371
Membership fees and charges	1,981,163	325,732	118,160	2,425,055	685,948	3,111,003
Costs of services - transport and communications	3,222,317	294,875	1,070,552	4,587,744	119,109	4,706,853
Costs for insurance premiums	766,039	64,142	2,335	832,516	30,114	862,630
Payment transaction costs and banking services	1,142,426	244,725	284,354	1,671,505	3,994,310	5,665,815
Rents	3,505,396	383,959	8,036	3,897,391	694,454	4,591,845
Costs of professional training services	687,076	144,857	79,752	911,685	81,141	992,826
Other costs of services	5,728,885	1,147,979	327,387	7,204,251	4,933,137	12,137,388
TOTAL OPERATING EXPENSES	217,789,425	39,759,965	14,799,102	272,348,492	34,397,927	306,746,419

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

		2020			2019	
Zavarovalnica Triglav	Non-life insurance	Life insurance	TOTAL	Non-life insurance	Life insurance	TOTAL
Acquisition costs	19,994,366	8,556,361	28,550,727	20,537,251	8,221,864	28,759,115
Depreciation of operating assets	9,853,276	2,291,994	12,145,270	9,306,961	1,860,782	11,167,743
Labour costs	85,276,081	16,037,554	101,313,635	84,468,319	15,405,513	99,873,832
Wages and salaries	60,851,633	11,482,384	72,334,017	59,446,002	10,792,080	70,238,082
Social security and pension insurance costs	10,079,291	1,921,461	12,000,752	10,000,710	1,836,307	11,837,017
Other labour costs	14,345,157	2,633,709	16,978,866	15,021,607	2,777,126	17,798,733
Costs of services provided by natural persons other than SPs, including related taxes	251,240	38,729	289,969	303,626	46,290	349,916
Other operating costs	29,707,071	7,944,175	37,651,247	31,302,758	9,040,612	40,343,370
Costs of entertainment, advertising, trade shows	5,972,357	1,635,219	7,607,576	6,314,611	2,284,236	8,598,847
Costs of material and energy	3,075,760	706,784	3,782,544	2,702,111	723,768	3,425,879
Maintenance costs	6,978,768	1,844,267	8,823,035	7,602,688	2,025,071	9,627,759
Reimbursement of labour-related costs	1,929,367	246,108	2,175,475	2,946,849	413,787	3,360,636
Costs of intellectual and personal services	1,487,234	584,790	2,072,024	1,475,483	487,897	1,963,380
Membership fees and charges	1,082,657	298,011	1,380,668	1,306,399	321,967	1,628,366
Costs of services - transport and communications	2,145,947	832,750	2,978,697	2,143,568	929,081	3,072,649
Costs for insurance premiums	353,686	25,631	379,318	302,748	24,556	327,304
Payment transaction costs and banking services	775,856	443,128	1,218,984	1,096,078	602,093	1,698,171
Rents	2,485,320	539,378	3,024,699	1,827,225	388,833	2,216,058
Costs of professional training services	603,519	161,427	764,946	725,103	177,098	902,201
Other costs of services	2,816,600	626,681	3,443,281	2,859,895	662,225	3,522,120
TOTAL OPERATING EXPENSES	145,082,034	34,868,813	179,950,848	145,918,915	34,575,061	180,493,976

In addition to the above-stated amount of EUR 72,334,017 (vs. EUR 70,238,082 in 2019), total wages and salaries include employee bonuses based on performance results in 2020 in the total amount of EUR 10,931,618 (vs. EUR 9,094,941 in 2019). Total costs for wages and salaries in 2020 thus amount to EUR 83,265,635 (vs. EUR 79,333,023 in 2019).

Total costs of Zavarovalnica Triglav for the above-mentioned item, including taxes and other contributions chargeable to the employer, amount to EUR 12,691,608 and are disclosed as other expenses (2019: EUR 10,559,226).

4.12.2 Gross operating expenses by nature and function

Triglav Group	Cost of contract acquisition	Claim handling costs	Costs of asset management	Other operating expenses	Costs of non- insurance operations	TOTAL
Acquisition costs	51,025,526	0	0	0	0	51,025,526
Cost of goods sold	0	0	0	0	11,179	11,179
Depreciation of operating assets	8,601,074	2,126,914	344,758	6,756,049	3,437,310	21,266,105
Labour costs	74,524,632	19,586,339	2,923,688	44,664,262	15,016,892	156,715,813
Wages and salaries	53,707,688	13,592,289	2,145,447	30,213,790	10,570,013	110,229,227
Social security and pension insurance costs	10,991,819	3,043,413	417,814	7,125,728	2,764,797	24,343,571
Other labour costs	9,825,125	2,950,637	360,427	7,324,744	1,682,082	22,143,015
Costs of services provided by natural persons other than SPs, including related taxes	390,142	376,434	10,095	432,098	0	1,208,769
Other operating costs	28,987,592	4,876,364	1,191,165	25,531,360	15,932,546	76,519,027
Costs of entertainment, advertising, trade shows	11,977,021	42,029	21,221	2,295,587	1,216,004	15,551,862
Costs of material and energy	3,229,120	908,908	73,927	2,099,390	1,606,865	7,918,210
Maintenance costs	3,387,535	971,128	296,013	7,117,556	1,233,029	13,005,261
Reimbursement of labour-related costs	2,063,867	80,429	28,512	238,617	566,538	2,977,963
Costs of intellectual and personal services	765,710	445,557	226,501	2,787,706	771,897	4,997,371
Membership fees and charges	688,597	168,841	48,108	1,519,509	685,948	3,111,003
Costs of services - transport and communications	2,202,526	487,817	58,273	1,839,128	119,109	4,706,853
Costs for insurance premiums	304,939	76,247	13,901	437,429	30,114	862,630
Payment transaction costs and banking services	253,351	5,860	134,380	1,277,914	3,994,310	5,665,815
Rents	1,529,852	552,573	43,547	1,771,419	694,454	4,591,845
Costs of professional training services	343,119	81,741	82,443	404,382	81,141	992,826
Other costs of services	2,241,955	1,055,234	164,339	3,742,723	4,933,137	12,137,388
TOTAL OPERATING EXPENSES	163,528,966	26,966,051	4,469,706	77,383,769	34,397,927	306,746,419

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

Zavarovalnica Triglav 2020	Cost of contract acquisition	Claim handling costs	Costs of asset management	Other operating expenses	TOTAL
Acquisition costs	28,550,727	0	0	0	28,550,727
Depreciation of operating assets	7,031,753	1,767,164	283,711	3,062,642	12,145,270
Labour costs	57,511,190	15,240,239	2,473,568	26,088,638	101,313,635
Wages and salaries	41,937,127	10,760,110	1,837,744	17,799,035	72,334,017
Social security and pension insurance costs	6,969,474	1,786,287	312,845	2,932,147	12,000,752
Other labour costs	8,604,589	2,693,842	322,979	5,357,456	16,978,866
Costs of services provided by natural persons other than SPs, including related taxes	20,379	195,592	6,230	67,769	289,969
Other operating costs	20,454,386	3,087,923	991,805	13,117,133	37,651,247
Costs of entertainment, advertising, trade shows	7,462,609	17,480	14,864	112,624	7,607,576
Costs of material and energy	2,049,043	693,558	59,288	980,656	3,782,544
Maintenance costs	2,969,546	774,217	277,386	4,801,886	8,823,035
Reimbursement of labour-related costs	2,028,422	41,047	21,925	84,081	2,175,475
Costs of intellectual and personal services	458,994	122,632	209,653	1,280,746	2,072,024
Membership fees and charges	586,542	147,847	45,823	600,456	1,380,668
Costs of services - transport and communications	1,910,654	376,242	50,538	641,263	2,978,697
Costs for insurance premiums	80,395	33,535	3,009	262,379	379,318
Payment transaction costs and banking services	392,786	621	121,410	704,167	1,218,984
Rents	1,022,141	348,547	34,263	1,619,748	3,024,699
Costs of professional training services	280,487	74,143	79,188	331,127	764,946
Other costs of services	1,212,768	458,055	74,458	1,698,000	3,443,281
TOTAL OPERATING EXPENSES	113,568,435	20,290,917	3,755,314	42,336,182	179,950,848

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

				in EUR
	Triglav	Group	Zavarovalnica Triglav	
	2020	2019	2020	2019
Fee and commission expenses	30,320,683	23,732,270	11,318,836	3,976,854
Expenses from impairment of insurance receivables and write-offs	5,221,362	4,481,382	3,298,341	2,658,427
Fire tax	4,741,187	4,465,062	4,400,360	4,088,719
Expenses of preventive activity	3,374,643	2,421,801	2,773,516	1,805,266
Contributions for claims from uninsured or unidentified vehicles	2,241,966	2,036,902	766,364	766,364
Supervisory authority fees	1,786,795	1,617,379	907,241	866,690
Other net insurance expenses	3,836,751	4,810,514	843,379	788,387
OTHER EXPENSES FROM INSURANCE OPERATIONS	51,523,387	43,565,310	24,308,038	14,950,707

				in EUR
	Triglav	Group	Zavarovalnica Triglav	
	2020	2019	2020	2019
Financial expenses	2,937,501	3,098,502	2,578,946	2,867,130
Interest expenses for bonds issued	2,351,604	2,504,904	2,460,276	2,691,945
Lease interest expenses	512,481	554,387	65,395	76,026
Other financing expenses	73,416	39,211	53,275	99,159
Other expenses	54,371,221	51,435,454	17,780,733	14,946,882
Operating expenses of non-insurance companies	32,184,037	30,092,616	0	0
Employee and Management Board bonuses	14,699,072	12,133,664	12,691,608	10,559,226
Expenses from impairment of investment property	697,313	2,415,650	653,340	164,017
Other investment property expenses	2,312,787	2,325,240	2,829,442	2,775,195
Depreciation of investment property	1,400,196	1,385,473	965,361	904,388
Depreciation of right of use assets	43,190	43,190	43,190	43,190
Loss from investment property disposal	207,679	18,301	1,685	0
Expenses from reversal of impairment of other receivables	117,257	536,735	39,272	45,606
Expenses from disposal of property, plant and equipment	23,488	33,072	16,116	10,329
Expenses from disposal of intangible assets	70,809	30,782	70,809	30,782
Expenses from impairment of real property used for ordinary activities	314,377	0	132,467	0
Expenses from impairment of intangible assets	783,164	0	0	0
Other expenses	1,517,852	2,420,731	337,444	414,149
TOTAL OTHER EXPENSES	57,308,722	54,533,956	20,359,679	17,814,012

278

Expenses from impairment of intangible assets are shown in <u>Section 3.1</u>.

The Triglav Group and Zavarovalnica Triglav d.d. Annual Report 2020 | Notes to the income statement

4.15 Income tax expense

4.15.1 Tax expense in the income statement

in EUR

	Triglav	Triglav Group		iica Triglav
	2020	2019	2020	2019
Current tax expense	-18,092,759	16,731,029	13,627,538	13,481,140
Deferred tax expense	854,175	341,769	-555,211	516,051
TOTAL TAX EXPENSE IN THE INCOME STATEMENT	-17,238,584	17,072,798	13,072,327	13,997,191

4.15.2 Tax expense in other comprehensive income

in EUR

		2020			2019	
Triglav Group	Before tax	Tax	After tax	Before tax	Tax	After tax
Profit from increase in fair value of available for sale financial assets	27,824,231	-8,163,206	19,661,025	29,429,816	-7,207,343	22,222,473
Liabilities from insurance contracts with a discretionary participating feature (shadow accounting)	-17,577,840	3,339,790	-14,238,050	-4,944,885	939,528	-4,005,357
Actuarial gains/losses	-281,989	0	-281,989	-351,094	0	-351,094
Translation differences	-556,570	0	-556,570	137,442	0	137,442
TOTAL OTHER COMPREHENSIVE INCOME	9,407,832	-4,823,416	4,584,416	24,271,279	-6,267,815	18,003,464

		2020			2019	
Zavarovalnica Triglav	Before tax	Tax	After tax	Before tax	Tax	After tax
Profit from increase in fair value of available-for-sale financial assets	27,765,868	-7,719,483	20,046,385	14,214,278	-3,316,420	10,897,858
Liabilities from insurance contracts with a discretionary participating feature (shadow accounting)	-17,577,840	3,339,790	-14,238,050	-4,944,885	939,528	-4,005,357
Actuarial gains /losses	-283,076	0	-283,076	-309,508	0	-309,508
TOTAL OTHER COMPREHENSIVE INCOME	9,904,952	-4,379,693	5,525,259	8,959,885	-2,376,892	6,582,993

40,629

16.54%

13,997,190

13,481,140

4.15.3 Reconciliation between tax expense and accounting profit

Other tax effects

TOTAL TAX EXPENSE

Effective tax rate¹¹¹

Final liabilities for corporate income tax

Triglav Group Zavarovalnica Triglav 2020 2019 2020 2019 Accounting profit 90,903,282 100,937,227 71,069,966 84,611,607 Income tax rate - tax rate average of several countries 19.88% 19.39% 19% 19% Accounting profit multiplied by tax rate 18,068,868 19,567,913 13,503,293 16,076,205 Tax effect of income deductible for tax purposes -1,718,025 -1,715,820 -1,251,616 -1,348,982 Tax effect of income added for tax purposes 225,864 192,147 0 0 Tax effect on the reduction in expenses not deductible for tax purposes 4,083,688 1,717,579 2,266,047 627,370 -2,338,768 Tax relief -3,086,668 -1,468,155 -1,398,032 Previously unrecognized deffered taxes -365,535 -385,249 0 0

30,392

18.96%

17,238,584

18,092,759

35,106

16.91%

17,072,908

16,731,029

22,758

18.39%

13,072,327

13,627,538

In accordance with the Corporate Income Tax Act (ZDDPO–2), the applicable tax rate in Slovenia was 19% in 2020, the same as in the previous year. In subsidiaries operating outside the Republic of Slovenia, tax rates were used as applicable in the country of operation and in compliance with the local legislation. For the applied tax rates see Section 2.12.

The Company has no unused tax loss; at the Group level it amounted to EUR 20.3 million as at 31 December 2020 (compared to EUR 21.8 million as at 31 December 2019).

¹¹¹ In the data of the Triglav Group, the average of all countries was taken into account in the corporate income tax rate.

5. Other information

5.1 Fair value measurement

5.1.1 Fair value hierarchy

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

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

The tables below show fair values of assets and liabilities, classified according to the fair value hierarchy.

Triglav Group in EU

	Measurement				
As at 31 December 2020	date	Level 1	Level 2	Level 3	Total
Assets - measured at fair value					
Equity securities	31 Dec. 2020	151,243,025	0	71,920,377	223,163,402
Debt securities	31 Dec. 2020	1,506,407,355	896,900,735	0	2,403,308,090
Derivative financial instruments	31 Dec. 2020	0	113,301	0	113,301
Unit-linked insurance assets	31 Dec. 2020	449,327,642	52,461,780	19,558	501,808,980
Assets - fair value disclosed					
Land and buildings for insurance activities	31 Dec. 2020	0	0	101,997,495	101,997,495
Land and buildings for investment activities	31 Dec. 2020	0	0	97,660,730	97,660,730
Debt securities (HTM)	31 Dec. 2020	18,331,006	188,553,736	0	206,884,742
Deposits with banks	31 Dec. 2020	0	71,987,450	0	71,987,450
Loans given	31 Dec. 2020	0	4,220,386	0	4,220,386
Debt securities (L&R)	31 Dec. 2020	0	6,364,204	0	6,364,204
Liabilities - fair value disclosed					
Subordinated bonds	31 Dec. 2020	0	51,792,521	0	51,792,521

Triglav Group in EUR

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

73,646,914

0

Zavarovalnica Triglav					in EUR
As at 31 December 2020	Measurement date	Level 1	Level 2	Level 3	Total
Assets - measured at fair value					
Equity securities	31 Dec. 2020	49,571,409	0	65,981,498	115,552,906
Debt securities	31 Dec. 2020	1,226,158,197	460,904,372	0	1,687,062,569
Derivative financial instruments	31 Dec. 2020	0	113,301	0	113,301
Unit-linked insurance assets	31 Dec. 2020	397,371,769	44,920,719	0	442,292,488
Investments in associates	31 Dec. 2020	0	0	31,337,951	31,337,951
Assets - fair value disclosed					
Land and buildings for insurance activities	31 Dec. 2020	0	0	64,855,528	64,855,528
Land and buildings for investment activities	31 Dec. 2020	0	0	59,837,722	59,837,722
Debt securities (HTM)	31 Dec. 2020	11,001,264	175,082,197	0	186,083,461
Deposits with banks	31 Dec. 2020	0	19,432,104	0	19,432,104
Loans given	31 Dec. 2020	0	8,109,920	0	8,109,920
Debt securities (L&R)	31 Dec. 2020	0	6,364,204	0	6,364,204
Liabilities - fair value disclosed					
Subordinated bonds	31 Dec. 2020	0	51,792,521	0	51,792,521
Zavarovalnica Triglav				_	in EUR
As at 31 December 2019	Measurement date	Level 1	Level 2	Level 3	Total
Assets - measured at fair value					
Equity securities	31 Dec. 2019	53,796,804	0	55,685,145	109,481,949
Debt securities	31 Dec. 2019	571,882,208	1,031,323,825	0	1,603,206,033
Derivative financial instruments	31 Dec. 2019	0	0	0	0
Unit-linked insurance assets	31 Dec. 2019	373,498,861	56,537,014	0	430,035,875
Investments in associates	31 Dec. 2019	0	0	18,054,026	18,054,026
Assets - fair value disclosed					
Land and buildings for insurance activities	31 Dec. 2019	0	0	65,323,896	65,323,896
Land and buildings for investment activities	31 Dec. 2019	0	0	60,115,354	60,115,354
Debt securities (HTM)	31 Dec. 2019	0	192,128,559	0	192,128,559
Debt securities (HTM) Deposits with banks	31 Dec. 2019 31 Dec. 2019	0	192,128,559 34,113,282	0	192,128,559 34,113,282
, ,					
Deposits with banks	31 Dec. 2019	0	34,113,282	0	34,113,282

73,646,914

0

31 Dec. 2019

Subordinated bonds

5.1.2 Fair value assessment techniques

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

Financial investment type	Value assessment method	Material parameters	Parameter weight applied	Fair value
EXTERNAL APPRAISERS (market operator)				
Debt securities - composite	Stochastic model, HW1f and HW2f network models	EUR SWAP interest rate curve, issuer credit spreads, comparable issuer credit spreads, interest rate volatility, correlation matrix, volatility indices		Level 2
Debt securities—compound with exposure to stock markets	Stochastic model	EUR SWAP interest rate curve, issuer credit spreads, comparable issuer credit spreads, interest rate volatility, volatility indices		Level 2
Derivatives	Black-Scholes model	Index volatility		Level 2
BLOOMBERG BVAL				
Debt securities – companies, financial institutions and government	Cash flow discounting according to amortisation schedule	EUR SWAP interest rate curve, issuer credit spreads, comparable issuer credit spreads, indicative listings		Level 2
INTERNAL APPRAISERS				
Debt securities - government	Cash flow discounting according to amortisation schedule	Republic of Slovenia interest rate yield curve	yield curve issued by Republic of Slovenia (Bloomberg ID: 1259 Currency); credit spread between 0% and 0.69%	Level 2
Debt securities - companies and financial institutions	Cash flow discounting according to amortisation schedule	Republic of Slovenia interest rate yield curve, issuer credit spreads	yield curve issued by Republic of Slovenia (Bloomberg ID: I259 Currency); credit spread between 0.91% and 4.49%	Level 2
		g (growth rate during constant growth period)	2%	
	Cook floor discounting	EBIT margin (constant growth period)	1% - 35.9%	
Facilities	Cash flow discounting	Discount rate	10.98% - 12.77% for start ups	
Equity securities		Lack of marketability discount	6.5% - 23%	Level 3
	NAV method	Real property price changes		
	Market approach	MVIC/EBITDA		
Equity investment in associates	Equity method	Accumulated gains and losses		Level 3
Real property for own use Investment property	Income approach, market approach, analysis of the most economical use of development land	Capitalisation rate, market prices of comparable real property	7.5% - 15% depending on risk/location Market values based on information available	Level 3

5.1.3 Financial assets classified into Level 3

	Triglav	Group	Zavarovalr	nica Triglav
	2020	2019	2020	2019
Value as at 1 January	61,061,888	35,999,032	73,739,170	47,019,220
Purchases	11,361,478	29,929,720	41,966,244	30,842,619
Disposals	-1,361,924	-7,103,994	-1,327,017	-6,475,694
Revaluation through profit or loss	-505,908	-20,775	-400,386	0
Revaluation in other comprehensive income	1,091,073	2,681,708	1,395,463	2,353,024
Transfers from/to other levels	0	-422,558	0	0
Acquisition	299,404	0	0	0
Foreign exchange differentials	-6,076	-1,245	0	0
Value as at 31 December	71,939,935	61,061,888	115,373,474	73,739,170

The value of financial assets classified into Level 3 increased in 2020 due to the payments into venture capital funds. The largest total amount of payments into the fund MEAG INFRA DEBT – SUB FUND 1 was EUR 5.8 million. Among disposals, which fully represent payments received from venture capital funds, most payouts originated from AMC IV in the amount of EUR 0.7 million. Revaluation is primarily the result of changes in the value of venture capital funds.

5.1.4 Sensitivity analysis of non-marketable equity securities

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

				in EUR
	Triglav	Triglav Group		ica Triglav
	31 December 2020	31 December 2019	31 December 2020	31 December 2019
Non-marketable assets (Level 3)	71,939,935	61,061,888	65,981,498	55,685,145
Estimated value deviation-/+	-11,989,589/7,987,555	-10,344,834/7,145,254	-11,236,448/7,451,002	-9,776,996/6,447,385
Equity investment in associates	28,237,714	13,154,397	31,337,951	18,054,025
Estimated value deviation-/+	-4,235,657/4,235,657	-1,973,157/1,973,157	-7,785,294/4,184,099	-1,389,341/368,894

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

5.1.5 Reclassification of financial assets between levels

				in EUR
	Triglav	Group	Zavarovalr	nica Triglav
	2020	2019	2020	2019
Reclassification from level 1 to level 2	115,643,909	69,235,699	84,685,126	55,945,228
Reclassification from level 2 to level 1	452,418,713	291,060,269	322,307,603	238,555,889

In 2020, the method of measuring fair value did not change. Reclassifications between levels were a result of market factors. At the end of 2020, some financial assets showed greater liquidity and depth of the market than at the end of 2019, 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.

5.2 Additional notes to the cash flow statement

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

Cash flow from financing activities is prepared based on actual payments. Cash flows from financing activities in 2019 include expenses for interest and principal payments from leases. In 2020, lease expenses were included in cash flows from operating activities.

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

		Triglav Group		Zavarovalnica Triglav	
		2020	2019	2020	2019
A.	CASH FLOWS FROM OPERATING ACTIVITIES				
a.	Income statement items	125,392,511	91,179,693	43,160,418	31,051,477
	Net written premium for the period	1,119,644,973	1,075,625,420	581,321,664	582,599,216
	Investment income (excluding financial income)	18,201,062	24,277,722	9,606,634	11,669,749
	Other operating income (excluding revaluation and provisions reductions) and financial income from operating receivables	34,516,215	43,070,868	9,946,221	10,445,796
	Net claims paid for the period	-686,447,305	-687,175,444	-376,589,051	-393,708,934
	Bonuses and discounts paid	-12,999,285	-12,209,631	-11,257,539	-10,203,376
	Net operating expenses excluding depreciation costs and change in deferred acquisition costs	-257,874,524	-255,951,926	-127,492,924	-130,532,605
	Investment expenses (excluding depreciation and financial expenses)	-9,172,145	-8,164,999	-6,925,520	-5,331,552
	Other operating expenses excluding depreciation (other than revaluation and excluding the increase in provisions)	-64,388,961	-71,184,276	-22,974,043	-19,373,055
	Corporate income tax and other taxes excluded from operating expenses	-16,087,519	-17,108,041	-12,475,023	-14,513,762
b.	Changes in net operating current assets – operating balance sheet items	-6,336,992	-882,254	-4,635,089	-297,987
٠.	Changes in operating receivables from direct insurance operations	8,086,404	-9,855,418	68,733	-6,458,904
	Changes in receivables from reinsurance operations	-16,107,791	-7,317,799	-2,577,417	937,934
	Changes in other receivables from (re)insurance operations	-8,242,089	-3,735,330	-2,367,792	-1,819,040
	Changes in other receivables and assets	1,115,863	-4,155,344	-557,237	703,234
	Changes in deferred tax assets	-772,947	431,650	0	705,254
	Changes in inventories	60,592	-58,436	24,385	-49,146
	•				2,932,659
	Changes in liabilities from direct insurance operations	-4,891,037	1,779,437	-3,602,591	
	Changes in liabilities from reinsurance operations	4,569,364	10,148,782	4,515,110	1,489,129
	Changes in other operating liabilities	-9,988,588	330,405	-244,394	-300,429
	Changes in other liabilities (other than unearned premium)	20,185,037	6,236,683	106,113	2,266,576
	Changes in deferred tax liabilities	-351,800	5,313,116	0	0
с.	Net cash from/(used in) operating activities (a + b)	119,055,519	90,297,439	38,525,329	30,753,490
В.	CASH FLOWS FROM INVESTING ACTIVITIES				
a.	Cash inflows from investing activities	1,361,243,567	1,469,286,636	1,132,256,197	1,198,898,504
	Cash inflows from interest received from investing activities	43,998,453	65,980,623	28,815,764	36,683,169
	Cash inflows from dividends and profit sharing	5,248,223	5,037,378	3,801,801	7,206,057
	Cash inflows from disposal of intangible assets	132,562	71,871	12,562	30,782
	Cash inflows from disposal of plant, property and equipment	3,005,255	7,961,376	414,273	1,404,653
	Cash inflows from disposal of financial investments	1,308,859,074	1,390,235,388	1,099,211,797	1,153,573,843
	Cash inflows from disposal of investments in subsidiaries and other companies	0	2,340,104	0	0
	Other cash inflows from disposal of financial investments	1,308,859,074	1,387,895,284	1,099,211,797	1,153,573,843
b.	Cash outflows from investing activities	-1,445,191,950	-1,540,674,760	-1,149,365,270	-1,210,737,724
	Cash outflows for acquisition of intangible assets	-9,126,252	-5,182,272	-7,711,934	-3,282,390
	Cash outflows for acquisition of property, plant and equipment	-13,601,854	-13,134,912	-7,310,866	-8,068,006
	Cash outflows for acquisition of financial investments	-1,422,463,844	-1,522,357,576	-1,134,342,470	-1,199,387,328
	 Cash outflows for acquisition of investments in subsidiaries and other companies 	-14,948,951	-1,149,098	-14,900,000	-4,094,671
	– Other cash outflows for acquisition of financial investments	-1,407,514,893	-1,521,208,478	-1,119,442,470	-1,195,292,657
c.	Net cash from/(used in) investing activities (a + b)	-83,948,383	-71,388,124	-17,109,073	-11,839,220
C.	CASH FLOWS FROM FINANCING ACTIVITIES				
a.	Cash inflows from financing activities	0	49,367,159	0	49,367,159
	Cash inflows from paid-in capital	0	0	0	0
	Cash inflows from long-term loans received (issued bond)	0	49,367,159	0	49,367,159
	Cash inflows from short-term loans received	0	0	0	0
b.	Cash outflows for financing activities	-29,035,063	-62,882,638	-25,224,146	-60,167,804
	Cash outflows for interest paid	-3,982,947	-2,829,914	-3,513,302	-2,351,553
	Cash outflows for purchase of treasury shares	0	0	0	0
	Cash outflows for capital repayment	0	0	-20,628,000	0
	Cash outflows for payments of long-term financial liabilities	-21,620,132	-240,011	-1,082,844	0
	Cash outflows for payments of short-term financial liabilities	-3,431,984	-3,035,142	0	-977,954
		0	-56,777,571	0	-56,838,297
	Cash outflows for dividends and profit sharing				-10,800,645
c.	Cash outflows for dividends and profit sharing Net cash from/(used in) financing activities (a +b)	-29,035,063	-13,515,479	-25,224,146	.,,.
c. D.			-13,515,479 75,869,775	-25,224,146 22,304,222	
	Net cash from/(used in) financing activities (a +b)	-29,035,063			26,112,112
D.	Net cash from/(used in) financing activities (a +b) Closing balance of cash and cash equivalents	-29,035,063 81,899,664	75,869,775	22,304,222	26,112,112
D. E1.	Net cash from/(used in) financing activities (a +b) Closing balance of cash and cash equivalents Net cash flow for the period	-29,035,063 81,899,664 6,072,073	75,869,775 5,393,836	22,304,222 -3,807,890	26,112,112 8,113,625 0 0

5.3 Amounts spent on auditors

The audit of the stand-alone and consolidated financial statements for 2020 was conducted by the audit firm Deloitte, Revizija d.o.o., Ljubljana. Said audit firm also carried out an audit in all Group members. The amounts spent on the services of this audit firm are shown in the table below.

				IN EUK
	Triglav	Group	Zavarovalı	nica Triglav
	2020	2019	2020	2019
Auditing of the Annual Report	545,478	482,355	174,277	122,720
Other auditing services	0	3,767	0	0
Other assurance services	1,501	0	0	0
Other non-auditing services	3,900	1,619	0	0
TOTAL	550,879	487,741	174,277	122,720

5.4 Government grants

The following are government grants received by the Company in the form of:

- COVID-19-related aid granted by an individual country to contain the COVID-19 epidemic;
- incentives for the employment of specific categories of workers:
- funds obtained through public tenders, both for co-financing costs and for the purchase of specific assets;
- reimbursements of labour costs by the state.

				III EUK	
	Triglav	Group	Zavarovalnica Triglav		
	2020	2019	2020	2019	
COVID-related government grants	381,467	0	77,169	0	
State incentives for the employment of specific categories of workers	212,831	225,732	198,242	218,333	
Funds obtained through public tenders	55,473	9,908	36,773	5,408	
Reimbursement of labour costs by the state	2,379,066	2,177,451	1,774,333	1,621,966	
TOTAL	3,028,836	2,413,091	2,086,517	1,845,707	

The grants related to assets are recognised as income and the remaining grants reduce the costs they are intended to compensate.

5.5 Related party transaction

im ELID

in ELID

Related party transactions are disclosed seperately 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 <u>Section 3.5</u>). At the level of the Triglav Group, these transactions are eliminated in the consolidation processes.
- Associates in whom the Group and Zavarovalnica Triglav have significant influence these are presented in Section 3.6.
- Transactions with shareholders and shareholder-related companies.

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

The shareholder-related companies are those in which the SDH and the Republic of Slovenia together directly hold at least a 20% stake. As at 31 December 2020, there were 41 of such companies; the list is published on the SDH website (http://sdh.si/sl-si/upravljanje-nalozb/seznam-nalozb).

The Company's business cooperation with the two largest shareholders and the state-related companies is limited to regular business cooperation. In 2020, there were no material transactions with the two largest shareholders. The only material transaction in 2019 was the payment of dividends for 2018. The two shareholders received dividends in the total amount of EUR 56.8 million, of which the Pension and Disability Insurance Institute of the Republic of Slovenia received EUR 19.5 million and the Slovenian Sovereign Holding EUR 16 million.

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There were no material individual transactions with other state-related companies in the reporting period. 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 2020	31 December 2019
ASSETS		
Stakes and shares	132,337,466	134,938,667
Debt securities and loans given to members of the Group	6,610,381	8,205,916
Right of use assets	827,255	894,363
Insurance premium receivables from policyholders	15,620	16,117
Co-insurance receivables	0	C
Re-insurance receivables	6,778,184	2,658,012
Receivables for co-insurer's share in claims	197	2,207
Receivables for reinsurer's share in claims	5,221,704	6,516,400
Other short-term receivables from insurance operations	82,267	20,131
Short-term receivables from financing	46,152	27,743
Other short-term receivables	730,317	787,779
Short-term deferred expenses	61,969	31,010
LIABILITIES		
Liabilities to policyholders	0	1,924
Liabilities to agents and brokers	368,827	389,637
Liabilities to insurances for co-insurance premium	22,377	20,523
Liabilities for reinsurance premiums	9,594,905	8,769,818
Liabilities for shares in claims from co-insurance	0	(
Liabilities for shares in claims from re-insurance	4,510,857	488,063
Lease liabilities	851,981	905,208
Other short-term liabilities	153,503	348,599

		in EUR
	2020	2019
INCOME AND EXPENSES		
Gross written premium and active reinsurance premium	29,560,612	17,989,584
Assumed co-insurance written premium	0	0
Outward re-/co-insurance premium (–)	-73,313,592	-65,341,032
Net premium income	-43,752,980	-47,351,448
Re-/co-insurance commission income	15,558,263	14,291,836
Fee and commission income	3,382,602	0
Other income from insurance operations	1,202,346	4,438,250
Interest income	294,441	427,211
Other insurance income	1,150,055	1,498,150
Income from land and buildings	687,336	738,458
Other income	473,282	374,487
Dividends	0	3,172,950
Other income from financial assets	8,203	1,290
TOTAL INCOME	-20,996,452	-22,408,816
Gross claims settled	8,242,296	5,026,827
Re-/co-insurers' share in gross claims	-22,517,380	-21,114,777
Shares in indemnities from assumed co-insurances abroad	0	0
Net claims	-14,275,084	-16,087,950
Expenses for reinsurance premiums	4,575,494	1,914,849
Loss on disposal from financial assets	0	0
Other financial expenses	12,537	195,478
Other expenses	0	0
Interest expenses	22,561	23,499
TOTAL EXPENSES	-9,664,492	-13,954,124

Transactions with associates

	Triglay	Group	Zavarovalı	in EUR nica Triglav
	31. Dec. 2020	31. Dec. 2019	31. Dec. 2020	31. Dec. 2019
ASSETS				
Stakes and shares	28,237,714	13,154,379	31,337,951	18,054,026
Insurance premium receivables from policyholders	5,096	1,511	4,932	1,380
LIABILITIES				
Liabilities to policy holders	27	27	0	0
Liabilities to agents and brokers	7,319	5,902	7,176	5,421
Other short-term liabilities	312	312	0	0
Accrued costs and expenses	450	1,182	0	0

				in EUR		
	Triglav Group		Zavarovalr	Zavarovalnica Triglav		
	2020	2019	2020	2019		
INCOME AND EXPENSES						
Gross written premium	79,433	39,745	77,115	37,564		
Income from dividends and stakes	0	0	0	40,988		
Income from land and buildings	0	0	0	0		
Gains on the sale of securities	0	560,414	0	0		
TOTAL INCOME	79,433	600,159	77,115	78,552		
Gross claims settled	2,648	24,069	2,648	24,069		
Acquisition costs	2,829	5,844	0	0		
Other operating expenses	0	0	0	0		
TOTAL EXPENSES	5,477	29,913	2,648	24,069		

Transactions with shareholders and shareholder-related companies

				in EUR
	Triglav	Group	Zavarovalr	nica Triglav
	31. Dec. 2020	31. Dec. 2019	31. Dec. 2020	31. Dec. 2019
ASSETS				
Stakes and shares	15,885,929	17,774,246	15,750,155	17,747,194
Debt securities	106,249,828	104,733,200	76,143,968	75,690,601
Operating receivables	691	68,734	671	68,729
Re-insurance receivables	14,622	25,135	14,622	25,135
Other assets	7,407,070	4,940,534	0	0
LIABILITIES				
Operating liabilities	770,856	1,849,508	580,942	1,506,890
Re-insurance liabilities	7,887	9,840	7,887	9,840

				in EUR
	Triglav	Group	Zavarovaln	ica Triglav
	2020	2019	2020	2019
INCOME				
Gross written premium	14,242,528	20,182,072	14,242,528	20,182,072
Financial income	2,742,285	4,143,817	1,788,768	3,363,589
Other income	44,747	109,203	36,101	106,426
EXPENSES				
Gross claims settled	7,673,384	7,462,243	7,709,586	7,436,835
Financial expenses	334,400	493,356	248,665	317,301
Other expenses	9,609,388	15,362,188	6,332,616	10,552,112

5.6 Members of the Management Board and Supervisory Board

In 2020, the Management Board members were paid the following amounts as compensation for their work:

in EUR

in ELID

Management board	Fixed salary (gross)	Other additional payments*	Bonuses	Net pay received	Insurance premiums **	Other benefits***	Reimbursments
Andrej Slapar	186,461	2,081	51,114	79,885	61,329	12,477	1,358
Uroš Ivanc	177,138	2,081	48,559	81,428	43,244	1,078	1,211
Tadej Čoroli	177,138	2,081	48,559	78,945	43,215	7,172	985
Barbara Smolnikar	177,138	2,081	28,764	71,136	42,672	7,874	973
David Benedek	177,138	2,701	8,559	63,155	41,969	9,650	961
Marica Makoter	177,138	2,081	48,559	78,068	43,201	6,636	887
Benjamin Jošar****	0	0	4,365	2,550	0	0	0
TOTAL	1,072,151	13,106	238,479	455,167	275,630	44,887	6,375

- * Other additional payments include holiday allowances and other reimbursements.
- ** Insurance premiums include premiums for supplementary pension insurance, accident insurance, liability insurance and other types of insurance.
- *** Other benefits include company cars.
- **** Benjamin Jošar was Management Board member until 2 November, 2017.

As at 31 December 2020, Zavarovalnica Triglav had the following receivables from and liabilities to the Management Board members:

		in EUR
Management board	Receivables as at 31 December 2020	Liabilities as at 31 December 2020
Andrej Slapar	0	73,506
Uroš Ivanc	6	69,838
Tadej Čoroli	30	69,819
Barbara Smolnikar	14	65,962
David Benedek	0	23,494
Marica Makoter	16	69,825
Benjamin Jošar****	0	3,857
TOTAL	66	376,301

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

In 2020 the Supervisory Board members and members of Committees were paid the following amounts as compensation for their work:

					In EUK
Supervisory board	Compensation	Attendance fee	Reimbursments	Total gross pay	Total net pay
Andrej Andoljšek	25,166	5,368	0	30,534	22,208
Milan Tomaževič	20,202	2,794	0	22,996	16,725
Igor Stebernak	21,787	5,874	0	27,661	20,118
Žiga Škerjanec	21,431	7,942	0	29,373	21,363
Mario Gobbo	19,645	3,234	12,550	35,429	23,339
Nataša Damjanovič	15,056	3,124	0	18,180	13,223
Peter Celar	20,254	7,348	487	28,089	20,430
Branko Gorjan	17,859	2,794	0	20,653	15,021
Igor Zupan	17,859	3,234	0	21,093	15,341
Simon Kolenc *	7,144	1,293	59	8,496	6,178
Boštjan Koler*	3,031	3,454	0	6,485	4,716
TOTAL	189,434	46,459	13,096	248,989	178,662

^{*}External committee members.

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

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

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

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

5.7 Off balance sheet items

				in EUR
	Triglav Group		Zavarovalnica Triglav	
	31. Dec. 2020	31. Dec. 2019	31. Dec. 2020	31. Dec. 2019
Outstanding subrogated receivables	49,749,916	39,095,779	43,301,366	38,022,409
Derivatives - futures	12,607,454	0	0	0
Alternative investments	43,651,573	47,538,801	38,348,369	44,030,995
Bonds, guarantees and other sureties issued	3,160,942	3,327,108	0	0
Contingent assets	4,570,811	3,971,417	2,757,155	2,899,401
Receivables from option agreements	0	3,247,638	0	3,247,638
Receivables from forward contracts	19,269,103	19,489,247	19,269,103	19,489,247
Contingent liabilities	332,467	6,787,697	0	0
Properties under acquisition	8,820	0	0	0
Assets under management	95,640,312	82,454,303	0	0
TOTAL OFF-BALANCE SHEET ITEMS	228,991,397	205,911,992	103,675,993	107,689,690

5.8 Employees

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

	Triglav Group		Zavarovalnica Triglav	
Education level	31. Dec. 2020	31. Dec. 2019	31. Dec. 2020	31. Dec. 2019
2-5	2,316	2,364	819	844
6/1	556	562	389	395
6/2	749	718	426	415
7	1.476	1,429	516	506
8/1	198	186	86	84
8/2	21	22	8	9
TOTAL	5,316	5,281	2,244	2,253
Average number of employees	5,259	4,584	2,245	2,267

5.9 Major legal and arbitrary disputes

in EUR

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

On 19 August 2013, Zavarovalnica Triglav d.d., received a claim filed by Matjaž Rakovec, in which he requested the annulment of the Supervisory Board's resolution dated 22 May 2013 with respect to the dismissal of Matjaž Rakovec from the office of President of the Management Board and the appointment of Andrej Slapar as temporary President of the Management Board, the annulment of the entry of changes related to the President of the Management Board into the Court Register and the payment of damages amounting to EUR 516,399. Apart from that, the plaintiff requested that the defendant reappointed him President of the Management Board and recognises an uninterrupted performance of function of President of the Zavarovalnica Triglav's Management Board with all the rights arising from the employment contract for the entire duration of unlawful dismissal from the office of President of the Management Board until his reappointment. Currently, only the dispute over the payment of possible compensation for non-pecuniary damage in the amount of EUR 80,000 is conducted before the District Court of Ljubljana, while the claim regarding the payment of pecuniary damage was referred to the Labour and Social Court of Ljubljana.

Thus, the proceedings Ref. No. I Pd 421/2019 (repeated proceedings) are pending before the Labour and Social Court of Ljubljana, in which the plaintiff requests the payment of compensation for salaries, annual leave allowances, compensation for preventive medical examinations, training, annual insurance premiums and bonuses (amount in dispute: EUR 436,399.42 with all dues). Pursuant to a referral from the Higher Labour and Social Court, the court also has to assess the claims regarding the damages as a consequence of a null and void decision on dismissal from office.

The decision to reject the plaintiff's claim to find unlawful termination of the employment contract and employment relationship and the summons back to work is final and confirmed by the Supreme Court of the Republic of Slovenia (Judgment VIII Ips 105/2018). Matjaž Rakovec's employment contract was thus terminated lawfully, and by said decision the proceedings concerning the alleged unlawfulness of the termination of the employment contract and the employment relationship pending before the ordinary court were completed. However, the plaintiff filed a constitutional complaint against the judgment of the Supreme Court of the Republic of Slovenia, regarding which Zavarovalnica Triglav d.d. has not yet been informed whether it was accepted for consideration by the Constitutional Court of the Republic of Slovenia or not.

The proceedings Ref. No. I Pd 394/2019 (repeated proceedings) in a dispute between Matjaž Rakovec, as the plaintiff, and Zavarovalnica Triglav d.d. as the defendant, for the payment of compensation for salaries and annual leave allowances (the amount in dispute: EUR 75,625.16 with all dues), are still pending before the Labour and Social Court. Pursuant to a referral from the Supreme Court of the

Republic of Slovenia, the court also has to assess the claims regarding the damages as a consequence of a null and void decision on dismissal from office.

In addition to the above, separate proceedings were conducted based on the plaintiff's claim for the compensation of the costs of preventive medical examinations, education and training, annual personal insurance premium, group accident insurance, voluntary pension and supplementary pension insurance, rewards, the use of a business vehicle for personal purposes, membership dues and anniversary bonuses in the amount of EUR 192,466.39 with statutory default interest. By Judgment I Pd 25/2016, the first instance court rejected the plaintiff's claims put forward on the basis of labour law (in consequence of a final ruling rejecting the claim for establishing an unlawful termination of employment contract and employment relationship). Such a decision was also upheld by the Higher Court (Pdp 639/2018) following the plaintiff's appeal. By a judgment (VIII Ips 13/2020), the Supreme Court of the Republic of Slovenia rejected the plaintiff's petition for a review.

Zavarovalnica Triglav d.d. has made provisions for the purpose of this dispute in the amount of EUR 548,000.

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

The Securities Commission of the Federation of Bosnia and Herzegovina (hereinafter: the Commission) issued, in the repeated procedure of 6 June 2018, a decision ordering the companies Zavarovalnica Triglav d.d., and Triglav Skladi d.o.o., to publish a takeover bid for the acquisition of Energoinvest Dalekovodizgradnja d.d. (hereinafter: the offeree company). The Commission issued the decision on the basis of the alleged concerted action of the companies ZIF Prof Plus d.d., DUF PROF – IN d.o.o., Triglav Naložbe d.d. (which was merged with Zavarovalnica Triglav d.d.), TRIGLAV DZU d.o.o. (Triglav Skladi d.o.o.), NLB d.d. and Banka Celje d.d., which the Commission justifies on the basis of ownership and management relationships of said companies towards the offeree company. Among the reasons why Zavarovalnica Triglav d.d. was obliged to publish a takeover bid for the acquisition of the offeree company, the Commission also pointed out the fact that Zavarovalnica Triglav d.d. is the legal entity linking all the previously mentioned shareholders of the offeree company with their owner, the Republic of Slovenia. In the second half of 2018, Zavarovalnica Triglav d.d. and Triglav Skladi d.o.o., as the plaintiffs, filed a lawsuit against the Commission, as the defendant, before the Cantonal Court in Sarajevo, the subject of which is the annulment of the decision. The aforementioned court has not yet ruled on the administrative dispute referred to in the preceding sentence.

Zavarovalnica Triglav d.d. estimates that the probability of its being finally successful in the administrative dispute (or in possible repeated proceedings before the Commission) is more than 51%, given that according to the expert assessment by the authorised representatives (subject to proper observance of the provisions of local law) of Zavarovalnica Triglav d.d. and Triglav Skladi d.o.o., the mandatory offer threshold was not reached and the Commission did not prove the alleged concerted action of all the above mentioned entities, and that any third party claims on such basis have already become time-barred. Consequently, Zavarovalnica Triglav d.d. and Triglav Skladi d.o.o. did not make provisions for this purpose.

 Triglav, pokojninska družba d.d., as the plaintiff, against the Insurance Supervision Agency, as the defendant, – an administrative dispute

On 27 July 2020, the pension company filed a lawsuit with the Administrative Court against the Insurance Supervision Agency (ISA) for issuing an order to eliminate violations. The order refers to the method of determining pension annuity factors for certain groups of members. The pension company eliminated the alleged violations, but decided to use all legal remedies to protect itself. The ISA filed its response to the lawsuit.

The company has no provisions formed for this dispute, as it fully complies with the Insurance Supervision Agency's order.

D.S.U. d.o.o., Ljubljana, as the plaintiff, against Triglav, Upravljanje nepremičnin d.o.o., as the
defendant, for the payment of EUR 450,000 with all dues (unjust enrichment on the account of
purchase money received from the sale of real property in Zrenjanin), and for the payment of EUR
123,900 with all dues (unjust enrichment on the account of received rent money from renting out
the real property in Zrenjanin)

The universal legal predecessor of Triglav, Upravljanje nepremičnin, d.o.o., i.e. Slovenijales d.d., concluded a sales contract for the sale of real property in Zrenjanin. Before that, the aforementioned real property had been rented out. The plaintiff claims that said real property had not been taken into account in the opening balance sheet of the universal legal predecessor of Slovenijales d.d., i.e. LGM Lesnina d.o.o., and therefore, pursuant to Article 6 of the Act Concluding Ownership Transformation and Privatisation of Legal Entities Owned by the Development Corporation of Slovenia (ZZLPPO), it belongs to the plaintiff as the legal successor of the Slovene Development Corporation. The claim was rejected in its entirety by the first instance court. The plaintiff appealed against the decision of the first instance court claiming the erroneous application of substantive law. On 26 August 2020, the Ljubljana Higher Court rejected the appeal and upheld the decision of the first instance court. The proceedings are completed.

 GRADINE inženjering d.d., Pula, as the plaintiff, against Triglav, Upravljanje nepremičnin d.o.o., as the defendant, for the payment of HRK 749 and EUR 138,514 with all dues

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

in favour of the defendant. The plaintiff again lodged a petition for a review against the judgment of the second instance court. On 20 May 2020, the Supreme Court of the Republic of Croatia rejected the plaintiff's petition for a review. The proceedings are completed.

 Slovenijales Trgovina d.o.o., as the plaintiff, against Triglav, Upravljanje nepremičnin d.o.o., as the defendant, for the payment of EUR 644,099 with all dues.

The plaintiff claimed a pre-emption right in the sale of real property (office buildings) located in Vižmarje in Ljubljana. For the valid exercise of the pre-emption right, the plaintiff paid the defendant EUR 275,000 as earnest money and EUR 275,000 as the first part of the purchase price. However, after the plaintiff had accepted the defendant's offer to purchase the real estate, paid the earnest money and the first part of the purchase price, and the legal transaction was therefore concluded, it no longer wished to conclude the contract and pay the remaining part of the purchase price. The plaintiff also requested the repayment of the already paid earnest money and the first part of the purchase price. The defendant retained the amounts paid, i.e. EUR 275,000 deposited as earnest money, and set off EUR 275,000 against the plaintiff's counter-liabilities. As the defendant did not return the payments received, the plaintiff filed a claim for the payment of EUR 550,000 (paid-in amounts) and for the payment of EUR 94,099 as damages for non-repayment of the amounts paid. The defendant filed a response to the plaintiff's lawsuit.

The assessment of the plaintiff's possible success in the lawsuit is less than 50%. The company has no provisions formed for this dispute.

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

Following unsuccessful mediation, Triglav Osiguranje d.d., Sarajevo, continued litigation proceedings against the defendants SCT BBM d.o.o., Sarajevo, and JP Ceste Federacije BiH. This litigation involves a claim for damages in the amount of BAM 6,385,104, of which BAM 2,065,759 is the share of Triglav Osiguranje d.d., Sarajevo. The legal basis for the claim is compensation to be paid from the performance guarantee. On 5 April 2019, Sarajevo Municipal Court delivered a judgment in favour of Triglav Osiguranje d.d., Sarajevo, but following the appeal lodged by the defendants, the Cantonal Court in Sarajevo set aside the judgment on 11 December 2019 and remitted the case for retrial, which was postponed twice in 2020; a preparatory hearing is scheduled for 25 February 2021.

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

On 14 April 2014, Triglav Osiguranje a.d.o., Belgrade filed a request for enforcement on the basis of an authentic document for the payment of EUR 1,934,707. The debtor raised an objection and the court referred the parties to litigation. The defendant lodged a counterclaim for the annulment of the reinsurance contract. On the basis of the financial analysis conducted in the procedure, Triglav Osiguranje a.d.o., set the amount of its payment claim to RSD 236,690,436, plus interest from

17 March 2013 onwards, and requested the rejection of the counterclaim for the annulment of the reinsurance contract. On 8 September 2017, the court passed a non-final judgment upholding the claim of Triglav Osiguranje a.d.o., Belgrade, and ordered the defendant to pay RSD 236,690,436, plus the statutory late payment interest from 17 December 2013 onwards. On 27 October 2017, the defendant lodged an appeal, which has not been decided yet.

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

In May 2013, minority shareholders of Triglav Osiguruvanje a.d., Skopje filed a lawsuit for the compensation of damages for breach of the provisions of the put option or call option contract in the amount of slightly less than EUR 2.5 million. Zavarovalnica Triglav d.d. responded to the lawsuit within the prescribed time limit, fully objecting to the claim. The court upheld the objection of Zavarovalnica Triglav d.d., concerning the lack of jurisdiction of the Macedonian court and rejected the plaintiff's appeal, thereby rendering the case final. In the proceedings against Triglav Osiguruvanje a.d., Skopje, the first instance court issued a judgment in favour of Triglav Osiguruvanje a.d., Skopje, rejecting the claim. The plaintiffs lodged an appeal, which was rejected by the second instance court on 25 September 2020 and upheld the judgment of the first instance court.

■ Stojan Klopčevski, as the plaintiff, against Triglav Osiguruvanje a.d., Skopje, as the defendant

In April 2012, Stojan Klopčevski, the former general manager of Triglav Osiguruvanje a.d., Skopje, lodged a lawsuit for the compensation of damages in the amount of EUR 2.6 million against the Company. The claim was based on an unlawful decision on the termination of his employment and the resulting loss of the possibility to exercise put option or call option contracts concluded with Zavarovalnica Triglav d.d. The court dismissed the lawsuit on the ground of being deficient on 5 March 2013, then upheld the plaintiff's appeal and remitted the case to the first instance court for retrial. The court rendered a decision rejecting the objection of the lack of substantive jurisdiction of the Macedonian court. The plaintiff filed an appeal, but on 4 October 2017 the higher court issued a decision rejecting the appeal. On 18 December 2018, the court issued a judgment rejecting the claim of the plaintiff Stojan Klopčevski. The plaintiff lodged an appeal, which was rejected by the second instance court on 30 September 2020 and upheld the judgment of the first instance court. On 10 December 2020, the plaintiff filed a petition for a review with the Supreme Court, which has not yet ruled thereon.

The company has no provisions formed for this dispute.

5.10 Significant reviews by supervisory bodies

■ Zavarovalnica Triglav d.d.

On the basis of the performed review of the business of Zavarovalnica Triglav d.d., the Insurance Supervision Agency issued a recommendation to the Management Board for improving the efficiency of conducting business and a warning in accordance with Article 282 of the Insurance Act on 1 July 2020. The Company implemented all recommendations and eliminated the violations identified in the warning, which was also confirmed by the ISA, which officially completed the review on 15 June 2020.

On 23 June 2020, the ISA issued a warning pursuant to Article 282 of the Insurance Act (ZZavar-1), in which it expressed its position that in the annual report for 2019 the Company did not classify PDPZ (SVPI) contracts as financial contracts, as they could have been classified in accordance with IFRS. In addition, the Company allegedly did not explain in an appropriate manner or within the meaning of IAS 1 the item "unit-linked insurance assets" as well as the manner of presentation of assets and liabilities and income statements of funds, which are kept separately or within the meaning of IAS 1, thereby violating Article 253 of the ZZavar-1 and paragraph one of Article 2 of the Decision on the annual report. The ISA instructed the Company to amend its annual report for 2019 within 30 days of receiving the warning in accordance with the requirements and instructions or to inform the ISA that it will amend its half-yearly report for 2020 and the annual report for 2020 with the abovementioned information. In its response to the warning, the Company partially rejected the ISA's position as unfounded and also stated that if the Ministry of Labour, Family, Social Affairs and Equal Opportunities complied with its request to change all PDPZ pension plans and said changes were approved by end of 2020, it would be able to comply with the requirements of the ISA in the annual report for 2020, otherwise it was not able and may not classify PDPZ contracts as financial contracts in accordance with IFRS. In its annual report for 2020, the Company will also disclose other items as expected by the ISA. The ISA has not yet decided on the Company's response to the warning.

The Company received the ISA's order to eliminate violations of 29 July 2020, in which the ISA stated that the Company had violated paragraph five of Article 521 of the ZZavar-1 due to paragraph four of Article 6 of the General terms and conditions for voluntary group pension insurance – PPZ, which enables the Company to change the factors for calculating the amount of lifetime annuity under certain conditions. On 7 August 2020, the Company filed an objection against the Insurance Supervision Agency's order. The Insurance Supervision Agency upheld Zavarovalnica Triglav's objection and revoked the order because it found that Zavarovalnica Triglav's objection regarding the temporal validity of the legal rule referred to in Article 521 of the ZZavar-1 was justified and that it did not violate Article 521 of the ZZavar-1.

■ Triglav, Zdravstvena Zavarovalnica d.d.

Between 26 February 2020 and 10 April 2020, a regular comprehensive review of business was conducted by the ISA in the company, which identified two violations that are less significant in terms

of scope or effect, which led to the issuance of a warning under Article 282 of the ZZavar-1 and several recommendations for improvement for the findings that did not constitute a violation. The two established violations related to inadequate controls in lease agreements concluded with the parent insurance company and an inconsistency with the Cobit 5 guideline and the ZZavar-1, because the company failed to regularly perform social engineering simulations. In its letter of 24 September 2020, the ISA established that the company had complied with the warnings and eliminated the violations found.

On 2 September 2020, the company received a record of the Market Inspectorate of the RS on the suspension of the inspection procedure initiated on 19 June 2019, which related to supervision in terms of unfair contract terms and conditions and concluding additional distance health insurance remotely with respect to two products. The Market Inspectorate found that the company eliminated all alleged violations during the procedure, as a result of which a warning was issued to the company and its responsible person instead of imposing a fine.

Pozavarovalnica Triglav RE d.d., Ljubljana

In 2020, the ISA conducted a review of business of the reinsurer. The reinsurer received warnings or recommendations concerning the calculation of insurance technical provisions (the gross-to-net method, segmentation, consideration of extraordinary claims and the consistency of assumptions). The reinsurer took all of the above into account when calculating provisions as at 31 December 2020, thus complying with the deadline set for the elimination of warnings, i.e. 15 March 2021. The reinsurer already implemented the recommendation regarding its compliance plan and submitted the amended plan to the ISA. The procedure is completed.

■ Triglav Skladi d.o.o.

In 2020, the Financial Administration of the Republic of Slovenia conducted a tax inspection of taxes and contributions from income of natural persons for the period from 1 January 2018 to 28 December 2018 and issued a decision terminating the tax inspection procedure because no violations of regulations were found.

In 2020, the Securities Market Agency initiated a supervision procedure of the company's compliance with regulations related to financial instrument management services, the remuneration system and procedures related to the merger of Alta Skladi. The procedure is pending.

In 2020, the Securities Market Agency initiated a supervision procedure of the liquidity risk area of mutual funds and issued a decision terminating the supervision procedure because no violations of regulations were found.

■ Triglav, pokojninska družba d.d.

The Labour Inspectorate of the Republic of Slovenia requested information related to the determination of the pension annuity amount for certain groups of members. The information was provided, and

the Labour Inspectorate was reminded that the same procedure was carried out by the ISA, which had already completed it. In its procedure, the ISA issued an order, which was complied with by the pension company, and the company initiated an administrative dispute against the ISA. The procedure of the Labour Inspectorate is pending.

■ Triglav Osiguranje a.d.o., Belgrade

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

On 30 November 2020, the National Bank of Serbia initiated a new procedure of direct supervision of market behaviour and real property management for the period from 1 January 2019 until the day of supervision. The supervision procedure is pending.

■ Triglav Osiguranje d.d., Zagreb

On 21 October 2020, the Croatian Financial Services Supervisory Agency issued a decision including a record on the performed direct confidential supervision. The subject of supervision was the compliance of the provision of insurance distribution services with the provisions of the Insurance Act and other regulations related to life or annuity unit-linked insurance, especially regarding the conditions of information or provision of pre-contractual information and compliance with the rules of professional conduct of distributors in 2020. On 6 November 2020, the company filed an objection to said record. On 14 January 2021, the company received a decision with an order to eliminate the irregularities.

■ Triglav Osiguranje d.d., Sarajevo

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

■ Sarajevostan d.o.o

The Tax Administration of the Federation of Bosnia and Herzegovina conducted an inspection of the calculation, reporting and payment of public revenues in the company for the period from 1 January 2013 to 28 February 2018. The company received the Agency's record of 30 July 2019 establishing an additional tax liability of BAM 2,229,928. The Tax Administration ignored the comments that the company submitted regarding the record and issued a decision of 30 August 2019, ordering the company to pay BAM 2,229,928. The company filed an appeal, which was rejected by the Ministry of Finance by the decision of 30 December 2020. The company initiated an administrative dispute

against the decision and requested a temporary order staying the enforcement of the decision until the administrative dispute is resolved. The court granted the request for an interim order staying the enforcement of the decision until the administrative dispute is resolved. The company has provisions for the amount stated above.

■ Triglav Osiguranje a.d., Skopje

In 2020, the Agency carried out partial field supervision over the company's operations in the period from 1 January to 31 December 2019, the subject of supervision being the assessment of claims provisions for all insurance classes as at 31 December 2019, and also the evaluation of the work of a certified actuary. The final record was sent to the company on 6 April 2020 and no violation was found. The procedure is completed.

The Agency also carried out non-field supervision and verification of the company's continuity of operations in accordance with the Rules on Minimum Standards for Information Systems of Insurance Companies. On 3 July 2020, it submitted the final record, in which an irregularity was found, referring to the comments on the Information System Development Strategy for the period 2017–2020. The company submitted comments on the record and sent a report to the Agency on 11 December 2020. No violations were found in the supervision.

The Personal Data Protection Agency carried out a regular inspection of the legality of the activities undertaken in the processing of personal data and their protection. On 7 July 2020, it submitted the record identifying 14 irregularities and violations of personal data protection regulations. On 14 August 2020, the company submitted comments on the record.

■ Triglav Osiguranje Život a.d., Skopje

The Insurance Supervision Agency of the Republic of North Macedonia carried out the supervision of the information system and established in the record of 6 July 2020 that the company did not have an adopted project management methodology and that the adopted information system development strategy for the period 2017–2020 did not contain an overview of the current situation. Thus, on 23 November 2020, the company adopted the Project Management Methodology and the Strategic Plan for the Development and Support of the Information System for the period 2021–2023, notified the Insurance Supervision Agency of the Republic of North Macedonia thereon and submitted the adopted legal acts. The procedure is completed.

The Personal Data Protection Agency of the Republic of North Macedonia carried out an inspection in accordance with the Personal Data Protection Act and the Rules on the method of carrying out inspections as regards compliance with the provisions on personal data protection and the verification of adopted documents on personal data protection. The company was provided with a record of the established situation and the established violations. The company submitted comments on the record within the set deadlines. The procedure is pending.

■ Triglav upravljanje nekretninama d.o.o., Zagreb

In 2019, tax control was carried out in Triglav Osiguranje d.d., Zagreb, and the taxpayer Triglav, Upravljanje nekretninama d.o.o., Zagreb, was issued decisions for the payment of real estate sales tax by the competent tax offices for all real estate that was the subject of capital increase in 2016, in the total amount of HRK 1,249,649. Given that in accordance with the issued tax decisions the appeals do not stay the execution, the taxable person paid the tax, but filed appeals against all issued decisions; one appeal was rejected, while the same decision is expected for the others. The taxable person intends to initiate an administrative dispute within the statutory time limit.

Lovćen životna osiguranja a.d.

From 4 March to 13 March 2020, the Insurance Supervision Agency of Montenegro carried out direct supervision of borrowers' insurance products in terms of the impact of solvency and a supervision of the legality of operations with regard to money laundering. It issued a decision ordering the company to eliminate the identified irregularities by 31 January 2021. The company will carry out all necessary activities to eliminate the irregularities within the set deadline.

5.11 Subsequent events

In the period from the end of the reporting period and the date of approval of the financial statements, no adjusting events occurred that would affect the prepared consolidated and separate financial statements of Zavarovalnica Triglav for 2020, as well as no material corrective events.

On 5 March 2021, the Company received a letter from the Insurance Supervision Agency stating that due to the uncertain situation regarding the spread of the COVID-19 pandemic and the consequent unclear impacts on the economy and the insurance industry, the Insurance Supervision Agency expects that until 30 September 2021 insurance, reinsurance and pension companies suspend dividend payments and undertake no irrevocable commitments to pay out dividends. The Management Board is expected to inform its shareholders about the proposal for the distribution of accumulated profit for 2020 at the end of March when publishing the 2020 Annual Report. In their proposal, the Management Board and the Supervisory Board will take into account both the Company's dividend policy and the position of the regulator.

5.12 New and amended standards with interpretations

The accounting policies used in the preparation of the consolidated and separate financial statements are consistent with those of the consolidated and separate financial statements of Zavarovalnica Triglav for the year ended 31 December 2019, except for the new or amended standards and interpretations effective for annual periods beginning on or after 1 January 2020, which are presented below.

IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors (amendments)

The amendments are effective for annual periods beginning on or after 1 January 2020. Earlier application is permitted. The amendments to the accounting standard clarify the definition of the term

material and how it should be included in the guidance on definitions. The amendments do not have any impact on the consolidated and separate financial statements of Zavarovalnica Triglav.

IFRS 3 Business Combinations (amendments)

The amendments are effective for business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1 January 2020 and to asset acquisitions that occur on or after the beginning of that period. Earlier application is permitted. Amendments were introduced to improve the definition of a business. The amended definition emphasises that the output of a business is to provide goods and services to customers, whereas the previous definition focused on returns in the form of dividends, lower costs or other economic benefits to investors and others. The amendments do not have any impact on the consolidated and separate financial statements of Zavarovalnica Triglav.

IFRS 9 Financial Instruments, IAS 39 Financial Instruments: Recognition and Measurement and IFRS 7 Financial Instruments: Disclosures (amendments)

The amendments relate to the reform of reference interest rates and are effective for annual periods beginning on or after 1 January 2020. Earlier application is permitted. The changes in Interest Rate Benchmark Reform:

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

The management is still assessing the potential impact of the amendments on the consolidated and separate financial statements of Zavarovalnica Triglav.

IFRS 16 Leases (amendments)

The amendments are effective for annual periods beginning on or after 6 January 2020 for fiscal years beginning on or after 1 January 2020. Earlier application is permitted. The amendments apply to COVID-19-related rent concessions. The amendments exempt lessees from having to consider individual lease contracts to determine whether rent concessions occurring as a direct consequence of the COVID-19 pandemic are lease modifications and allows lessees to account for such rent concessions as if they were not lease modifications. It applies to COVID-19-related rent concessions that reduce lease payments due on or before 30 June 2021.

The impact of amendments on rent concessions related to COVID-19 on the consolidated and separate financial statements of Zavarovalnica Triglav is disclosed in Section 2.5.5.

Amendments to references to the Conceptual Framework in IFRS

Amendments are effective for annual periods beginning on or after 1 January 2020. Earlier application is permitted. The purpose of the amendments is to support the transition to a revised Conceptual Framework for companies that use the Conceptual Framework to develop accounting policies when no IFRS applies to a particular transaction. The amendments do not have any impact on the consolidated and separate financial statements of Zavarovalnica Triglav.

Standards that will become effective at a later date and have not been early adopted by the Company

IFRS 4 Insurance Contracts (amendments)

On the date of approval of these financial statements, the International Accounting Standards Board (IASB) issued amendments that change the expiry date for the temporary exemption in IFRS 4 Insurance Contracts from applying IFRS 9 Financial Instruments, so that entities would be required to apply IFRS 9 for annual periods beginning on or after 1 January 2023.

The amendments address also concerns arising from implementing the new IFRS 9 Financial Instruments, before the new standard, which is currently under development and applies to insurance contracts, comes into effect. The new standard will replace the existing IFRS 4. The amendments provide two options when accounting for insurance contracts: a temporary exemption from applying IFRS 9 and the overlay approach, which allows the entities issuing insurance contracts falling within the scope of IFRS 4 to reclassify, from profit or loss to other comprehensive income, some of the income or expenses arising from designated financial assets. The impact of the amendments on the application of the new standard on financial instruments on the consolidated and separate financial statements of Zavarovalnica Triglav is disclosed in Section 2.10.9.

Standards and amendments to existing standards not yet effective and not early adopted by the Company

IFRS 17 Insurance Contracts (amendments)

The amendments to the standard issued by the IASB on 25 June 2020 defer the date of initial application of IFRS 17 by two years to annual periods beginning on or after 1 January 2023 with earlier application permitted provided the entity also reports in accordance with IFRS 15 Revenue from Contracts with Customers and IFRS 9 Financial Instruments. The amendments introduce simplifications and interpretations of certain requirements of the standard and provide additional assistance in the first-time application of IFRS 17.

The new standard requires insurance liabilities to be measured at a current fulfilment value and provides a more uniform measurement and presentation approach for all insurance contracts. It is designed to achieve the goal of a consistent, principle-based accounting for insurance contracts. IFRS 17 supersedes IFRS 4 Insurance Contracts and related interpretations. This standard has not yet been endorsed by the European Union. The management is still assessing the effects of the transition to the new standard.

IFRS 1 Presentation of Financial Statements (amendments)

The amendments are effective for annual periods beginning on or after 1 January 2023. Earlier application is permitted. The amendments address the classification of liabilities as current and non-current and provide a more general approach to the classification of liabilities under IAS 1 based on the contractual arrangements in place at the reporting date. The management is still assessing the potential impact of the standard on the consolidated and separate financial statements of Zavarovalnica Triglav.

IAS 16 Property, Plant and Equipment (amendments)

The amendments are effective for annual periods beginning on or after 1 January 2022. Earlier application is permitted. The amendments address proceeds before intended use and prohibit a company from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use and the condition necessary for it to be capable of operating in the manner intended by the management. Instead, a company has to recognise such sales proceeds and related cost in profit or loss. The management is still assessing the potential impact of the standard on the consolidated and separate financial statements of Zavarovalnica Triglav.

IAS 37 Provisions, Contingent Liabilities and Contingent Assets (amendments)

The amendments are effective for annual periods beginning on or after 1 January 2022. Earlier application is permitted. The amendments specify that the costs of fulfilling an onerous contract comprise costs that relate directly to the contract. Costs that directly relate to the contract can either be incremental costs of fulfilling that contract or an allocation of other costs that relate directly to fulfilling the contract. The management is still assessing the potential impact of the standard on the consolidated and separate financial statements of Zavarovalnica Triglav.

IFRS 3 Business Combinations (amendments)

The amendments are effective for annual periods beginning on or after 1 January 2022. Earlier application is permitted. Amendments:

- update IFRS 3 so that it refers to the 2018 Conceptual Framework instead of the 1989 Framework;
- add to IFRS 3 a requirement that, for transactions and other events within the scope of IAS 37 or IFRIC 21, an acquirer applies IAS 37 or IFRIC 21 (instead of the Conceptual Framework) to identify the liabilities it has assumed in a business combination; and
- add to IFRS 3 an explicit statement that an acquirer does not recognise contingent assets acquired in a business combination.

The management is still assessing the potential impact of the standard on the consolidated and separate financial statements of Zavarovalnica Triglav.

IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures (amendments)

The effective date of the amendments is deferred indefinitely. The amendments deal with the sale or contribution of assets between an investor and its associate or joint venture, and further amendments

and address a conflict between the requirements of IAS 28 and IFRS 10 and clarify that in a transaction involving an associate or joint venture the extent of gain or loss recognition depends on whether the assets sold or contributed constitute a business. The management is still assessing the potential impact of the standard on the consolidated and separate financial statements of Zavarovalnica Triglav.

IFRS 9 Financial Instruments, IAS 39 Financial Instruments: Recognition and Measurement, IFRS 7 Financial Instruments: Disclosures, IFRS 4 Insurance Contracts and IFRS 16 Leases (amendments)

The amendments are effective for annual periods beginning on or after 1 January 2021. Earlier application is permitted. The amendments address the Interest Rate Benchmark Reform (Phase 2). The amendments relate to modifications of financial assets, financial liabilities and lease liabilities, specific hedge accounting requirements and disclosure requirements under IFRS 7 and accompany the amendments regarding modifications and hedge accounting:

- a) Modification of financial assets, financial liabilities and lease liabilities The IASB introduces a practical expedient for modifications required by the reform (modifications required as a direct consequence of the IBOR reform and made on an economically equivalent basis). These modifications are accounted for by updating the effective interest rate. All other modifications are accounted for using the current IFRS requirements. A similar practical expedient is proposed for lessee accounting applying IFRS 16.
- b) Hedge accounting requirements Under the amendments, hedge accounting is not discontinued solely because of the IBOR reform. Hedging relationships (and related documentation) must be amended to reflect modifications to the hedged item, hedging instrument and hedged risk. Amended hedging relationships should meet all qualifying criteria to apply hedge accounting, including effectiveness requirements.
- c) Disclosures In order to allow users to understand the nature and extent of risks arising from the IBOR reform to which the entity is exposed and how the entity manages those risks as well as the entity's progress in transitioning from IBORs to alternative benchmark rates, and how the entity manages this transition, the amendments require that an entity discloses information about:
 - how the transition from interest rate benchmarks to alternative benchmark rates is managed, the progress made at the reporting date, and the risks arising from the transition;
 - quantitative information about non-derivative financial assets, non-derivative financial liabilities and derivatives that continue to reference interest rate benchmarks subject to the reform, disaggregated by significant interest rate benchmark;
 - to the extent that the IBOR reform has resulted in changes to an entity's risk management strategy, a description of these changes and how the entity manages those risks.

The IASB also amended IFRS 4 to require that insurers applying the temporary exemption from IFRS 9 apply the amendments in accounting for modifications directly required by the IBOR reform. The management is still assessing the potential impact of the standard on the consolidated and separate financial statements of Zavarovalnica Triglav.

IFRS 14 Regulatory Deferral Accounts

This standard was published by the International Accounting Standards Board (IASB) on 30 January 2014. The objective of the standard is to enable an entity that is a first-time adopter of IFRS to continue to account for regulatory deferral account balances in accordance with its previous GAAP when it adopts IFRS. However, the European Commission has decided not to begin the process of endorsing this interim standard until its final version has been issued.

Annual Improvements to IFRSs 2018-2020 Cycle

Amendments to various standards arise from the IFRS annual improvements project (IFRS 1, IFRS 9, IFRS 16 and IFRS 41), which are primarily aimed at eliminating inconsistencies and clarifying the wording (The amendments to IFRS 1, IFRS 9, and IAS 41 are all effective for annual periods beginning on or after 1 January 2022. The amendment to IFRS 16 only regards an illustrative example, so no effective date is stated.). The primary objective of the amendments is to eliminate inconsistencies and interpret the wording. These amendments:

- (a) clarify that a subsidiary that applies paragraph D16(a) of IFRS 1 is permitted to measure cumulative translation differences using the amounts reported by its parent, based on the parent's date of transition to IFRSs (IFRS 1);
- (b) clarify which fees an entity includes when it applies the "10 per cent" test in paragraph B3.3.6 of IFRS 9 in assessing whether to derecognise a financial liability. An entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf (IFRS 9);
- (c) remove from the example the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives are illustrated in that example (Illustrative Example 13 accompanying IFRS 16); and
- (d) remove the requirement in paragraph 22 of IAS 41 for entities to exclude taxation cash flows when measuring the fair value of a biological asset using a present value technique (IFRS 41).

The management is still assessing the potential impact of the revision on the consolidated and separate financial statements of Zavarovalnica Triglav.

5.13 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 2020	31 December 2019
Balance sheet total (without offsetting)	3,013,214,159	2,920,864,739
Mutual receivables and liabilities	-5,479,243	-8,063,058
Deffered tax assets and liabilities	-12,216,751	-11,661,540
Offset balance	2,995,518,165	2,901,140,141

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

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

Income

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

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

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

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

Expenses

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

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

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

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

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

Additional disclosures of Triglav Group and Zavarovalnica Triglav

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

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

in EUR

		_			
Trigl	lav	G	ro	u	ı

2020	Non-life	Life	Health	Non-insurance	TOTAL
Investments in intangible assets	4,954,740	2,299,681	199,834	284,621	7,738,876
Investments in property, plant and equipment	7,368,606	167,856	966,536	449,433	8,952,431
Investments in investment property	384,677	0	0	2,261,859	2,646,536

in EUR

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

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

- in non-life insurance, exposure to Kreditanstalt für Wiederaufbau of EUR 37,887,001;
- in life insurance, exposure to SID Slovenska izvozna in razvojna banka, d.d., Ljubljana of EUR 27,067,775;
- in health insurance, exposure to SID Slovenska izvozna in razvojna banka, d.d., Ljubljana of EUR 2,021,645;
- in non-insurance, exposure to Nova KBM d.d. of EUR 7,560,800.

The Triglav Group and Zavarovalnica Triglav d.d. Annual Report 2020 | Other information

Zavarovalnica Triglav			in EUR
2020	Non-life	Life	TOTAL
ADDITIONAL DISCLOSURES FROM THE STATEMENT OF FINANCIAL POSITION			
Investments in intangible assets	3,850,496	2,242,113	6,092,609
Investments in property, plant and equipment	4,492,614	230,920	4,723,534
Investments in investment property	288,439	0	288,439
ADDITIONAL DISCLOSURES FROM THE INCOME STATEMENT			
Depreciation charge for the current year	-10,056,448	-2,107,814	-12,164,262
Depreciation of right of use assets	-918,639	-205,691	-1,124,330
Expenses from the impairment of premium and subrogation receivables	-11,370,526	0	-11,370,526
Income from reversal of impairment of receivables	8,332,010	54,943	8,386,953
Expenses from impairment of investment property	-653,340	0	-653,340
Expenses from impairment of other receivables	-110,183	-1,428	-111,611
Income from reversal of impairment of other receivables	70,590	1,750	72,340

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

Maximum individual exposure of Zavarovalnica Triglav to financial institutions is:

- for non–life insurance: Kreditanstalt für Wiederaufbau : EUR 24,940,228 and
- for life insurance: SID Slovenska izvozna in razvojna banka, d.d., Ljubljana : EUR 27,067,775.

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Triglav Group			2020					2019		
Comprehensive income by business segments	NON-LIFE	LIFE	HEALTH	OTHER	TOTAL	NON-LIFE	LIFE	HEALTH	OTHER	TOTAL
NET PROFIT FOR THE YEAR AFTER TAX	65,665,025	1,691,139	6,299,362	9,172	73,664,698	62,896,114	17,244,702	4,373,002	-649,389	83,864,429
OTHER COMPREHENSIVE INCOME AFTER TAX	1,747,665	1,272,432	676,144	888,175	4,584,416	8,911,767	4,510,742	411,447	4,169,509	18,003,465
Items which will not be transferred in P&L in future periods	-227,689	-44,747	-22,688	13,135	-281,989	-307,238	-47,664	-20,212	24,020	-351,094
Net actuarial gains/losses for pension plans	-227,689	-44,747	-22,688	13,135	-281,989	-307,238	-47,664	-20,212	24,020	-351,094
Tax on items which will not be transferred in P&L	0	0	0	0	0	0	0	0	0	0
Items which could be transferred into P&L in future periods	1,975,354	1,317,179	698,832	875,040	4,866,405	9,219,005	4,558,406	431,659	4,145,489	18,354,559
Fair value gains/losses on available–for–sale financial assets	2,786,418	19,818,730	862,756	1,016,535	24,484,439	10,813,731	9,580,568	532,912	7,563,077	28,490,288
 net gains/losses recognized directly in fair value reserve 	11,364,078	29,123,052	1,042,995	1,002,017	42,532,142	17,832,579	15,014,263	654,159	7,837,795	41,338,796
 transfers from fair value reserve to income statement 	-8,577,660	-9,304,322	-180,239	14,518	-18,047,703	-7,018,848	-5,433,695	-121,247	-274,718	-12,848,508
Fair value gains/losses on non–current assets held for sale	0	0	0	0	0	0	0	0	0	0
Net gains or losses recognised in the fair value reserve – equity method	0	0	0	0	0	0	0	0	0	0
Liabilities from insurance contracts with DPF	0	-14,238,050	0	0	-14,238,050	0	-4,005,357	0	0	-4,005,357
Currency translation differences	-156,802	-375,517	0	-24,251	-556,570	186,748	-37,740	0	-11,565	137,443
Tax on other comprehensive income	-654,262	-3,887,984	-163,924	-117,244	-4,823,414	-1,781,474	-979,065	-101,253	-3,406,023	-6,267,815
COMPREHENSIVE INCOME OR LOSS FOR THE YEAR AFTER TAX	67,412,690	2,963,571	6,975,506	897,347	78,249,114	71,807,881	21,755,444	4,784,449	3,520,120	101,867,894
Controlling interest	67,141,862	2,977,629	6,975,506	1,032,984	78,127,981	71,601,272	21,745,624	4,784,449	3,535,233	101,666,578
Non-controlling interest	270,828	-14,058	0	-135,637	121,133	206,609	9,820	0	-15,113	201,316

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Zavarovalnica Triglav	2020			2019		
Comprehensive income by business segments	NON-LIFE	LIFE	TOTAL	NON-LIFE	LIFE	TOTAL
Net profit for the year after tax	52,951,129	5,046,510	57,997,639	56,289,644	14,324,772	70,614,416
Other comprehensive income after tax	1,851,399	3,673,860	5,525,259	5,745,525	837,468	6,582,993
Items which will not be transferred in P&L in future periods	-238,333	-44,743	-283,076	-261,844	-47,664	-309,508
Actuarial gains and losses related to post-employment benefits on retirement	-238,333	-44,743	-283,076	-261,844	-47,664	-309,508
Tax on items which will not be transferred in P&L	0	0	0	0	0	0
Items which could be transferred into P&L in future periods	2,089,732	3,718,603	5,808,335	6,007,369	885,132	6,892,501
Fair value gains/losses on available—for—sale financial assets	2,579,916	21,846,162	24,426,078	7,416,505	5,858,245	13,274,750
 net gains/losses recognized directly in fair value reserve 	10,140,738	30,176,808	40,317,546	13,649,773	11,383,441	25,033,214
- transfers from fair value reserve to income statement	-7,560,822	-8,330,646	-15,891,468	-6,233,268	-5,525,196	-11,758,464
Liabilities from insurance contracts with DPF	0	-14,238,050	-14,238,050	0	-4,005,357	-4,005,357
Tax on other comprehensive income	-490,184	-3,889,509	-4,379,693	-1,409,136	-967,756	-2,376,892
COMPREHENSIVE INCOME OR LOSS FOR THE YEAR AFTER TAX	54,802,528	8,720,370	63,522,898	62,035,169	15,162,240	77,197,409

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

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

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

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

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

31 December 2020

			:	31 December 2020	0		
Statement of financial position	NON-LIFE	LIFE	HEALTH	OTHER	TOTAL (before eliminations)	ELIMINATIONS	TOTAL (after eliminations)
ASSETS	2,012,472,564	2,201,999,970	96,772,481	203,230,241	4,514,475,256	-375,034,184	4,139,441,072
Intangible assets	75,493,099	5,310,002	1,104,346	19,068,028	100,975,475	0	100,975,475
Property, plant and equipment	94,967,543	10,338,223	2,070,491	5,914,779	113,291,036	0	113,291,036
Deferred tax assets	12,225,408	315,728	100,492	353,711	12,995,339	-12,216,750	778,589
Investment property	46,479,633	1,815,663	0	26,659,489	74,954,785	4,023,015	78,977,800
Right of use assets	9,196,761	742,514	736,587	2,868,556	13,544,418	-3,723,207	9,821,211
Investments in subsidiaries	126,370,012	13,438,187	0	73,079,881	212,888,080	-212,888,080	0
Investments in associates	27,787,564	450,150	0	0	28,237,714	0	28,237,714
Financial assets	1,139,058,291	2,132,154,775	84,738,085	40,370,531	3,396,321,682	-7,132,143	3,389,189,539
Financial investments	1,139,058,291	1,630,345,795	84,738,085	40,370,531	2,894,512,702	-7,132,143	2,887,380,559
– loans and deposits	71,528,702	28,880,122	0	4,694,398	105,103,222	-7,132,143	97,971,079
– held to maturity	0	162,824,686	0	0	162,824,686	0	162,824,686
– available for sale	1,061,065,742	920,434,108	84,738,085	35,676,133	2,101,914,068	0	2,101,914,068
– recognised at fair value through profit and loss	6,463,847	518,206,879	0	0	524,670,726	0	524,670,726
Unit–linked insurance assets	0	501,808,980	0	0	501,808,980	0	501,808,980
Reinsurers' share of technical provisions	205,023,278	2,120,725	1,930,507	0	209,074,510	-83,200,873	125,873,637
Receivables	244,061,313	2,853,381	5,773,521	10,329,503	263,017,718	-59,833,867	203,183,851
– receivables from direct insurance operations	99,328,743	857,266	5,415,317	46,036	105,647,362	-162,423	105,484,939
– receivables from reinsurance and coinsurance operations	124,912,987	125,891	288,594	0	125,327,472	-52,972,339	72,355,133
– current tax receivables	260,744	16,522	0	1,673,365	1,950,631	0	1,950,631
– other receivables	19,558,839	1,853,702	69,610	8,610,102	30,092,253	-6,699,105	23,393,148
Other assets	5,163,290	427,439	110,588	657,667	6,358,984	-62,279	6,296,705
Cash and cash equivalents	26,646,372	32,033,183	207,864	23,012,245	81,899,664	0	81,899,664
Non-current assets held for sale	0	0	0	915,851	915,851	0	915,851
				,	,		,
EQUITY AND LIABILITIES	2,012,472,564	2,201,999,970	96,772,481	203,230,241	4,514,475,256	-375,034,184	4,139,441,072
Equity	692,506,717	170,820,488	40,491,519	182,757,721	1,086,576,445	-216,424,498	870,151,947
Controlling interests	692,506,717	170,820,488	40,491,519	182,757,721	1,086,576,445	-218,927,871	867,648,574
– share capital	115,741,097	48,491,866	25,822,144	103,744,632	293,799,739	-220,098,347	73,701,392
– share premium	43,511,478	13,658,827	0	20,596,489	77,766,794	-27,495,687	50,271,107
– reserves from profit	333,236,478	47,223,257	1,231,991	1,692,535	383,384,261	722,431	384,106,692
– treasury share reserves	0	0	0	364,680	364,680	0	364,680
– treasury shares	0	0	0	0	0	-364,680	-364,680
– fair value reserve	58,511,213	15,245,473	2,033,564	14,655,399	90,445,649	-1,152,165	89,293,484
 net profit brought forward 	107,987,054	40,763,981	7,030,922	39,589,850	195,371,807	33,912,241	229,284,048
– net profit for the year	35,549,723	6,453,044	4,372,898	2,179,544	48,555,209	-4,423,254	44,131,955
 currency translation differences 	-2,030,326	-1,015,960	0	-65,408	-3,111,694	-28,410	-3,140,104
– reserve of disposal group held for sale	0	0	0	0	0	0	0
Non-controlling interests	0	0	0	0	0	2,503,373	2,503,373
Subordinated liabilities	49,423,693	0	1,500,000	0	50,923,693	-1,500,000	49,423,693
Insurance technical provisions	1,063,657,574	1,490,492,569	43,649,539	0	2,597,799,682	-74,570,538	2,523,229,144
– unearned premiums	357,552,557	457,883	3,515,846	0	361,526,286	-16,765,359	344,760,927
– mathematical provisions	0	1,448,316,427	0	0	1,448,316,427	8,707,536	1,457,023,963
– claims provisions	674,353,544	21,380,025	14,654,188	0	710,387,757	-65,056,589	645,331,168
– other insurance technical provisions	31,751,473	20,338,234	25,479,505	0	77,569,212	-1,456,126	76,113,086
Insurance technical provisions for unit-linked insurance contracts	0	509,984,710	0	0	509,984,710	0	509,984,710
Employee benefits	13,719,361	2,523,496	748,274	790,022	17,781,153	0	17,781,153
Other provisions	1,337,516	128,168	170,071	1,173,346	2,809,101	0	2,809,101
Deferred tax liabilities	13,716,085	8,795,206	0	4,256,653	26,767,944	-12,228,429	14,539,515
Other financial liabilities	2,646,272	62,652	99,125	1,612,573	4,420,622	-1,524,788	2,895,834
Operating liabilities	110,512,564	8,970,466	4,240,077	148,714	123,871,821	-53,558,783	70,313,038
– liabilities from direct insurance operations	5,370,819	8,352,551	3,602,278	0	17,325,648	-523,792	16,801,856
liabilities from reinsurance and co-insurance operations	101,187,933	547,228	240,568	0	101,975,729	-53,034,991	48,940,738
- current tax liabilities	3,953,812	70,687	397,231	148,714	4,570,444	0	4,570,444
Lease liabilities	9,425,284	684,384	745,771	3,024,607	13,880,046	-3,854,514	10,025,532
Other liabilities	55,527,498	9,537,831	5,128,105	9,466,605	79,660,039	-11,372,634	68,287,405
Non–current liabilities held for sale and discontinued operations	33,327,438	9,557,651	0,128,103	9,400,003	79,000,039	-11,372,034	08,287,403
Tron current habilities field for sale and discontinued operations	0	U	U	0	0	U	- 0

31 December 2019

					TOTAL (before		TOTAL
Statement of financial position	NON-LIFE	LIFE	HEALTH	OTHER	eliminations)	ELIMINATIONS	(after eliminations)
ASSETS	1,886,331,447	2,127,584,025	69,867,321	200,898,657	4,284,681,450	-347,406,228	3,917,275,222
Intangible assets	73,873,704	4,960,073	1,410,073	21,481,875	101,725,725	0	101,725,725
Property, plant and equipment	95,558,447	10,287,688	1,330,907	6,895,248	114,072,290	0	114,072,290
Deferred tax assets	11,673,552	286,682	179,837	322,011	12,462,082	0	12,462,082
Investment property	48,371,952	1,867,050	0	25,659,463	75,898,465	4,023,015	79,921,480
Right of use assets	11,003,727	818,995	813,973	2,416,991	15,053,686	-4,115,761	10,937,925
Investments in subsidiaries	127,367,858	15,104,174	0	72,875,056	215,347,088	-215,347,088	0
Investments in associates	12,628,315	526,064	0	0	13,154,379	0	13,154,379
Financial assets	1,081,648,504	2,054,668,134	57,376,656	42,720,774	3,236,414,068	-14,351,828	3,222,062,240
Financial investments	1,081,648,504	1,572,636,846	57,376,656	42,720,774	2,754,382,780	-14,351,828	2,740,030,952
– loans and deposits	82,447,820	28,035,356	108	11,294,539	121,777,823	-9,199,672	112,578,151
held to maturity	0	186,109,072	0	0	186,109,072	0	186,109,072
– available for sale	938,892,715	803,897,253	57,376,548	31,426,235	1,831,592,751	-4,652,335	1,826,940,416
 recognised at fair value through profit and loss 	60,307,969	554,595,165	0	0	614,903,134	-499,821	614,403,313
Unit-linked insurance assets	0	482,031,288	0	0	482,031,288	0	482,031,288
Reinsurers' share of technical provisions	174,939,813	372,098	1,977,798	0	177,289,709	-74,541,903	102,747,806
Receivables	218,205,416	3,401,672	6,225,706	9,702,838	237,535,632	-51,362,942	186,172,690
 receivables from direct insurance operations 	98,750,207	940,602	5,904,061	39,889	105,634,759	-174,930	105,459,829
 receivables from reinsurance and coinsurance operations 	98,989,542	212,839	191,854	0	99,394,235	-41,404,733	57,989,502
– current tax receivables	194,416	1,172	0	1,085,761	1,281,349	0	1,281,349
– other receivables	20,271,251	2,247,059	129,791	8,577,188	31,225,289	-9,783,279	21,442,010
Other assets	4,718,106	74,106	60,856	841,262	5,694,330	-48,181	5,646,149
Cash and cash equivalents	26,342,053	35,217,289	491,515	13,818,918	75,869,775	0	75,869,775
Non-current assets held for sale	0	0	0	4,164,221	4,164,221	0	4,164,221
EQUITY AND LIABILITIES	1,886,331,447	2,127,584,025	69,867,321	200,898,657	4,284,681,450	-367,406,228	3,917,275,222
Equity	624,320,880	163,093,029	34,970,059	179,818,228	1,002,202,196	-210,250,408	791,951,788
Controlling interests	624,320,880	163,093,029	34,970,059	179,818,228	1,002,202,196	-212,676,073	789,526,123
– share capital	114,718,513	48,491,866	25,822,144	104,271,537	293,304,060	-219,602,668	73,701,392
– share premium	43,118,794	13,658,827	0	20,596,489	77,374,110	-27,097,473	50,276,637
– reserves from profit	304,169,128	47,203,902	759,573	1,737,217	353,869,820	864,454	354,734,274
– treasury share reserves	0	0	0	0	0	364,680	364,680
– treasury shares	0	0	0	0	0	-364,680	-364,680
– fair value reserve	56,592,416	13,594,911	1,357,420	13,742,971	85,287,718	-1,187,794	84,099,924
– net profit brought forward	63,783,256	26,125,799	4,385,242	35,792,884	130,087,181	35,808,989	165,896,170
– net profit/loss for the year	43,800,570	14,660,149	2,645,680	3,713,810	64,820,209	-1,415,385	63,404,824
 currency translation differences 	-1,861,797	-642,425	0	-36,680	-2,540,902	-46,196	-2,587,098
– reserve of disposal group held for sale	0	0	0	0	0	0	0
Non-controlling interests	0	0	0	0	0	2,425,665	2,425,665
Subordinated liabilities	60,160,065	9,839,385	1,500,000	0	71,499,450	-6,652,157	64,847,293
Insurance technical provisions	1,008,682,231	1,438,237,510	21,698,247	0	2,468,617,988	-74,690,652	2,393,927,336
 unearned premiums 	343,950,574	443,779	3,436,474	0	347,830,827	-15,319,892	332,510,935
– mathematical provisions	0	1,404,439,748	0	0	1,404,439,748	0	1,404,439,748
– claims provisions	637,832,876	20,761,018	14,541,924	0	673,135,818	-57,737,074	615,398,744
– other insurance technical provisions	26,898,781	12,592,965	3,719,849	0	43,211,595	-1,633,686	41,577,909
Insurance technical provisions for unit–linked insurance contracts	0	484,942,835	0	0	484,942,835	0	484,942,835
Employee benefits	12,308,513	2,265,686	628,812	670,035	15,873,046	0	15,873,046
Other provisions	1,377,941	127,805	130,334	1,114,320	2,750,400	0	2,750,400
Deferred tax liabilities	13,090,239	5,030,501	0	4,407,808	22,528,548	-11,673,396	10,855,152
Other financial liabilities	1,746,437	25,699	98,854	1,189,450	3,060,440	-1,196,027	1,864,413
Operating liabilities	91,801,534	11,691,145	5,348,431	138,345	108,979,455	-42,107,124	66,872,331
- liabilities from direct insurance operations	6,784,884	11,128,658	4,346,780	138,343	22,260,322	-701,778	21,558,544
— liabilities from reinsurance and co—insurance operations	82,218,277	532,812	203,170	0	82,954,259	-41,405,346	41,548,913
- current tax liabilities	2,798,373	29,675	798,481	138,345	3,764,874	-41,403,340	3,764,874
Lease liabilities	10,997,796	794,424	819,669	2,491,774	15,103,663	-4,187,985	10,915,678
Other liabilities	61,845,811	11,536,007	4,672,915	11,068,697	89,123,430	-16,648,480	72,474,950
		11,556,007	4,672,913	11,068,697		-16,648,480	
Non-current liabilities held for sale and discontinued operations	0	U	U	U	0	0	0

2020 2019 Income statement NON-LIFE LIFE HEALTH OTHER TOTAL NON-LIFE LIFE HEALTH OTHER **TOTAL** 227.378.645 195.596.628 0 1.066.754.825 620.166.204 231.200.262 176.262.359 1.027.628.825 Net premium income 643,779,552 0 807,244,322 230,817,653 195,713,390 1,233,775,365 775,494,930 231,930,884 176,748,293 0 1,184,174,107 - gross written premium n - ceded written premium -156,597,482 -3,424,867 0 n -160,022,349 -135,738,308 -714,789 0 0 -136,453,097 - change in unearned premium reserve -6,867,288 -14,141 -116,762 0 -6,998,191 -19,590,418 -15,833 -485,934 0 -20,092,185 Income from investments in subsidiaries and associates 249,555 0 0 187,055 436,610 208,868 0 867,459 1,076,327 0 515.913 - profit on equity investments accounted for using the equity method 249.555 0 0 187.055 436.610 208.868 0 307.045 - other income from investments in subsidiaries and associates 0 0 n 0 0 0 560,414 560,414 n Λ Income from investments 34,823,751 86,989,555 781,928 484,215 123,079,449 32,870,628 151,747,522 886,374 1,484,681 186,989,205 - interest income calculated using the effective interest method 13,274,816 28,148,701 585,048 47,237 42,055,802 16,208,950 36,274,202 631,895 22,695 53,137,742 - gains on disposals 17,065,688 22,562,061 151,048 384,092 40,162,889 12,106,924 24,015,652 251,753 1,194,490 37,568,819 - other income from investments 4.483.247 36.278.793 45.832 52.886 40.860.758 4,554,754 91,457,668 2.726 267.496 96,282,644 67,688 280,726 42,091 37,183,512 Other income from insurance operations 39,882,940 1,056,365 0 41,006,993 36,860,695 0 - fees and commission income 29,643,684 1,006,073 0 0 30,649,757 21,841,642 227,613 0 0 22,069,255 - other income from insurance operations 10,239,256 50,292 67,688 0 10,357,236 15,019,053 53,113 42,091 0 15,114,257 Other income 7,275,430 93,730 105,839 36,138,978 43,613,977 6,633,071 352,611 79,818 32,455,622 39,521,122 Net claims incurred 359,449,906 172,435,721 151,746,148 0 683,631,775 349,831,663 181,811,031 152,505,134 0 684,147,828 0 - gross claims settled 380,855,243 172,878,283 143,710,042 697,443,568 394,737,465 181,736,829 140,267,842 0 716,742,136 - reinsurers' share -33,303,933 -975,656 659 0 -34,278,930 -35,136,449 -118,092 0 0 -35,254,541 0 - changes in claims provisions 11,898,596 533,094 109,344 12.541.034 -9,769,353 192.294 4,670,123 0 -4,906,936 7.926.103 0 7.926.103 0 0 7.567.169 7.567.169 - equalisation scheme expenses for supplementary health insurance 0 0 Change in other insurance technical provisions (excluding ULI) -126.038 44,301,421 18,461,207 0 62,636,590 176,456 58,687,111 445.023 0 59,308,590 25,492,453 0 0 69,205,056 Change in insurance technical provisions for unit-linked insurance contracts 0 0 25,492,453 0 69,205,056 Λ **Expenses for bonuses and discounts** 17,971,591 80,236 3,298,449 0 21,350,276 11,544,916 16,342 0 0 11,561,258 0 Operating expenses 190,362,748 36,323,110 14,226,877 240,912,735 191,503,701 35,403,309 17.545.841 0 244,452,851 138.295.231 21.650.359 3.583.376 0 163.528.966 135.465.781 20.245.934 6.854.869 0 162.566.584 - acquisition costs - other operating costs 52,067,517 14,672,751 10,643,501 0 77,383,769 56,037,920 15,157,375 10,690,972 0 81,886,267 0 139,422 Expenses from investments in subsidiaries and associates 63,508 75,914 n 84,936 85,704 Λ 562,704 733,344 - loss on investments accounted for using the equity method 63,508 75,914 0 0 139,422 84,936 85,704 0 0 170,640 0 - other expenses from financial assets and liabilities 0 0 0 0 0 0 562,704 562,704 11.424.877 29.194.418 80.435 293,481 40.993.211 9.657.415 13.913.508 67.088 315.561 23.953.572 **Expenses from investments** 1,629,354 72,430 0 269,518 1,971,302 737,255 111,707 0 0 848,962 - loss on impairment of investments - loss on disposal of investments 19,881 1,647,936 5,273,673 0 6,941,490 3,543,500 6,216,066 7,600 0 9,767,166 - other expenses from investments 8,147,587 23,848,315 60,554 23,963 32,080,419 5,376,660 7,585,735 59,488 315,561 13,337,444 Other insurance expenses 49,046,549 1,728,695 748,144 0 51,523,388 40,947,571 1,550,829 1.066.910 0 43,565,310 18.796.881 2.785.118 639,547 35.087.176 57.308.722 605.206 33.781.350 54.533.956 Other expenses 17.466.023 2.681.377 - expenses from financing 2,628,571 154,221 -11.408 166,117 2,937,501 2,497,381 422,456 0 178,665 3,098,502 - other expenses 16,168,310 2,630,897 54,371,221 33,602,685 650,955 34,921,059 14,968,642 2,258,921 605,206 51,435,454 Profit before tax 79,021,206 3,101,209 7,351,276 1,429,591 90,903,282 75,526,786 20,226,854 5,035,440 148.147 100,937,227 13.356.181 1.410.070 1.051.914 1.420.419 17.238.584 12.630.672 2.982.152 662,438 797.536 17.072.798 Income tax expense NET PROFIT FOR THE PERIOD 65,665,025 1,691,139 6,299,362 9,172 73,664,698 62,896,114 17,244,702 4,373,002 -649,389 83,864,429 1,698,523 Net profit/loss attributable to the controlling company 65,361,678 6,299,362 144,810 73,504,373 62,712,607 17,239,310 4,373,002 -634,275 83,690,644 Net profit/loss attributable to the non-controlling interest holders 303,347 -7,384 0 -135,638 160,325 183,507 5,392 0 -15,114 173,785

5.13.2 Reporting by business segment for Zavarovalnica Triglav

		31 December 2020			31 December 2019	In EUR
Statement of financial position	NON-LIFE	LIFE	TOTAL	NON-LIFE	LIFE	TOTAL
ASSETS	1,349,958,827	1,663,255,332	3,013,214,159	1,296,007,131	1,624,857,608	2,920,864,739
Intangible assets	57,234,354	5,163,225	62,397,579	57,101,033	4,823,240	61,924,273
Property, plant and equipment	59,618,441	8,157,010	67,775,451	60,163,552	8,142,132	68,305,684
Deferred tax assets	11,970,197	246,554	12,216,751	11,414,866	246,674	11,661,540
Investment property	43,614,546	836,730	44,451,276	45,233,734	857,401	46,091,135
Right of use assets	3,587,916	0	3,587,916	4,106,316	0	4,106,316
Investments in subsidiaries	120,857,455	11,480,011	132,337,466	121,792,669	13,145,998	134,938,667
Investments in associates	31,337,951	0	31,337,951	18,054,026	0	18,054,026
Financial assets	800,423,050	1,625,457,811	2,425,880,861	763,048,943	1,582,917,049	2,345,965,992
Financial investments	800,423,050	1,183,165,323	1,983,588,373	763,048,943	1,149,158,439	1,912,207,382
– loans and deposits	30,245,946	6,705,139	36,951,085	42,585,064	6,464,783	49,049,847
– held to maturity	0	143,908,512	143,908,512	0	150,469,553	150,469,553
– available for sale	770,063,803	824,938,626	1,595,002,429	663,894,901	718,907,168	1,382,802,069
 recognised at fair value through profit and loss 	113,301	207,613,046	207,726,347	56,568,978	273,316,935	329,885,913
Unit-linked insurance assets	0	442,292,488	442,292,488	0	433,758,610	433,758,610
Reinsurers' share of technical provisions	105,862,172	41,266	105,903,438	98,415,614	17,656	98,433,270
Receivables	99,841,079	1,438,370	101,279,449	99,996,693	1,782,360	101,779,053
 receivables from direct insurance operations 	67,453,193	179,021	67,632,214	68,028,729	372,408	68,401,137
 receivables from reinsurance and coinsurance operations 	19,797,094	0	19,797,094	17,218,816	861	17,219,677
– current tax receivables	0	0	0	0	0	0
– other receivables	12,590,792	1,259,349	13,850,141	14,749,148	1,409,091	16,158,239
Other assets	3,695,106	46,693	3,741,799	3,443,061	49,610	3,492,671
Cash and cash equivalents	11,916,560	10,387,662	22,304,222	13,236,624	12,875,488	26,112,112
EQUITY AND LIABILITIES	1,349,958,827	1,663,255,332	3,013,214,159	1,296,007,131	1,624,857,608	2,920,864,739
Equity	533,692,011	110,311,163	644,003,173	478,889,482	101,590,793	580,480,275
– 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	322,348,752	45,513,891	367,862,643	293,448,752	45,513,891	338,962,643
– fair value reserve	49,399,362	10,002,717	59,402,079	47,533,632	6,326,248	53,859,881
– net profit brought forward	46,207,250	14,319,286	60,526,536	9,931,936	-2,877	9,929,059
– net profit for the year	24,051,129	5,046,510	29,097,639	36,289,644	14,324,772	50,614,416
Subordinated liabilities	49,423,693	0	49,423,693	60,160,066	9,839,385	69,999,451
Insurance technical provisions	671,257,573	1,079,057,809	1,750,315,382	662,915,656	1,050,505,865	1,713,421,521
– unearned premiums	234,785,484	405,332	235,190,816	232,398,752	392,304	232,791,056
– mathematical provisions	0	1,041,557,084	1,041,557,084	0	1,020,231,686	1,020,231,686
– claims provisions	410,567,439	19,692,182	430,259,621	408,984,759	19,336,004	428,320,763
 – other insurance technical provisions 	25,904,650	17,403,211	43,307,861	21,532,145	10,545,871	32,078,016
Insurance technical provisions for unit–linked insurance contracts	0	448,726,097	448,726,097	0	435,592,711	435,592,711
Employee benefits	10,820,648	2,252,716	13,073,364	9,826,388	2,066,061	11,892,449
Other provisions	658,257	111,700	769,957	621,111	111,700	732,811
Deferred tax liabilities	11,833,573	9,914,340	21,747,913	11,343,388	6,024,831	17,368,219
Other financial liabilities	1,633,896	0	1,633,896	1,638,375	1,750	1,640,125
Operating liabilities	26,962,627	7,015,144	33,977,772	22,317,389	9,595,349	31,912,738
 liabilities from direct insurance operations 	3,633,281	7,003,623	10,636,904	4,651,168	9,588,327	14,239,495
 liabilities from reinsurance and co-insurance operations 	19,812,663	11,521	19,824,185	15,302,053	7,022	15,309,075
– current tax liabilities	3,516,683	0	3,516,683	2,364,168	0	2,364,168
Lease liabilities	3,675,805	0	3,675,805	4,166,278	0	4,166,278
Other liabilities	40,000,744	5,866,363	45,867,107	44,128,998	9,529,163	53,658,161

		2020			2019	
Income statement	NON-LIFE	LIFE	TOTAL	NON-LIFE	LIFE	TOTAL
Net premium income	410,209,492	173,658,354	583,867,846	394,414,318	179,141,039	573,555,357
– gross written premium	544,787,178	174,468,690	719,255,868	522,227,959	179,904,010	702,131,969
– ceded written premium	-137,136,826	-797,378	-137,934,204	-118,761,248	-771,505	-119,532,753
– change in unearned premium reserve	2,559,140	-12,958	2,546,182	-9,052,393	8,534	-9,043,859
Income from investments in subsidiaries and associates	302,643	0	302,643	3,642,440	0	3,642,440
 profit on equity investments accounted for using the equity method 	0	0	0	0	0	0
 other income from investments in subsidiaries and associates 	302,643	0	302,643	3,642,440	0	3,642,440
Income from investments	27,042,218	62,139,416	89,181,634	23,082,111	118,430,116	141,512,227
 interest income calculated using the effective interest method 	6,933,637	19,000,163	25,933,800	9,238,349	25,898,500	35,136,849
– gains on disposals	16,293,611	20,994,547	37,288,158	10,513,445	21,545,989	32,059,434
– other income from investments	3,814,970	22,144,706	25,959,676	3,330,317	70,985,627	74,315,944
Other income from insurance operations	34,556,277	3,553,752	38,110,029	29,490,605	264,398	29,755,003
– fees and commission income	26,528,102	3,552,789	30,080,891	19,598,985	249,021	19,848,006
– other income from insurance operations	8,028,175	963	8,029,138	9,891,620	15,377	9,906,997
Other income	7,298,148	574,437	7,872,585	7,216,917	4,138,518	11,355,435
Net claims incurred	225,006,212	150,330,735	375,336,947	217,114,940	159,645,937	376,760,877
– gross claims settled	258,037,807	150,240,333	408,278,140	265,384,653	159,819,727	425,204,380
– reinsurers' share	-31,446,853	-242,236	-31,689,089	-31,136,225	-359,222	-31,495,447
– changes in claims provisions	-1,584,742	332,638	-1,252,104	-17,133,488	185,432	-16,948,056
Change in other insurance technical provisions (excluding ULI)	-399,454	13,849,410	13,449,956	265,640	22,072,501	22,338,141
Change in insurance technical provisions for unit-linked insurance contracts	0	13,270,367	13,270,367	0	57,140,018	57,140,018
Expenses for bonuses and discounts	16,029,498	0	16,029,498	9,721,522	0	9,721,522
Operating expenses	124,141,249	31,763,368	155,904,617	125,759,389	32,146,776	157,906,165
– acquisition costs	91,712,332	21,856,103	113,568,435	89,452,908	21,415,472	110,868,380
– other operating costs	32,428,917	9,907,265	42,336,182	36,306,481	10,731,304	47,037,785
Expenses from investments in subsidiaries and associates	2,264,409	1,665,987	3,930,396	195,478	0	195,478
 loss on investments accounted for using the equity method 	0	0	0	0	0	0
– other expenses from financial assets and liabilities	2,264,409	1,665,987	3,930,396	195,478	0	195,478
Expenses from investments	7,053,203	18,622,070	25,675,273	7,956,648	10,425,287	18,381,935
 loss on impairment of investments 	1,562,127	70,224	1,632,351	249,476	94,699	344,175
– loss on disposal of investments	1,284,563	4,434,620	5,719,183	3,530,238	6,149,273	9,679,511
– other expenses from investments	4,206,513	14,117,226	18,323,739	4,176,934	4,181,315	8,358,249
Other insurance expenses	22,918,916	1,389,122	24,308,038	14,366,392	584,315	14,950,707
Other expenses	17,703,408	2,656,271	20,359,679	15,120,494	2,693,518	17,814,012
– expenses from financing	2,446,016	132,930	2,578,946	2,270,915	596,215	2,867,130
– other expenses	15,257,392	2,523,341	17,780,733	12,849,579	2,097,303	14,946,882
Profit before tax	64,691,337	6,378,629	71,069,966	67,345,888	17,265,719	84,611,607
Income tax expense	11,740,208	1,332,119	13,072,327	11,056,244	2,940,947	13,997,191
NET PROFIT FOR THE PERIOD	52,951,129	5,046,510	57,997,639	56,289,644	14,324,772	70,614,416

5.13.3 Reporting by geographical area for Triglav Group

			31 December 2020		III EUK	
Statement of financial position	SLOVENIA	OTHER	TOTAL (before eliminations)	ELIMINATIONS	TOTAL (after eliminations)	
ASSETS	4,032,148,922	482,326,334	4,514,475,256	-375,034,184	4,139,441,072	
Intangible assets	84,017,812	16,957,663	100,975,475	0	100,975,475	
Property, plant and equipment	73,182,453	40,108,583	113,291,036	0	113,291,036	
Deferred tax assets	12,656,083	339,256	12,995,339	-12,216,750	778,589	
Investment property	69,240,958	5,713,827	74,954,785	4,023,015	78,977,800	
Right of use assets	6,034,215	7,510,203	13,544,418	-3,723,207	9,821,211	
Investments in subsidiaries	207,189,438	5,698,642	212,888,080	-212,888,080	0	
Investments in associates	28,237,714	0	28,237,714	0	28,237,714	
Financial assets	3,122,540,978	273,780,704	3,396,321,682	-7,132,143	3,389,189,539	
Financial investments	2,643,372,240	251,140,462	2,894,512,702	-7,132,143	2,887,380,559	
– loans and deposits	57,670,422	47,432,800	105,103,222	-7,132,143	97,971,079	
– held to maturity	154,495,490	8,329,196	162,824,686	0	162,824,686	
available for sale	1,914,114,795	187,799,273	2,101,914,068	0	2,101,914,068	
 recognised at fair value through profit and loss 	517,091,533	7,579,193	524,670,726	0	524,670,726	
Unit-linked insurance assets	479,168,738	22,640,242	501,808,980	0	501,808,980	
Reinsurers' share of technical provisions	165,288,509	43,786,001	209,074,510	-83,200,873	125,873,637	
Receivables	203,568,387	59,449,331	263,017,718	-59,833,867	203,183,851	
– receivables from direct insurance operations	73,047,776	32,599,586	105,647,362	-162,423	105,484,939	
– receivables from reinsurance and coinsurance operations	109,694,158	15,633,314	125,327,472	-52,972,339	72,355,133	
– current tax receivables	1,824,200	126,431	1,950,631	0	1,950,631	
– other receivables	19,002,253	11,090,000	30,092,253	-6,699,105	23,393,148	
Other assets	4,263,758	2,095,226	6,358,984	-62,279	6,296,705	
Cash and cash equivalents	55,159,650	26,740,014	81,899,664	0	81,899,664	
Non–current assets held for sale	768,967	146,884	915,851	0	915,851	
EQUITY AND LIABILITIES	4,032,148,922	482,326,334	4,514,475,256	-375,034,184	4,139,441,072	
Equity	961,766,208	124,810,237	1,086,576,445	-216,424,498	870,151,947	
Controlling interests	961,766,208	124,810,237	1,086,576,445	-218,927,871	867,648,574	
– share capital	192,452,158	101,347,581	293,799,739	-220,098,347	73,701,392	
– share premium	75,746,998	2,019,796	77,766,794	-27,495,687	50,271,107	
 reserves from profit 	372,764,877	10,619,384	383,384,261	722,431	384,106,692	
– treasury share reserves	364,680	0	364,680	0	364,680	
– treasury shares	0	0	0	-364,680	-364,680	
– fair value reserve	81,192,803	9,252,846	90,445,649	-1,152,165	89,293,484	
– net profit brought forward	196,182,765	-810,958	195,371,807	33,912,241	229,284,048	
– net profit/loss for the year	43,061,927	5,493,282	48,555,209	-4,423,254	44,131,955	
– currency translation differences	0	-3,111,694	-3,111,694	-28,410	-3,140,104	
– reserve of disposal group held for sale	0	0	0	0	0	
Non-controlling interests	0	0	0	2,503,373	2,503,373	
Subordinated liabilities	50,923,693	0	50,923,693	-1,500,000	49,423,693	
Insurance technical provisions	2,321,584,385	276,215,297	2,597,799,682	-74,570,538	2,523,229,144	
– unearned premiums	274,057,915	87,468,371	361,526,286	-16,765,359	344,760,927	
– mathematical provisions	1,370,622,906	77,693,521	1,448,316,427	8,707,536	1,457,023,963	
- claims provisions	603,087,599	107,300,158	710,387,757	-65,056,589	645,331,168	
– other insurance technical provisions	73,815,965	3,753,247	77,569,212	-1,456,126	76,113,086	
Insurance technical provisions for unit-linked insurance contracts	487,386,393	22,598,317	509,984,710	0	509,984,710	
Employee benefits	14,754,947	3,026,206	17,781,153	0	17,781,153	
Other provisions	1,823,032	986,069	2,809,101	0	2,809,101	
Deferred tax liabilities	25,077,905	1,690,039	26,767,944	-12,228,429	14,539,515	
Other financial liabilities	2,467,346	1,953,276	4,420,622	-1,524,788	2,895,834	
Operating liabilities	100,356,539	23,515,282	123,871,821	-53,558,783	70,313,038	
- liabilities from direct insurance operations	14,510,500	2,815,148	17,325,648	-523,792	16,801,856	
– liabilities from reinsurance and co-insurance operations	81,808,051	20,167,678	101,975,729	-53,034,991	48,940,738	
– current tax liabilities	4,037,988	532,456	4,570,444	0	4,570,444	
Lease liabilities	6,177,790	7,702,256	13,880,046	-3,854,514	10,025,532	
Other liabilities	59,830,684	19,829,355	79,660,039	-11,372,634	68,287,405	
Non-current liabilities held for sale and discontinued operations	0	0	0	0	0	

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Chatana and a Company and a service of	CLOVENIA	OTHER	TOTAL	FUNNINATIONS	TOTAL
Statement of financial position	SLOVENIA	OTHER	(before eliminations)	ELIMINATIONS	(after eliminations)
ASSETS	3,838,569,798	446,111,652	4,284,681,450	-367,406,228	3,917,275,222
Intangible assets	86,275,221	15,450,504	101,725,725	0	101,725,725
Property, plant and equipment	72,964,687	41,107,603	114,072,290	-	114,072,290
Deferred tax assets	12,141,162	320,920	12,462,082	-11,661,540	800,542
Investment property	69,084,866	6,813,599	75,898,465	4,023,015	79,921,480
Right of use assets	6,838,989	8,214,697	15,053,686	-4,115,761	10,937,925
Investments in subsidiaries	209,585,814	5,761,274	215,347,088	-215,347,088	12.154.270
Investments in associates	13,154,379 2,973,735,046	0	13,154,379	14.351.838	13,154,379
Financial assets		262,679,022	3,236,414,068	-14,351,828	3,222,062,240
Financial investments	2,513,307,413	241,075,367	2,754,382,780	-14,351,828	2,740,030,952
- loans and deposits	74,692,193	47,085,630	121,777,823	-9,199,672	112,578,151
- held to maturity	166,255,014	19,854,058	186,109,072	0	186,109,072
– available for sale	1,663,388,304	168,204,447	1,831,592,751	-4,652,335	1,826,940,416
– recognised at fair value through profit and loss	608,971,902	5,931,232	614,903,134	-499,821	614,403,313
Unit—linked insurance assets	460,427,633	21,603,655	482,031,288	0	482,031,288
Reinsurers' share of technical provisions	150,961,953	26,327,756	177,289,709	-74,541,903	102,747,806
Receivables	181,409,391	56,126,241	237,535,632	51,362,942	186,172,690
– receivables from direct insurance operations	74,305,445	31,329,314	105,634,759	-174,930	105,459,829
- receivables from reinsurance and coinsurance operations - receivables from reinsurance and coinsurance operations	84,833,856	14,560,379	99,394,235	-41,404,733	57,989,502
– current tax receivables	1,067,973	213,376	1,281,349	0	1,281,349
– other receivables	21,202,117	10,023,172	31,225,289	-9,783,279	21,442,010
Other assets	4,099,703	1,594,627	5,694,330	-48,181	5,646,149
Cash and cash equivalents	54,303,470	21,566,305	75,869,775	0	75,869,775
Non–current assets held for sale	4,015,117	149,104	4,164,221	0	4,164,221
EQUITY AND LIABILITIES	3,838,569,798	446,111,652	4,284,681,450	-367,406,228	3,917,275,222
Equity	881,561,015	120,641,181	1,002,202,196	-210,250,408	791,951,788
Controlling interests	881,561,015	120,641,181	1,002,202,196	-212,676,073	789,526,123
– share capital	192,452,158	100,851,902	293,304,060	-219,602,668	73,701,392
– share premium	75,746,998	1,627,112	77,374,110	-27,097,473	50,276,637
– reserves from profit	343,392,459	10,477,361	353,869,820	864,454	354,734,274
– treasury share reserves	0	0	0	364,680	364,680
– treasury shares	0	0	0	-364,680	-364,680
– fair value reserve	73,405,014	11,882,704	85,287,718	-1,187,794	84,099,924
– net profit brought forward	133,037,893	-2,950,712	130,087,181	35,808,989	165,896,170
– net profit/loss for the year	63,526,493	1,293,716	64,820,209	-1,415,385	63,404,824
– currency translation differences	0	-2,540,902	-2,540,902	-46,196	-2,587,098
– reserve of disposal group held for sale	0	0	0	0	0
Non-controlling interests	0	0	0	2,425,665	2,425,665
Subordinated liabilities	71,499,450	0	71,499,450	-6,652,157	64,847,293
Insurance technical provisions	2,223,254,495	245,363,493	2,468,617,988	-74,690,652	2,393,927,336
– unearned premiums	263,723,691	84,107,136	347,830,827	-15,319,892	332,510,935
 mathematical provisions 	1,332,983,430	71,456,318	1,404,439,748	0	1,404,439,748
– claims provisions	586,682,208	86,453,610	673,135,818	-57,737,074	615,398,744
– other insurance technical provisions	39,865,166	3,346,429	43,211,595	-1,633,686	41,577,909
Insurance technical provisions for unit-linked insurance contracts	463,586,629	21,356,205	484,942,835	0	484,942,835
Employee benefits	13,354,845	2,518,201	15,873,046	0	15,873,046
Other provisions	1,628,428	1,121,972	2,750,400	0	2,750,400
Deferred tax liabilities	20,596,705	1,931,843	22,528,548	-11,673,396	10,855,152
Other financial liabilities	1,777,384	1,283,056	3,060,440	-1,196,027	1,864,413
Operating liabilities	84,924,626	24,054,829	108,979,455	-42,107,124	66,872,331
- liabilities from direct insurance operations	19,009,220	3,251,102	22,260,322	-701,778	21,558,544
liabilità de Companya de Compa			82.054.250	-41,405,346	41,548,913
 liabilities from reinsurance and co-insurance operations 	62,416,891	20,537,368	82,954,259	-41,405,540	41,340,313
- liabilities from reinsurance and co-insurance operations - current tax liabilities	62,416,891 3,498,515	20,537,368 266,359	3,764,874	0	3,764,874
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– current tax liabilities	3,498,515	266,359	3,764,874	0	3,764,874

		2020			2019	
Income statement	SLOVENIA	OTHER	TOTAL	SLOVENIA	OTHER	TOTAL
Net premium income	875,282,314	191,472,511	1,066,754,825	849,061,777	178,567,048	1,027,628,825
- gross written premium	1,009,688,387	224,086,978	1,233,775,365	969,466,571	214,707,536	1,184,174,107
- ceded written premium	-129,715,942	-30,306,407	-160,022,349	-109,556,836	-26,896,261	-136,453,097
- change in unearned premium reserve	-4,690,131	-2,308,060	-6,998,191	-10,847,958	-9,244,227	-20,092,185
Income from investments in subsidiaries and associates	436,610	0	436,610	1,076,327	0	1,076,327
- profit on equity investments accounted for using the equity method	436,610	0	436,610	515,913	0	515,913
- other income from investments in subsidiaries and associates	0	0	0	560,414	0	560,414
Income from investments	114,356,230	8,723,219	123,079,449	172,658,424	14,330,781	186,989,205
- interest income calculated using the effective interest method	35,524,105	6,531,697	42,055,802	45,861,466	7,276,276	53,137,742
- gains on disposals	39,959,646	203,243	40,162,889	34,965,783	2,603,036	37,568,819
- other income from investments	38,872,479	1,988,279	40,860,758	91,831,175	4,451,469	96,282,644
Other income from insurance operations	31,997,652	9,009,341	41,006,993	27,613,954	9,569,558	37,183,512
- fees and commission income	25,044,990	5,604,767	30,649,757	17,993,706	4,075,549	22,069,255
- other income from insurance operations	6,952,662	3,404,574	10,357,236	9,620,248	5,494,009	15,114,257
Other income	35,817,868	7,796,109	43,613,977	32,754,811	6,766,311	39,521,122
Net claims incurred	576,507,024	107,124,751	683,631,775	583,659,536	100,488,292	684,147,828
- gross claims settled	592,971,464	104,472,104	697,443,568	609,654,208	107,087,928	716,742,136
- reinsurers' share	-25,176,022	-9,102,908	-34,278,930	-26,988,642	-8,265,899	-35,254,541
- changes in claims provisions	785,479	11,755,555	12,541,034	-6,573,199	1,666,263	-4,906,936
- equalisation scheme expenses for supplementary health insurance	7,926,103	0	7,926,103	7,567,169	0	7,567,169
Change in other insurance technical provisions (excluding ULI)	57,266,878	5,369,712	62,636,590	52,940,551	6,368,039	59,308,590
Change in insurance technical provisions for unit-linked insurance contracts	23,936,744	1,555,709	25,492,453	65,280,488	3,924,568	69,205,056
Expenses for bonuses and discounts	19,331,031	2,019,245	21,350,276	9,722,479	1,838,779	11,561,258
Operating expenses	170,227,757	70,684,978	240,912,735	175,408,811	69,044,040	244,452,851
- acquisition costs	114,294,794	49,234,172	163,528,966	114,882,181	47,684,403	162,566,584
- other operating costs	55,932,963	21,450,806	77,383,769	60,526,630	21,359,637	81,886,267
Expenses from investments in subsidiaries and associates	139,422	0	139,422	733,344	. 0	733,344
- loss on investments accounted for using the equity method	139,422	0	139,422	170,640	0	170,640
- other expenses from financial assets and liabilities	0	0	0	562,704	0	562,704
Expenses from investments	40,290,313	702,898	40,993,211	22,755,661	1,197,911	23,953,572
- loss on impairment of investments	1,901,869	69,433	1,971,302	344,175	504,787	848,962
- loss on disposal of investments	6,922,512	18,978	6,941,490	9,767,121	45	9,767,166
- other expenses from investments	31,465,932	614,487	32,080,419	12,644,365	693,079	13,337,444
Other insurance expenses	45,288,127	6,235,261	51,523,388	37,834,645	5,730,665	43,565,310
Other expenses	46,239,599	11,069,123	57,308,722	42,883,479	11,650,477	54,533,956
- expenses from financing	2,517,321	420,180	2,937,501	2,655,501	443,001	3,098,502
- other expenses	43,722,278	10,648,943	54,371,221	40,227,978	11,207,476	51,435,454
Profit before tax	78,663,779	12,239,503	90,903,282	91,946,299	8,990,928	100,937,227
Income tax expense	16,123,156	1,115,428	17,238,584	16,539,422	533,376	17,072,798
NET PROFIT FOR THE PERIOD	62,540,623	11,113,428	73,664,698	75,406,877	8,457,552	83,864,429
Net profit/loss attributable to the controlling company	62,540,623	10,963,750	73,504,373			83,690,644
				75,407,867	8,282,777	
Net profit/loss attributable to the non-controlling interest holders	0	160,325	160,325	-990	174,775	173,785

5.13.4 Reporting by geographical area for Zavarovalnica Triglav

Zavarovalnica Triglav operates mainly in the territory of the Republic of Slovenia. As more than 96% of premium income is generated by the sale of insurance to the domestic insureds, the Company does not report by geographical area.

The Triglav Group and Zavarovalnica Triglav d.d. Annual Report 2020 | Other information 308

5.14 Reporting by guarantee funds posted separately for Zavarovalnica Triglav

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

		31 Decemb	er 2020		31 December 2019			IN EUR	
Statement of financial position for PDPZ funds	PDPZ skupina	PDPZ zajamčeni	PDPZ zmerni	PDPZ drzni	PDPZ skupina	PDPZ zajamčeni	PDPZ zmerni	PDPZ drzni	
ASSETS	238,022,822	210,130,825	14,903,162	13,002,992	223,263,701	202,064,810	12,250,191	9,628,806	
Investment property and other real property rights	0	0	0	0	0	0	0	0	
Investment property	0	0	0	0	0	0	0	0	
Other real property rights	0	0	0	0	0	0	0	0	
Financial investments	232,607,973	207,613,047	12,892,078	12,102,848	218,207,628	199,094,576	10,573,293	8,539,760	
Measured at amortised cost, of which:	0	0	0	0	0	0	0	0	
- loans and deposits	0	0	0	0	0	0	0	0	
- debt securities	0	0	0	0	0	0	0	0	
Measured at fair value through other comprehensive income, of which:	0	0	0	0	0	0	0	0	
- debt securities	0	0	0	0	0	0	0	0	
- equity securities	0	0	0	0	0	0	0	0	
Measured at fair value through through profit or loss, of which:	232,607,973	207,613,047	12,892,078	12,102,848	218,207,628	199,094,576	10,573,293	8,539,760	
- debt securities	209,318,178	205,749,608	3,381,150	187,420	202,463,978	198,398,661	4,065,317	0	
- equity securities	23,289,795	1,863,439	9,510,928	11,915,428	15,743,650	695,915	6,507,976	8,539,760	
Receivables	9,697	1,828,602	392,015	567,234	200,463	2,705,196	396,436	492,739	
Receivables from fund manager up to guaranteed return	0	0	0	0	0	0	0	0	
Other receivables	9,697	1,828,602	392,015	567,234	200,463	2,705,196	396,436	492,739	
Cash and cash equivalents	5,405,152	689,176	1,619,069	332,910	4,855,610	265,038	1,280,462	596,307	
Other assets	0	0	0	0	0	0	0	0	
Off-balance-sheet assets	3,146,747	3,146,747	0	0	4,304,085	4,304,085	0	0	
Financial derivatives	0	0	0	0	0	0	0	0	
Other off-balance-sheet assets	3,146,747	3,146,747	0	0	4,304,085	4,304,085	0	0	
LIABILITIES	238,022,822	210,130,825	14,903,162	13,002,992	223,263,701	202,064,810	12,250,191	9,628,806	
Insurance technical provisions	237,495,087	209,637,873	14,883,467	12,973,747	222,531,067	201,392,590	12,191,841	8,946,636	
Mathematical provisions for net paid-in premiums	161,802,005	161,802,005	0	0	155,436,323	155,436,323	0	0	
Mathematical provisions for capital gain on the guarantee fund	47,835,868	47,835,868	0	0	45,956,267	45,956,267	0	0	
- fair value reserve	0	0	0	0	0	0	0	0	
Insurance provisions for business funds backing unit-linked insurance, of which:	27,857,214	0	14,883,467	12,973,747	21,138,477	0	12,191,841	8,946,636	
- fair value reserve	0	0	0	0	0	0	0	0	
Financial liabilities	0	0	0	0	0	0	0	0	
Operating liabilities	524,297	473,268	19,211	28,831	726,235	646,894	55,744	22,073	
Liabilities from acquired securities and other financial instruments	0	0	0	0	0	0	0	0	
Guarantee fund manager liabilities	250,719	212,887	19,211	18,621	244,056	212,194	16,625	15,237	
Cash surrender value payments to guarantee fund members	270,591	260,381	0	10,210	480,655	434,700	39,119	6,836	
Other operating liabilities	2,987	0	0	0	1,524	0	0	0	
Other liabilities	3,438	19,684	484	414	6,399	25,326	2,606	660,097	
Off-balance-sheet liabilities	3,146,747	3,146,747	0	0	4,304,085	4,304,085	0	0	
Financial derivatives	0	0	0	0	0	0	0	0	
Guarantees given	0	0	0	0	0	0	0	0	
Other off-balance-sheet liabilities	3,146,747	3,146,747	0	0	4,304,085	4,304,085	0	0	

5.14.2 Statement of financial position for funds posted separately

				in EUR		
	31 Decem	ber 2020	31 Decem	ber 2019		
Statement of financial position for funds posted separately	Renta 1	Renta 2	Renta 1	Renta 2		
ASSETS	43,680,668	24,080,691	41,065,669	15,894,216		
Investment property and financial investments	41,821,054	23,166,231	40,163,494	15,152,187		
Investment property	0	0	0	0		
Financial investments in subsidiaries and associates	0	0	0	0		
Investments in subsidiaries	0	0	0	0		
Investments in associates	0	0	0	0		
Other financial investments	41,821,054	23,166,231	40,163,494	15,152,187		
Shares and other floating rate securities and fund coupons	0	0	0	0		
Debt and other fixed return securities	41,821,054	23,166,231	40,163,494	15,152,187		
Investment fund shares	0	0	0	0		
Mortgage loans	0	0	0	0		
Other loans	0	0	0	0		
Deposits with banks	0	0	0	0		
Other financial investments	0	0	0	0		
Reinsurers' share of technical provisions	0	0	0	0		
- from unearned premium	0	0	0	0		
- from mathematical provision	0	0	0	0		
- from outstanding claims	0	0	0	0		
- from bonuses and discounts	0	0	0	0		
- from technical provisions for life insurance policy holders who bear investment risk	0	0	0	0		
Receivables	1,393,339	0	606,007	0		
Receivables from direct insurance	0	0	0	0		
- receivables from insurers	0	0	0	0		
- receivables from insurance brokers	0	0	0	0		
- other receivables from direct insurance operations	0	0	0	0		
Receivables from re-insurance operations	0	0	0	0		
Other receivables	1,393,339	0	606,007	0		
Other receivables Other assets	466,275	914,460	296,168	742,029		
Cash and cash equivalents	466,275	914,460	296,168	742,029		
Other assets	400,273	914,400	290,108	742,029		
Short-term deferred assets	0	0	0	0		
Accrued income from interest and rent	0	0	0	0		
	0	· ·	0	0		
Short-term deferred expenses	0	0	0	0		
Other short-term deferred items	U	U	U	U		
LIABILITIES	42.600.660	24.000.601	41.005.000	15 004 216		
	43,680,668	24,080,691	41,065,669	15,894,216		
Fair value reserves	_	-	0	15 277 261		
Gross insurance technical provisions	43,268,600	23,319,615	40,835,678	15,377,361		
- gross provisions for unearned premiums	0	0	0	0		
- gross mathematical provisions	43,268,600	23,319,615	40,835,678	15,377,361		
- gross claim provisions	0	0	0	0		
- gross provisions for bonuses and discounts	0	0	0	0		
Gross insurance technical provisions for unit–linked insurance contracts	0	0	0	0		
Liabilities from reinsurers' investments in reinsurance contracts	0	0	0	0		
Other liabilities	412,068	761,076	229,991	516,855		
Liabilities from direct insurance operations	255,205	595,828	185,400	448,267		
- liabilities to policy holders	23,251	1,005	16,773	1,017		
- liabilities to agents and brokers	0	0	0	0		
- other liabilities from direct insurance operations	231,954	594,823	168,627	447,250		
Liabilities from co-insurance and re-insurance operations	0	0	0	0		
Other liabilities	156,863	165,248	44,591	68,588		
Accruals	0	0	0	0		

Statement of financial position for guarantee fund backing unit-linked life insurance	31 December 2020	31 December 2019
ASSETS	420,875,129	419,695,687
Investment property and financial investments	417,297,562	414,645,557
Investment property	0	0
Financial investments in subsidiaries and associates	0	0
Investments in subsidiaries	0	0
Investments in associates	0	0
Other financial investments	417,297,562	414,645,557
Shares and other floating rate securities and fund coupons	374,846,121	357,857,547
Debt and other fixed return securities	42,451,441	53,065,275
Investment fund shares	0	0
Mortgage loans	0	0
Other loans	0	0
Deposits with banks	0	3,722,735
Other financial investments	0	0
Reinsurers' share of technical provisions	0	0
- from unearned premium	0	0
- from mathematical provision	0	0
- from outstanding claims	0	0
- from bonuses and discounts	0	0
- from technical provisions for life insurance policy holders who bear investment risk	0	0
Receivables	2,139,506	41,528
Receivables from direct insurance	860	38,359
- receivables from insurers	0	0
- receivables from insurance brokers	0	0
- other receivables from direct insurance operations	860	38,359
Receivables from re-insurance operations	0	0
Other receivables	2,138,646	3,169
Other assets	1,438,061	5,008,602
Cash and cash equivalents	1,438,061	5,008,602
Other assets	0	0
Short-term deferred assets	0	0
Accrued income from interest and rent	0	0
Short-term deferred expenses	0	0
Other short-term deferred items	0	0
LIABILITIES	420,875,129	419,695,687
Fair value reserves	0	0
Gross insurance technical provisions	0	0
- gross provisions for unearned premiums	0	0
- gross mathematical provisions	0	0
- gross claim provisions	0	0
- gross provisions for bonuses and discounts	0	0
Gross insurance technical provisions for unit–linked insurance contracts	420,868,883	414,454,235
Liabilities from reinsurers' investments in reinsurance contracts	0	0
Other liabilities	6,246	5,241,452
Liabilities from direct insurance operations	6,128	103,033
- liabilities to policy holders	0	0
- liabilities to agents and brokers	0	0
- other liabilities from direct insurance operations	6,128	103,033
Liabilities from co-insurance and re-insurance operations	0	0
Other liabilities	118	5,138,419
Accruals	0	0

5.14.3 Income statement of pension funds formed as a guarantee fund

								in EUR
		202				201		
Income for PDPZ funds	PDPZ – skupina	•	PDPZ – zmerni	PDPZ – drzni	PDPZ – skupina	PDPZ – zajamčeni	PDPZ – zmerni	PDPZ – drzni
Financial income	11,604,157	7,920,282	1,541,520	2,142,355	12,483,582	8,951,299	1,659,527	1,872,756
Income from dividends and profit sharing	272,617	70,757	72,825	129,035	202,038	0	94,523	107,515
Interest income	2,546,739	2,463,715	75,775	7,249	3,737,667	3,656,702	80,961	4
Gains on disposal of financial investments	2,504,029	2,074,185	256,360	173,484	2,426,395	2,042,024	138,768	245,603
Net income from changes in the fair value of investments which are recognised at fair value through profit or loss	6,216,723	3,310,125	1,110,338	1,796,260	5,969,600	3,252,405	1,275,691	1,441,504
Other financial income	64,049	1,500	26,222	36,327	147,882	168	69,584	78,130
Income from investment property	0	0	0	0	0	0	0	0
Rental income from investment property	0	0	0	0	0	0	0	0
Gains on disposal of investment property	0	0	0	0	0	0	0	0
Net income from changes in the fair value of investments, which are recognised at fair value through profit or loss	0	0	0	0	0	0	0	0
Financial expenses	3,919,100	1,730,771	951,197	1,237,132	1,880,231	1,695,845	93,615	90,771
Interest expenses	0	0	0	0	0	0	0	0
Losses from disposal of financial investments	2,056,951	1,126,434	437,099	493,418	283,314	240,764	12,196	30,354
Revaluation operating expenses arising from a change in the fair value of financial investment through profit and loss	823,878	596,330	114,160	113,388	1,560,326	1,454,949	72,799	32,578
Other financial expenses	1,038,271	8,007	399,938	630,326	36,591	132	8,620	27,839
Expenses from investment property	0	0	0	0	0	0	0	0
Expenses from management and rental of investment property	0	0	0	0	0	0	0	0
Losses from disposal of investment property	0	0	0	0	0	0	0	0
Revaluation operating expenses arising from a change in the fair value of investment property through profit and loss	0	0	0	0	0	0	0	0
Result of investment activities	7,685,057	6,189,511	590,323	905,223	10,603,351	7,255,454	1,565,912	1,781,985
Income from) payments by investment manager for not achieving the guaranteed return	0	0	0	0	0	0	0	0
Other income	0	0	0	0	0	0	0	0
Other expenses directly charged to the guarantee fund in line with the fund	Ū	v	· ·	ŭ	Ū	v	· ·	v
management rules	2,282,094	2,029,864	141,327	110,903	2,184,047	1,979,864	118,522	85,660
Management commission	2,258,025	2,029,864	127,790	100,371	2,159,296	1,979,864	105,319	74,112
Custodian bank fees	9,127	0	5,112	4,015	7,177	0	4,213	2,964
Auditing expenses	2,720	0	1,360	1,360	4,422	0	2,211	2,211
Information expenses relating to guarantee fund members	0	0	0	0	0	0	0	0
Brokerage expenses for the purchase and sale of securities	0	0	0	0	0	0	0	0
Other expenses (which, according to the management rules, are) directly charged to the guarantee fund	12,222	0	7,065	5,157	13,152	0	6,779	6,373
Other expenses	0	0	0	0	1	0	0	1
Net profit intended for the insured	5,402,963	4,159,647	448,996	794,320	8,419,303	5,275,590	1,447,390	1,696,324

5.14.4 Income statement for funds posted separately

				in EUR
	2020		2019	
Income statement of the guarantee fund backing additional pension insurance during the annuity payout period	Renta 1	Renta 2	Renta 1	Renta 2
Transfer of funds from the pension scheme of additional pension insurance	3,360,627	9,633,650	5,794,234	6,823,410
This legal entity	1,523,152	3,817,940	3,719,486	2,572,406
Other insurance company	0	0	0	0
Other pension companies	1,837,475	5,815,710	2,074,748	4,251,004
Mutual pension fund	0	0	0	0
Income from investments	2,591,613	675,110	1,776,424	264,208
Income from dividends	0	0	0	0
Income from other investments	1,807,500	151,931	1,144,960	117,598
Income from land and buildings	0	0	0	0
Interest income	414,284	151,931	539,004	117,598
Other investment income	1,393,216	0	605,956	0
Income from asset value adjustments	0	0	0	0
Profit on disposal of investments	784,113	523,179	631,464	146,610
Claims incurred	3,526,771	2,521,704	3,588,403	1,698,711
Gross claims settled	3,526,771	2,521,704	3,588,403	1,698,711
Change in gross provisions for claims outstanding	0	0	0	0
Change in other net tehnical provisions (+/-)	1,710,413	7,354,957	3,388,879	5,105,084
Change of matematical provisions (+/-)	1,710,413	7,354,957	3,388,879	5,105,084
Change of other net tehnical provisions (+/-)	0	0	0	0
Expenses included in policies	583,473	375,476	572,716	248,799
Initial expenses	55,124	274,749	62,462	180,675
Collection, administrative expenses	415,746	0	396,465	0
Costs of claim settlement	112,603	100,727	113,789	68,124
Net operating expenses	139,398	194,141	119,613	129,608
Acquisition costs	0	112,066	0	79,855
Change of deferred acquisiton costs (+/-)	0	0	0	0
Other operating expenses	139,398	82,075	119,613	49,753
Depreciation of assets used in insurance business	9,105	5,507	7,841	3,295
Labour costs	64,734	39,153	66,472	27,933
- wages and salaries	45,565	27,559	46,037	19,346
- social security and pension insurance costs	7,561	4,573	7,895	3,317
- other labour costs	11,608	7,021	12,540	5,270
Costs of services provided by natural persons other than sole proprietors (costs under work contracts, service contracts and other relationships), together with duties and charges borne by the company	198	120	130	55
Other operating expenses	65,361	37,295	45,170	18,470
Income from reinsurance commissions and from participation in the positive technical result from reinsurance contract (-)	0	0	0	0
Expenses from investments	131,583	56,623	20,660	35,024
Depreciation and amortization of assets not used in operations	0	0	0	0
Expenses arising from asset management, interest expenses and other financial expenses	108,001	53,649	0	35,024
Revaluation financial expenses	0	0	20,660	0
Loss on disposal of investments	23,582	2,974	0	0
Profit or loss of the guarantee fund, taking into account expenses included in policies	0	0	0	0
Profit or loss of the guarantee fund, taking into account net operating expenses	444,075	181,335	453,103	119,191

		in EUR
Income statement for guarantee fund backing unit-linked life insurance	2020	2019
Gross written premium	56,640,852	47,841,329
Income from investments	17,943,614	68,020,482
Income from dividends	3,832	2,995
Income from other investments	15,401,135	62,786,844
Income from land and buildings	0	0
Interest income	538,380	650,800
Other investment income	14,862,755	62,136,044
- financial income from revaluation	14,862,755	62,136,041
- other financial income	0	3
Income from asset value adjustments	0	0
Profit on disposal of investments	2,538,647	5,230,643
Expenses from cash surrender value	48,338,150	57,234,124
Ordinary termination	25,651,724	29,511,616
Extraordinary termination	22,686,426	27,722,508
- withdrawal from insurance contract	21,063,758	26,075,166
- cancellation of insurance contract	0	0
- death of the insured person	1,622,668	1,647,342
Change in other net tehnical provisions (+/-)	6,525,905	49,372,992
Change of matematical provisions (+/-)	6,525,905	49,372,992
Change of other net tehnical provisions (+/-)	0	0
Fund management costs	7,922,857	9,221,840
Entry fees	792,926	2,653,112
Exit costs	0	0
Management commission	7,129,931	6,568,728
Expenses from investments	11,797,554	32,855
Depreciation and amortization of assets not used in operations	0	0
Expenses arising from asset management, interest expenses and other financial expenses	0	968
Revaluation financial expenses	10,473,629	31,347
Loss on disposal of investments	1,323,925	540
Net profit for the period	0	0