

Accounting Report.

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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 2021, and the accompanying accounting policies and notes to the accounting policies.

The Management Board is responsible for preparing the Annual Report so that it is true and fair presentation of the Company’s and Group’s assets and liabilities, financial position and profit for the year ended 31 December 2021 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 responsible for appropriate accounting practices, for the adoption of appropriate measures for the protection of property, and for the prevention and identification of fraud and other irregularities or illegal acts.

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

Andrej Slapar
President of the Management Board

Uroš Ivanc
Member of the Management Board

Tadej Čoroli
Member of the Management Board

Barbara Smolnikar
Member of the Management Board

David Benedek
Member of the Management Board

Marica Makoter
Member of the Management Board

Ljubljana, 10 March 2022

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Independent auditor’s report



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

Report on the Audit of the Financial Statements

Opinion

We have audited the separate financial statements of the company ZAVAROVALNICA TRIGLAV d.d. (hereinafter ‘the Company’) and consolidated financial statements of the company ZAVAROVALNICA TRIGLAV d.d. and its subsidiaries (hereinafter ‘the Group’), which comprise the separate and the consolidated statement of financial position as at 31 December 2021, and the separate and consolidated income statement, separate and consolidated statement of other comprehensive income, separate and consolidated statement of changes in equity, separate and consolidated cash flow statement for the year then ended, and notes to the separate and consolidated financial 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 2021, 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) 537/2014 of the European Parliament and of the Council, dated 16 April 2014, on specific requirements regarding statutory audit of public-interest entities. Our responsibilities under those rules are further described in the *Auditor’s Responsibilities for the Audit of the Separate and Consolidated Financial Statements* section of our report. We are independent of the Company and the Group in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) of the International Ethics Standards Board for Accountants (IESBA Code) and other ethical requirements that are relevant to our audit of the separate and consolidated financial statements in Slovenia, and we have fulfilled our other ethical responsibilities in accordance with these requirements.



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Deloitte revizijska d.o.o. - The company is registered with the Ljubljana District Court, registration no. 1847395 - VAT ID SI62560085 - Nominal capital EUR 74,714.30.

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We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the separate and consolidated financial statements of the year ended 31 December 2021. 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.

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Valuation of technical provisions in the separate and consolidated financial statements

Key audit matter	How our audit addressed the key audit matter
<p>Disclosures related to technical provisions are included in 3.16. <i>“Technical provisions and technical provisions for the benefit of life insurance policyholders bearing the investment risk”</i>.</p> <p>Technical provisions are a significant item in the separate and consolidated statements of financial position. The value of technical provisions as at 31 December 2021 equals EUR 1,740,373 thousand (2020: EUR 1,750,315 thousand) in the separate financial statements and EUR 2,576,368 thousand (2020: EUR 2,523,229 thousand) in the consolidated financial statements. Provisions are measured in accordance with accounting policies, which are described in the financial statements.</p> <p>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.</p> <p>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.</p> <p>Technical provisions are significant accounting estimates, subject to a high level of judgement, therefore we have considered them as a key audit matter.</p>	<p>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.</p> <p>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.</p> <p>The assessment of actuarial assumptions, including the treatment and assessment of management 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.</p> <p>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.</p>



Valuation of financial investments in the separate and consolidated financial statements

Key audit matter	How our audit addressed the key audit matter
<p>Disclosures related to financial investments are included in 3.7. <i>Financial investments</i>.</p> <p>Financial investments as at 31 December 2021 equal EUR 1,986,680 thousand (2020: EUR 1,983,588 thousand) in the separate financial statements and EUR 2,937,700 thousand (2020: EUR 2,887,381 thousand) in the consolidated financial statements.</p> <p>Financial investments are classified based of the purpose of their acquisition. Management takes the decision on their classification upon initial recognition.</p> <p>The Company and the Group measure financial investments with the respect to the group into which each financial investment is classified:</p> <ul style="list-style-type: none">- financial assets at fair value through profit or loss are measured at fair value,- held-to-maturity financial assets are measured at amortised cost less impairment losses,- loans and deposits are measured at amortised cost less recognized impairment losses,- available-for-sale financial assets are measured at fair value. <p>Financial investments are subject to significant judgments 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.</p>	<p>We have reviewed the adequacy of financial investments measuring in the separate and consolidated financial statements.</p> <p>We have performed the following procedures:</p> <ul style="list-style-type: none">- For financial investments in marketable securities, we have recalculated the fair value of these financial investments based on the value arising from securities market as at 31 December 2021.- For financial 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 its selves.- For financial investments measured at amortised cost, we recalculated amortised cost based on data on maturity of each financial investment as at 31 December 2021. <p>We have also reviewed information in the separate and consolidated financial statements in order to assess whether it includes disclosures as required by IFRS.</p>

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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
<p>Disclosures related to investments in the equity of subsidiaries are included in 3.5. <i>Investments in subsidiaries</i> and 5.5. <i>Related-party transactions</i>.</p> <p>Investments in the equity of subsidiaries equal EUR 131,925 thousand (2020: EUR 132,337 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.</p> <p>Professional judgement and application of subjective assumptions by management are necessary in order to assess indications of impairment.</p> <p>Investments in equity 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.</p>	<p>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.</p> <p>Our procedures included the following:</p> <ul style="list-style-type: none">- checking and comparing net assets of a subsidiary with the value of the investment in the separate financial statements as at 31 December 2021,- 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. <p>An auditor's expert took part in our procedures.</p>

Emphasis of matter

We draw attention to Note 5.10 *Subsequent events* in the financial statements describing management's evaluation of the actual or potential impact of the effects of the military conflict between Ukraine and Russia on the entity. Our opinion is not modified in respect of this matter.



Other information

Management is responsible for the other information. The other information comprises the information, included in 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 other information include material misstatement we need to report such circumstances. In relation to this and based on our procedures performed, we report that:

- other information are, in all material respects, consistent with the audited separate and consolidated financial statements;
- other information are prepared in compliance with applicable law or regulation; 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 Financial Statements

Management is responsible for the preparation and fair presentation of the separate and consolidated financial statements in accordance with IFRS, 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 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 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.

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

- Identify and assess the risks of material misstatement of the 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 control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's 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 inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the 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 appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, 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 of the current period, and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.

Report on Other Legal and Regulatory Requirements



Report on the requirements of the Regulation (EU) No 537/2014 of the European Parliament and of the Council (Regulation EU 537/2014)

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 3 years.

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, which we issued on 10 March 2022 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 Report on Compliance of Financial Statements in Electronic Form with the Commission Delegated Regulation (EU) No. 2019/815 on 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 of the Triglav Group for the year ended 31 December, 2021 (hereinafter "audited consolidated financial statements") are prepared taking into consideration the Commission Delegated Regulation (EU) 2019/815 of 17 December 2018 supplementing Directive 2004/109/EC of the European Parliament and of the Council with regard to regulatory technical standards on the specification of a single electronic reporting format, valid for the year 2021 (hereinafter "Delegated Regulation").

Responsibilities of Management and Those Charged with Governance

Management is responsible for the preparation and correct presentation of audited consolidated financial statements in electronic form in accordance with the requirements of the Delegated Regulation and for such internal control as determined necessary by the management, to enable the preparation of consolidated financial statements in electronic form that are free from material misstatement, whether due to fraud or error.

Those charged with governance are responsible for overseeing the preparation of audited consolidated financial statements in electronic form in accordance with the requirements of the Delegated Regulation.

Auditor's Responsibility

Our responsibility is to carry out a reasonable assurance engagement and to express the conclusion on whether the audited consolidated financial statements in electronic form are prepared in accordance with the requirements of the Delegated 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.

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We have conducted the engagement in compliance with independence and ethical requirements as provided by the Regulation EU No. 537/2014 and IESBA Code. 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.

Summary of Work Performed

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

- we have identified and assessed the risk of material non-compliance of audited consolidated financial statements misstatement with the requirements of the Delegated Regulation;
- we have obtained 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 audited consolidated financial statements satisfy the conditions of Delegated Regulations, valid on the reporting date;
 - we have obtained reasonable assurance that the audited consolidated financial statements of the issuer are presented in the electronic XHTML format;
 - we have obtained reasonable assurance that the values and disclosures in the audited consolidated financial statements in the electronic XHTML format are tagged correctly and in the Inline XBRL technology (iXBRL), so that their machine reading can ensure complete and correct information that is included in the audited consolidated financial statements.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Conclusion

In our opinion, based on the procedures performed and the evidence obtained we believe that the audited consolidated financial statements of the Triglav Group for the year ended 31 December 2021, are in all material respect prepared in accordance with the requirements of the Delegated Regulation.

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

DELOITTE REVIZIJA d.o.o.

Barbara Žibret Kralj
Certified auditor

For signature please refer to the original Slovenian version.



DELOITTE REVIZIJA D.O.O.
Ljubljana, Slovenija

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Ljubljana, 10 March 2022

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1. Financial statements¹⁰⁸

1.1 Statement of financial position

		in EUR			
		Triglav Group		Zavarovalnica Triglav	
	Notes	31 December 2021	31 December 2020	31 December 2021	31 December 2020
ASSETS		4,374,353,616	4,139,441,072	3,118,944,094	2,995,518,165
Intangible assets	3.1	107,184,415	100,975,475	67,022,027	62,397,579
Property, plant and equipment	3.2	108,655,212	113,291,036	65,143,307	67,775,451
Non-current assets held for sale	3.13	3,812,044	915,851	0	0
Deferred tax assets	3.21	927,425	778,589	0	0
Investment property	3.3	75,110,973	78,977,800	43,840,055	44,451,276
Right of use assets	3.4	10,933,109	9,821,211	4,548,298	3,587,916
Investments in subsidiaries	3.5	0	0	131,924,683	132,337,466
Investments in associates	3.6	36,031,346	28,237,714	41,693,997	31,337,951
– accounted for using the equity method		36,031,346	28,237,714	0	0
– measured at fair value		0	0	41,693,997	31,337,951
Financial investments	3.7	2,937,700,150	2,887,380,559	1,968,679,979	1,983,588,373
– loans and deposits		98,104,537	97,971,079	32,521,523	36,951,085
– held to maturity		157,560,733	162,824,686	140,946,233	143,908,512
– available for sale		2,137,609,082	2,101,914,068	1,588,390,263	1,595,002,429
– recognised at fair value through profit and loss		544,425,798	524,670,726	206,821,960	207,726,347
Unit-linked insurance assets	3.8	619,617,488	501,808,980	539,417,972	442,292,488
Reinsurers' share of technical provisions	3.9	174,839,890	125,873,637	136,077,958	105,903,438
Receivables	3.10	212,376,909	203,183,851	105,169,567	95,800,206
– receivables from direct insurance operations		116,855,207	105,484,939	73,516,574	67,632,214
– receivables from reinsurance and coinsurance operations		67,200,932	72,355,133	23,522,340	19,797,094
– current tax receivables		4,127,384	1,950,631	564,166	0
– other receivables		24,193,386	23,393,148	7,566,487	8,370,898
Other assets	3.11	4,843,025	6,296,705	1,513,260	3,741,799
Cash and cash equivalents	3.12	82,321,630	81,899,664	13,912,991	22,304,222
EQUITY AND LIABILITIES		4,374,353,616	4,139,441,072	3,118,944,094	2,995,518,165
Equity	3.14	932,986,869	870,151,947	675,221,933	644,003,173
Controlling interests		930,511,224	867,648,574	675,221,933	644,003,173
– share capital		73,701,392	73,701,392	73,701,392	73,701,392
– share premium		50,283,747	50,271,107	53,412,884	53,412,884
– reserves from profit		421,633,959	384,106,692	404,562,643	367,862,643
– treasury share reserves		364,680	364,680	0	0
– treasury shares		-364,680	-364,680	0	0
– fair value reserve		77,834,278	89,293,484	55,884,634	59,402,079
– net profit brought forward		234,588,994	229,284,048	50,944,831	60,526,536
– net profit/loss for the year		75,439,847	44,131,955	36,715,549	29,097,639
– currency translation differences		-2,970,993	-3,140,104	0	0
Non-controlling interests	2.1.4	2,475,645	2,503,373	0	0
Subordinated liabilities	3.15	49,471,831	49,423,693	49,471,831	49,423,693
Insurance technical provisions	3.16	2,576,368,384	2,523,229,144	1,740,373,185	1,750,315,382
– unearned premiums		370,043,725	344,760,927	246,017,849	235,190,816
– mathematical provisions		1,432,613,660	1,457,023,963	1,008,319,155	1,041,557,084
– claims provisions		694,498,311	645,331,168	446,567,255	430,259,621
– other insurance technical provisions		79,212,688	76,113,086	39,468,926	43,307,861
Insurance technical provisions for unit-linked insurance contracts	3.16	622,303,399	509,984,710	540,135,052	448,726,097
Provisions for employee benefits	3.19	17,672,133	17,781,153	12,842,304	13,073,364
Other provisions	3.20	2,512,536	2,809,101	358,980	769,957
Deferred tax liabilities	3.21	9,377,034	14,539,515	4,212,732	9,531,162
Other financial liabilities	3.22	3,085,647	2,895,834	1,690,586	1,633,896
Operating liabilities	3.24	63,341,658	70,313,038	34,861,554	33,977,772
– liabilities from direct insurance operations		19,450,557	16,801,856	10,182,945	10,636,904
– liabilities from reinsurance and co-insurance operations		41,241,465	48,940,738	24,678,609	19,824,185
– current tax liabilities		2,649,636	4,570,444	0	3,516,683
Lease liabilities	3.23	11,274,806	10,025,532	4,643,844	3,675,805
Other liabilities	3.25	85,959,319	68,287,405	55,132,093	40,387,864

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¹⁰⁸ Notes on pages from 215 to 318 are part of financial statements.

1.2 Income statement

		Triglav Group		Zavarovalnica Triglav	
		2021	2020	2021	2020
Net premium income		1,119,846,051	1,066,754,825	598,755,000	583,867,846
- gross written premium		1,352,975,550	1,233,775,365	794,350,103	719,255,868
- ceded written premium		-220,949,875	-160,022,349	-187,969,749	-137,934,204
- change in unearned premium reserve		-12,179,624	-6,998,191	-7,625,354	2,546,182
Income from investments in subsidiaries and associates	4.2	1,444,054	436,610	8,179,885	302,643
- profit on equity investments accounted for using the equity method		1,444,054	436,610	0	0
- other income from investments in subsidiaries and associates		0	0	8,179,885	302,643
Income from investments	4.2	155,339,171	123,079,449	115,612,898	89,181,634
- interest income calculated using the effective interest method		34,281,279	42,055,802	19,685,884	25,933,800
- gains on disposals		16,301,340	40,162,889	14,888,504	37,288,158
- other income from investments		104,756,552	40,860,758	81,038,510	25,959,676
Other income from insurance operations	4.6	48,794,300	41,006,993	45,387,033	38,110,029
- fees and commission income		38,916,088	30,649,757	38,196,377	30,080,891
- other income from insurance operations		9,878,212	10,357,236	7,190,656	8,029,138
Other income	4.7	53,334,060	43,613,977	8,825,846	7,872,585
Net claims incurred	4.8	715,028,788	683,631,775	365,137,225	375,336,947
- gross claims settled		736,580,050	697,443,568	408,868,382	408,278,140
- reinsurers' share		-44,884,460	-34,278,930	-35,818,958	-31,689,089
- changes in claims provisions		16,152,394	12,541,034	-7,912,199	-1,252,104
- equalisation scheme expenses for supplementary health insurance		7,180,804	7,926,103	0	0
Change in other insurance technical provisions (excluding ULI)	4.10	-2,113,408	62,636,590	-13,989,227	13,449,956
Change in insurance technical provisions for unit-linked insurance contracts	4.10	112,661,349	25,492,453	91,860,583	13,270,367
Expenses for bonuses and discounts	4.11	11,404,143	21,350,276	10,490,736	16,029,498
Operating expenses	4.12	266,857,908	240,912,735	170,334,866	155,904,617
- acquisition costs		184,911,170	163,528,966	124,268,560	113,568,435
- other operating costs		81,946,738	77,383,769	46,066,306	42,336,182
Expenses from investments in subsidiaries and associates	4.3	145,632	139,422	1,087,047	3,930,396
- loss on investments accounted for using the equity method		145,632	139,422	0	0
- other expenses from financial assets and liabilities		0	0	1,087,047	3,930,396
Expenses from investments	4.3	31,832,786	40,993,211	18,366,687	25,675,273
- loss on impairment of investments		33,628	1,971,302	0	1,632,351
- loss on disposal of investments		7,122,739	6,941,490	6,870,017	5,719,183
- other expenses from investments		24,676,419	32,080,419	11,496,670	18,323,739
Other insurance expenses	4.13	51,915,940	51,523,388	25,298,497	24,308,038
Other expenses	4.14	58,379,653	57,308,722	22,485,637	20,359,679
- expenses from financing		2,729,286	2,937,501	2,277,892	2,578,946
- other expenses		55,650,367	54,371,221	20,207,745	17,780,733
Profit before tax		132,644,845	90,903,282	85,688,611	71,069,966
Income tax expense	4.15	19,679,152	17,238,584	12,273,062	13,072,327
NET PROFIT FOR THE PERIOD		112,965,693	73,664,698	73,415,549	57,997,639
Earnings per share (basic and diluted) ¹⁰⁹		4,97	3,24	-	-
Net profit/loss attributable to the controlling company		112,761,814	73,504,373	-	-
Net profit/loss attributable to the non-controlling interest holders		203,879	160,325	-	-

¹⁰⁹ 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

in EUR					
	Notes	Triglav Group		Zavarovalnica Triglav	
		2021	2020	2021	2020
Net profit for the year after tax	3.14	112,965,693	73,664,698	73,415,549	57,997,639
Other comprehensive income after tax		-11,437,675	4,584,416	-3,547,037	5,525,259
Items which will not be transferred in income statement in future periods		129,024	-281,989	164,711	-283,076
Actuarial gains/losses on defined benefit pension plans	3.19	129,024	-281,989	164,711	-283,076
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		-11,566,699	4,866,405	-3,711,748	5,808,335
Fair value gains/losses on available-for-sale financial assets	3.7	-40,682,514	24,484,439	-32,679,481	24,426,078
– net gains/losses recognized directly in fair value reserve		-19,537,964	42,532,142	-13,562,819	40,317,546
– transfers from fair value reserve to income statement		-21,144,550	-18,047,703	-19,116,662	-15,891,468
Liabilities from insurance contracts with DPF		23,304,304	-14,238,050	23,304,304	-14,238,050
Currency translation differences		170,440	-556,570	0	0
Tax on other comprehensive income		5,641,071	-4,823,414	5,663,429	-4,379,693
COMPREHENSIVE INCOME OR LOSS FOR THE YEAR AFTER TAX		101,528,018	78,249,114	69,868,512	63,522,898
Controlling interest		101,458,431	78,127,981	-	-
Non-controlling interest		69,587	121,133	-	-

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1.4 Statement of changes in equity

			Reserves from profit												in EUR
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/loss	Currency translation differences	Total equity attributable to the controlling company	Non-controlling interests	Total	
As at 1 January 2020	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	
Allocation of last year's net profit to net profit brought forward	0	0	0	0	0	0	0	0	63,404,824	-63,404,824	0	0	0	0	
Allocation of net profit for the year 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	
Comprehensive income for the year after tax	0	0	0	0	0	0	0	-11,459,206	-13,289	112,761,814	169,111	101,458,431	69,587	101,528,018	
a. Net profit	0	0	0	0	0	0	0	0	0	112,761,814	0	112,761,814	203,879	112,965,693	
b. Other comprehensive income	0	0	0	0	0	0	0	-11,459,206	-13,289	0	169,111	-11,303,383	-134,292	-11,437,675	
Dividend payment	0	0	0	0	0	0	0	0	-38,608,421	0	0	-38,608,421	0	-38,608,421	
Allocation of last year's net profit to net profit brought forward	0	0	0	0	0	0	0	0	44,131,954	-44,131,954	0	0	0	0	
Allocation of net profit for the year to reserves from profit	0	0	0	487,949	0	0	36,834,020	0	0	-37,321,969	0	0	0	0	
Increase in legal and statutory reserves by profit brought forward	0	0	0	205,298	0	0	0	0	-205,298	0	0	0	0	0	
Reclassification from statutory to other reserves from profit	0	0	0	-652,926	0	0	652,926	0	0	0	0	0	0	0	
Change in Group	0	12,640	0	0	0	0	0	0	0	0	0	12,640	-97,315	-84,675	
As at 31 December 2021	73,701,392	50,283,747	640,340	20,306,673	364,680	-364,680	400,686,946	77,834,278	234,588,994	75,439,847	-2,970,993	930,511,224	2,475,645	932,986,869	

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Zavarovalnica Triglav	Share capital	Share premium	Reserves from profit		Fair value reserve	Net profit brought forward	Net profit/loss	in EUR
			Legal and statutory reserves	Other reserves from profit				Total
As at 1 January 2020	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
Allocation of last year's net profit to net profit brought forward	0	0	0	0	0	50,614,416	-50,614,416	0
Allocation of net profit for the year to reserves from profit	0	0	0	28,900,000	0	0	-28,900,000	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
Comprehensive income for the year after tax	0	0	0	0	-3,517,445	-29,592	73,415,549	69,868,512
a. Net profit	0	0	0	0	0	0	73,415,549	73,415,549
b. Other comprehensive income	0	0	0	0	-3,517,445	-29,592	0	-3,547,037
Dividend payment	0	0	0	0	0	-38,649,752	0	-38,649,752
Allocation of last year's net profit to net profit brought forward	0	0	0	0	0	29,097,639	-29,097,639	0
Allocation of net profit for the year to reserves from profit	0	0	0	36,700,000	0	0	-36,700,000	0
As at 31 December 2021	73,701,392	53,412,884	4,662,643	399,900,000	55,884,634	50,944,831	36,715,549	675,221,933

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1.5 Cash flow statement

			in EUR			
			Triglav Group		Zavarovalnica Triglav	
	Notes		2021	2020	2021	2020
A. OPERATING CASH FLOW						
a. Net profit for the period			112,965,693	73,664,698	73,415,549	57,997,639
b. Adjustments:			63,556,712	75,812,482	4,209,150	-2,529,943
– depreciation and amortisation			23,556,292	19,063,160	14,336,508	13,288,592
– changes in fair value of investments			-73,906,038	-16,440,324	-67,375,401	-21,180,963
– other investment income and expenses			-49,529,610	-71,130,714	-36,963,650	-42,433,628
– interest expenses and other expenses			2,729,286	2,937,501	3,508,152	2,578,947
– revaluation of other assets			2,607,602	7,348,264	1,304,005	3,895,575
– changes in technical provisions			139,060,606	116,796,011	77,471,473	27,693,996
– corporate income tax			19,038,574	17,238,584	11,928,063	13,627,538
c. Net income before changes in operating assets (a+b)			176,522,405	149,477,180	77,624,699	55,467,696
Changes in operating receivables			-14,471,407	2,544,756	-2,904,874	740,368
Changes in other assets			2,972,861	-2,173,717	-454,701	-698,003
Changes in liabilities			-9,851,218	-14,705,181	-4,224,674	-4,509,709
Paid corporate income tax			-17,814,509	-16,087,519	-16,008,593	-12,475,023
d. Changes in net operating assets			-39,164,273	-30,421,661	-23,592,842	-16,942,367
e. Net cash from/ (used in) operating activities (c+d)	5.2		137,358,132	119,055,519	54,031,857	38,525,329
B. CASH FLOWS FROM INVESTING ACTIVITIES						
a. Cash inflows from investing activities			1,093,015,888	1,361,243,567	945,312,943	1,132,256,197
Cash inflows from interest from investing activities			37,412,752	43,998,453	23,440,425	28,815,764
Cash inflows from dividends received and profit sharing			5,653,046	5,248,223	12,494,301	3,801,801
Cash inflows from the disposal of intangible assets			0	132,562	0	12,562
Cash inflows from the disposal of property, plant and equipment			3,515,560	3,005,255	151,349	414,273
Cash inflows from the disposal of financial investments			1,046,434,530	1,308,859,074	909,226,868	1,099,211,797
- Cash inflows from the disposal of investments in subsidiaries and associates			0	0	0	0
- Other cash inflows from disposal of financial investments			1,046,434,530	1,308,859,074	909,226,868	1,099,211,797
b. Cash outflows from investing activities			-1,186,871,319	-1,445,191,950	-965,578,127	-1,149,365,270
Cash outflows for the purchase of intangible assets			-7,877,065	-9,126,252	-6,931,001	-7,711,934
Cash outflows for the purchase of property, plant and equipment			-9,507,447	-13,601,854	-3,365,839	-7,310,866
Cash outflows for the purchase of financial investments			-1,169,486,807	-1,422,463,844	-955,281,287	-1,134,342,470
- Cash outflows for the purchase of investments in subsidiaries and associates			-4,465,325	-14,948,951	-7,039,617	-14,900,000
- Other cash outflows to acquire financial investments			-1,165,021,482	-1,407,514,893	-948,241,670	-1,119,442,470
c. Net cash from/ (used in) investing activities (a + b)	5.2		-93,855,431	-83,948,383	-20,265,184	-17,109,073
C. CASH FLOWS FROM FINANCING ACTIVITIES						
a. Cash inflows from financing activities			0	0	0	0
b. Cash outflows from financing activities			-43,097,819	-29,035,063	-42,157,904	-25,224,146
Cash outflows for paid interest			-2,458,714	-3,982,947	-2,343,302	-3,513,302
Cash outflows for payments of long-term financial liabilities			0	-21,620,132	0	-20,628,000
Cash outflows for payments of short-term financial liabilities			-2,030,685	-3,431,984	-1,164,850	-1,082,844
Cash outflows from dividends paid			-38,608,420	0	-38,649,752	0
c. Net cash from/ (used in) financing activities (a + b)	5.2		-43,097,819	-29,035,063	-42,157,904	-25,224,146
D. Closing balance of cash and cash equivalents	3.12		82,321,630	81,899,664	13,912,991	22,304,222
E1. Net cash flow for the period			404,882	6,072,073	-8,391,231	-3,807,890
E2. Foreign exchange differences			17,084	-42,184	0	0
F. Opening balance of cash and cash equivalents	3.12		81,899,664	75,869,775	22,304,222	26,112,112

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2. Notes to the financial statements

2.1 Profile of Zavarovalnica Triglav and Triglav Group

2.1.1 About Zavarovalnica Triglav

Zavarovalnica Triglav d.d. (hereinafter: Zavarovalnica Triglav or the Company or the controlling company) is a public limited company, with its head office at Miklošičeva 19 in Ljubljana, Slovenia. The Company is entered in the Companies Register at the Ljubljana District Court.

Its shares are listed on the Ljubljana Stock Exchange, under the ticker symbol ZVTG. The Company's largest shareholders are Zavod za pokojninsko in invalidsko zavarovanje Slovenije (Pension and Disability Insurance Institute of Slovenia) and Slovenski državni holding d.d. (Slovenian Sovereign Holding), which hold 34.47% and 28.09% of the share capital respectively.

Zavarovalnica Triglav is a composite insurance company that conducts life and non-life insurance business. In accordance with the Pension and Disability Insurance Act (ZPIZ-2), the Company also provides pension insurance and other ancillary services with regard to insurance products and pension funds in the framework of life insurance.

2.1.2 Management and supervisory bodies

The Company has a two-tier governance system, according to which it is managed by the Management Board whose work is monitored and supervised by the Supervisory Board. The Company's management and supervisory bodies are the General Meeting of Shareholders, the Supervisory Board and the Management Board, and the following Supervisory Board committees: the Audit Committee, the Appointment and Remuneration Committee, the Strategy Committee and the Nomination Committee.

In accordance with the Articles of Association, Zavarovalnica Triglav has a nine-member Supervisory Board, whose members in 2021 were:

- Andrej Andoljšek, Chairman,
- Branko Bračko, Vice Chairman,
- Tomaž Benčina, Member,
- Peter Kavčič, Member,
- Igor Stebernak, Member,
- Jure Valjavec, Member,
- Peter Celar, Member – Employee Representative,
- Branko Gorjan, Member – Employee Representative, and
- Igor Zupan, Member – Employee Representative.

The Management Board directs, represents and acts on behalf of Zavarovalnica Triglav, independently and on its own responsibility. In compliance with the Articles of Association, the Supervisory Board appoints three to six Management Board members. In 2021, the Management Board was composed of:

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

The powers of individual bodies are set out in the Companies Act (ZGD-1), and they are defined in greater detail in the Company's Articles of Association and the rules of procedure of individual bodies.

It is the responsibility of the Management Board to compile and approve the annual report. The audited annual report is approved by the Supervisory Board. In the event that the Supervisory Board fails to approve the annual report, the General Meeting of Shareholders decides on the adoption of the annual report.

The Management Board approved the audited annual report for the financial year ended 31 December 2021 on 10 March 2022. The annual report is published on the Company's website www.triglav.eu.

2.1.3 Data on employees

In 2021, the Group employed an average of 5,281 employees (2020: 5,259), of which 2,243 were employees of Zavarovalnica Triglav (2020: 2,245).

As at 31 December 2021, the Group employed 5,246 employees (31 December 2020: 5,316), of which 2,246 were employees of Zavarovalnica Triglav (31 December 2020: 2,244).

The number of employees within the Group and at Zavarovalnica Triglav based on their level of education is shown in the table below.

Education level	Triglav Group		Zavarovalnica Triglav	
	31 Dec. 2021	31 Dec. 2020	31 Dec. 2021	31 Dec. 2020
2-5	2,226	2,316	803	819
6/1	534	556	379	389
6/2	781	749	438	426
7	1,491	1,476	528	516
8/1	211	198	90	86
8/2	21	21	8	8
TOTAL	5,264	5,316	2,246	2,244
Average number of employees	5,281	5,259	2,243	2,245

The average number of employees is calculated as the average number of employees as at the last working day of the month.



2.1.4 About the Triglav Group

Zavarovalnica Triglav is the controlling company of the Triglav Group (hereinafter: the Group), therefore, in addition to the separate financial statements of the Company, it also compiles the consolidated financial statements of the Group.

Insurance is the core business of the Group, including asset management, support activities and other services. The Triglav Group is the leading insurance and financial group in Slovenia and the Adria region as well as one of the leading groups in South-East Europe.

Triglav Group subsidiaries¹¹⁰

COMPANY	ADDRESS	TAX RATE (in %)	ACTIVITY	EQUITY STAKE (in %)		SHARE OF VOTING RIGHTS (in %)	
				2021	2020	2021	2020
Pozavarovalnica Triglav RE, d.d.	Miklošičeva cesta 19, Ljubljana, Slovenia	19	Reinsurance	100.00	100.00	100.00	100.00
Triglav, Zdravstvena zavarovalnica, d.d.	Pristaniška ulica 10, Koper, Slovenia	19	Insurance	100.00	100.00	100.00	100.00
Triglav Osiguranje, d.d., Zagreb	Antuna Heinza 4, Zagreb, Croatia	18	Insurance	100.00	100.00	100.00	100.00
Triglav Osiguranje, d.d., Sarajevo	Dolina 8, Sarajevo, Bosnia and Herzegovina	10	Insurance	97.78	97.78	98.87	98.87
Lovčen Osiguranje, a.d., Podgorica	Ulica slobode 13a, Podgorica, Montenegro	9	Insurance	99.07	99.07	99.07	99.07
Lovčen životna osiguranja, a.d., Podgorica	Ulica Marka Miljanova 29/III, Podgorica, Montenegro	9	Insurance	99.07	99.07	99.07	99.07
Triglav Osiguranje, a.d.o., Beograd	Milutina Milankovića 7a, Novi Beograd, Serbia	15	Insurance	100.00	99.88	100.00	99.88
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
Triglav Osiguruvanje, a.d., Skopje	Bulevar 8-mi Septemvri 16, Skopje, North Macedonia	10	Insurance	81.32	80.83	81.32	80.83
Triglav Osiguruvanje Život, a.d., Skopje	Bulevar 8-mi Septemvri 18, Skopje, North Macedonia	10	Insurance	96.26	96.17	96.26	96.17
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
Triglav, pokojninska družba, d.d.	Dunajska cesta 22, Ljubljana, Slovenia	19	Fund management	100.00	100.00	100.00	100.00
Triglav INT, d.o.o.	Dunajska cesta 22, Ljubljana, Slovenia	19	Holding company	100.00	100.00	100.00	100.00
Triglav Skladi, d.o.o.	Slovenska cesta 54, Ljubljana, Slovenia	19	Fund management	100.00	67.50	100.00	100.00
Triglav Avtoservis, d.o.o.	Verovškova 60b, Ljubljana, Slovenia	19	Maintenance and repair of motor vehicles	100.00	100.00	100.00	100.00
Triglav Svetovanje, d.o.o.	Ljubljanska cesta 86, Domžale, Slovenia	19	Insurance agency	100.00	100.00	100.00	100.00
Triglav Upravljanje nepremičnin, d.o.o.	Dunajska cesta 22, Ljubljana, Slovenia	19	Real estate management	100.00	100.00	100.00	100.00
Triglav Savjetovanje, d.o.o., Sarajevo	Dolina br. 8, Sarajevo, Bosnia and Herzegovina	10	Insurance agency	97.78	98.91	97.78	98.91
Triglav Savjetovanje, d.o.o., Zagreb	Sarajevska cesta 60, Zagreb, Croatia	18	Insurance	100.00	100.00	100.00	100.00
Triglav Savetovanje, d.o.o., Beograd	Zelengorska 1g, Novi Beograd, Serbia	15	Insurance agency	100.00	99.94	100.00	99.94
Autocentar BH, d.o.o.	Džemala Bijedića 165b, Sarajevo, Bosnia and Herzegovina	10	Maintenance and repair of motor vehicles	97.78	97.78	97.78	98.87
Sarajevostan, d.o.o.	Džemala Bijedića br. 147, Sarajevo, Bosnia and Herzegovina	10	Real estate management	90.95	90.95	90.95	91.97
Lovčen auto, d.o.o., Podgorica	Novaka Miloševa 6/2, Podgorica, Montenegro	9	Maintenance and repair of motor vehicle	99.07	99.07	99.07	99.07
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
Triglav upravljanje nekretninama, d.o.o., Podgorica	Džordža Vašingtona 44, Podgorica, Montenegro	9	Real estate management	100.00	100.00	100.00	100.00
Triglav upravljanje nekretninama, d.o.o., Sarajevo	Dolina 8, Sarajevo, Bosnia in Hercegovina	10	Real estate management	97.78	-	97.78	-
PROF-IN, d.o.o.	Mehmed paše Sokolovića 15, Sarajevo, Bosnia and Herzegovina	10	Fund management	62.54	62.54	62.54	62.54
Zavod Vse bo v redu	Miklošičeva cesta 19, Ljubljana, Slovenia	19	Institute for corporate social responsibility	100.00	100.00	100.00	100.00

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¹¹⁰ All subsidiaries except PROF-IN d.o.o. and Zavod Vse bo v redu, which are not significant for the Group, are included in the consolidated financial statements according to the full consolidation method. GRI GS 102-45



Condensed financial statements of the Triglav Group companies

in EUR

COMPANY	ASSETS		LIABILITIES		EQUITY		INCOME		NET PROFIT/LOSS	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Pozavarovalnica Triglav Re, d.d., Ljubljana	362,467,179	348,003,015	266,915,458	260,960,886	95,551,721	87,042,129	228,079,978	201,204,085	11,324,430	2,817,983
Triglav, Zdravstvena zavarovalnica, d.d., Koper	111,448,859	96,772,481	65,812,869	56,280,962	45,635,990	40,491,519	200,703,434	197,952,289	6,379,174	4,845,316
Triglav Osiguranje, d.d., Zagreb	196,173,329	185,916,419	166,478,465	156,973,195	29,694,864	28,943,224	96,269,515	79,836,402	1,820,083	-2,582,560
Triglav Osiguranje, d.d., Sarajevo	76,491,259	64,990,550	56,377,177	45,763,838	20,114,082	19,226,712	36,219,946	30,995,575	1,296,180	1,280,528
Lovćen Osiguranje, a.d., Podgorica	52,424,790	52,202,701	39,286,519	39,584,520	13,138,271	12,618,181	37,677,417	36,321,508	1,308,164	3,936,476
Lovćen životna osiguranja, a.d., Podgorica	8,180,680	8,021,088	4,191,088	4,068,819	3,989,592	3,952,269	4,935,706	4,583,354	256,415	495,360
Triglav Osiguranje, a.d.o., Beograd	101,307,828	87,549,739	74,849,135	62,774,853	26,458,693	24,774,894	79,849,221	67,527,013	3,585,281	4,065,469
Triglav Osiguranje, a.d., Banja Luka	13,102,599	12,783,723	8,859,000	8,179,548	4,243,599	4,604,175	6,625,994	6,725,800	-302,774	85,342
Triglav Osiguruvanje, a.d., Skopje	49,525,142	47,506,299	32,843,926	31,668,440	16,681,216	15,837,859	24,135,021	22,282,221	482,192	1,199,617
Triglav Osiguruvanje Život, a.d., Skopje	7,907,892	6,090,499	3,649,158	1,843,075	4,258,734	4,247,424	3,409,223	1,200,013	-86,155	-428,683
Triglav penzisko društvo, a.d., Skopje	1,738,046	2,399,923	184,087	233,167	1,553,959	2,166,756	308,458	156,889	-623,974	-513,592
Triglav, pokojninska družba, d.d., Ljubljana	416,477,600	389,872,637	397,380,084	372,104,664	19,097,516	17,767,973	57,784,500	53,881,938	1,597,670	524,523
Triglav INT, d.o.o., Ljubljana	71,128,059	72,416,802	33,581	69,218	71,094,478	72,347,584	69	18,324	-1,253,106	-940,601
Triglav Skladi, d.o.o., Ljubljana	86,248,279	71,631,070	11,071,037	9,073,843	75,177,242	62,557,227	30,728,566	25,652,463	8,246,729	5,306,938
Triglav Avtoservis, d.o.o., Ljubljana	1,298,820	783,446	1,168,153	851,454	130,667	-68,008	2,508,476	2,266,678	1,967	-133,613
Triglav Svetovanje, d.o.o., Ljubljana	1,807,856	1,762,584	1,495,117	1,253,084	312,739	509,500	4,880,110	4,792,860	-209,070	23,363
Triglav, Upravljanje nepremičnin, d.o.o., Ljubljana	32,393,981	39,371,023	3,296,282	2,565,104	29,097,699	36,805,919	3,740,839	4,488,485	288,055	481,717
Triglav Savjetovanje, d.o.o., Sarajevo	341,689	339,949	338,995	272,077	2,694	67,872	700,024	729,177	-65,178	-13,530
Triglav Savjetovanje, d.o.o., Zagreb	236,485	105,274	146,759	203,597	89,726	-98,323	577,291	424,803	42,090	-47,450
Triglav Savetovanje, d.o.o., Beograd	137,944	185,021	128,612	216,076	9,332	-31,055	698,454	568,429	-26,889	-56,109
Autocentar BH, d.o.o., Sarajevo	2,775,450	2,923,168	763,557	923,228	2,011,893	1,999,940	1,720,885	1,722,665	63,082	91,263
Sarajevostan, d.o.o., Sarajevo	1,624,805	2,568,709	666,977	2,410,987	957,828	157,722	2,855,026	2,138,645	800,106	-1,460,157
Lovćen auto, d.o.o., Podgorica	4,907,430	5,312,445	1,616,923	2,293,854	3,290,507	3,018,591	1,856,714	1,667,433	-428,084	-581,928
Triglav upravljanje nekretninama, d.o.o., Zagreb	460,737	1,503,845	2,719	3,228	458,018	1,500,617	112,772	70,779	-51,835	-6,000
Triglav upravljanje nekretninama, d.o.o., Podgorica	1,923,394	1,926,982	210,583	103,603	1,712,811	1,823,379	32,706	222,994	-110,568	29,243
Triglav upravljanje nekretninama, d.o.o., Sarajevo	15,339	-	0	-	15,339	-	0	-	0	-
PROF-IN, d.o.o., Banja Luka	4,989,348	4,400,215	34,847	6,258	4,954,501	4,393,957	1,046,677	766,902	560,544	286,602
Zavod Vse bo v redu	148,057	97,017	1,769	569	100,000	100,000	113,000	29,301	49,840	-30,355

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Non-controlling interests in the Triglav Group companies

COMPANY	NON-CONTROLLING INTEREST IN CAPITAL (in %)		VOTING RIGHTS OF NON-CONTROLLING INTERESTS (in %)		NET PROFIT OR LOSS ATTRIBUTABLE TO NON-CONTROLLING INTEREST HOLDERS (in EUR)		RETAINED EARNINGS ATTRIBUTABLE TO NON-CONTROLLING INTEREST HOLDERS (in EUR)	
	2021	2020	2021	2020	2021	2020	2021	2020
Triglav Osiguranje, d.d., Sarajevo	2.22	2.22	1.13	1.13	27,640	29,768	280,040	261,476
Triglav Osiguranje, a.d.o., Beograd	-	0.12	-	0.12	-	4,919	-	210,112
Triglav Osiguruvanje, a.d., Skopje	18.68	19.17	18.68	19.17	90,054	229,986	1,955,469	1,871,646
Lovćen Osiguranje, a.d., Podgorica	0.93	0.93	0.93	0.93	18,676	43,119	498,487	487,141
Lovćen životna osiguranja, a.d., Podgorica	0.93	0.93	0.93	0.93	2,385	4,607	83,600	83,254
Triglav Savjetovanje, d.o.o., Sarajevo	2.22	1.09	2.22	1.09	-1,447	-147	-19,622	-16,901
Autocentar BH, d.o.o., Sarajevo	2.22	2.22	2.22	1.13	1,400	2,026	-142,790	-144,190
Lovćen auto, d.o.o., Podgorica	0.93	0.93	0.93	0.93	-3,982	-5,412	-399,483	-395,500
Triglav Osiguruvanje Život, a.d., Skopje	3.74	3.83	3.74	3.83	-3,218	-16,436	-26,610	-27,674
Sarajevostan, d.o.o., Sarajevo	9.05	9.05	9.05	8.03	72,370	-132,072	246,555	174,185
Triglav Savetovanje, d.o.o., Beograd	-	0.06	-	0.06	-	-33	-	-173
TOTAL					203,878	160,325	2,475,645	2,503,377

The only company in the Group that has a significant non-controlling interest is Triglav Osiguruvanje a.d., Skopje. Its key financial information is presented below.

CONDENSED BALANCE SHEET	in EUR	
	31 December 2021	31 December 2020
Current assets	7,286,521	6,139,945
Current liabilities	3,001,242	2,420,552
Net current assets/liabilities	4,285,279	3,719,393
Non-current assets	42,238,621	41,366,354
Non-current liabilities	29,842,684	29,247,888
Net non-current assets/liabilities	12,395,937	12,118,466
Net assets	16,681,216	15,837,859

CONDENSED COMPREHENSIVE INCOME	in EUR	
	2021	2020
Net profit or loss for the year	482,192	1,199,617
Other comprehensive income	361,165	-104,934
Total comprehensive income	843,357	1,094,683

CONDENSED CASH FLOW STATEMENT	in EUR	
	2021	2020
Cash flows from operating activities	336,580	-880,935
Cash flows from investing activities	-143,442	811,387
Cash flows from financing activities	20,280	0
Net change in cash flows	213,418	-69,548

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Changes in the structure of the Triglav Group in 2021

Capital increase of ZTSR d.o.o and its merger with Diagnostični center Bled d.o.o.

Through the in-cash contribution of EUR 3.3 million, Zavarovalnica Triglav increased the capital of jointly controlled ZTSR d.o.o. in the first quarter of 2021, thereby maintaining its 50% participating interest in said company. In the third quarter of 2021, ZTSR d.o.o. was merged with its subsidiary Diagnostični center Bled d.o.o. With the aforementioned transaction, ZTSR d.o.o. was stricken off the Companies Register, and Zavarovalnica Triglav consequently acquired a 50% participating interest in Diagnostični center Bled d.o.o. The merger and thus the changed ownership structure did not affect the Group's consolidated financial statements. Through the in-cash contribution of EUR 1.25 million, Zavarovalnica Triglav increased the capital of Diagnostični center Bled d.o.o. in the last quarter of 2021, thereby maintaining its 50% participating interest in said company.

Acquisition of Kirurški sanatorij d.o.o.

Diagnostični center Bled d.o.o. increased its strategic investment portfolio by acquiring a 100% participating interest in Kirurški sanatorij d.o.o. in the first quarter of 2021. From the Group's point of view, this investment is part of regular activities of managing its extensive investment portfolio and has no significant impact on its composition. Kirurški sanatorij is treated within the Group as part of Diagnostični center Bled Group.

Capital increase of Triglav d.o.o.

Zavarovalnica Triglav made two subsequent capital contributions in the total amount of EUR 2.3 million to its associate in 2021, thus remaining a 49.9% owner of said company. The capital increase had no effect on the Group's consolidated financial statements.

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

Lovćen Osiguranje a.d., Podgorica increased the capital of its subsidiary Lovćen auto d.o.o., Podgorica in 2021 through in-cash contributions in the total amount of EUR 700 thousand. The ownership structure of Lovćen auto d.o.o. was not changed with said capital increase, as Lovćen Osiguranje a.d. remained its 100% owner. The capital increase had no impact on the Group's consolidated financial statements.

Capital increase of Triglav Avtoservis d.o.o., Ljubljana

Zavarovalnica Triglav d.d. made two subsequent capital contributions in the total amount of EUR 194 thousand to its subsidiary in 2021, thus remaining a 100% owner of said company. The capital increase had no effect on the Group's consolidated financial statements.

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

Triglav Svetovanje d.o.o. and Triglav Osiguranje d.d., Zagreb increased the capital of their subsidiary Triglav Savjetovanje d.o.o., Zagreb proportional to their participating interests. The capital increase was raised by in-cash contributions of HRK 1.1 million or EUR 145 thousand. As a result, the two companies retained their participating interests in said company of 51% and 49% respectively.

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

Triglav Svetovanje d.o.o. and Triglav Osiguranje a.d.o, Belgrade increased the capital of their subsidiary Triglav Savetovanje d.o.o., Belgrade proportional to their participating interests. The capital increase was raised by in-cash contributions of RSD 7.9 million or EUR 67 thousand. As a result, the two companies retained their participating interests in said company of 51% and 49% respectively.

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

Triglav INT d.o.o., Ljubljana acquired a 0.50% participating interest from the non-controlling interest holders of Triglav Osiguruvanje a.d., Skopje, thereby becoming its 81.32% owner. The consideration totalled MAK 3.2 million or EUR 52 thousand. The effect of the acquisition of the non-controlling interest was recognised in the consolidated financial statements as an increase in share premium of EUR 20 thousand.

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

Triglav INT d.o.o., Ljubljana acquired a 0.12% participating interest from non-controlling interest holders of Triglav Osiguruvanje a.d., Belgrade, thereby becoming its 100% owner. The consideration totalled RSD 3.7 million or EUR 33 thousand. The effect of the acquisition of the non-controlling interest was recognised in the consolidated financial statements as a decrease in share premium of EUR 8 thousand.

Transfer of the participating interest in Triglav Savjetovanje d.o.o., Sarajevo

Triglav Svetovanje d.o.o., Domžale sold its 51% participating interest in Triglav Savjetovanje d.o.o., Sarajevo to Triglav Osiguranje d.d., Sarajevo. As a result, Triglav Osiguranje d.d., Sarajevo became a 100% owner of Triglav Savjetovanje d.o.o., Sarajevo. Due to the transfer of the participating interest, the Triglav Group's participating interest in said company decreased by 1.13 percentage points.

Establishment of the new company Triglav, upravljanje nekretninama d.o.o., Sarajevo

With the in-cash contribution of BAM 30 thousand or EUR 15 thousand, Triglav Osiguranje d.d., Sarajevo established Triglav, upravljanje nekretninama d.o.o., Sarajevo, thereby becoming its 100% owner.

Spin-off of the retail business from Nama d.d.

Based on its strategic plans, Zavarovalnica Triglav's associate Nama d.d., Ljubljana carried out a spin-off of its retail business and transferred it to its newly established subsidiary Nama IN d.o.o., Ljubljana. This transaction did not have an impact on the Group's consolidated financial statements. In the Group's consolidated financial statements, Nama d.d. is treated as an associate and valued under the equity method based on its consolidated financial statements.

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2.2 Bases for the preparation of financial statements

2.2.1 Statement of compliance

The Group's consolidated financial statements and the Company's separate financial statements for the financial year ended 31 December 2021 were prepared in accordance with International Financial Reporting Standards (hereinafter: IFRS) as adopted by the EU.

The Group's and the Company's financial statements were also prepared in accordance with the requirements of the Companies Act (ZGD-1), the Insurance Act (ZZavar-1) and its implementing regulations.

2.2.2 Bases for measurement and classification

The financial statements were prepared under the going concern assumption and taking into account the requirements of adequacy, reliability, comprehensibility and comparability of financial information. Furthermore, they were compiled on the historical cost basis, except in the case of financial assets recognised at fair value through profit or loss and available-for-sale financial assets measured at fair value.

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

The financial year is the same as the calendar year.

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 is a legal right and intent for net settlement, or when the assets are realised and the liabilities are settled simultaneously. Income and expenses on the income statement are not offset, except if so required by standards and notes or if this is specified in the Company's accounting policies.

The financial statements are presented in euros, which is the Group's presentation currency. The amounts in the financial statements are rounded to one euro.

2.2.3 The impact of the COVID-19 epidemic on verifying the going concern assumption

When preparing the financial statements, 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 epidemic.

The sensitivity of the Group's and the Company's profitability, financial position and liquidity under significant assumptions or uncertainties in the environment is described in the section on risk management (Section [2.9 Future risks as a result of the pandemic](#)).

Based on all the calculations presented, it can be confirmed that the going concern assumption is appropriate.

The impact of the COVID-19 epidemic on individual items in the financial statements is presented in Section [2.7.2](#).

2.3 Bases for consolidation

In addition to the separate financial statements, the Company compiles the consolidated financial statements of the Group. The Group's consolidated financial statements include all companies directly or indirectly controlled by the Company.

Zavarovalnica Triglav controls a company if all the following three elements of control are met:

- it has influence over the company (directs important activities that significantly affect the company's returns) by virtue of voting rights based on equity instruments or by virtue of other rights arising from contractual agreements,
- it is exposed to variable returns or has the right to variable returns from its participation in the company and
- it is able, through its influence over the company, to influence the amount of its return.

An assessment of the existence of control of an individual company is performed once a year or if the facts and circumstances show that one or more of the three elements of control have changed.

Subsidiaries are included in the consolidated financial statements under the full consolidation method from the acquisition date.

The assets and liabilities of a subsidiary are measured at fair value on initial consolidation. Any difference between the market value of the business combination and the acquirer's share of the net fair value of the assets, liabilities and contingent liabilities acquired is accounted for as goodwill. The effects of any subsequent changes in the acquirer's interest in the subsidiary are recognised in share premium.

If the Company disposes of a subsidiary or loses control over it, such a subsidiary is deconsolidated from the date on which control ceases. Related assets (including goodwill), liabilities, non-controlling interests and other components of equity are derecognised, with any effect of loss of control in the consolidated income statement being recognised as profit or loss. Any remaining interests in this company that no longer represent a significant or dominant interest after the disposal are recognised at fair value.

All the Group subsidiaries that are significant to the Group's financial statements are fully consolidated. Exceptionally, companies that are insignificant from the point of view of consolidated financial statements, i.e. the size of an individual such company does not exceed 0.5% of the Group's

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total assets, may be excluded from full consolidation. A company conducting insurance business or an activity directly related thereto (e.g. insurance brokerage) cannot be excluded from consolidation. In the full consolidation process, the carrying amount of the financial investment by the controlling company in each subsidiary and the controlling company's share in equity of each subsidiary are offset (eliminated). Intragroup assets and liabilities, income and expenses and the effects of other transactions within the Group are also eliminated in full.

In the consolidated financial statements, profit/loss and other comprehensive income are proportionately attributed 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 a 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 controlling company's owners.

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 Group companies participating in the consolidation process use 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 Group's accounting policies.

The financial year is the same as the calendar year.

2.4 Foreign currency translation

Items included in the separate financial statements of each Group company are measured using the currency of the primary economic environment in which the respective company operates (functional currency). The financial statements are presented in euros, which is the Group's presentation currency.

2.4.1 Translation of business events and items

Transactions in foreign currency are translated into the functional currency as at the date of the transaction at the exchange rate quoted in the European Central Bank's reference rate list published by the Bank of Slovenia. Exchange rate differences arising from the settlement of these transactions or from the translation of monetary items are recognised in profit or loss.

Foreign rate 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 profit or loss. Foreign rate differences from non-monetary items, such as equity instruments classified as financial assets measured at fair value through profit or loss, are recognised in profit or loss. Foreign rate differences from non-monetary items, such as equity instruments classified as available-for-sale financial assets, are recognised together with the effects of measurement at fair value in other comprehensive income and accumulated in equity.

2.4.2 Translation from the functional into the presentation currency

The financial statements of Group companies 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 reporting date;
- income, expenses and costs are translated at the average exchange rate for the reporting period;
- equity components are translated at a historical exchange rate;
- all the resulting exchange rate differences are recognised in other comprehensive income.

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

In the consolidated financial statements, exchange rate differences resulting from the translation of a net investment in a foreign subsidiary are recognised in the statement of comprehensive income. When the Group loses control over a foreign subsidiary, 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 gains or losses on sale.

2.5 Significant accounting policies

2.5.1 Investments in subsidiaries and associates, business combinations and goodwill

2.5.1.1 Investments in subsidiaries

An investment in a subsidiary is considered to be an investment in a company that is directly or indirectly controlled by Zavarovalnica Triglav.

Investments in subsidiaries are measured in the separate financial statements at cost less accumulated impairment losses.

The initial recognition of the investment is made on the date on which the acquirer obtains the right to control the acquiree. Increases in the share capital of subsidiaries with in-kind contributions are measured at estimated fair value or carrying amount, where justified.

Subsidiaries are included in the consolidated financial statements under the full consolidation method as described in Section [2.3](#).

2.5.1.2 Investments in associates and joint ventures

An investment in an associate is an investment in a company in which Zavarovalnica Triglav has a direct or indirect significant influence (directly or indirectly between 20% and 50% of voting rights), provided by the possibility of participating in the company's financial and business policy decisions, but not by controlling these policies.

Joint ventures are companies that are jointly controlled by the Triglav Group and a contract partner based on a contractual agreement.

Investments in equity instruments of associates and joint ventures are accounted for in the separate financial statements at fair value. For associates whose values are not published on a stock exchange, a valuation model is used (guideline public company method, comparable transaction analysis, discounted cash flows, contract value). The effects of valuation at fair value are disclosed in other comprehensive income.

In the Group's consolidated financial statements, investments in associates and joint ventures are accounted for using the equity method. An investment in an associate or joint venture is initially recognised at cost. The carrying amount of the investment is subsequently adjusted to change the Group's share in the associate's or joint venture's net assets as of the acquisition date. Goodwill relating to an associate or joint venture is included in the carrying amount of the investment. Signs of impairment are tested at each reporting date. If the recoverable amount is lower than the carrying amount, the Group carries out impairment up to the level of the recoverable amount.

The corresponding share of an associate's and joint venture's profit or loss is recognised in the consolidated profit or loss. The corresponding 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.

Upon loss of significant influence over an associate or loss of joint control of a joint venture, each retained investment is measured at its fair value. The difference between the carrying amount of the associate or joint venture and the fair value of the retained investment is recognised in profit or loss.

2.5.1.3 Business combinations and goodwill

The acquisition method is used for business combinations. The acquisition date is the date on which the acquirer obtains the right to control the acquiree. The identifiable assets acquired and liabilities assumed are determined and measured at their acquisition-date fair values. In each business combination, the non-controlling interest is also measured at the current proportionate share of the equity interests in the acquiree's recognised net assets.

Goodwill arises on the acquisition of a subsidiary if the excess of the sum of the consideration given measured at fair value is greater than the fair value of the company's acquired assets. If the difference is negative, the gain is recognised in full in profit or loss. Contingent consideration at fair value is also included in the consideration.

Accounting policies for the assessment of impairment of goodwill and investments in subsidiaries are presented in Section [2.5.4.7](#), and accounting policies for determining the fair value of associates and joint ventures in Section [2.5.13](#).

2.5.2 Insurance contracts

2.5.2.1 Classification of contracts

The products of the Group's insurance companies 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 underwriting risk or both an underwriting and financial risk.

Contracts of an individual homogeneous group are defined as insurance if they contain material underwriting 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 underwriting 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 maximum difference between the economic value of the payout after a loss event and 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 underwriting 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 participation. 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 during its term the underwriting risk is significantly reduced, unless all rights and obligations are terminated or expire.

2.5.2.2 Premium income and other insurance income

Net premium income is calculated based on gross written premium and gross outward (co) reinsurance premium, reduced by (co)reinsurers' and retrocessionaires' share and adjusted by the change in gross unearned premium taking into account the (co)reinsurers' and retrocessionaires' share in unearned premium. Written premium is the basis for recognising gross premium.

Other insurance income includes fee and commission income (asset management fees, (co) reinsurance and other fees and commissions) and other income from insurance operations (green card sales, claims settled on behalf of other insurance companies, assistance services and other).

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Interest income from operating receivables is also disclosed under this income. This income is recognised in profit or loss when the service is provided or invoiced.

2.5.2.3 Claims incurred and other insurance expenses

Net claims incurred are gross claims paid (claim payments and claim handling expenses), reduced by income from collected subrogation receivables and the reinsurance portion and adjusted by the change in gross claims provisions taking into account the reinsurers' share in these provisions. Claim handling expenses comprise external and internal costs of assessing the eligibility and amount of claims, including legal expenses, expert fees and subrogation recovery expenses. Gross claims paid are recognised in profit or loss once the claims are settled.

Other insurance expenses include fee and commission expenses, expenses from impairment of receivables, fire protection tax, prevention expenses and other insurance expenses. Other insurance expenses are recognised in profit or loss once a service is provided.

2.5.2.4 Insurance-technical provisions

Unearned premium and provisions for unexpired risks

Provisions for unearned premium are the part of gross written premium that relates to the period after the end of the financial year. They are calculated separately for each insurance contract.

The unearned premium for most insurance policies is calculated using the pro rata temporis method, which assumes that claims are distributed evenly over the term of the contract and that the insurance cover is constant. Insurance policies with a variable insurance cover are the exception to this rule. These policies include credit insurance at which the insurance cover decreases and construction and erection insurance at which the insurance cover increases. For such type of insurance, the calculation of unearned premium is based on the assumption of a constant claim frequency throughout the term of the contract and a variable insurance cover.

Provisions for unexpired risk are formed for insurance policies where, based on past experience, it is assumed that the amount of unearned premium will not suffice for covering all future claims, i.e. for those insurance classes for which the claims ratio exceeds 100%. Additional provisions for unexpired risks are calculated in the share of unearned premium, which represents the difference between the value of the expected claims ratio and 100%.

Additional tests are performed to check the adequacy of the provisions for unearned premium and unexpired risks. The amounts of future gross claims and gross future expenses are taken into account in these tests and compared with the amount of established provisions for unearned premium reduced by deferred acquisition costs.

Claims provisions

Claims provisions are made to cover claims incurred but not settled by the end of the accounting period. Claims provisions are formed for claims reported, not reported and not enough reported.

Claims provisions are calculated as the sum of incurred and reported claims and incurred but not reported claims (IBNR). Provisions for incurred and reported claims are based on an inventory of claims. The majority of provisions for IBNR claims are calculated using the run-off triangular method, taking into account the combination of the chain ladder method and the Bornhuetter-Ferguson method. The basis for the calculation is a sample of past claims experience with projected future trends. For this purpose, a multi-year time series of settled claims is used.

Previous experience shows that claims from major CAT events, such as hail, floods and storms, are reported with a delay. None of the standard actuarial methods for determining the amount of IBNR claims after major CAT events is suitable for their valuation. Such claims can represent a significant portion of total IBNR claims; therefore, in order to ensure an up-to-date calculation of the actual amount of claims following major CAT events, an additional provision is made for IBNR and incurred but not enough reported (IBNER) claims separately for each major CAT event.

If in liability insurance a claim is settled as an annuity, the amount is reserved as a capitalised value of annuity calculated based on the Slovenian SIA65 mortality tables and a 0.50% interest rate. Other insurance subsidiaries use local mortality tables. Depending on the possibilities, additional claims provisions are made for not enough reported annuity claims when the injured party is a minor or a young person and the insurance company may reasonably expect that the injured party will also file a claim for loss of income when reaching a certain age.

With the exception of annuity claims, claims provisions are not discounted.

The adequacy of the claims provisions made is reviewed quarterly. A claims provision is formed based on statistical data and using actuarial methods. As such, it in itself is a test of the adequacy of claims provisions.

In the context of testing the adequacy of claims provisions, the liability adequacy test (LAT) is carried out for liabilities paid out as annuities. Mortality, indexation and discount interest rate assumptions are used to calculate the adequacy of the claims provisions paid out as annuities.

Mathematical provisions

Mathematical provisions for life, annuity, pension and unit-linked insurance portfolio are calculated separately for each insurance contract.

The valuation of life and annuity insurance liabilities is carried out by using the modified prospective net premium method, taking into account acquisition costs, including all contractual obligations and bonuses. The insurance technical parameters taken into account by the method either match the parameters used in the calculation of insurance premium or are adjusted for those subsequently changed circumstances that increase the amount of liabilities. This is particularly the case for annuity insurance where the calculation of liabilities takes into account own, more conservative mortality tables and a carefully set (lower) interest rate.

The mathematical provisions for voluntary pension insurance are built up over the accumulation (premium payment) period using the retrospective method. In calculating the provisions, this

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method takes into account all premiums paid up to the valuation date, entry fees, sums paid out, bonuses from the guaranteed interest rate and bonuses credited to personal accounts from profit participation. During the pension annuity payout period, provisions are set aside based on the present value of estimated future liabilities (the prospective net method). The insurance technical parameters taken into account in the calculation are either the same as those set at the time of underwriting the policy or adjusted to the circumstances expected during the pension payout, if these circumstances are worse than those taken into account in the premium calculation.

The mathematical provisions for supplemental voluntary pension insurance are built up over the accumulation period using the retrospective method. In calculating the provisions, this method takes into account all premiums paid up to the valuation date, entry fees, sums paid out, bonuses from the return on the guarantee fund, the guaranteed return from funds with a guaranteed return and bonuses credited to personal accounts from profit participation. During the pension annuity payout period, provisions are set aside based on the present value of estimated future liabilities (the prospective net method). The insurance technical parameters taken into account in the calculation either match the parameters set at the time of underwriting the policy or are adjusted for those subsequently changed circumstances that increase the amount of liabilities, particularly in the valuation of liabilities during the pension payout period.

The provisions for unit-linked life insurance are calculated for each insurance policy as the fair value of assets in the investment account less future capitalised management costs (actuarial funding). For certain insurance products, additional provisions are made to cover contractually defined risks of payouts under the primary or complementary insurance policies and additional insurance technical provisions for credit risks.

All calculations take into account actuarial assumptions, applicable legal provisions and all contractual liabilities to policyholders arising from insurance policies and the respective insurance terms and conditions.

The mathematical provisions also take into account bonuses attributed to policyholders in previous financial years in accordance with the rights set out in the underlying insurance contracts.

Fair value reserve for available-for-sale financial assets is also recognised in the context of 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 portion that will be due to the policyholders upon realisation in line with the provisions of the insurance contract or internal regulations.

The LAT is carried out annually both in the Group and the Company. The purpose of the LAT is to verify the adequacy of life insurance provisions. The test is performed by comparing the amount of provisions made with the best estimate of provisions determined by taking into account the present value of the best estimate of future expected contractual and other cash flows. The calculation is performed at the level of each insurance contract and the results are aggregated into appropriate homogeneous insurance groups. The test is based on a uniform methodology that determines,

among others, the method of creating homogeneous groups, the selection of risk-free interest rate curves and the scope of cash flows considered. The test is carried out based on the portfolio balance as at the last day of the financial year.

Insurance contracts are classified into several homogenous groups subject to approximately the same risks and managed within the same portfolio. Homogeneous groups are formed according to insurance classes as follows:

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

The cash-generating unit or insurance company is also considered a homogenous group. Any deficit is determined at the level of an individual insurance company and recognised in the financial statements as an increase in provisions and an expense in profit or loss.

Mortality, longevity and morbidity assumptions, assumptions about portfolio persistency, assumptions about costs, increases in insurance premium, expected returns and discount interest rates, profit participation and annuity factor guarantees are included in the LAT. If the LAT shows that the provisions are insufficient, additional provisions will be charged to the profit or loss.

Other insurance-technical provisions

Provisions for bonuses in non-life insurance are formed for the part of the premium that will be reimbursed to those persons insured who meet the criteria set out in insurance terms and conditions (total claims ratio over the last three years, premium payment discipline and the amount of total premium). Based on an annual analysis and predefined criteria, the amount of premium reimbursement is calculated.

Provisions for cancellations represent that portion of unearned premium which is expected to be reimbursed in the event of early termination and for which deferred acquisition costs were made.

2.5.3 Financial assets

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

2.5.3.1 Financial investments

Financial investments are classified into the following groups: financial assets measured at fair value through profit or loss, held-to-maturity financial assets, loans and deposits, and available-for-sale financial assets. Classification depends on the initial purpose for which an investment was acquired. The management decides on the classification of investments at initial recognition.



At initial recognition, financial investments are measured at fair value. The initially recognised value is increased by transaction costs (fees and severance payments to agents, advisers, stock brokers, stock exchange fees and other transfer-related taxes) that are directly attributable to the acquisition or issue of a financial asset. This does not apply to financial investments classified as assets measured at fair value through profit or loss, because these costs are recognised in profit or loss directly at acquisition.

The trade date is used at the purchase or sale of a financial investment, except for loans and deposits where the settlement date is used.

Available-for-sale financial assets

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

After initial recognition, available-for-sale financial assets are measured at fair value, without deducting transaction costs that may occur when selling or otherwise disposing them. Financial instruments not listed on a stock exchange are measured at fair value based on recent transaction prices if the market situation has not changed significantly since the last transaction, or using the discounted expected cash flow valuation model. Equity instruments not quoted in an active market and for which fair value cannot be reliably measured are measured at cost. The method of determining the fair value of available-for-sale financial assets is described in more detail in Section [2.5.13](#).

Changes in fair value are recognised directly in other comprehensive income as an increase (gain) or decrease (loss) in fair value reserve, except for impairment of investment and foreign exchange rate differences on monetary items, such as debt securities recognised in profit or loss.

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

Held-to-maturity financial assets

Held-to-maturity financial assets are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Company definitely intends and is able to hold to maturity.

Held-to-maturity financial assets are measured at amortised cost less impairment losses.

Financial assets at fair value through profit or loss

This category includes two groups: financial instruments held for trading and financial instruments measured at fair value through profit or loss.

A financial asset is classified as such if the principal intent of its acquisition was to sell it in the near term, if it is part of the portfolio of financial instruments for short-term profit taking or if this classification was decided on by the management. Derivatives are always classified as financial instruments held for trading.

A financial asset designated at fair value through profit or loss is an asset:

- held in the Company’s investment portfolios to cover liabilities arising from insurance contracts related to changes in the fair value of these assets (this classification eliminates or reduces any mismatches arising from the measurement of assets and liabilities or the recognition of gains and losses on various bases) or
- managed and whose performance is measured based on fair value in accordance with the Company’s investment strategy.

After initial recognition, financial assets measured at fair value through profit or loss are measured at fair value. The method of determining the fair value of financial assets designated at fair value through profit or loss is described in more detail in Section [2.5.13](#).

Gains and losses from changes in fair value are recognised in profit or loss.

The category of financial assets measured at fair value through profit or loss also includes financial assets with an embedded unrelated derivative.

Loans and deposits

Loans and deposits are non-derivative financial assets 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.

Derivatives

After initial recognition, derivatives are measured at fair value through profit or loss. Market value is determined based on the quoted price in an active securities market, and if it is not known, the fair value is estimated according to the valuation model (discounted expected cash flows, Black-Scholes option pricing model).

Derivatives include financial instruments used for hedging cash flows against interest rate risk as well as for hedging cash flows of individual financial instruments and other items.

All proven gains or losses from a change in fair value are recognised in profit or loss.

2.5.3.2 Operating and other receivables

Receivables from insurance operations are recognised when premium is charged to policyholders. At initial recognition, receivables are disclosed at cost, and subsequently reduced by impairment adjustment so as to disclose their expected recoverable amount.

Subrogation receivables are recognised when the Company receives the first instalment of the payment, based on a ruling of the court or based on an agreement reached with the subrogation debtor. In credit insurance, subrogation receivables are recognised immediately at inception.



2.5.3.3 Cash and cash equivalents

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

2.5.3.4 Impairment of financial assets

Impairment of 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.

For equity instruments, objective evidence of impairment includes an issuer's statutory changes (bankruptcy, liquidation, etc.), a significant decrease in the fair value of a security or a long-term decrease in its fair value.

For debt instruments, objective evidence of impairment includes an issuer's statutory changes (bankruptcy, liquidation, etc.), late payment or other significant negative events related to the issuer's credit rating.

When such evidence exists, impairment losses need to be determined.

An impairment loss on an available-for-sale financial asset is calculated based on its current fair value. The accumulated loss initially recognised in other comprehensive income is transferred to the income statement. The reversal of impairment of equity securities classified as available-for-sale is recognised in other comprehensive income.

An impairment loss in respect of a financial asset disclosed at amortised cost is calculated as the difference between its carrying amount and the present value of expected future cash flows, determined based on the original effective interest rate. The loss is recognised in profit or loss.

The reversal of impairment of financial assets disclosed at amortised cost and available-for-sale financial assets that are debt instruments is recognised in profit or loss. An impairment loss may be reversed if such a reversal can be objectively related to an event occurring after the impairment was recognised.

Impairment of operating and other receivables

The adequacy of the disclosed amount of receivables is checked for each group of receivables. At least at the end of the financial year, receivables are tested for impairment or impairment reversal. An impairment recorded as adjustment is formed individually for individual significant receivables or collectively for receivables with a similar credit risk. Credit risk is assessed based on the classification of receivables into classes by maturity and experience from previous years with respect to the repayment of receivables from the same age group. Impairment adjustment increases other expenses from insurance operations.

Signs of impairment of reinsurance contracts are checked annually. These are impaired only if there

is objective evidence as a result of an event occurred after the initial recognition of the reinsurance asset that the Company may not be reimbursed for all amounts owed by reinsurers under the contract and if the event has a reliably measurable impact on the amounts which the Company will get reimbursed from the reinsurer. In the case of impairment of assets from reinsurance contracts, the effect of impairment is recognised in profit or loss.

2.5.4 Non-financial assets

Non-financial assets include investments in subsidiaries and associates, intangible assets, property, plant and equipment, investment property, right-of-use assets, non-current assets held for sale and other assets.

Accounting policies for investments in subsidiaries and associates are described in Section [2.5.1](#).

2.5.4.1 Intangible assets

Intangible assets include goodwill and other intangible assets.

Accounting policies for goodwill are described in Section [2.5.1](#).

At initial recognition, other intangible assets are recognised at cost. At subsequent measurement, intangible assets are disclosed at cost less accumulated amortisation and accumulated impairment loss.

The useful life of all other intangible assets of the Company and the Group is assessed as finite.

Intangible assets with a finite useful life are amortised over their useful life. Amortisation is calculated individually using the straight-line amortisation method for each item, with the exception of goodwill, which is not amortised. Intangible assets are amortised when they are available for use. Amortisation costs of intangible assets with a finite useful life are recognised in profit or loss.

The appropriateness of the amortisation period and the amortisation method of intangible assets with a finite useful life is assessed at least at the end of each reporting period. Changes in the expected useful life or expected pattern of consumption of future economic benefits embodied in the asset are treated as changes in the amortisation period or method, as appropriate, and are treated as changes in accounting estimates.

At least once a year, at the end of the reporting period, it is assessed whether there are any signs of impairment of intangible assets with a finite useful life. In the case of any signs of impairment, assets are impaired and losses recognised in profit or loss.

An intangible asset is derecognised upon disposal (i.e. the date on which the recipient acquires control of the asset) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of an asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss.

Intangible assets also include deferred acquisition costs for non-life insurance contracts. An increase

or decrease in these costs is recognised in profit or loss as a change in unearned premium within net premium income. Deferred acquisition costs for life insurance contracts are considered in the calculation of mathematical provisions according to the Zillmer method. A change in deferred acquisition costs for life insurance contracts is recognised as a change in mathematical provisions.

2.5.4.2 Property, plant and equipment

Property, plant and equipment are accounted for using the cost model. At initial recognition, the cost includes the purchase price and all costs necessary to bring the asset to working condition for its intended use.

After initial recognition, property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Property, plant and equipment are depreciated when they are available for use. Depreciation is calculated using the straight-line depreciation method. Residual value, useful life and depreciation methods of property, plant and equipment are checked at the end of each financial year and adjusted if necessary. Changes are treated as changes in estimates.

Assets under construction or in production are not depreciated until they are available for use. Depreciation of a property, plant and equipment asset ceases when it is derecognised.

A property, plant and equipment asset or any significant part that was initially recognised is derecognised upon disposal (i.e. the date on which the recipient acquires control of the asset) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of an asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss upon derecognition.

Maintenance and repair costs are recognised in profit or loss in the period in which they are incurred. Further investments that increase future economic benefits increase the value of property, plant and equipment.

Both the Group and the Company disclose the fair value of property, plant and equipment in the notes to the financial statements. The method of determining the fair value is described in more detail in Section [2.5.13](#).

2.5.4.3 Investment property

Investment property comprises land and buildings intended for lease. 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.

The guidelines on the recognition, valuation and derecognition method of investment property are the same as those for property, plant and equipment and are described in Section [2.5.4.2](#).

All income from investment property relates exclusively to leases and is disclosed in profit or loss under other income. Expenses from investment property relate to depreciation and maintenance costs of investment property and are disclosed under other expenses in profit or loss.

Both the Group and the Company disclose the fair value of investment property in the notes to the financial statements. The method of determining the fair value is described in more detail in Section [2.5.13](#).

2.5.4.4 Right-of-use assets

Whether a contract contains a lease is assessed at the inception of the contract. 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.

The Group and the Company use a uniform approach to recognition and measurement for all leases, except for short-term leases (up to 12 months) and leases of low-value assets (up to EUR 4,300).

An asset acquired under a lease is recognised as right-of-use assets and lease liabilities. Assets and liabilities are recognised in the amount of the present value of lease payments to be made in accordance with the concluded lease contract. Future lease payments are discounted at the interest rate implicit in the lease or at incremental borrowing rate if the interest rate implicit in the lease cannot be determined.

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 incremental interest rate is determined based on the interest rate for risk-free government bonds at the level of the individual country where the Group operates and the credit spread.

Right-of-use assets are measured using the cost model. The initial value of right-of-use assets is reduced over the life of the asset by depreciation and impairment losses and adjusted for remeasurement of the lease liability. After initial recognition, lease liabilities are increased by interest and decreased by lease payments.

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

Modifications related to leases may be a result of:

- modifications of agreed lease terms and conditions and
- modifications of accounting estimates related to leases.

Modifications of agreed lease terms and conditions relate to changes in the scope of lease, modifications of lease consideration or modifications of the lease term. In these cases, lease modification is calculated in two ways:

- the modification is treated as a separate lease.
- to modify the terms and conditions, the existing lease contract is amended.

Lease modification is treated as a separate lease only when it involves adding one or more underlying assets at a price applicable in the event of an independent lease of that added asset. In this case,

lease is accounted for as a separate lease, independently of the original lease, and the accounting for the original lease continues unchanged.

In contrast, if a modification is not a separate lease, the accounting reflects that there is a linkage between the original lease and the modified lease. The existing lease liability is remeasured as follows:

- The new amount of lease consideration is taken into account.
- In the case of adding a new asset, the total consideration is evenly distributed among all underlying leased assets.
- The new term of the lease is taken into account.
- When remeasuring lease liabilities, the new discount rate effective at the time of modification is taken into account.

On the other hand, based on the difference between the newly measured liability and the balance of liabilities before the modification, an appropriate adjustment is made to right-of-use assets, resulting in a change in the amount of depreciation.

In the event of a change in the accounting estimate in respect of leases, the lease liability is remeasured to take into account the new discount rate effective at the time of the modification. The amount from the remeasurement of the lease liability is recognised as an adjustment to the value of the right-of-use asset. If the carrying amount of a right-of-use asset is zero and the lease liability is further reduced, the remaining amount of remeasurement is recognised in profit or loss.

In the case of leases with an indefinite term, the term of the lease is assumed in accordance with the strategy period. The assessment of the contract term is reviewed every three years.

2.5.4.5 Non-current assets held for sale

Non-current assets held for sale are those non-financial assets whose value will be recovered through sale instead of through continuing use. The condition for the classification into the category of non-current assets held for sale is met when sale is highly probable and the asset is available for immediate sale in its present condition. The management is committed to a plan to sell the asset, which must be carried out within one year of the asset being classified into this category.

At recognition, non-current assets held for sale are measured at the lower of carrying amount before classification and fair value less costs to sell. Costs to sell are expenses that are directly attributable to the disposal of an asset (disposal group), excluding financial expenses and tax expenses.

The same applies to the subsequent measurement of these assets. An impairment loss from the initial or subsequent write-off of an asset to fair value less costs to sell or gains on subsequent increases in fair value less costs to sell which may not exceed any accumulated impairment loss.

When property, plant and equipment or intangible assets are classified as held for sale, they are no longer amortised. They are presented separately in the statement of financial position as non-current items.

2.5.4.6 Other assets

Other assets include materials inventories, short-term deferred expenses and accrued income. At initial recognition, inventories are measured at cost increased by direct costs of procurement. Materials inventories are recorded according to the FIFO method.

Short-term deferred costs or expenses are amounts that will impact profit or loss in the following accounting periods. They are accrued in order to ensure an even impact on profit or loss, or are deferred because they have already been paid but have not yet been incurred.

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

2.5.4.7 Impairment of non-financial assets

For all non-financial assets, except goodwill, the Group and the Company assess at each reporting date whether there are any signs of impairment. If there are signs of impairment, an impairment test is performed. An impairment test for goodwill is performed at the reporting date.

Assessment of impairment signs of non-financial assets

Signs of impairment of investments in subsidiaries are assessed on a quarterly basis. The assessment takes into account signs from external sources of information (significant changes in the environment with a negative impact on the company, changes in market interest rates and returns on assets that affect the recoverable amount of assets, unexpected falls in market values of assets, etc.) and from internal sources of information (statutory changes, changes in management, change in the volume of business, the company's deteriorated economic performance).

Signs of impairment of land and buildings (classified as property, plant and equipment, investment property or right-of-use assets) are assessed on a quarterly basis. The assessment takes into account signs from external sources (changes in the real property market) and internal sources (depletion, obsolescence, inability to lease or generate positive cash flows from operations).

If there are signs of impairment, an impairment test is performed, and the Group and the Company estimate the asset's recoverable amount. If the asset's carrying amount exceeds its recoverable amount, the asset is impaired.

Impairment test of investments in subsidiaries

The basis for performing an impairment test is IAS 36, which defines the recoverable amount of an asset or cash-generating unit as the higher of two items:

- fair value less costs of disposal or
- value in use.

Impairment tests of investments in subsidiaries are performed by external chartered and internal business valuator using valuation models, taking into account International Valuation Standards. The valuation procedure includes at least:

- an analysis of the wider environment of society (macroeconomic and institutional);
- an analysis of the immediate environment (insurance market and markets of other relevant activities);
- an analysis of the company's business model and operations;
- an analysis of the company's competitive position in the market;
- an analysis of the achievement of the plan in terms of the adequacy of planning or the ability to implement a new plan;
- the selection of appropriate methodology and valuation methods according to the standards, purpose (for accounting purposes) and subject of valuation (type of insurance);
- making and estimating assumptions consistent with the analysis;
- estimating the cost of capital based on market parameters;
- valuation;
- a sensitivity analysis of assumptions to valuation and estimated range.

The key bases and sources for valuation are:

- environmental data obtained from local regulatory institutions and statistical offices, the European Central Bank and the International Monetary Fund;
- an assessment of the income statement and the statement of financial position for the year in question, the business plan of each company approved by the supervisory body of each company for the year in question and the strategic plan of each company for the coming three-year period;
- documentation and information obtained from the management and other key persons of the company being valued;
- expert assessments of the relevant internal departments of Zavarovalnica Triglav and its subsidiaries or Group companies.

An impairment loss is measured as the difference between the asset's carrying amount and its recoverable amount and is recognised in profit or loss.

Impairment of non-financial assets is recognised in profit or loss.

Impairment test of land and buildings

In the case of individually material assets, an impairment test is performed individually. The impairment test of the remaining assets is carried out at the level of cash-generating units.

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 method. The valuation is 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 based on 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.

For non-financial assets, an assessment is made at each reporting date to determine whether there is any indication that impairment losses previously recognised no longer exist or have decreased. If any such indication exists, the recoverable amount of the asset is estimated. A previously recognised impairment loss is reversed only if the assumptions used to determine the asset's recoverable amount have changed since the last impairment loss was recognised. A reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor does it exceed the carrying amount that would have been determined without depreciation, if no impairment loss had been recognised for the asset in previous years. Such reversal is recognised in the income statement.

Goodwill impairment test

Due to the need for impairment, goodwill is tested for impairment annually at the reporting date. In accordance with IAS 36, it is assessed whether there are any signs of impairment of the cash-generating unit to which goodwill was allocated. The impairment testing and the assessment of required impairment is performed by assessing the recoverable amount of this cash-generating unit using the discounted cash flow method. If the recoverable amount exceeds the carrying value, goodwill is not impaired.

The key assumptions included in the calculation of the recoverable amount are the cash flows realised and comparison with planned, expected cash flows based on available management plans and the discount rate calculated as the required rate of return using the CAMP model.

Goodwill impairment is recognised in profit or loss.

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2.5.5 Equity and subordinated liabilities

Share capital equals the nominal value of paid-up ordinary shares denominated in euros. If the Company or a subsidiary acquires treasury shares, i.e. Zavarovalnica Triglav's shares, their value is disclosed as a deductible item of the Group's equity. In accordance with the requirements of the Companies Act (ZGD-1), treasury share reserves are created in the same amount.

Share premium are payments above the nominal amounts of shares or other capital payments in line with the Articles of Association. The effects of acquisition of non-controlling interests are also recognised in the consolidated financial statements under share premium.

The Company's reserves from profit are statutory, legal and other reserves from profit and treasury share reserves. The Company's legal reserves are created and used in accordance with the ZGD-1. Together with share premium, they must equal at least 10% of the share capital. This is the Company's tied-up capital set aside to protect the creditor's interests. The Company's statutory reserves are created in the amount that equals up to 20% of the share capital. The Company creates statutory reserved based on a decision by the Management Board to allocate up to 5% of net profit in a financial year to statutory reserves, decreased by any amounts used to cover retained loss, legal reserves and reserves from profit. Statutory reserves may be used to cover net loss for the year and loss brought forward, for treasury share reserves, increase share capital from the Company's assets and regulate the dividend policy.

In accordance with the ZGD-1, the Company's Management Board may allocate up to one half of the amount of the net profit remaining after the appropriation of the profit for the purposes required by law to create other reserves.

Reserves of subsidiaries are formed and used in accordance with the legislation of the countries in which these companies operate.

Subordinated liabilities include subordinated debt instruments for which it was agreed in the underlying agreements to be paid last in the event of the bankruptcy or liquidation of the company that issued these securities. Subordinated liabilities are measured at amortised cost in the financial statements.

2.5.6 Employee benefits

Employee benefits comprise provisions for jubilee and retirement benefits and unused leave. Provisions for jubilee and retirement benefits are calculated using the actuarial valuation method, i.e. the projected unit credit method or the accrued benefits based on service method. In line with IAS 19, the calculation is based on the following actuarial assumptions:

- demographic assumptions (mortality and early termination of employment);
- financial assumptions:
 - the discount rate taking into account the yield on government securities at the balance sheet date and
 - wage growth taking into account inflation, age, promotion and other factors such as supply and demand in the employment market.

Provisions for unused leave are calculated as the value of gross wage plus taxes for the period of unused leave. Provisions are undiscounted.

Changes in provisions for employee benefits due to payments and new provisions made are recognised in profit or loss 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.

2.5.7 Operating and financial liabilities

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

At initial recognition, financial liabilities are measured at cost based on the relevant documents on their origin. They are decreased by paid amounts and increased by accrued interest. Financial liabilities are disclosed at amortised cost in the financial statements. Interest paid on loans taken is recognised as expense and accordingly accrued over the term of the underlying loan.

2.5.8 Income and expenses from financial investments

Income from financial investments comprises interest income, dividends, changes in fair value, gains on disposal and other income from financial investments. Expenses from financial investments comprise expenses from impairment of financial investments, losses on disposal and other expenses from financial assets.

Interest income is recognised in profit or loss using the effective interest method, except for financial assets classified at fair value through profit or loss.

Income from dividends is recognised in profit or loss when it is authorised for payment.

Income and expenses due to changes in fair value of financial assets relate to the results of subsequent measurement of the fair value of financial assets measured at fair value through profit or loss.

Gains and losses on disposal of financial assets relate to the derecognition of financial assets other than financial assets measured at fair value through profit or loss. Gain is the difference between the carrying amount of a financial asset and its sales price.

Income and expenses from financial investments include net unrealised gains and losses on unit-linked life insurance assets. These income and expenses represent changes in the fair value of unit-linked life insurance assets.

2.5.9 Other income and expenses

Other income includes income from investment property, income from intangible assets and property, plant and equipment, other income not directly related to insurance operations and sales income from non-insurance companies. They relate to income from contracts with clients that is

recognised upon the transfer of control of 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.

Other expenses include other expenses not directly related to insurance operations and operating expenses of non-insurance companies. Other expenses also include financial 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 profit or loss when the service is provided.

2.5.10 Government grants and government assistance

Funds received directly or indirectly by a company from the state, government agency or similar bodies at local, national or international levels are considered government grants 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 profit or loss as income over the period 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 profit or loss 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.

2.5.11 Operating expenses

Gross operating expenses are recognised as original expenses by nature. Expenses are classified by function in profit or loss. Claim handling expenses are an integral part of claims incurred and asset management costs are an integral part of expenses for investments, whereas acquisition costs and other operating expenses are disclosed separately. Total operating expenses are disclosed by nature and function in disclosures.

2.5.12 Taxes and deferred taxes

Tax expense comprises current tax expense and deferred tax income or expense.

Short-term income tax assets and liabilities are measured at the amount expected to be paid to the tax authorities. The tax rates and tax laws used to calculate the amount are those effective as at the reporting date in the countries where the Group and the Company operate and earn taxable profit.

Deferred tax assets and liabilities are calculated for temporary differences between the value of assets and liabilities for tax purposes and their carrying amount.

Deferred tax assets are recognised for all deductible temporary differences, transfer of unused tax credits and any unused tax losses. Deferred tax assets are recognised if it is probable that taxable profit against which deductible temporary differences can be utilised and the transfer of unused tax credits and losses will be available, except:

- if the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction other than a business combination and which, at the time of the transaction, does not affect either the accounting or the taxable profit;
- with respect to deductible temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, deferred tax assets are only recognised to the extent that it is probable that the reversal will not occur in the foreseeable future and that taxable profit will be available against which the temporary difference will be utilised.

The carrying amounts of deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available against which deferred tax assets will be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it becomes probable that future taxable profits will be available against which the deferred tax assets can be utilised.

In assessing the collectability of deferred tax assets, the Group and the Company rely on the same assumptions that they use in other parts of the financial statements.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- if the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction other than a business combination and which, at the time of the transaction, does not affect either the accounting or the taxable profit;
- with respect to taxable temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, when it is possible to control the timing of the reversal of temporary differences and that it is probable that the reversal will not occur in the foreseeable future.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates/laws that have been enacted or substantively enacted as at the reporting date.

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The effects of the recognition of deferred tax assets and liabilities are recognised as income or expense in profit or loss, except when the tax arises from an event recognised in 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 case of consolidation, temporary differences arising from differences between the official financial statements of a subsidiary and the adjusted financial statements for consolidation purposes and those differences arising from consolidation procedures may be recognised.

2.5.13 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 participants at the measurement date. The measurement of the fair value of assets or liabilities takes into account their characteristics and assumes that the asset or liability is exchanged in an orderly transaction under current market conditions in the principal market or in the most advantageous market for those assets or liabilities.

Financial assets measured at fair value through profit or loss and available-for-sale financial assets are measured at fair value. Financial assets classified as loans and receivables and held-to-maturity financial assets are measured at amortised cost and their fair value is disclosed.

The fair value of financial instruments traded on regulated financial markets is determined based on quoted prices at the reporting date.

If there is no active market for a financial instrument, its fair value is measured by various valuation techniques. An active market is a market in which transactions between market participants take place frequently enough and to a sufficient extent to provide price information on a regular basis. Market activity, i.e. whether the market is active or not, is determined for each financial instrument according to the available information and circumstances. Factors that are important in assessing market activity include: the low number of transactions in a given time period, high volatility of quoted prices in a given time period or between different market makers, high price difference between supply and demand, the low number of market participants (fewer than 4). An important criterion, which includes all the above factors, for the activity of securities is the Bloomberg Valuation Service (BVAL) Score. Low scores of the indicator (below 3) indicate that the market is not active.

In determining the fair value of financial instruments, valuation methods are used at the comparable fair value of another instrument that has similar significant characteristics, as well as discounted cash flow analysis and option pricing models. If there is a valuation technique commonly used by market participants to determine the price of the instrument and if its reliability in estimating the prices obtained from actual market transactions has been demonstrated, such a technique will be used. The assumptions and estimates used contain certain risks regarding their actual fulfilment in the future. In order to reduce these risks, the assumptions and estimates used are tested in various ways (e.g. comparison of assumptions or estimates with the sector/industry, individual market companies and similar). In addition, when calculating the range of estimated value of an individual investment,

a sensitivity analysis is performed for key value drivers such as: net sales income, the EBITDA margin, the financial intermediation margin, the rate of return on financial investment portfolio, operating expenses to total assets, cash flow growth over the forecast period and the discount rate. The discounted cash flow method uses estimated future cash flows and discount rates that reflect interest rates for comparable instruments.

If the fair value of financial instruments cannot be measured reliably, they are measured at cost (amount paid or received), plus any costs incurred in the transaction.

Investments in associates and joint ventures are also measured at fair value in the Company's separate financial statements. For associates and joint ventures whose values are not listed on the stock exchange or for which there is no active market, a valuation model is used (the guideline public company method, the comparable transaction analysis, discounted cash flows, the contractual value).

For the purpose of disclosing fair value, the fair value of non-financial assets is also assessed, taking into account the 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.

In assessing the fair value of own-use land and buildings and investment property, the income capitalisation approach, the market approach and the analysis of the most economical use for development land are used. The most important parameters included in the calculation are market prices of comparable real property and the capitalisation rate. Fair value is estimated by internal and external chartered business valuers, taking into account International Valuation Standards.

When estimating the fair value of a subordinated bond issued, the price according to the model (the discounted cash flow method) is taken into account, as the management assessed that the market was not active.

The fair value hierarchy is used to disclose the method of determining the fair value of assets and liabilities. This is determined by the inputs to the valuation technique used to measure fair value.

- Level 1 inputs: unadjusted quoted prices in active markets under IFRS 13 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.

The valuation techniques and market inputs used to develop these techniques are presented below.

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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: I259 Currency); credit spread between 0% and 0.88%	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 1.71% and 4.49%	Level 2
Equity securities	Cash flow discounting	g (growth rate during constant growth period)	2%	Level 3
		EBIT margin (constant growth period)	16.1% - 36.11%	
		Discount rate	9.29% - 11.18%	
		Lack of marketability discount	6.5% - 18%	
	NAV method	Real property price changes		Level 3
Equity investment in associates	Market approach	MVIC/EBITDA		
	Equity method	Accumulated gains and losses		
Real property for own use	Income approach, market approach, land residual method (analysis of the most economical use of development land)	Capitalisation rate, market prices of comparable real property	7.5% - 15% depending on risk/location	Level 3
Investment property			Market values based on information available	

The fair value of assets and liabilities is shown in section [5.1](#).

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2.6 Significant accounting judgments, estimates and assumptions

The preparation of the financial statements in line with IFRS requires the use of judgments, estimates and assumptions that affect the value of reported assets and liabilities at the reporting date and the amount of income and expenses in the reporting period. Although the estimates used are based on the best knowledge of current events and activities, the actual results may differ from the estimates. Estimates and assumptions are reviewed regularly and their adjustments are recognised in the period of the change.

The following is a summary of the accounting judgments, estimates and assumptions used in the preparation of the financial statements of the Group and the Company. Accounting policies for items subject to judgments and estimates are described in Section 2.5. The estimates used in the preparation of the financial statements for the financial year ended 31 December 2021 are presented in Section 3.

Item in the financial statements / content	Accounting judgement / estimate	Assumptions and sources of uncertainty	Accounting policy	Assumptions and estimates used
Going concern	The judgement of the Group and the Company as a going concern is prepared based on an assessment of the risks and uncertainties to which the Group and the Company are exposed.	Assumptions about future risk exposure and uncertainty in the business environment. A sensitivity analysis of the Group's and the Company's profitability, financial position and liquidity to risks and uncertainties.	N/A	The section on risks, 2.7
Investments in subsidiaries	Investments in subsidiaries are investments in companies that are directly or indirectly controlled by Zavarovalnica Triglav. A significant judgement is the judgement of whether the conditions of control in an individual company are met.	The existence of influence on the company based on voting rights or contractual agreements. Exposure to variable return. Impact on return via impact on the company.	2.3 2.5.1.1	3.5
Investments in subsidiaries	Investments in subsidiaries are measured at cost in the Company's separate financial statements. A significant judgement is the judgement of whether there are any signs of impairment of these investments. If any sign of impairment exists, the significant accounting estimate relates to the calculation of the required impairment at the balance sheet date.	Assumptions about the wider and immediate environment of the company and the company's position in the market, assumptions about the adequacy of the business model, predictions about the company's future operations and its ability to implement plans, assumptions about the cost of capital and the long-term growth rate.	2.5.1.1 2.5.4.7	3.5
Investments in associates and joint ventures	Investments in associates and joint ventures are measured at fair value in separate financial statements. A significant estimate is the estimate of the fair value of these investments when their values are not quoted on the stock exchange.	The estimate of comparable public companies, the estimate of comparable stock market transactions, the estimate of expected cash flows, discount rates and long-term growth rates.	2.5.1.2 2.5.13 5.1	3.6
Goodwill	At initial recognition, goodwill is measured at cost and subsequently assessed for impairment annually. The amount of the required impairment is a significant estimate in the Group's financial statements.	Assumptions about the company's future operations and its ability to achieve the set goals, the estimate of the convergence of markets towards more developed ones, expected economic trends, discount rate, the estimate of the necessary premium for specific risks.	2.5.4.7	3.1
Classification of contracts	Contracts concluded by the Group and Company are classified as insurance or financial contracts according to their characteristics. The estimate of whether a contract is an insurance or financial contract has a significant effect on the further measurement and disclosure of related items in the financial statements.	The assumption of material underwriting risk in relation to additional payouts in the event of a loss event.	2.5.2.1	N/A
Unearned premium and provisions for unexpired risks	When preparing the financial statements, it is assessed whether the Group or the Company created unearned premium in an adequate amount. In the event that unearned premium is not formed in an adequate amount, an estimate is made of the required amount of provisions for unexpired risks.	Assumptions about the claims ratio, assumptions about future gross claims and gross future expenses.	2.5.2.4	3.16
Claims provisions	Claims provisions are made to cover claims incurred but not settled by the end of the accounting period. Claims provisions are calculated using the actuarial methods that take into account the pattern of claim settlement in the past and predictions about future trends. Claim provisions are a significant estimate in the financial statements.	Predictions of future claim trends. Assumptions about mortality, longevity and morbidity, indexation and discount rate for annuity claims.	2.5.2.4	3.16
Mathematical provisions	Mathematical provisions are created to cover life insurance liabilities. They are calculated using actuarial methods and are a significant estimate in the financial statements.	Assumptions about mortality, longevity and morbidity, interest rate, guaranteed technical interest rate.	2.5.2.4	3.16
Mathematical provisions	The adequacy of created life insurance provisions is checked annually using the liability adequacy test (LAT), which is based on the best estimate of provisions, taking into account the present value of the best estimated future expected contractual and other cash flows and is performed at the level of individual insurance contracts.	Assumptions about mortality, longevity and morbidity, assumptions about portfolio persistency, expenses, increase in insurance premium, expected returns and discount rates, profit participation and annuity factor guarantees.	2.5.2.4	3.17
Financial investments	Financial investments are measured at fair value in the financial statements or their fair value is disclosed. The fair value of financial investments is a significant accounting estimate when the fair values of investments are not quoted on the active market (stock market).	The estimate of comparable stock market transactions, interest rate curves, credit spreads, interest rate volatility, stock index volatility, the estimate of expected cash flows, discount rates and growth rates.	2.5.3.1, 2.5.13	3.7, 5.1

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Item in the financial statements / content	Accounting judgement / estimate	Assumptions and sources of uncertainty	Accounting policy	Assumptions and estimates used
Available-for-sale financial investments, financial investments valued at amortised cost, investments in associates	A significant judgement is the judgement of whether there are any signs of impairment of these investments. If any sign of impairment exists, the significant accounting estimate relates to the calculation of the required impairment at the balance sheet date.	Assumptions of expected cash flows, the estimate of what is a significant and what is a long-term decline in the value of financial instruments.	2.5.3.1, 2.5.3.4	3.7
Receivables	Receivables are disclosed in the financial statements at amortised cost, and when preparing the financial statements it is assessed whether the receivables are impaired. A significant judgement is the judgement of credit risk associated with specific receivables or a group of receivables, and a significant estimate is the estimate of the necessary impairment.	Assumptions about the recoverability of receivables based on experience from past years.	2.5.3.2, 2.5.3.4	3.10
Intangible assets, property, plant and equipment, investment property	Property, plant and equipment and investment property are disclosed in the financial statements using the cost model. A significant estimate that affects the amount of amortisation expense is the estimated useful life of assets.	Expected physical wear and tear, technical and economic ageing of the asset. Expected legal or other restrictions of use.	2.5.4.1, 2.5.4.2, 2.5.4.3	3.1, 3.2, 3.3
Property, plant and equipment, investment property	Property, plant and equipment and investment property are disclosed in the financial statements using the cost model. The fair value of these assets, which is determined for disclosure purposes, is a significant estimate.	Market prices of comparable real property, the expected rates of return on real property (potential market rent and stabilised income), the capitalisation rate.	2.5.4.2, 2.5.4.3, 2.5.13	3.2, 3.3
Property, plant and equipment, investment property	Property, plant and equipment and investment property are disclosed in the financial statements using the cost model. When compiling the financial statements, it is assessed whether there are any signs of impairment of these assets. In any sign of impairment exist, an estimate of the necessary impairment is a significant accounting estimate.	Market prices of comparable real property, the expected rates of return on real property (potential market rent and stabilised income), the capitalisation rate.	2.5.4.2, 2.5.4.3, 2.5.4.7	3.2, 3.3
Assets and liabilities from received leases	The amount of leased assets and related financial liabilities is measured upon recognition at the present value of future lease payments. A significant estimate in determining the amount of assets and liabilities is the assumed discount rate, and in the case of assets leased for an indefinite term also the estimate of lease term.	Assumption of interest rate and the necessary mark-ups. The expected lease term.	2.5.4.4	3.4
Deferred tax assets	Deferred tax assets are recognised in the financial statements if it is probable that taxable profit against which deductible temporary differences can be utilised and the transfer of unused tax credits and losses will be available. The judgement of the justification of created deferred tax assets is a significant accounting judgement.	Assumptions about the future profitability of the Group's companies and Zavarovalnica Triglav.	2.5.12	3.21
Employee benefits	The calculation of provisions for termination and jubilee benefits is based on an actuarial valuation method and therefore is a significant estimate in the financial statements.	Demographic assumptions (mortality, early termination of employment) and financial assumptions (discount rate, wage growth, inflation).	2.5.6	3.19

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2.7 Risk Management

Awareness of the risks to which individual companies are exposed is key to their security and financial stability. The Triglav Group has four major sets of financial risks occurring in its operations: underwriting, market, credit and liquidity risks.

They are summarised below, including the nature of exposure, measurement methods and references to the relevant section in the annual report where additional information can be found.

2.7.1 Overview of material risks to which the Company and the Group are exposed

Risk type and reference	Nature of exposure	Method of measurement	Risk management
<i>Underwriting risk</i> Risk management, Sections 1.5 and 2.3, Accounting Report, Sections 3.17	Premium risk Provision risk Lapse risk Catastrophe risk Concentration risk Low frequency and high severity risks Life expense risk Mortality risk Longevity risk Premium and provision risks	Sensitivity analysis LAT Overview of concentrations	Analysis of premium and provision risk volatility, regular monitoring of low frequency and high severity risks, liability adequacy test (LAT).
<i>Market risk</i> Risk management, Sections 1.5 and 2.4	Interest rate risk Equity risk Property risk Spread risk Currency risk Market concentration risk	Sensitivity analysis Asset-liability matching analysis Overview of concentrations	Appropriate diversification of the investment portfolio, regular matching of assets and liabilities, regular assessment of market risks according to established methods, the limit system.
<i>Credit risk</i> Risk management, Sections 1.5 and 2.5	Investment risk Risk from reinsurance contracts Risk from insurance contracts	Maturity analysis Overview of concentrations	The analysis of the credit quality of partners, adequate 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, the limit system.
<i>Liquidity risk</i> Risk management, Sections 1.5 and 2.6	The risk of inappropriate assets in terms of their nature, duration and liquidity compared to liabilities	Maturity of assets and liabilities	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.

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2.7.2 The impact of the COVID – 19 epidemic on individual items in the financial statements

2.7.2.1 The impact of COVID-19 on the insurance portfolio

Insurance premium

The COVID-19 epidemic also marked the sale of insurance to both legal entities and natural persons in 2021.

In the segment of selling insurance to natural persons, clients were more sensitive to prices, especially with respect to motor vehicle insurance. Due to lower vehicle use and consequently lower risk exposure, clients expected a reduction in premium. With regard to travel insurance, the effects of the epidemic resulted in lower demand for these insurance policies. In order to maintain the existing insurance portfolio, certain benefits were offered to clients. Clients were less willing to visit an agent or a point of sale. Existing clients were effectively retained with intensified remote underwriting.

In the segment of selling insurance to legal entities, there was a lot of pressure to reduce the premium. Due to the uncertain market situation, companies were even more careful with their financial resources, which led to pressure to get higher discounts and to lower insurance covers.

Despite these problems, the COVID-19 epidemic did not have significant negative effects on the volume and structure of written premium, both at the level of the Company and the Group.

Receivables

In 2021, the Company continued to actively monitor the creditworthiness of its debtors. As the share of uncollected receivables did not significantly increase, it is assessed that the impairment criteria adequately reflect the actual recoverability of receivables. In 2021, expenses for impairment of receivables in the amount of EUR 1.9 million (compared to EUR 4.5 million in 2020) were recognised at Group level and expenses for impairment of receivables in the amount of EUR 1.2 million (compared to EUR 3.0 million in 2020) at the Company level.

Claims

In the segment of non-life insurance claims, the COVID-19 epidemic mainly affected the decline in reports of new claims from insurance subclasses, which require a person's activity or movement (e.g. motor vehicle claims, liability claims), which had a positive impact on the business results of this segment.

In the segment of life insurance claims, the impact of the epidemic on business results was relatively small. The Company recorded just under 300 deaths due to the COVID-19 epidemic, but their impact on operations was small due to relatively low insurance covers. However, the trend of the low number of claims from complementary accident insurance did not continue in 2021, which had a positive effect on the result in 2020 as a result of restrictive measures. The Company's underwriting result in life insurance was thus comparable to pre-epidemic results.

At Group level, due to the life insurance portfolio's structure, the epidemic had a negative impact on the business results of Triglav Osiguranje, Belgrade and Lovćen Životna Osiguranja, Podgorica. Triglav, Zdravstvena zavarovalnica d.d., which is active in the supplemental health insurance market in Slovenia, recorded a large decline in claims due to measures designed to curb the COVID-19 epidemic.

Reinsurance

The COVID-19 epidemic also had an impact on the reinsurance and international insurance environments as it raised awareness of the need to introduce safeguards in insurance contracts that would eliminate or limit communicable disease riders. This especially applies to contracts based on the principle of exclusion.

In the domestic market, most reinsurance contracts are concluded according to the concept of risks, therefore the impact of the COVID-19 epidemic is relatively small. In order to manage the risk from the communicable disease rider, adjusted clauses were embedded in reinsurance contracts underwritten in foreign markets.

2.7.2.2 The impact of COVID-19 on insurance technical provisions

The COVID-19 epidemic did not affect the assumptions used in the calculation of insurance technical provisions for non-life insurance. When creating mathematical provisions for life insurance, it was assumed that the long-term impact of the COVID-19 epidemic on mortality would be relatively small, while the long-term impact of COVID-19 was not anticipated in complementary insurance covers. In health insurance, the consequences of the COVID-19 epidemic had a significant impact on the formation of insurance technical provisions from supplemental health insurance. In order to implement the provisions of the Act Determining Temporary Measures to Mitigate and Remedy the Consequences of COVID-19 (ZZUOOP, also PKP5) and taking into account the guidelines of the European insurance supervisory authority EIOPA, other insurance technical provisions were created. Additional provisions are intended to cover not yet incurred or future loss events arising from the shortfall in supplemental health insurance claims in 2020 and 2021 due to the epidemic. In 2020, EUR 18.1 million was created, and in 2021 an additional EUR 3.9 million, which is a total of EUR 22 million. Details are presented in Section 3.18 in the context of the liability adequacy test for health insurance provisions.

2.7.2.3 The impact of COVID-19 on investment portfolios and return on investment

In addition to the recovery of individual economies, the climate in the capital markets in 2021 was significantly affected by the epidemiological and health situation related to the COVID-19 epidemic.

Changes in the financial markets and the situation related to the COVID-19 epidemic at the Company and the Group level did not lead to significant changes in the structure of investment portfolios, but adjustments were made to shares of individual asset classes.

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The COVID-19 epidemic did not affect the assumptions used in testing the impairment of investments. The impact of the epidemic is implicitly taken into account in the business plans of companies whose ownership stakes in Zavarovalnica Triglav’s portfolio are subject to model-based valuation.

2.7.2.4 The impact of COVID-19 on leases

The COVID-19 epidemic did not significantly affect lessee and lessor relationships, nor did it result in cancellations or modifications in lease relationships on either side. The Company and the Group did not receive significant amounts of lease payments from their lessors, nor did they grant these to their lessees. Lessee payment discipline is regularly monitored, and it was estimated that the COVID-19 epidemic did not significantly affect it.

2.7.2.5 Government grants related to the COVID-19 epidemic

The countries in which the Group members operate continued to adopt various emergency measures designed to mitigate the consequences of the epidemic in 2021. Emergency measures mainly related to the reimbursement of salary compensation paid or exemption from the payment of social security contributions during the absence of workers due to force majeure and the reimbursement of various expenses. In 2021, a total of EUR 127 thousand of such government grants was received by the Company and EUR 195 thousand at Group level.

2.8 Tax policy

The Triglav Group regularly reviews and carefully implements processes for identifying, assessing, monitoring and managing tax risks, and if necessary, engages external tax consultants. In the process of tax liability management, the Group’s strategy is pursued, with the main emphasis being on safety and reliability. In cooperating with tax authorities, the Group is committed to transparency and responsiveness and to an open and early dialogue. It responds to all inquiries, information or requests in a timely manner.

The Group’s key tax policies are:

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

At Zavarovalnica Triglav, its Accounting Division is responsible for taxation. Individual Group members are responsible for ensuring compliance with local tax laws, regularly reporting on all tax matters to Zavarovalnica Triglav’s Accounting Division. Tax rates by different countries where the Group members operate are presented in Section [2.1.4](#).

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

	Triglav Group		Zavarovalnica Triglav	
	2021	2020	2021	2020
Insurance premium tax	55,497,420	50,305,506	45,732,765	41,216,351
Fees from income of natural persons (employer’s contributions and taxes)	34,312,596	27,111,965	14,829,707	13,761,227
Corporate income tax	20,082,226	18,997,540	11,928,064	13,627,538
Fire fee	5,162,084	4,885,827	4,600,869	4,400,353
Value added tax	3,878,207	4,595,183	1,315,778	1,741,219
Fee for the use of building land	992,342	827,968	717,619	722,112
Financial services tax	725,015	501,709	89,774	92,995
Other fees	232,516	335,453	0	0
Total fees charged in the year	120,882,406	107,561,151	79,214,576	75,561,795

2.9 Segment reporting

2.9.1 Triglav Group segments

Zavarovalnica Triglav’s management monitors the operations of the Triglav Group by business segment and geographical segment.

Business segments are individual components of the Group’s operations that differ from other business segments by nature of transaction, type of service and business risks. Business segments for which the Company’s management separately monitors business results and makes decisions on the allocation of resources are non-life insurance, life insurance, health insurance and non-insurance operations.

Geographical segments are components of the Group’s operations that differ from other geographical segments, mainly in terms of geographical location, economic and regulatory environment, which are subject to different returns and risks. The Company’s management separately monitors business results and makes decisions on the allocation of resources for the Slovenian market and separately for foreign markets.

All components of the Group’s operations are included in one of the business segments and in one of the geographical segments.

The results of a specific business and geographical segment are assessed based on the profit or loss achieved by that segment; in addition, the management monitors the amount of assets and liabilities of specific segments. All income and expenses items are included in the determination of profit or loss, and all assets and liabilities items of the Group are included in the monitoring of the amount of assets and liabilities of specific segments.



Income and expenses are allocated directly to each segment, but if this is not possible, allocation keys are adopted for this purpose. Income and expenses from insurance operations are recorded in the accounting records by specific insurance class, which are then aggregated into insurance groups. Other income and expenses and costs are recorded in the accounting records by specific insurance group and separately for the Slovenian market and foreign markets. They are classified in specific insurance groups partly directly and partly through defined allocation keys.

Income and expenses from operations of non-insurance companies are fully disclosed under other income or expenses.

Assets and liabilities are allocated directly to each segment and are already kept separately in the accounting records by insurance group and geographical segment.

The management monitors the operations of individual segments at the level of non-consolidated financial statements of individual companies, which are summed up for the purposes of analysing the entire financial statements of the Group, without taking into account eliminations from consolidation.

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

31 December 2021							
Statement of financial position	NON-LIFE	LIFE	HEALTH	OTHER	TOTAL (before eliminations)	ELIMINATIONS	TOTAL (after eliminations)
ASSETS	2,121,657,494	2,293,277,858	106,463,985	207,038,314	4,728,437,651	-354,084,035	4,374,353,616
Intangible assets	80,112,808	8,377,752	663,298	18,030,557	107,184,415	0	107,184,415
Property, plant and equipment	90,588,295	10,233,472	2,062,448	5,770,997	108,655,212	0	108,655,212
Deferred tax assets	110,869	101,004	421,898	293,654	927,425	0	927,425
Investment property	46,340,133	1,773,064	0	22,974,761	71,087,958	4,023,015	75,110,973
Right of use assets	11,276,046	960,258	500,797	2,750,469	15,487,570	-4,554,461	10,933,109
Investments in subsidiaries	126,066,794	13,438,187	0	70,917,798	210,422,779	-210,422,779	0
Investments in associates	35,591,376	439,970	0	0	36,031,346	0	36,031,346
Financial assets	1,213,722,046	2,211,229,231	92,219,328	42,731,707	3,559,902,312	-2,584,674	3,557,317,638
Financial investments	1,213,722,046	1,591,611,743	92,219,328	42,731,707	2,940,284,824	-2,584,674	2,937,700,150
- loans and deposits	67,343,910	31,324,538	0	2,020,763	100,689,211	-2,584,674	98,104,537
- held to maturity	0	157,560,733	0	0	157,560,733	0	157,560,733
- available for sale	1,134,439,152	870,239,658	92,219,328	40,710,944	2,137,609,082	0	2,137,609,082
- recognised at fair value through profit and loss	11,938,984	532,486,814	0	0	544,425,798	0	544,425,798
Unit-linked insurance assets	0	619,617,488	0	0	619,617,488	0	619,617,488
Reinsurers' share of technical provisions	245,721,499	5,789,488	3,140,932	0	254,651,919	-79,812,029	174,839,890
Receivables	250,038,638	4,281,888	5,792,983	12,889,452	273,002,961	-60,626,052	212,376,909
- receivables from direct insurance operations	110,522,961	1,647,367	5,344,333	61,240	117,575,901	-720,694	116,855,207
- receivables from reinsurance and coinsurance operations	114,992,337	196,218	281,728	0	115,470,283	-48,269,351	67,200,932
- current tax receivables	924,396	13,330	0	3,189,658	4,127,384	0	4,127,384
- other receivables	23,598,944	2,424,973	166,922	9,638,554	35,829,393	-11,636,007	24,193,386
Other assets	3,080,138	1,000,430	314,179	555,333	4,950,080	-107,055	4,843,025
Cash and cash equivalents	18,810,948	35,653,114	1,348,122	26,509,446	82,321,630	0	82,321,630
Non-current assets held for sale	197,904	0	0	3,614,140	3,812,044	0	3,812,044
EQUITY AND LIABILITIES	2,121,657,494	2,293,277,858	106,463,985	207,038,314	4,728,437,651	-354,084,035	4,374,353,616
Equity	743,587,952	168,107,999	40,652,405	185,914,932	1,138,263,288	-205,276,419	932,986,869
Controlling interests	743,587,952	168,107,999	40,652,405	185,914,932	1,138,263,288	-207,752,064	930,511,224
- share capital	113,689,614	55,543,349	20,822,144	103,344,414	293,399,521	-219,698,129	73,701,392
- share premium	43,511,478	13,658,827	0	21,061,946	78,232,251	-27,948,504	50,283,747
- reserves from profit	369,676,651	47,734,549	1,853,961	1,598,175	420,863,336	770,623	421,633,959
- 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	52,410,528	6,571,912	813,221	19,058,145	78,853,806	-1,019,528	77,834,278
- net profit brought forward	115,164,702	36,678,335	11,403,820	33,876,580	197,123,437	37,465,557	234,588,994
- net profit for the year	51,103,020	8,814,962	5,759,259	6,673,325	72,350,566	3,089,281	75,439,847
- currency translation differences	-1,968,041	-893,935	0	-62,333	-2,924,309	-46,684	-2,970,993
Non-controlling interests	0	0	0	0	0	2,475,645	2,475,645
Subordinated liabilities	49,471,831	0	0	0	49,471,831	0	49,471,831
Insurance technical provisions	1,130,247,082	1,472,413,320	53,551,980	0	2,656,212,382	-79,843,998	2,576,368,384
- unearned premiums	386,311,527	454,613	3,614,672	0	390,380,812	-20,337,087	370,043,725
- mathematical provisions	0	1,432,613,660	0	0	1,432,613,660	0	1,432,613,660
- claims provisions	711,964,825	23,114,787	16,058,686	0	751,138,298	-56,639,987	694,498,311
- other insurance technical provisions	31,970,730	16,230,260	33,878,622	0	82,079,612	-2,866,924	79,212,688
Insurance technical provisions for unit-linked insurance contracts	0	622,303,399	0	0	622,303,399	0	622,303,399
Employee benefits	13,617,610	2,335,076	872,627	846,820	17,672,133	0	17,672,133
Other provisions	1,053,458	26,518	182,905	1,249,655	2,512,536	0	2,512,536
Deferred tax liabilities	2,186,148	1,914,479	0	5,288,143	9,388,770	-11,736	9,377,034
Other financial liabilities	4,871,905	25,666	0	810,018	5,707,589	-2,621,942	3,085,647
Operating liabilities	98,011,738	8,890,090	6,073,859	27,549	113,003,236	-49,661,578	63,341,658
- liabilities from direct insurance operations	6,949,487	8,165,901	5,518,766	0	20,634,154	-1,183,597	19,450,557
- liabilities from reinsurance and co-insurance operations	88,834,137	697,681	187,628	0	89,719,446	-48,477,981	41,241,465
- current tax liabilities	2,228,114	26,508	367,465	27,549	2,649,636	0	2,649,636
Lease liabilities	11,606,194	904,600	510,009	2,935,103	15,955,906	-4,681,100	11,274,806
Other liabilities	67,003,576	16,356,711	4,620,200	9,966,094	97,946,581	-11,987,262	85,959,319
Non-current liabilities held for sale and discontinued operations	0	0	0	0	0	0	0

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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
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	0	0	0	0	0	0	0

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Income statement	2021					2020				
	NON-LIFE	LIFE	HEALTH	OTHER	TOTAL	NON-LIFE	LIFE	HEALTH	OTHER	TOTAL
Net premium income	677,079,548	244,584,435	198,182,068	0	1,119,846,051	643,779,552	227,378,645	195,596,628	0	1,066,754,825
- gross written premium	904,500,010	250,160,945	198,314,595	0	1,352,975,550	807,244,322	230,817,653	195,713,390	0	1,233,775,365
- ceded written premium	-215,369,686	-5,580,189	0	0	-220,949,875	-156,597,482	-3,424,867	0	0	-160,022,349
- change in unearned premium reserve	-12,050,776	3,679	-132,527	0	-12,179,624	-6,867,288	-14,141	-116,762	0	-6,998,191
Income from investments in subsidiaries and associates	1,093,864	0	0	350,190	1,444,054	249,555	0	0	187,055	436,610
- profit on equity investments accounted for using the equity method	1,093,864	0	0	350,190	1,444,054	249,555	0	0	187,055	436,610
- other income from investments in subsidiaries and associates	0	0	0	0	0	0	0	0	0	0
Income from investments	23,313,042	131,084,839	881,499	59,791	155,339,171	34,823,751	86,989,555	781,928	484,215	123,079,449
- interest income calculated using the effective interest method	10,513,512	23,153,778	569,890	44,099	34,281,279	13,274,816	28,148,701	585,048	47,237	42,055,802
- gains on disposals	6,288,821	9,795,552	203,031	13,936	16,301,340	17,065,688	22,562,061	151,048	384,092	40,162,889
- other income from investments	6,510,709	98,135,509	108,578	1,756	104,756,552	4,483,247	36,278,793	45,832	52,886	40,860,758
Other income from insurance operations	46,745,180	1,976,072	73,048	0	48,794,300	39,882,940	1,056,365	67,688	0	41,006,993
- fees and commission income	36,966,451	1,949,637	0	0	38,916,088	29,643,684	1,006,073	0	0	30,649,757
- other income from insurance operations	9,778,729	26,435	73,048	0	9,878,212	10,239,256	50,292	67,688	0	10,357,236
Other income	11,211,689	428,125	109,532	41,584,714	53,334,060	7,275,430	93,730	105,839	36,138,978	43,613,977
Net claims incurred	363,348,949	185,440,722	166,239,117	0	715,028,788	359,449,906	172,435,721	151,746,148	0	683,631,775
- gross claims settled	393,254,881	185,673,862	157,651,307	0	736,580,050	380,855,243	172,878,283	143,710,042	0	697,443,568
- reinsurers' share	-42,961,049	-1,924,694	1,283	0	-44,884,460	-33,303,933	-975,656	659	0	-34,278,930
- changes in claims provisions	13,055,117	1,691,554	1,405,723	0	16,152,394	11,898,596	533,094	109,344	0	12,541,034
- equalisation scheme expenses for supplementary health insurance	0	0	7,180,804	0	7,180,804	0	0	7,926,103	0	7,926,103
Change in other insurance technical provisions (excluding ULI)	-503,642	-10,008,883	8,399,117	0	-2,113,408	-126,038	44,301,421	18,461,207	0	62,636,590
Change in insurance technical provisions for unit-linked insurance contracts	0	112,661,349	0	0	112,661,349	0	25,492,453	0	0	25,492,453
Expenses for bonuses and discounts	11,392,922	11,221	0	0	11,404,143	17,971,591	80,236	3,298,449	0	21,350,276
Operating expenses	209,838,574	41,771,953	15,247,381	0	266,857,908	190,362,748	36,323,110	14,226,877	0	240,912,735
- acquisition costs	155,114,037	26,761,666	3,035,467	0	184,911,170	138,295,231	21,650,359	3,583,376	0	163,528,966
- other operating costs	54,724,537	15,010,287	12,211,914	0	81,946,738	52,067,517	14,672,751	10,643,501	0	77,383,769
Expenses from investments in subsidiaries and associates	135,453	10,179	0	0	145,632	63,508	75,914	0	0	139,422
- loss on investments accounted for using the equity method	135,453	10,179	0	0	145,632	63,508	75,914	0	0	139,422
- other expenses from financial assets and liabilities	0	0	0	0	0	0	0	0	0	0
Expenses from investments	6,780,978	24,870,022	92,945	88,841	31,832,786	11,424,877	29,194,418	80,435	293,481	40,993,211
- loss on impairment of investments	29,285	4,343	0	0	33,628	1,629,354	72,430	0	269,518	1,971,302
- loss on disposal of investments	1,720,014	5,384,202	18,116	407	7,122,739	1,647,936	5,273,673	19,881	0	6,941,490
- other expenses from investments	5,031,679	19,481,477	74,829	88,434	24,676,419	8,147,587	23,848,315	60,554	23,963	32,080,419
Other insurance expenses	50,434,727	991,677	489,536	0	51,915,940	49,046,549	1,728,695	748,144	0	51,523,388
Other expenses	20,779,040	2,696,207	792,471	34,111,935	58,379,653	18,796,881	2,785,118	639,547	35,087,176	57,308,722
- expenses from financing	2,465,509	55,600	0	208,177	2,729,286	2,628,571	154,221	-11,408	166,117	2,937,501
- other expenses	18,313,531	2,640,607	792,471	33,903,758	55,650,367	16,168,310	2,630,897	650,955	34,921,059	54,371,221
Profit before tax	97,236,322	19,629,024	7,985,580	7,793,919	132,644,845	79,021,206	3,101,209	7,351,276	1,429,591	90,903,282
Income tax expense	15,130,729	974,805	1,469,393	2,104,225	19,679,152	13,356,181	1,410,070	1,051,914	1,420,419	17,238,584
NET PROFIT FOR THE PERIOD	82,105,593	18,654,219	6,516,187	5,689,694	112,965,693	65,665,025	1,691,139	6,299,362	9,172	73,664,698
Net profit/loss attributable to the controlling company	81,973,513	18,650,761	6,516,187	5,621,353	112,761,814	65,361,678	1,698,523	6,299,362	144,810	73,504,373
Net profit/loss attributable to the non-controlling interest holders	132,080	3,458	0	68,341	203,879	303,347	-7,384	0	-135,638	160,325

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Statement of financial position	31 December 2021				
	SLOVENIA	OTHER	TOTAL (before eliminations)	ELIMINATIONS	TOTAL (after eliminations)
ASSETS	4,209,162,813	519,274,838	4,728,437,651	-354,084,035	4,374,353,616
Intangible assets	87,040,191	20,144,224	107,184,415	0	107,184,415
Property, plant and equipment	70,597,438	38,057,774	108,655,212	0	108,655,212
Deferred tax assets	702,993	224,432	927,425	0	927,425
Investment property	65,830,986	5,256,972	71,087,958	4,023,015	75,110,973
Right of use assets	7,819,804	7,667,766	15,487,570	-4,554,461	10,933,109
Investments in subsidiaries	204,614,572	5,808,207	210,422,779	-210,422,779	0
Investments in associates	36,031,346	0	36,031,346	0	36,031,346
Financial assets	3,267,043,376	292,858,936	3,559,902,312	-2,584,674	3,557,317,638
Financial investments	2,674,514,711	265,770,113	2,940,284,824	-2,584,674	2,937,700,150
– loans and deposits	50,234,018	50,455,193	100,689,211	-2,584,674	98,104,537
– held to maturity	149,195,563	8,365,170	157,560,733	0	157,560,733
– available for sale	1,947,934,174	189,674,908	2,137,609,082	0	2,137,609,082
– recognised at fair value through profit and loss	527,150,956	17,274,842	544,425,798	0	544,425,798
Unit-linked insurance assets	592,528,665	27,088,823	619,617,488	0	619,617,488
Reinsurers' share of technical provisions	201,524,459	53,127,460	254,651,919	-79,812,029	174,839,890
Receivables	205,351,678	67,651,283	273,002,961	-60,626,052	212,376,909
– receivables from direct insurance operations	79,378,490	38,197,411	117,575,901	-720,694	116,855,207
– receivables from reinsurance and coinsurance operations	97,809,626	17,660,657	115,470,283	-48,269,351	67,200,932
– current tax receivables	3,733,579	393,805	4,127,384	0	4,127,384
– other receivables	24,429,983	11,399,410	35,829,393	-11,636,007	24,193,386
Other assets	2,136,932	2,813,148	4,950,080	-107,055	4,843,025
Cash and cash equivalents	56,904,412	25,417,218	82,321,630	0	82,321,630
Non-current assets held for sale	3,564,626	247,418	3,812,044	0	3,812,044
EQUITY AND LIABILITIES	4,209,162,813	519,274,838	4,728,437,651	-354,084,035	4,374,353,616
Equity	1,009,582,130	128,681,158	1,138,263,288	-205,276,419	932,986,869
Controlling interests	1,009,582,130	128,681,158	1,138,263,288	-207,752,064	930,511,224
– share capital	192,180,918	101,218,603	293,399,521	-219,698,129	73,701,392
– share premium	76,212,455	2,019,796	78,232,251	-27,948,504	50,283,747
– reserves from profit	410,086,847	10,776,489	420,863,336	770,623	421,633,959
– treasury share reserves	364,680	0	364,680	0	364,680
– treasury shares	0	0	0	-364,680	-364,680
– fair value reserve	73,779,454	5,074,352	78,853,806	-1,019,528	77,834,278
– net profit brought forward	192,565,348	4,558,089	197,123,437	37,465,557	234,588,994
– net profit/loss for the year	64,392,428	7,958,138	72,350,566	3,089,281	75,439,847
– currency translation differences	0	-2,924,309	-2,924,309	-46,684	-2,970,993
Non-controlling interests	0	0	0	2,475,645	2,475,645
Subordinated liabilities	49,471,831	0	49,471,831	0	49,471,831
Insurance technical provisions	2,354,629,760	301,582,622	2,656,212,382	-79,843,998	2,576,368,384
– unearned premiums	291,969,004	98,411,808	390,380,812	-20,337,087	370,043,725
– mathematical provisions	1,345,183,071	87,430,589	1,432,613,660	0	1,432,613,660
– claims provisions	638,293,195	112,845,103	751,138,298	-56,639,987	694,498,311
– other insurance technical provisions	79,184,490	2,895,122	82,079,612	-2,866,924	79,212,688
Insurance technical provisions for unit-linked insurance contracts	595,544,240	26,759,158	622,303,399	0	622,303,399
Employee benefits	14,696,255	2,975,878	17,672,133	0	17,672,133
Other provisions	1,598,604	913,932	2,512,536	0	2,512,536
Deferred tax liabilities	7,916,794	1,471,976	9,388,770	-11,736	9,377,034
Other financial liabilities	2,873,112	2,834,477	5,707,589	-2,621,942	3,085,647
Operating liabilities	83,749,408	29,253,828	113,003,236	-49,661,578	63,341,658
– liabilities from direct insurance operations	16,753,335	3,880,819	20,634,154	-1,183,597	19,450,557
– liabilities from reinsurance and co-insurance operations	64,585,731	25,133,715	89,719,446	-48,477,981	41,241,465
– current tax liabilities	2,410,342	239,294	2,649,636	0	2,649,636
Lease liabilities	7,976,199	7,979,707	15,955,906	-4,681,100	11,274,806
Other liabilities	81,124,480	16,822,102	97,946,582	-11,987,263	85,959,319
Non-current liabilities held for sale and discontinued operations	0	0	0	0	0

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Statement of financial position	31 December 2020				
	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
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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Income statement	2021			2020		
	SLOVENIA	OTHER	TOTAL	SLOVENIA	OTHER	TOTAL
Net premium income	906,255,858	213,590,193	1,119,846,051	875,282,314	191,472,511	1,066,754,825
- gross written premium	1,096,280,433	256,695,117	1,352,975,550	1,009,688,387	224,086,978	1,233,775,365
- ceded written premium	-180,456,640	-40,493,235	-220,949,875	-129,715,942	-30,306,407	-160,022,349
- change in unearned premium reserve	-9,567,935	-2,611,689	-12,179,624	-4,690,131	-2,308,060	-6,998,191
Income from investments in subsidiaries and associates	1,444,054	0	1,444,054	436,610	0	436,610
- profit on equity investments accounted for using the equity method	1,444,054	0	1,444,054	436,610	0	436,610
- other income from investments in subsidiaries and associates	0	0	0	0	0	0
Income from investments	143,978,937	11,360,234	155,339,171	114,356,230	8,723,219	123,079,449
- interest income calculated using the effective interest method	28,027,866	6,253,413	34,281,279	35,524,105	6,531,697	42,055,802
- gains on disposals	15,883,514	417,826	16,301,340	39,959,646	203,243	40,162,889
- other income from investments	100,067,557	4,688,995	104,756,552	38,872,479	1,988,279	40,860,758
Other income from insurance operations	39,799,148	8,995,152	48,794,300	31,997,652	9,009,341	41,006,993
- fees and commission income	32,848,742	6,067,346	38,916,088	25,044,990	5,604,767	30,649,757
- other income from insurance operations	6,950,406	2,927,806	9,878,212	6,952,662	3,404,574	10,357,236
Other income	41,096,092	12,237,968	53,334,060	35,817,868	7,796,109	43,613,977
Net claims incurred	596,436,554	118,592,234	715,028,788	576,507,024	107,124,751	683,631,775
- gross claims settled	612,775,009	123,805,041	736,580,050	592,971,464	104,472,104	697,443,568
- reinsurers' share	-35,058,683	-9,825,777	-44,884,460	-25,176,022	-9,102,908	-34,278,930
- changes in claims provisions	11,539,424	4,612,970	16,152,394	785,479	11,755,555	12,541,034
- equalisation scheme expenses for supplementary health insurance	7,180,804	0	7,180,804	7,926,103	0	7,926,103
Change in other insurance technical provisions (excluding ULI)	-7,719,847	5,606,439	-2,113,408	57,266,878	5,369,712	62,636,590
Change in insurance technical provisions for unit-linked insurance contracts	108,609,475	4,051,874	112,661,349	23,936,744	1,555,709	25,492,453
Expenses for bonuses and discounts	10,490,542	913,601	11,404,143	19,331,031	2,019,245	21,350,276
Operating expenses	185,659,845	81,198,063	266,857,908	170,227,757	70,684,978	240,912,735
- acquisition costs	124,303,436	60,607,734	184,911,170	114,294,794	49,234,172	163,528,966
- other operating costs	61,356,409	20,590,329	81,946,738	55,932,963	21,450,806	77,383,769
Expenses from investments in subsidiaries and associates	145,632	0	145,632	139,422	0	139,422
- loss on investments accounted for using the equity method	145,632	0	145,632	139,422	0	139,422
- other expenses from financial assets and liabilities	0	0	0	0	0	0
Expenses from investments	30,608,229	1,224,557	31,832,786	40,290,313	702,898	40,993,211
- loss on impairment of investments	0	33,628	33,628	1,901,869	69,433	1,971,302
- loss on disposal of investments	7,101,695	21,044	7,122,739	6,922,512	18,978	6,941,490
- other expenses from investments	23,506,534	1,169,885	24,676,419	31,465,932	614,487	32,080,419
Other insurance expenses	46,552,182	5,363,758	51,915,940	45,288,127	6,235,261	51,523,388
Other expenses	48,575,954	9,803,699	58,379,653	46,239,599	11,069,123	57,308,722
- expenses from financing	2,304,423	424,863	2,729,286	2,517,321	420,180	2,937,501
- other expenses	46,271,531	9,378,836	55,650,367	43,722,278	10,648,943	54,371,221
Profit before tax	113,215,523	19,429,322	132,644,845	78,663,779	12,239,503	90,903,282
Income tax expense	18,425,518	1,253,634	19,679,152	16,123,156	1,115,428	17,238,584
NET PROFIT FOR THE PERIOD	94,790,005	18,175,688	112,965,693	62,540,623	11,124,075	73,664,698
Net profit/loss attributable to the controlling company	94,790,005	17,971,809	112,761,814	62,540,623	10,963,750	73,504,373
Net profit/loss attributable to the non-controlling interest holders	0	203,879	203,879	0	160,325	160,325

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2.9.2 Business segments of Zavarovalnica Triglav

In accordance with the requirements of the Decision on annual reports and quarterly financial statements of insurance undertakings (Official Gazette of the Republic of Slovenia, No. 1/16), the Company’s operations are described by specific business segments.

	31 December 2021			31 December 2020		
Statement of financial position	NON-LIFE	LIFE	TOTAL	NON-LIFE	LIFE	TOTAL
ASSETS	1,425,009,986	1,704,592,224	3,129,602,210	1,349,958,827	1,663,255,332	3,013,214,159
Intangible assets	58,793,824	8,228,203	67,022,027	57,234,354	5,163,225	62,397,579
Property, plant and equipment	57,022,314	8,120,993	65,143,307	59,618,441	8,157,010	67,775,451
Deferred tax assets	0	0	0	11,970,197	246,554	12,216,751
Investment property	43,019,770	820,285	43,840,055	43,614,546	836,730	44,451,276
Right of use assets	4,548,298	0	4,548,298	3,587,916	0	3,587,916
Investments in subsidiaries	120,444,672	11,480,011	131,924,683	120,857,455	11,480,011	132,337,466
Investments in associates	41,693,997	0	41,693,997	31,337,951	0	31,337,951
Financial assets	841,558,081	1,666,539,870	2,508,097,951	800,423,050	1,625,457,811	2,425,880,861
Financial investments	841,558,081	1,127,121,898	1,968,679,979	800,423,050	1,183,165,323	1,983,588,373
– loans and deposits	25,488,933	7,032,590	32,521,523	30,245,946	6,705,139	36,951,085
– held to maturity	0	140,946,233	140,946,233	0	143,908,512	143,908,512
– available for sale	816,048,831	772,341,432	1,588,390,263	770,063,803	824,938,626	1,595,002,429
– recognised at fair value through profit and loss	20,317	206,801,643	206,821,960	113,301	207,613,046	207,726,347
Unit–linked insurance assets	0	539,417,972	539,417,972	0	442,292,488	442,292,488
Reinsurers’ share of technical provisions	135,986,397	91,560	136,077,957	105,862,172	41,266	105,903,438
Receivables	113,944,682	1,883,002	115,827,684	99,841,079	1,438,370	101,279,449
– receivables from direct insurance operations	73,285,008	231,566	73,516,574	67,453,193	179,021	67,632,214
– receivables from reinsurance and coinsurance operations	23,516,494	5,846	23,522,340	19,797,094	0	19,797,094
– current tax receivables	564,166	0	564,166	0	0	0
– other receivables	16,579,014	1,645,590	18,224,604	12,590,792	1,259,349	13,850,141
Other assets	1,463,755	49,505	1,513,260	3,695,106	46,693	3,741,799
Cash and cash equivalents	6,534,196	7,378,795	13,912,991	11,916,560	10,387,662	22,304,222
EQUITY AND LIABILITIES	1,425,009,986	1,704,592,224	3,129,602,210	1,349,958,827	1,663,255,332	3,013,214,159
Equity	577,396,816	97,825,117	675,221,933	533,692,011	110,311,163	644,003,173
– 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	359,048,752	45,513,891	404,562,643	322,348,752	45,513,891	367,862,643
– fair value reserve	52,861,390	3,023,244	55,884,634	49,399,362	10,002,717	59,402,079
– net profit brought forward	43,310,026	7,634,805	50,944,831	46,207,250	14,319,286	60,526,536
– net profit for the year	30,491,131	6,224,418	36,715,549	24,051,129	5,046,510	29,097,639
Subordinated liabilities	49,471,831	0	49,471,831	49,423,693	0	49,423,693
Insurance technical provisions	696,332,340	1,044,040,846	1,740,373,186	671,257,573	1,079,057,809	1,750,315,382
– unearned premiums	245,629,454	388,396	246,017,850	234,785,484	405,332	235,190,816
– mathematical provisions	0	1,008,319,155	1,008,319,155	0	1,041,557,084	1,041,557,084
– claims provisions	425,072,536	21,494,719	446,567,255	410,567,439	19,692,182	430,259,621
– other insurance technical provisions	25,630,350	13,838,576	39,468,926	25,904,650	17,403,211	43,307,861
Insurance technical provisions for unit–linked insurance contracts	0	540,135,052	540,135,052	0	448,726,097	448,726,097
Employee benefits	10,763,216	2,079,089	12,842,305	10,820,648	2,252,716	13,073,364
Other provisions	342,266	16,714	358,980	658,257	111,700	769,957
Deferred tax liabilities	973,178	3,239,555	4,212,733	11,833,573	9,914,340	21,747,913
Other financial liabilities	1,690,586	0	1,690,586	1,633,896	0	1,633,896
Operating liabilities	28,724,774	6,136,780	34,861,554	26,962,627	7,015,144	33,977,772
– liabilities from direct insurance operations	4,053,234	6,129,711	10,182,945	3,633,281	7,003,623	10,636,904
– liabilities from reinsurance and co-insurance operations	24,671,540	7,069	24,678,609	19,812,663	11,521	19,824,185
– current tax liabilities	0	0	0	3,516,683	0	3,516,683
Lease liabilities	4,643,844	0	4,643,844	3,675,805	0	3,675,805
Other liabilities	54,671,134	11,119,071	65,790,206	40,000,744	5,866,363	45,867,107

All items disclosed in the statement of financial position by business segment are not offset.
The amount of the balance sheet total after offsetting is shown below.

	31 December 2021	31 December 2020
Balance sheet total (without offsetting)	3,129,602,210	3,013,214,159
Mutual receivables and liabilities	-10,658,116	-5,479,243
Deferred tax assets and liabilities	0	-12,216,751
Offset balance	3,118,944,094	2,995,518,165

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in EUR

Income statement	2021			2020		
	NON-LIFE	LIFE	TOTAL	NON-LIFE	LIFE	TOTAL
Net premium income	411,222,504	187,532,496	598,755,000	410,209,492	173,658,354	583,867,846
– gross written premium	606,009,493	188,340,610	794,350,103	544,787,178	174,468,690	719,255,868
– ceded written premium	-187,144,606	-825,143	-187,969,749	-137,136,826	-797,378	-137,934,204
– change in unearned premium reserve	-7,642,383	17,029	-7,625,354	2,559,140	-12,958	2,546,182
Income from investments in subsidiaries and associates	8,179,885	0	8,179,885	302,643	0	302,643
– profit on equity investments accounted for using the equity method	0	0	0	0	0	0
– other income from investments in subsidiaries and associates	8,179,885	0	8,179,885	302,643	0	302,643
Income from investments	14,196,067	101,416,831	115,612,898	27,042,218	62,139,416	89,181,634
– interest income calculated using the effective interest method	4,517,587	15,168,297	19,685,884	6,933,637	19,000,163	25,933,800
– gains on disposals	5,599,009	9,289,495	14,888,504	16,293,611	20,994,547	37,288,158
– other income from investments	4,079,471	76,959,039	81,038,510	3,814,970	22,144,706	25,959,676
Other income from insurance operations	40,177,409	5,209,624	45,387,033	34,556,277	3,553,752	38,110,029
– fees and commission income	32,989,482	5,206,895	38,196,377	26,528,102	3,552,789	30,080,891
– other income from insurance operations	7,187,927	2,729	7,190,656	8,028,175	963	8,029,138
Other income	7,933,559	892,287	8,825,846	7,298,148	574,437	7,872,585
Net claims incurred	207,492,094	157,645,131	365,137,225	225,006,212	150,330,735	375,336,947
– gross claims settled	252,725,831	156,142,551	408,868,382	258,037,807	150,240,333	408,278,140
– reinsurers' share	-35,569,203	-249,755	-35,818,958	-31,446,853	-242,236	-31,689,089
– changes in claims provisions	-9,664,534	1,752,335	-7,912,199	-1,584,742	332,638	-1,252,104
Change in other insurance technical provisions (excluding ULI)	-161,262	-13,827,965	-13,989,227	-399,454	13,849,410	13,449,956
Change in insurance technical provisions for unit-linked insurance contracts	0	91,860,583	91,860,583	0	13,270,367	13,270,367
Expenses for bonuses and discounts	10,490,736	0	10,490,736	16,029,498	0	16,029,498
Operating expenses	134,499,756	35,835,110	170,334,866	124,141,249	31,763,368	155,904,617
– acquisition costs	98,861,653	25,406,907	124,268,560	91,712,332	21,856,103	113,568,435
– other operating costs	35,638,103	10,428,203	46,066,306	32,428,917	9,907,265	42,336,182
Expenses from investments in subsidiaries and associates	1,087,047	0	1,087,047	2,264,409	1,665,987	3,930,396
– loss on investments accounted for using the equity method	0	0	0	0	0	0
– other expenses from financial assets and liabilities	1,087,047	0	1,087,047	2,264,409	1,665,987	3,930,396
Expenses from investments	5,475,499	12,891,188	18,366,687	7,053,203	18,622,070	25,675,273
– loss on impairment of investments	0	0	0	1,562,127	70,224	1,632,351
– loss on disposal of investments	1,691,092	5,178,925	6,870,017	1,284,563	4,434,620	5,719,183
– other expenses from investments	3,784,407	7,712,263	11,496,670	4,206,513	14,117,226	18,323,739
Other insurance expenses	24,354,804	943,693	25,298,497	22,918,916	1,389,122	24,308,038
Other expenses	19,932,095	2,553,542	22,485,637	17,703,408	2,656,271	20,359,679
– expenses from financing	2,276,328	1,564	2,277,892	2,446,016	132,930	2,578,946
– other expenses	17,655,767	2,551,978	20,207,745	15,257,392	2,523,341	17,780,733
Profit before tax	78,538,655	7,149,956	85,688,611	64,691,337	6,378,629	71,069,966
Income tax expense	11,347,522	925,540	12,273,062	11,740,208	1,332,119	13,072,327
NET PROFIT FOR THE PERIOD	67,191,133	6,224,416	73,415,549	52,951,129	5,046,510	57,997,639

in EUR

Comprehensive income by business segments	2021			2020		
	NON-LIFE	LIFE	TOTAL	NON-LIFE	LIFE	TOTAL
Net profit for the year after tax	67,191,131	6,224,418	73,415,549	52,951,129	5,046,510	57,997,639
Other comprehensive income after tax	3,437,170	-6,984,207	-3,547,037	1,851,399	3,673,860	5,525,259
Items which will not be transferred in P&L in future periods	138,303	26,408	164,711	-238,333	-44,743	-283,076
Actuarial gains and losses related to post-employment benefits on retirement	138,303	26,408	164,711	-238,333	-44,743	-283,076
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	3,298,867	-7,010,615	-3,711,748	2,089,732	3,718,603	5,808,335
Fair value gains/losses on available-for-sale financial assets	4,072,638	-36,752,119	-32,679,481	2,579,916	21,846,162	24,426,078
– net gains/losses recognized directly in fair value reserve	12,380,157	-25,942,976	-13,562,819	10,140,738	30,176,808	40,317,546
– transfers from fair value reserve to income statement	-8,307,519	-10,809,143	-19,116,662	-7,560,822	-8,330,646	-15,891,468
Liabilities from insurance contracts with DPF	0	23,304,304	23,304,304	0	-14,238,050	-14,238,050
Tax on other comprehensive income	-773,771	6,437,200	5,663,429	-490,184	-3,889,509	-4,379,693
COMPREHENSIVE INCOME OR LOSS FOR THE YEAR AFTER TAX	70,628,301	-759,789	69,868,512	54,802,528	8,720,370	63,522,898

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2.9.3 Additional disclosures of the Triglav Group and Zavarovalnica Triglav

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

The values of purchased intangible assets, property, plant and equipment and investment property by business segment are shown in the table below:

IN EUR					
Triglav Group 2021	NON-LIFE	LIFE	HEALTH	NON-INSURANCE	TOTAL
Investments in intangible assets	10,868,526	5,492,221	51,503	689,454	17,101,703
Investments in property, plant and equipment	4,383,310	222,963	463,851	543,795	5,613,921
Investments in investment property	633,222	10,258	0	942,371	1,585,851

Triglav Group 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

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

- in non-life insurance, exposure to Kreditanstalt für Wiederaufbau of EUR 61,226,183;
- in life insurance, exposure to SID - Slovenska izvozna in razvojna banka, d.d., Ljubljana of EUR 26,818,793;
- in health insurance, exposure to SID - Slovenska izvozna in razvojna banka, d.d., Ljubljana of EUR 2,005,065;
- in non-insurance, exposure to BKS Bank AG, bančna podružnica of EUR 8,102,421.

IN EUR			
Zavarovalnica Triglav 2021	NON-LIFE	LIFE	TOTAL
ADDITIONAL DISCLOSURES FROM THE STATEMENT OF FINANCIAL POSITION			
Investments in intangible assets	10,012,022	5,434,848	15,446,870
Investments in property, plant and equipment	2,424,416	148,325	2,572,740
Investments in investment property	631,433	10,258	641,690
ADDITIONAL DISCLOSURES FROM THE INCOME STATEMENT			
Depreciation charge for the current year	-10,567,162	2,572,023	-13,139,185
Depreciation of right of use assets	-967,958	-218,634	-1,186,592
Expenses from the impairment of premium and subrogation receivables	-9,712,692	-3,818	-9,716,510
Income from reversal of impairment of receivables	8,610,007	0	8,610,007
Expenses from impairment of investment property	0	0	0
Expenses from impairment of other receivables	-62,736	0	-62,736
Income from reversal of impairment of other receivables	44,413	0	44,413

Zavarovalnica Triglav 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 property, plant and equipment	-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

Maximum individual exposure of Zavarovalnica Triglav to financial institutions is:

- for non-life insurance: Kreditanstalt für Wiederaufbau: EUR 43,127,597 and
- for life insurance: SID - Slovenska izvozna in razvojna banka, d.d., Ljubljana: EUR 26,818,793.



2.10 The impact of new or amended standards on the preparation of financial statements

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 financial year ended 31 December 2020, except for the new or amended standards and interpretations effective for annual periods beginning on or after 1 January 2021, which are presented below.

Amendments to existing standards effective for the current reporting period

The following amendments to existing standards issued by the International Accounting Standards Board (IASB) and adopted by the EU are effective for the current reporting period:

Amendments to 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 relate to the Interest Rate Benchmark Reform (Phase 2) and apply to annual periods beginning on or after 1 January 2021.

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 relating to hedge accounting and its modifications:

- 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.
- 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.
- 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 is managing 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 which have not yet moved to alternative benchmark rates, broken down by significant benchmark interest rate subject to the benchmark interest rate reform;

- 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 is the entity managing those risks.

The IASB also amended IFRS 4 to require insurers that apply the temporary exemption from IFRS 9 to apply the amendments in accounting for modifications directly required by IBOR reform.

Amendments to IFRS 16 Leases

Amendments refer to COVID-19-related rent concessions beyond 30 June 2021 and are effective from 1 April 2021 for annual periods beginning on or after 1 January 2021.

Amendments extend the application period of the practical expedient under IFRS 16 by one year. The relief was extended by one year to cover rent concessions that reduce only lease payments due on or before 30 June 2022.

Amendments to IFRS 4 Insurance Contracts

Amendments relate to the extension of the temporary exemption from the application of IFRS 9. They change the fixed 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 impact of amendments to existing standards on the Company's and the Group's financial statements

The adopted amendments did not have any impact on the consolidated and separate financial statements of Zavarovalnica Triglav.

Adopted standards and amendments to existing standards which will become effective at a later date, not applied by the Company and the Group in their financial statements

At the date of authorisation of these financial statements, the following amendments to existing standards were issued by the IASB and adopted by the EU but which are not yet effective:

Amendments to IAS 16 Property, Plant and Equipment

Amendments are effective for annual periods beginning on or after 1 January 2022 and relate to proceeds before intended use.

Amendments prohibit deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the cost of producing those items, in profit or loss.

Amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets

Amendments are effective for annual periods beginning on or after 1 January 2022 and relate to the costs of fulfilling a contract at onerous contracts.

Amendments specify that the "cost of fulfilling" a contract comprises the "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.



Amendments to IFRS 3 Business Combinations

Amendments are effective for annual periods beginning on or after 1 January 2022 and relate to the reference to the conceptual framework with amendment to IFRS 3.

These 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;
- add to IFRS 3 an explicit statement that an acquirer does not recognise contingent assets acquired in a business combination.

IFRS 17 Insurance Contracts

The new accounting standard is effective for annual periods beginning on or after 1 January 2023.

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. These requirements are designed to achieve the goal of a consistent, principle-based accounting for insurance contracts. IFRS 17 supersedes IFRS 4 Insurance Contracts and related interpretations while applied. Amendments to IFRS 17 Insurance Contracts 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. Additionally, amendments introduce simplifications and clarifications of some requirements in the standard and provide additional reliefs in the first-time application of IFRS 17.

Amendments to various standards due to Improvements to IFRSs (cycle 2018–2020)

Amendments result from the annual improvement project of IFRS (IFRS 1, IFRS 9, IFRS 16 and IAS 41) primarily with a view to removing inconsistencies and clarifying wording and are effective for annual periods beginning on or after 1 January 2022. Amendments to IFRS 16 relate only to the illustrative example, so no effective date is stated.

These amendments to standards:

- 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);
- 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);
- 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);

- 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 impact of amendments to existing standards on the Company's and the Group's financial statements

The consolidated and separate financial statements of Zavarovalnica Triglav will be significantly affected by the new IFRS 17.

Users of Zavarovalnica Triglav's financial statements will perceive the changes introduced by IFRS 17 primarily in that the insurance companies' financial statements will no longer disclose premium income and claims incurred, instead expected profit from insurance contracts will be disclosed. This is contractual service margin (CSM), calculated based on expected inflows (premiums) and outflows (claims and other directly attributable costs), taking into account the time value of money and risk adjustment (i.e. uncertainty regarding the amount and timing of inflows and outflows). The CSM calculated in this way will be recognised immediately upon issuing the insurance contract or upon its entry into force as a liability of the insurance company, and will be released to profit or loss during the entire term of the contract (regardless of when the premium was written or paid). The amendment to the presentation of the financial statements will also affect performance indicators. Currently, the Company also measures its performance through written premium (which is also the basis for measuring the market share) and the combined ratio.

The financial impact on the financial statements cannot be commented on at this time, as the overall impact of the transition to IFRS 17 and at the same time to IFRS 9 is still being assessed. It is expected that the amount and volatility of profit or loss may be significantly affected by the change in assumptions in the valuation of long-term life insurance contracts. With regard to non-life insurance, it is expected that the valuation of reinsurance contracts will have the greatest impact on the Company's profit or loss.

New standards and amendments to existing standards issued by the IASB but not yet adopted by the EU

At present, IFRS as adopted by the EU do not significantly differ from regulations adopted by the International Accounting Standards Board (IASB) except for the following new standards and amendments to existing standards.

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.

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Amendments to IAS 1 Presentation of Financial Statements

Amendments are effective for annual periods beginning on or after 1 January 2023 and relate to the classification of liabilities as current or non-current.

Amendments provide a more general approach to the classification of liabilities under IAS 1 based on the contractual arrangements in place at the reporting date. Amendments to IAS 1 issued by the IASB on 15 July 2020 defer the effective date by one year to annual periods beginning on or after 1 January 2023.

Amendments to IAS 1 Presentation of Financial Statements

Amendments are effective for annual periods beginning on or after 1 January 2023 and relate to disclosures of accounting policies.

Amendments require entities to disclose their material accounting policies rather than their significant accounting policies and provide guidance and examples to help preparers in deciding which accounting policies to disclose in their financial statements.

Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors

Amendments are effective for annual periods beginning on or after 1 January 2023 and relate to the definition of accounting estimates.

Amendments focus on accounting estimates and provide guidance on how to distinguish between accounting policies and accounting estimates.

Amendments to IAS 12 Income Taxes

Amendments are effective for annual periods beginning on or after 1 January 2023 and address deferred tax related to assets and liabilities arising from a single transaction.

According to amendments, the initial recognition exemption does not apply to transactions in which both deductible and taxable temporary differences arise on initial recognition that result in the recognition of equal deferred tax assets and liabilities.

Amendments to IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures

Amendments deal with the sale or contribution of assets between an investor and its associate or joint venture, and further amendments. They arise from 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 effective date of amendments is deferred indefinitely until the research project on the equity method has been concluded.

Amendments to IFRS 17 Insurance Contracts

Amendments relate to the initial application of IFRS 17 and IFRS 9 in terms of comparative information. It is a narrow-scope amendment to the transition requirements of IFRS 17 for entities that first apply IFRS 17 and IFRS 9 at the same time.

Amendments are effective for annual periods beginning on or after 1 January 2023.

The impact of amendments to existing standards not yet adopted by the EU on the Company's and the Group's financial statements

The management anticipates that the adoption of these new standards and amendments to existing standards will have no material impact on the Company's separate and consolidated financial statements in the period of initial application.

Hedge accounting for the financial assets and liabilities portfolio, the principles of which have not been adopted by the EU, remains unregulated.

The management estimates that the application of hedge accounting for financial assets and liabilities in accordance with IAS 39 Financial Instruments: Recognition and Measurement would not have a material effect on the Company's separate and consolidated financial statements if applied at the balance sheet date.

Changes in accounting policies

There were no changes in accounting policies in 2021.

Notes on temporary exemption from applying IFRS 9

In 2021, 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.

	in EUR	
	Triglav Group	Zavarovalnica Triglav
	31 December 2015	31 December 2015
Insurance technical provisions	2,600,442,123	2,053,864,286
Total liabilities	2,789,412,299	2,154,872,319
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 broken down into assets whose contractual cash flows are solely payments of principal and interest (SPPI) on the principal amounts outstanding, excluding any financial assets held for trading, and all other financial assets.



in EUR

Triglav Group	Assets whose contractual cash flows are solely payments of principal and interest on the principal amounts outstanding		Other financial assets	
	Fair value 1 January 2021	Fair value 31 December 2021	Fair value 1 January 2021	Fair value 31 December 2021
Debt securities	2,581,853,541	2,504,048,741	0	42,751,390
Equity securities	0	0	251,365,744	360,707,903
Derivatives	0	0	113,301	20,317
Loans and deposits	76,208,718	74,170,926	0	0
Cash and cash equivalents	81,899,664	82,321,630	0	0
Total	2,739,961,923	2,660,541,297	251,479,045	403,479,609

in EUR

Zavarovalnica Triglav	Assets whose contractual cash flows are solely payments of principal and interest on the principal amounts outstanding		Ostala finančna sredstva	
	Fair value 1 January 2021	Fair value 31 December 2021	Fair value 1 January 2021	Fair value 31 December 2021
Debt securities	1,860,111,108	1,743,950,017	19,399,127	25,504,977
Equity securities	0	0	113,586,570	204,009,208
Derivatives	0	0	113,301	20,317
Loans and deposits	27,542,024	24,470,029	3,654,860	3,278,362
Cash and cash equivalents	18,914,182	13,912,991	0	0
Total	1,906,567,313	1,782,333,038	136,753,858	232,812,864

The table below shows the carrying amount of assets as at 31 December 2021 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 adjustment of assets measured at amortised cost.

in EUR

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	43,972,345	438,921,752	1,054,713,184	789,294,818	185,667,718	2,512,569,818
Loans and deposits	67,296,239	0	0	1,622,647	6,079,254	74,998,140
Cash and cash equivalents	44,224,762	0	4,696	37,469,404	622,768	82,321,630
Total	155,493,346	438,921,752	1,054,717,881	828,386,869	192,369,740	2,669,889,588

in EUR

Ratings of assets whose cash flows are solely payments of principal and interest on the principal amounts outstanding						
Zavarovalnica Triglav	Unrated	AAA	AA/A	BBB	BB/B	Total
Debt securities	22,851,801	361,651,765	842,738,777	459,428,600	49,868,751	1,736,539,694
Loans and deposits	24,816,483	0	0	0	0	24,816,483
Cash and cash equivalents	1,064,256	0	4,696	12,844,039	0	13,912,991
Total	48,732,540	361,651,765	842,743,473	472,272,638	49,868,751	1,775,269,168





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 adjustment of 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	229,641,737	229,640,063
Loans and deposits	72,569,993	73,375,494
Cash and cash equivalents	44,847,529	44,847,529
Total	347,059,260	347,863,086

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	72,680,913	72,720,552
Loans and deposits	24,470,029	24,816,483
Cash and cash equivalents	1,064,256	1,064,256
Total	98,215,198	98,601,291

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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 2020	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
– transfer in use	0	0	0	2,400,471	-2,400,471	0
– purchases	0	0	0	14,390,973	2,710,730	17,101,703
– disposals	0	0	0	-1,705,072	0	-1,705,072
– decrease (net value)	0	422,546	-1,293,306	0	0	-870,760
– other changes	0	0	0	2,200,000	0	2,200,000
– exchange rate difference	0	26,445	0	29,139	192	55,776
As at 31 December 2021	10,413,312	53,104,963	302,282	109,221,003	3,568,032	176,609,593
ACCUMULATED AMORTISATION						
As at 1 January 2020	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
– current year amortisation	0	0	0	-10,018,359	0	-10,018,359
– disposals	0	0	0	1,669,635	0	1,669,635
– other changes	0	0	0	-2,200,000	0	-2,200,000
– exchange rate difference	0	0	0	-23,987	0	-23,987
As at 31 December 2021	0	0	0	-69,425,175	0	-69,425,175
CARRYING AMOUNT						
As at 31 December 2020	10,413,312	52,655,972	1,595,588	33,053,028	3,257,581	100,975,475
As at 31 December 2021	10,413,312	53,104,963	302,282	39,795,828	3,568,032	107,184,415

Goodwill

Goodwill arises from the merger of Alta Skladi d.d. to Triglav Skladi, družba za upravljanje d.o.o. in 2019.

In verifying the value of goodwill as at 31 December 2021, the recoverable amount of the cash-generating unit, i.e. Alta Skladi, was assessed. The recoverable amount was calculated using the discounted net cash flow method, taking into account estimated net cash flows for 2022–2028 and a discount rate of 11.99% (2020: 11.6%).

The calculated recoverable amount of goodwill exceeds its carrying amount, therefore no impairment of goodwill is required.

Other intangible assets

The Group has no intangible assets pledged as collateral for liabilities. The Group also has no financial liabilities related to the purchase of intangible assets. Intangible assets owned by the Group were not obtained with state support.

The amortisation rate used for software is 20%, and for other material rights it ranges between 1% and 20%. Amortisation rates did not change in 2021. The cost of amortisation of intangible assets is shown in the income statement in various items, as seen from the presentation of the distribution of costs by natural and functional groups in Section 4.12.

As at 31 December 2021, the Group also discloses deferred acquisition costs under intangible assets. A change in deferred acquisition costs is recognised as a change in unearned premium as presented in Section 4.1.

Gains and losses on disposals of intangible assets and impairment expenses are disclosed in the income statement under the item “other income” or “other expenses”.

The Group has no intangible assets that are individually significant for the consolidated financial statements.

In 2021, the Group assessed the existence of possible signs of impairment of other intangible assets. No signs of impairment were identified.

in EUR

Zavarovalnica Triglav	Deferred acquisition costs	Long-term deferred items	Licenses and software	Intangible assets in course of acquisition	Total
COST					
As at 1 January 2020	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
– transfer in use	0	0	1,908,177	-1,908,177	0
– purchases	0	0	13,930,534	1,516,337	15,446,870
– disposal	0	0	-365,304	0	-365,304
– decrease (net value)	-2,753,006	-1,075,021	0	0	-3,828,027
As at 31 December 2021	35,045,849	302,283	74,148,609	2,961,525	112,458,267
ACCUMULATED AMORTISATION					
As at 1 January 2020	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
– amortisation	0	0	-6,986,368	0	-6,986,368
– disposal	0	0	357,276	0	357,276
As at 31 December 2021	0	0	-45,436,242	0	-45,436,242
CARRYING AMOUNT					
As at 31 December 2020	37,798,855	1,377,305	19,868,052	3,353,370	62,397,579
As at 31 December 2021	35,045,849	302,283	28,712,367	2,961,525	67,022,027

The Company has no intangible assets pledged as collateral for liabilities. The Company also has no financial liabilities related to the purchase of intangible assets. Trade payables related to the purchase of intangible assets as at 31 December 2021 amount to EUR 8,255,490 (31 December 2020: EUR 710,420). Intangible assets owned by the Company were not obtained with state support.

The amortisation rate used for software is 20%, and for other material rights it ranges between 1% and 20%. Amortisation rates did not change in 2021. The cost of amortisation for the year is shown in the income statement in various items, as seen from the presentation of the distribution of costs by natural and functional groups in Section [4.12](#).

As at 31 December 2021, the Company also discloses deferred acquisition costs under intangible assets. A change in deferred acquisition costs is recognised as a change in unearned premium as presented in Section [4.1](#).

Gains and losses on disposal of intangible assets are disclosed in the income statement under the item “other income” or “other expenses”.

The Company has no intangible assets that are individually significant for the financial statements.

Cost of fully depreciated property, plant and equipment still in use represents 14.68% of total cost of property, plant and equipment used by the Company.

In 2021, the Company assessed the existence of possible signs of impairment of other intangible assets. No signs of impairment were identified.

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3.2 Property, plant and equipment

in EUR					
Triglav Group	Land	Buildings	Equipment	PP&E in course of acquisition	Total
COST					
As at 1 January 2020	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 from 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
– transfer in use	356	1,072,533	878,613	-1,951,502	0
– purchases	17,810	601,893	3,398,405	1,595,813	5,613,921
– disposals	0	-950,733	-4,019,548	-477,221	-5,447,502
– transfer to investment property	0	-1,099,725	0	0	-1,099,725
– impairment	0	0	-50,813	0	-50,813
– exchange rate differences	21,261	83,687	25,627	261	130,836
As at 31 December 2021	11,480,627	129,028,524	67,457,031	1,958,349	209,924,531
ACCUMULATED DEPRECIATION					
As at 1 January 2020	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 from intangible assets	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
– depreciation for the current year	0	-2,490,231	-6,135,989	0	-8,626,220
– disposals	0	395,142	4,105,071	0	4,500,213
– transfer to investment property	0	334,888	2,634	0	337,522
– impairment	0	0	50,092	0	50,092
– exchange rate differences	0	-24,243	-19,907	0	-44,150
As at 31 December 2021	0	-44,931,684	-56,337,635	0	-101,269,319
CARRYING AMOUNT					
As at 31 December 2020	11,441,199	86,173,631	12,885,209	2,790,997	113,291,036
As at 31 December 2021	11,480,627	84,096,840	11,119,396	1,958,349	108,655,212

The Group has no property, plant and equipment pledged as collateral for liabilities. The Group also has no financial liabilities related to the purchase of property, plant and equipment.

The depreciation rates used for buildings range between 1.5% and 5%, the depreciation rate for computer equipment was 50% and for other equipment it ranged between 6.7% and 25%. Amortisation rates did not change in 2021. The cost of depreciation of property, plant and equipment is shown in the income statement in various items, as seen from the presentation of the distribution of costs by natural and functional groups in Section 4.12.

Gains and losses on disposals of property, plant and equipment and impairment expenses of these assets are disclosed in the income statement under the item “other income” or “other expenses”.

In 2021, the Group assessed the existence of possible signs of impairment of land, buildings and equipment. No signs of impairment were identified.

The fair value of the Group's property, plant and equipment exceeds their carrying amount and is presented in more detail in Section 5.1.

The fair value of real property was determined based on valuations performed as at 30 September 2021 by an external certified real estate valuer in accordance with the guidelines described in Section 2.5.13. In the period from the valuation to the reporting date, there were no changes that would significantly affect the fair value of real property. For the purposes of real property valuation, the suitability of using all valuation methods provided by the International Valuation Standards was checked. Considering the results of the real property market analysis as well as taking into consideration the purpose of valuation and the characteristics of specific valued real property, the following were used in valuation:

- the market approach (the comparable transaction method),
- the income approach (the income capitalisation approach) and
- the land residual method.

In the comparable transaction method, fair value was estimated based on market data derived from comparable transactions with similar real property.

When using the income capitalisation method, the fair value of Slovenian real property was estimated using a discount rate ranging between 7.25% and 9.25% for commercial buildings and between 3.75% and 5.75% for residential buildings. The following assumptions were taken into account in the calculation of the capitalisation rate:

- the risk-free rate of return taking into account the yield on a 10-year Slovenian government bond of 0.14%;
- the real estate risk premium of 5.3–6.8%;
- the capital retention premium of 1.6% (in the case of an estimated age of office property of 60 years).

When using the income capitalisation method, the fair value of real property abroad was estimated using a discount rate ranging between 6.91% and 12.16%. The following assumptions were taken into account in the calculation of the capitalisation rate:

- the risk-free rate of return of 0.86–5.20%, taking into account the yield on a 10-year German government bond, the country risk premium and the current and projected inflation rate for the country in which real property is located;
- the real estate risk premium of 5.3–6.8%;
- the capital retention premium of 1.6% (in the case of an estimated age of office property of 60 years).

in EUR

Zavarovalnica Triglav	Land	Buildings	Equipment	PP&E in course of acquisition	Total
COST					
As at 1 January 2020	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 from 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
– transfer in use	356	1,051,365	180,956	-1,232,677	0
– purchases	17,810	73,634	1,718,145	763,152	2,572,740
– disposal	0	-1,335	-2,688,127	0	-2,689,461
As at 31 December 2021	5,875,545	83,254,487	40,703,289	231,004	130,064,326
ACCUMULATED DEPRECIATION					
As at 1 January 2020	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
– depreciation for the current year	0	-1,408,848	-3,776,720	0	-5,185,568
– disposal	0	362	2,669,782	0	2,670,145
As at 31 December 2021	0	-30,201,335	-34,719,680	0	-64,921,015
CARRYING AMOUNT					
As at 31 December 2020	5,857,377	53,337,974	7,879,573	700,529	67,775,451
As at 31 December 2021	5,875,545	53,053,152	5,983,609	231,004	65,143,307

The Company has no property, plant and equipment pledged as collateral for liabilities. The Company also has no financial liabilities related to the purchase of property, plant and equipment. As at 31 December 2021, trade payables for property, plant and equipment amounted to EUR 1,141,961 (31 December 2020: EUR 648,156).

The depreciation rates used for buildings range between 1.5% and 5%, the depreciation rate for computer equipment was 50% and for other equipment it ranged between 6.7% and 25%. Amortisation rates did not change in 2021. The cost of amortisation for the year is shown in the income statement in various items, as seen from the presentation of the distribution of costs by natural and functional groups in Section [4.12](#).

Gains and losses on disposals of property, plant and equipment and impairment expenses of these assets are disclosed in the income statement under the item “other income” or “other expenses”.

Cost of fully depreciated assets still in use represents 19.12% of total cost of all assets used.

In 2021, the Company assessed the existence of possible signs of impairment of land, buildings and equipment. No signs of impairment were identified.

The fair value of the Company’s property, plant and equipment exceeds their carrying amount and is presented in more detail in Section [5.1](#).

The fair value of real property was determined in the same way as for the Group.

3.3 Investment property

in EUR				
Triglav Group	Land	Buildings	IP in course of acquisition	Total
COST				
As at 1 January 2020	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
– transfer in use	0	1,179,054	-1,179,054	0
– purchases	0	23,739	1,562,112	1,585,851
– disposals	-352,328	-1,862,808	0	-2,215,136
– transfer from property, plant and equipment	0	1,099,725	0	1,099,725
– transfer to non-current assets	-2,631,840	-513,428	0	-3,145,268
– impairment	-2,130	-10,176	0	-12,306
– exchange rate difference	458	1,733	0	2,191
As at 31 December 2021	14,848,185	67,418,101	13,905,040	96,171,326
ACCUMULATED DEPRECIATION				
As at 1 January 2020	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
– depreciation for the current year	0	-1,335,886	0	-1,335,886
– disposals	0	500,169	0	500,169
– transfer from property, plant and equipment	0	-337,522	0	-337,522
– impairment	0	-7,966	0	-7,966
– exchange rate difference	0	-670	0	-670
As at 31 December 2021	0	-21,060,353	0	-21,060,353
CARRYING AMOUNT				
As at 31 December 2020	17,834,026	47,621,792	13,521,982	78,977,800
As at 31 December 2021	14,848,185	46,357,748	13,905,040	75,110,973

The Group leases (operational lease) its investment properties, i.e. individual business premises. All operating leases can be cancelled and are concluded for an initial term of one to ten years or for indefinite period. Leases do not include contingent rents (variable lease payments).

All income from investment property relates exclusively to leases or other associated costs and is disclosed in the income statement under “other income”. Expenses from investment property relate to amortisation and maintenance costs of investment property and are disclosed in the income statement under “other expenses”.

The Group has no investment property pledged as collateral for liabilities. The Group also has no financial liabilities related to the purchase of investment property.

The amortisation rates used for investment property range between 1.5% and 5%. Amortisation rates did not change in 2021. The cost of depreciation of property, plant and equipment is shown in the income statement in various items, as seen from the presentation of the distribution of costs by natural and functional groups in Section [4.12](#).

Gains and losses on disposals of investment property and impairment expenses of these assets are disclosed in the income statement under the item “other income” or “other expenses”.

In 2021, the Group assessed the existence of possible signs of impairment of investment property. No signs of impairment were identified.

The fair value of the Group’s investment property exceeds its carrying amount and is presented in more detail in Section [5.1](#).

The fair value of real property was determined based on valuations performed as at 30 September 2021 by an external certified real estate valuer in accordance with the guidelines described in Section [2.5.13](#). In the period from the valuation to the reporting date, there were no changes that would significantly affect the fair value of real property. For the purposes of real property valuation, the suitability of using all valuation methods provided by the International Valuation Standards was checked. Considering the results of the real property market analysis as well as taking into consideration the purpose of valuation and the characteristics of specific valued real property, the following were used in valuation:

- the market approach (the comparable transaction method),
- the income approach (the income capitalisation approach) and
- the land residual method.

In the comparable transaction method, fair value was estimated based on market data derived from comparable transactions with similar real property.

When using the income capitalisation method, the fair value of Slovenian real property was estimated using a discount rate ranging between 7.25% and 9.25% for commercial buildings and between 3.75% and 5.75% for residential buildings. The following assumptions were taken into account in the calculation of the capitalisation rate:

- the risk-free rate of return taking into account the yield on a 10-year Slovenian government bond of 0.14%;
- the real estate risk premium of 5.3–6.8%;
- the capital retention premium of 1.6% (in the case of an estimated age of office property of 60 years).

When using the income capitalisation method, the fair value of real property abroad was estimated using a discount rate ranging between 6.91% and 12.16%. The following assumptions were taken into account in the calculation of the capitalisation rate:

- the risk-free rate of return of 0.86–5.20%, taking into account the yield on a 10-year German government bond, the country risk premium and the current and projected inflation rate for the country in which real property is located;
- the real estate risk premium of 5.3–6.8%;
- the capital retention premium of 1.6% (in the case of an estimated age of office property of 60 years).

in EUR

Zavarovalnica Triglav	Land	Buildings	IP in course of acquisition	Total
COST				
As at 1 January 2020	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 January 2020	3,549,193	40,531,909	10,811,077	54,892,179
– transfer in use	0	619,900	-619,900	0
– purchases	0	21,950	619,741	641,690
– disposal	-19,728	-485,625	0	-505,353
As at 31 December 2021	3,529,464	40,688,133	10,810,918	55,028,516
ACCUMULATED DEPRECIATION				
As at 1 January 2020	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
– depreciation	0	-967,250	0	-967,250
– disposal	0	219,690	0	219,690
As at 31 December 2021	0	-11,188,461	0	-11,188,461
CARRYING AMOUNT				
As at 31 December 2020	3,549,193	30,091,007	10,811,077	44,451,276
As at 31 December 2021	3,529,464	29,499,672	10,810,918	43,840,055

Zavarovalnica Triglav leases (operational lease) its investment properties, i.e. individual business premises. All operating leases can be cancelled and are concluded for an initial term of one to ten years or for indefinite period. Leases do not include contingent rents (variable lease payments).

All income from investment property relates exclusively to leases or other associated costs and is disclosed in the income statement under “other income”. Expenses from investment property relate to amortisation and maintenance costs of investment property and are disclosed in the income statement under “other expenses”.

The Company has no investment property pledged as collateral for liabilities. The Company also has no financial liabilities related to the purchase of investment property. Investment property owned by the Company was not obtained with state support.

The amortisation rates used for investment property range between 1.5% and 5%. Amortisation rates did not change in 2021. The cost of depreciation of property, plant and equipment is shown in the income statement in various items, as seen from the presentation of the distribution of costs by natural and functional groups in Section [4.12](#).

Gains and losses on disposal of investment property are disclosed in the income statement under the item “other income” or “other expenses”.

In 2021, the Company assessed the existence of possible signs of impairment of investment property. No signs of impairment were identified.

The fair value of the Company's investment property exceeds its carrying amount and is presented in more detail in Section [5.1](#).

The fair value of real property was determined in the same way as for the Group.

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

in EUR

	Triglav Group		Zavarovalnica Triglav	
	2021	2020	2021	2020
Lease income	4,954,878	6,519,268	5,596,224	5,577,256
Sublease income	94,255	90,324	56,692	58,928

There were no significant modifications or terminations of lease contracts in 2021. 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 initial recognition.

in EUR

	Triglav Group		Zavarovalnica Triglav	
	31 December 2021	31 December 2020	31 December 2021	31 December 2020
Year 1	6,598,071	7,400,117	4,194,027	4,651,506
Year 2	6,065,580	6,731,853	3,885,191	4,105,947
Year 3	2,724,405	6,205,172	1,246,545	3,785,360
Year 4	1,182,994	2,202,000	818,800	773,971
Year 5	1,085,003	711,412	768,063	380,183
From year 5	730,220	1,712,876	473,802	1,123,249
TOTAL	18,386,272	24,963,430	11,386,428	14,820,216

3.4 Right of use assets

in EUR

Triglav Group	Land and buildings	Vehicles	Other	Total
Carrying amount as at 1 January 2020	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
– addition	1,211,537	1,365,493	38,192	2,615,222
– accumulated depreciation	-2,792,093	-752,043	-39,735	-3,583,871
– modification	2,036,818	-6,209	-4,918	2,025,691
– exchange rate difference	40,350	14,518	-12	54,856
Carrying amount as at 31 December 2021	8,613,544	2,234,905	84,660	10,933,109

in EUR

Zavarovalnica Triglav	Land and buildings	Vehicles	Other	Total
Carrying amount as at 1 January 2020	2,935,474	1,149,548	21,294	4,106,316
– addition	194,896	539,327	13,142	747,365
– accumulated depreciation	-658,654	-452,562	-13,114	-1,124,330
– modification	-105,212	-36,223	0	-141,435
Carrying amount as at 1 January 2021	2,366,504	1,200,090	21,322	3,587,916
– addition	463,436	691,747	38,193	1,193,375
– accumulated depreciation	-667,267	-506,765	-12,560	-1,186,592
– modification	1,022,250	-68,651	0	953,599
Carrying amount as at 31 December 2021	3,184,921	1,316,422	46,954	4,548,298

The Group and the Company lease business premises, vehicles and other equipment used in their operations. Leases for business premises are usually concluded for an indefinite term, and leases for vehicles and other equipment for 1 to 5 years.

The Group and the Company also entered into some leases with lease terms of 12 months or less and leases of low-value equipment. Permitted exceptions to recognition apply to these leases.

To calculate the net present value of future leases, discount rates were used that were determined at the level of the interest rate for risk-free government bonds, increased by the credit spread of an individual Group member. In valuing assets and liabilities from contracts concluded for an indefinite term, the new strategy period was taken into account when determining the lease term. The value of right-of-use assets increased by EUR 1.07 million.

in EUR

	Triglav Group		Zavarovalnica Triglav	
	2021	2020	2021	2020
DEPRECIATION OF RIGHT OF USE ASSETS	3,583,871	3,547,072	1,186,592	1,124,330
Depreciation of rights to use land and buildings	2,792,093	2,635,806	667,267	658,654
Depreciation of right to use vehicles	752,043	847,384	506,765	452,562
Depreciation of rights to use other assets	39,735	63,882	12,560	13,114
INTEREST EXPENSE ON LEASE LIABILITIES	489,303	512,481	65,714	65,395
OTHER LEASE EXPENSES	572,507	665,939	430,026	433,825
Short – term lease expenses	84,236	81,677	1,678	15,849
Low – value lease expenses	488,271	584,262	428,348	417,976
Payment for right of use assets	3,945,755	3,944,465	1,230,260	1,147,971

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3.5 Investments in subsidiaries

There were no business combinations in the Triglav Group in 2021. All other changes in the Group in 2021 are described in Section 2.1.4.

In preparing the financial statements for 2021, it was assessed whether there were any changes in the assumptions related to the conditions applicable to the control of individual companies in any of the Group companies. There were no such changes.

Signs of impairment of investments in subsidiaries were assessed in 2021. Where signs were identified, the recoverable amount of the investment was calculated and impairment was made for the difference to its carrying amount.

Impairment of investments in subsidiaries in the amount of EUR 607 thousand was recognised in the Company’s separate financial statements under expenses from investments in associates, which relates to the impairment of investments in Triglav Penzisko društvo a.d., Skopje.

Zavarovalnica Triglav’s interests in subsidiaries

NO.	COMPANY	ADDRESS	TAX RATE (in %)	ACTIVITY	EQUITY STAKE (in %)		SHARE OF VOTING RIGHTS (in %)		BOOK VALUE (in EUR)	
					2021	2020	2021	2020	2021	2020
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.o.o.	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	9,965,340
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	100.00	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	194,216	-
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	1,558,000	2,165,000
TOTAL									131,924,683	132,337,466

- The following assumptions were taken into account to determine the recoverable amount of investments in subsidiaries:
- expected cash flows based on the companies’ business plans for 2022–2026,
 - the discount rate of 6.49–9.3% based on weighted average cost of capital (WACC) and
 - the expected long-term growth rate of 2%.

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3.6 Investments in associates and joint ventures

The effect of re-measuring the fair value of investments in associates and joint ventures in the amount of EUR 3.5 million was recognised in the Company’s separate financial statements. The revaluation effect of EUR 4 million was recognised in other comprehensive income as an increase in fair value reserves, while an impairment of EUR 460 thousand was recognised in the income statement under expenses from investments in associates.

The following assumptions were taken into account in determining the fair value of investments in associates and joint ventures:

- expected cash flows based on the companies’ business plans for 2022–2026,
- the discount rate of 9.29–11.18% based on weighted average cost of capital (WACC) and
- the expected long-term growth rate of 2%.

The effects of valuation using the equity method are disclosed under the items income and expenses from investments 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.¹¹¹

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
Diagnostični center Bled d.o.o.	Pod Skalo 4, Bled, Slovenija	19	Health
ZTSR d.o.o.*	Miklošičeva cesta 19, Ljubljana, Slovenia	19	Business services
Alifenet d.o.o.	Dunajska cesta 22, Ljubljana, Slovenia	19	Fund management

*ZTSR d.o.o. was merged with Diagnostični center Bled d.o.o. in 2021.

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¹¹¹ Data for 2021 are unaudited. Data for 2020 are adjusted if the revised data were different from those published in the 2020 Annual Report.

COMPANY	Triglav Group						Zavarovalnica Triglav					
	SHARE IN CAPITAL (in %)		VOTING RIGHTS (in %)		VALUE OF INVESTMENT (in EUR)		SHARE IN CAPITAL (in %)		VOTING RIGHTS (in %)		VALUE OF INVESTMENT (in EUR)	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Nama d.d.	39.15	39.07	39.15	39.07	4,315,813	4,060,437	39.07	39.07	39.07	39.07	9,091,928	9,091,928
Triglavko d.o.o.	38.47	38.47	38.47	38.47	18,125	17,202	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	10,704,506	8,544,558	49.90	49.90	49.90	49.90	10,016,000	8,180,000
Društvo za upravljanje EDPF a.d.	34.00	34.00	34.00	34.00	439,970	450,150	0.00	0.00	0.00	0.00	0	0
Diagnostični center Bled d.o.o.	50.00	-	50.00	-	20,479,730	-	50.00	-	50.00	-	22,474,368	-
ZTSR d.o.o.*	-	50.00	-	50.00	-	15,092,166	-	50.00	-	50.00	-	13,954,321
Allifenet d.o.o.	23.58	23.58	23.58	23.58	73,202	73,202	23.58	23.58	23.58	23.58	73,202	73,202
TOTAL					36,031,346	28,237,714					41,693,997	31,337,951

*ZTSR d.o.o. was merged with Diagnostični center Bled d.o.o. in 2021.

COMPANY	ASSETS		LIABILITIES		EQUITY		REVENUES		PROFIT/LOSS	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
	in EUR									
Nama d.d.*	15,627,103	13,620,752	4,388,209	3,033,854	11,238,894	10,586,898	11,511,882	7,325,199	497,843	-160,675
Triglavko d.o.o.	163,574	120,804	80,945	40,576	82,629	80,228	373,638	329,647	2,400	-3,491
TRIGAL, upravljanje naložb in svetovanje d.o.o.	22,463,968	17,604,699	137,388	193,803	22,326,580	17,410,896	1,286,945	1,679,341	315,521	209,370
Društvo za upravljanje EDPF a.d.	1,390,960	1,348,705	46,825	36,334	1,344,135	1,312,371	324,903	148,763	31,665	-234,374
Diagnostični center Bled d.o.o.*	44,373,702	-	18,380,231	-	25,993,471	-	25,928,230	-	1,675,127	-
ZTSR d.o.o.*	-	40,255,944	-	10,071,614	-	30,184,330	-	10,800,226	-	301,725

* For Nama d.d., Diagnostični center Bled d.o.o. and ZTSR d.o.o., the data from the consolidated financial statements of these companies are shown.



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

in EUR

CONDENSED BALANCE SHEET	Diagnostični center Bled d.o.o.		NAMA d.d.		TRIGAL d.o.o.		ZTSR d.o.o.	
	31 December 2021	31 December 2020	31 December 2021	31 December 2020	31 December 2021	31 December 2020	31 December 2021	31 December 2020
Current assets	7,436,396	-	6,512,098	5,725,161	4,728,599	650,874	-	3,985,824
Current liabilities	4,684,731	-	2,635,507	1,648,658	96,689	191,445	-	2,718,648
Net current assets/liabilities	2,751,665	-	3,876,591	4,076,503	4,631,910	459,429	-	1,267,176
Non-current assets	36,937,305	-	9,115,005	7,862,544	17,735,369	16,953,826	-	36,270,120
Non-current liabilities	13,695,500	-	1,752,702	1,385,196	40,699	2,359	-	7,352,967
Net non-current assets/liabilities	23,241,805	-	7,362,303	6,477,348	17,694,670	16,951,467	-	28,917,153
Net assets	25,993,470	-	11,238,894	10,553,851	22,326,580	17,410,896	-	30,184,329
CONDENSED COMPREHENSIVE INCOME	2021	2020	2021	2020	2021	2020	2021	2020
Net profit or loss for the year	1,675,127	-	497,843	-160,675	315,521	209,340	-	301,725
Other comprehensive income	0	-	0	71,401	-164	0	-	0
Total comprehensive income	1,675,127	-	497,843	-89,274	315,357	209,340	-	301,725
Dividends from associates for the year	0	-	0	0	0	0	-	0

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3.7 Financial investments¹¹²

Triglav Group	Carrying value		Fair value	
	31 Dec. 2021	31 Dec. 2020	31 Dec. 2021	31 Dec. 2020
Held to maturity	157,560,733	162,824,686	191,798,392	206,893,874
At fair value through profit and loss	544,425,798	524,670,726	544,425,798	524,670,726
– held for trading	266,015	113,301	266,015	113,301
– classified at acquisition	544,159,783	524,557,423	544,159,783	524,557,423
Available for sale	2,137,609,082	2,101,914,068	2,137,609,082	2,101,914,068
Loans and deposits	98,104,537	97,971,079	99,906,383	104,492,900
TOTAL	2,937,700,150	2,887,380,559	2,973,739,655	2,937,971,568

in EUR

31 December 2021

	HTM	FVTPL – Held for trading	FVTPL - Designated upon acquisition	AFS	L&R	TOTAL
Debt and other fixed-return securities	157,560,733	0	431,465,194	1,917,552,252	5,991,639	2,512,569,818
Investments in shares, other floating-rate securities and fund coupons	0	0	112,613,404	218,347,257	0	330,960,661
Financial derivatives	0	20,317	0	0	0	20,317
Loans and deposits	0	0	326,883	1,709,573	78,772,538	80,808,994
– deposits with banks	0	0	0	0	70,472,826	70,472,826
– loans given	0	0	0	0	4,525,185	4,525,185
– other financial investments	0	0	326,883	1,709,573	3,774,527	5,810,983
Financial investments of reinsurance companies in reinsurance contracts	0	0	0	0	13,340,360	13,340,360
TOTAL	157,560,733	20,317	544,405,481	2,137,609,082	98,104,537	2,937,700,150

in EUR

31 December 2020

	HTM	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

in EUR

¹¹² For ease of presentation, abbreviations of individual categories of financial assets are used in the disclosures:

- HTM – held-to-maturity financial assets
- FVTPL – financial assets measured at fair value through profit or loss
- AFS – available-for-sale financial assets
- L&R – loans and receivables

in EUR

FINANCIAL ASSETS	HTM	FVTPL	AFS	L&R	TOTAL
As at 1 January 2020	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	-30,757,737	-46,198,195	-238,713,133	-41,365,828	-357,034,893
Amount removed from other comprehensive income at disposal	0	0	-22,047,628	0	-22,047,628
Valuation through profit and loss	0	8,695,330	0	0	8,695,330
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
Interest income	3,127,925	8,255,509	29,534,521	1,414,339	42,332,294
Acquisition	0	0	299,404	-1,346,323	-1,046,919
Exchange rate difference	-139,250	-1,454,678	-3,260,429	-877,802	-5,732,159
As at 31 December 2020	162,824,686	524,670,724	2,101,914,068	97,971,079	2,887,380,557
Purchases	0	303,082,731	828,612,089	61,488,798	1,193,183,618
Disposals	-155,425	-230,259,601	-500,165,301	-3,401,132	-733,981,459
Maturities	-12,394,263	-55,550,289	-273,380,879	-60,153,244	-401,478,675
Amount removed from other comprehensive income at disposal	0	0	-20,990,576	260,453	-20,730,123
Valuation through profit and loss	0	-4,896,181	0	0	-4,896,181
Valuation through other comprehensive income	0	0	-17,636,470	0	-17,636,470
Impairments	0	0	0	0	0
Premiums and discounts	4,779,663	0	-7,387,835	473	-2,607,699
Interest income	2,487,611	6,407,128	25,210,816	1,313,955	35,419,510
Acquisition	0	0	0	0	0
Exchange rate difference	18,461	971,284	1,433,172	624,155	3,047,072
As at 31 December 2021	157,560,733	544,425,798	2,137,609,082	98,104,537	2,937,700,150

As 31 December 2021, the Group's portfolio included neither received securities as collateral for loans given, nor any securities pledged as collateral for its liabilities. The proportion of the Group's financial investments classified as subordinated instruments by the issuer was 2.22% as at the reporting date.

in EUR

	Carrying value		Fair value	
	31 December 2021	31 December 2020	31 December 2021	31 December 2020
Zavarovalnica Triglav				
Loans and deposits	32,521,523	36,951,085	32,135,431	36,322,025
Held to maturity	140,946,233	143,908,512	173,901,172	186,083,461
Available for sale	1,588,390,263	1,595,002,429	1,588,390,263	1,595,002,429
At fair value through profit and loss:				
– designated	206,821,960	207,726,347	206,821,960	207,726,347
– held for trading	206,801,643	207,613,046	206,801,643	207,613,047
– held for trading	20,317	113,301	20,317	113,301
TOTAL	1,968,679,979	1,983,588,373	2,001,248,826	2,025,134,262

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Types of investment of Zavarovalnica Triglav as at 31 December 2021

in EUR

	HTM	FVTPL– Designated upon acquisition	AFS	L&R	SKUPAJ
Debt and other fixed-return securities	140,946,233	175,170,224	1,414,431,597	5,991,639	1,736,539,694
Investments in shares, other floating-rate securities and fund coupons	0	31,631,419	172,377,789	0	204,009,208
Financial derivatives	0	20,317	0	0	20,317
Loans and deposits:	0	0	1,580,876	26,529,884	28,110,760
– deposits with banks and certificates of deposits	0	0	0	19,676,707	19,676,707
– loans given	0	0	0	5,155,690	5,155,690
– other financial investments	0	0	1,580,876	1,697,486	3,278,362
TOTAL	140,946,233	206,821,960	1,588,390,263	32,521,523	1,968,679,979

Types of investment of Zavarovalnica Triglav as at 31 December 2020

in EUR

	HTM	FVTPL– Designated upon acquisition	AFS	L&R	SKUPAJ
Debt and other fixed-return securities	143,908,512	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	1,863,439	111,723,131	0	113,586,570
Financial derivatives	0	113,301	0	0	113,301
Loans and deposits:	0	0	1,966,336	30,549,912	32,516,248
– deposits with banks and certificates of deposits	0	0	0	19,567,302	19,567,302
– loans given	0	0	0	9,294,086	9,294,086
– other financial investments	0	0	1,966,336	1,688,524	3,654,860
TOTAL	143,908,512	207,726,347	1,595,002,429	36,951,085	1,983,588,373

As 31 December 2021, the Company's portfolio included neither received securities as collateral for loans given, nor any securities pledged as collateral for its liabilities. The proportion of the Company's financial investments classified as subordinated instruments by the issuer was 2.96% as at the reporting date.

in EUR

MOVEMENT OF INVESTMENTS OF ZAVAROVALNICA TRIGLAV	HTM	FVTPL	AFS	L&R	SKUPAJ
As at 1 January 2020	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	-524,770,401	-5,113	-846,306,584
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	0	0	5,419,645
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
Purchases	0	184,307,139	701,453,620	361,588	886,122,347
Maturities	-9,654,672	-28,614,834	-223,081,727	-5,266,107	-266,617,340
Disposal	0	-154,898,078	-458,906,853	-415,014	-614,219,945
Amount removed from other comprehensive income at disposal	0	0	-19,976,488	0	-19,976,488
Realized gains or losses on disposal	0	0	0	0	0
Valuation trough profit and loss	0	-3,191,308	0	0	-3,191,308
Valuation through other comprehensive income	0	0	-16,669,933	0	-16,669,933
Impairments	0	0	0	0	0
Premiums and discounts	4,779,662	0	-6,861,573	922	-2,080,989
Interest income	1,912,731	1,602,748	17,423,471	796,312	21,735,262
Transfer between funds	0	0	0	0	0
Exchange rate difference	0	-110,054	7,317	92,737	-9,999
As at 31 December 2021	140,946,233	206,821,960	1,588,390,263	32,521,523	1,968,679,979

The signs of impairment of financial investments were tested as at 31 December 2021, where with respect to equity securities a significant decrease in the fair value of the security (a 20% decrease in fair value below cost) or a long-term decrease in its fair value (a decrease in value over a 9-month period) was taken into account as objective evidence of impairment. No signs of impairment of financial investments were identified.

3.8 Unit-linked insurance assets

All unit-linked insurance assets are classified in the group of financial assets measured at fair value through profit or loss. Their carrying amounts are equal to their fair values.

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

	Triglav Group		Zavarovalnica Triglav	
	31 Dec. 2021	31 Dec. 2020	31 Dec. 2021	31 Dec. 2020
Equity instruments	594,267,074	443,699,150	529,598,379	396,272,477
Debt instruments	25,350,414	58,109,830	9,819,593	46,020,011
TOTAL	619,617,488	501,808,980	539,417,972	442,292,488

Movement of unit-linked insurance assets

	Triglav Group	Zavarovalnica Triglav
As at 1 January 2020	482,031,288	433,758,610
Purchases	101,129,592	88,646,028
Disposals	-84,766,909	-81,782,012
Maturities	-6,217,099	-5,788,340
Amount removed from other comprehensive income at disposal	0	0
Profit/loss on disposal	0	0
Valuation trough profit or loss	10,898,574	7,776,032
Valuation through other comprehensive income	0	0
Impairments	0	0
Premiums and discounts	93,186	93,186
Interest income	752,721	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
Purchases	164,719,485	130,148,467
Disposals	-126,792,780	-107,958,832
Maturities	-1,679,786	-304,161
Amount removed from other comprehensive income at disposal	0	0
Profit/loss on disposal	0	0
Valuation trough profit and loss	78,491,784	73,893,062
Valuation through other comprehensive income	0	0
Impairments	0	0
Premium and discounts	0	0
Interest income	343,564	86,419
Transfer between funds	0	0
Exchange rate difference	2,726,241	1,260,529
As at 31 December 2021	619,617,488	539,417,972

3.9 Reinsurers' share of technical provisions

	Triglav Group		Zavarovalnica Triglav	
	31 Dec. 2021	31 Dec. 2020	31 Dec. 2021	31 Dec. 2020
NON-LIFE INSURANCE				
Reinsurers' share of unearned premiums	53,115,634	40,742,291	41,581,360	35,626,767
Reinsurers' share of claims	115,899,852	82,994,283	94,405,037	70,235,406
Reinsurers' share of technical provisions for bonuses and discounts	34,916	16,339	0	0
Total non-life insurance	169,050,402	123,752,913	135,986,397	105,862,173
LIFE INSURANCE				
Reinsurers' share of unearned premiums	1,903	1,576	728	635
Reinsurers' share of claims	155,829	114,286	90,832	40,630
Reinsurers' share of other mathematical provisions	5,631,756	2,004,863	0	0
Total life insurance	5,789,488	2,120,725	91,560	41,265
TOTAL ASSETS FROM REINSURANCE CONTRACTS	174,839,890	125,873,637	136,077,958	105,903,438

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3.10 Receivables

Triglav Group

	NOT DUE			OVERDUE UP TO 180 DAYS			OVERDUE OVER 180 DAYS			in EUR
31 December 2021	Gross value	Impairment	Net value	Gross value	Impairment	Net value	Gross value	Impairment	Net value	TOTAL NET VALUE
Receivables from direct insurance operations	91,820,356	-114,585	91,705,771	22,286,167	-2,545,490	19,740,677	46,587,473	-41,178,714	5,408,759	116,855,207
Receivables from insurers	85,627,779	-109,007	85,518,772	20,961,728	-2,412,857	18,548,871	35,233,205	-33,865,076	1,368,129	105,435,772
Receivables from insurance brokers	483,018	0	483,018	284,708	-78,483	206,225	407,273	-398,445	8,828	698,071
Other receivables from direct insurance operations	5,709,559	-5,578	5,703,981	1,039,731	-54,150	985,581	10,946,995	-6,915,193	4,031,802	10,721,364
Receivables from co-insurance and reinsurance operations	50,828,032	0	50,828,032	11,928,250	0	11,928,250	4,546,183	-101,533	4,444,650	67,200,932
Premium receivable from co-insurance	2,686,589	0	2,686,589	815,126	0	815,126	516,108	-6,107	510,001	4,011,716
Premium receivable from reinsurance	36,929,384	0	36,929,384	9,645,377	0	9,645,377	2,981,035	-95,426	2,885,609	49,460,370
Receivables from co-insurers ' share in claims	345,342	0	345,342	156,693	0	156,693	2,003	0	2,003	504,038
Receivables from reinsurers ' share in claims	10,412,747	0	10,412,747	1,311,054	0	1,311,054	1,043,666	0	1,043,666	12,767,467
Other receivables from co-insurance and reinsurance operation	453,970	0	453,970	0	0	0	3,371	0	3,371	457,341
Receivables for income tax refund	4,127,384	0	4,127,384	0	0	0	0	0	0	4,127,384
Other receivables	18,726,280	-570,974	18,155,306	5,201,870	-980,917	4,220,953	64,283,690	-62,466,563	1,817,127	24,193,386
Other short-term receivables from insurance operations*	4,437,276	-25	4,437,251	3,310,488	-935,726	2,374,762	60,404,439	-59,315,389	1,089,050	7,901,063
Short-term receivables from financing	518,525	0	518,525	102,493	-696	101,797	452,813	-449,259	3,554	623,876
Other short-term receivables	12,059,476	-526,803	11,532,673	1,768,069	-44,495	1,723,574	3,426,438	-2,701,915	724,523	13,980,770
Long-term receivables	1,711,003	-44,146	1,666,857	20,820	0	20,820	0	0	0	1,687,677
TOTAL	165,502,052	-685,559	164,816,493	39,416,287	-3,526,407	35,889,880	115,417,346	-103,746,810	11,670,536	212,376,909

*Subrogated receivables are included in other short term receivables from insurance operations.

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Triglav Group

	NOT DUE			OVERDUE UP TO 180 DAYS			OVERDUE OVER 180 DAYS			in EUR
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	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
Receivables from insurance brokers	296,535	0	296,535	133,003	-23,647	109,356	569,694	-535,988	33,706	439,597
Other receivables from direct insurance operations	1,300,067	-7,069	1,292,998	923,947	-10,978	912,969	10,008,040	-7,266,640	2,741,400	4,947,367
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
Receivables from co-insurers ' share in claims	282,865	0	282,865	238,961	0	238,961	4,250	0	4,250	526,076
Receivables from reinsurers ' share in claims	5,679,670	0	5,679,670	2,457,343	0	2,457,343	4,072,999	-2,014,634	2,058,365	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	0	0	1,950,631
Other receivables	16,114,518	-6,411	16,108,107	6,404,444	-1,214,331	5,190,113	67,548,697	-65,453,769	2,094,928	23,393,148
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
Long-term receivables	1,222,534	-6,411	1,216,123	589,967	0	589,967	38,544	-38,544	0	1,806,090
TOTAL	157,568,936	-177,708	157,391,228	37,259,454	-3,632,435	33,627,019	124,346,493	-112,180,889	12,165,604	203,183,851

*Subrogated receivables are included in other short term receivables from insurance operations.

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	NOT DUE			OVERDUE UP TO 180 DAYS			OVERDUE OVER 180 DAYS			in EUR
31 December 2021	Gross value	Impairment	Net value	Gross value	Impairment	Net value	Gross value	Impairment	Net value	TOTAL NET VALUE
Receivables from direct insurance operations	62,724,256	-90,867	62,633,389	8,032,202	-1,226,874	6,805,328	19,914,409	-15,836,552	4,077,857	73,516,574
Receivables from insurers	57,180,390	-90,867	57,089,523	7,337,698	-1,219,558	6,118,140	15,952,913	-15,816,111	136,802	63,344,465
Receivables from insurance brokers	0	0	0	0	0	0	0	0	0	0
Other receivables from direct insurance operations	5,543,866	0	5,543,866	694,504	-7,316	687,188	3,961,496	-20,441	3,941,055	10,172,109
Receivables from co-insurance and reinsurance operations	16,077,319	0	16,077,319	4,784,925	0	4,784,925	2,660,096	0	2,660,096	23,522,340
Premium receivable from co-insurance	703,483	0	703,483	0	0	0	0	0	0	703,483
Premium receivable from reinsurance	9,334,452	0	9,334,452	3,858,491	0	3,858,491	2,037,158	0	2,037,158	15,230,101
Receivables from co-insurers ' share in claims	182,738	0	182,738	45,402	0	45,402	0	0	0	228,140
Receivables from reinsurers ' share in claims	5,856,646	0	5,856,646	881,032	0	881,032	622,938	0	622,938	7,360,616
Other receivables from co-insurance and reinsurance operation	0	0	0	0	0	0	0	0	0	0
Receivables for income tax refund	564,166	0	564,166	0	0	0	0	0	0	564,166
Other receivables	4,273,617	-25	4,273,592	3,591,774	-928,466	2,663,308	58,948,341	-58,318,754	629,587	7,566,487
Other short-term receivables from insurance operations*	1,568,569	-25	1,568,544	3,048,304	-927,771	2,120,533	58,727,842	-58,120,916	606,926	4,296,003
Short-term receivables from financing	462,938	0	462,938	102,493	-695	101,798	140,640	-140,170	470	565,206
Other short-term receivables	1,962,760	0	1,962,760	440,977	0	440,977	79,859	-57,668	22,191	2,425,928
Long-term receivables	279,350	0	279,350	0	0	0	0	0	0	279,350
TOTAL	83,639,358	-90,892	83,548,466	16,408,901	-2,155,340	14,253,561	81,522,846	-74,155,306	7,367,540	105,169,567

*Subrogated receivables are included in other short term receivables from insurance operations.

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in EUR										
31 December 2020	NOT DUE			OVERDUE UP TO 180 DAYS			OVERDUE OVER 180 DAYS			TOTAL NET VALUE
	Gross value	Impairment	Net value	Gross value	Impairment	Net value	Gross value	Impairment	Net value	
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

*Subrogated receivables are included in other short term receivables from insurance operations.

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The table below shows an analysis of changes in impairment adjustment separately for the Triglav Group and Zavarovalnica Triglav.

	in EUR			
	Triglav Group		Zavarovalnica Triglav	
	2021	2020	2021	2020
VALUE ADJUSTMENT OF RECEIVABLES FROM POLICYHOLDERS				
Impairment allowance for receivables as at 1 January	39,353,272	41,518,055	19,206,413	20,330,577
– Increase of impairment allowance for receivables	4,393,727	5,619,174	2,607,237	2,969,080
– Decrease in impairment allowance for receivables	-3,037,943	-3,234,174	-2,523,776	-2,268,890
– Receivables write-off	-4,363,319	-4,407,712	-2,163,338	-1,824,355
– Changes in Group	0	0	0	0
– Acquisition	6,176	-25,545	0	0
– Exchange rate difference	35,030	-116,526	0	0
Impairment allowance for receivables as at 31 December	36,386,940	39,353,272	17,126,536	19,206,413
IMPAIRMENT ALLOWANCE FOR OTHER SHORT-TERM RECEIVABLES				
Impairment allowance for receivables as at 1 January	62,548,247	64,624,294	61,510,856	63,606,384
– Increase of impairment allowance for receivables	7,179,130	8,457,591	7,123,619	8,428,269
– Decrease in impairment allowance for receivables	-5,986,348	-6,179,827	-6,095,000	-6,171,650
– Receivables write-off	-3,490,763	-4,352,147	-3,490,763	-4,352,147
– Changes in Group	0	0	0	0
– Exchange rate difference	874	-1,664	0	0
Impairment allowance for receivables as at 31 December	60,251,140	62,548,247	59,048,712	61,510,856
VALUE ADJUSTMENT OF OTHER RECEIVABLES				
Impairment allowance for receivables as at 1 January	14,089,513	14,846,966	350,419	361,021
– Increase of impairment allowance for receivables	293,938	527,886	48,390	84,788
– Decrease in impairment allowance for receivables	-2,517,850	-259,361	-35,643	-18,753
– Receivables write-off	-577,353	-916,168	-136,876	-76,637
– Transfer on deferred income	0	0	0	0
– Exchange rate difference	32,448	-110,807	0	0
– Changes in Group	0	997	0	0
– Merger	0	0	0	0
– Transfer on disposal group held for sale	0	0	0	0
Impairment allowance for receivables as at 31 December	11,320,696	14,089,513	226,290	350,419
TOTAL VALUE ADJUSTMENT OF RECEIVABLES				
As at 1 January	115,991,032	120,989,315	81,067,688	84,297,982
As at 31 December	107,958,776	115,991,032	76,401,538	81,067,689

3.11 Other assets

	in EUR			
	Triglav Group		Zavarovalnica Triglav	
	31 Dec. 2021	31 Dec. 2020	31 Dec. 2021	31 Dec. 2020
Inventories	474,248	526,765	199,858	253,006
Deferred costs	3,940,050	5,009,827	1,313,402	3,087,241
Investments into computer software for the Group	0	401,553	0	401,553
Other assets	428,727	358,560	0	0
TOTAL	4,843,025	6,296,705	1,513,260	3,741,799

3.12 Cash and cash equivalents

	in EUR			
	Triglav Group		Zavarovalnica Triglav	
	31 Dec. 2021	31 Dec. 2020	31 Dec. 2021	31 Dec. 2020
Cash in bank accounts	54,383,207	58,670,999	13,897,783	17,288,122
Call account	27,510,454	22,766,225	0	5,000,172
Cash on hand	427,969	462,440	15,208	15,928
TOTAL	82,321,630	81,899,664	13,912,991	22,304,222

3.13 Non-current assets held for sale

	in EUR			
	Triglav Group		Zavarovalnica Triglav	
	31 Dec. 2021	31 Dec. 2020	31 Dec. 2021	31 Dec. 2020
Land and property of company Triglav upravljanje nekretninama d.o.o., Zagreb	49,514	146,884	0	0
Land and property of company Triglav Upravljanje nepremičnin d.o.o.	3,564,626	768,967	0	0
Land and property of company Triglav Osiguranje a.d., Banja Luka	197,904	0	0	0
TOTAL	3,812,044	915,851	0	0



3.14 Equity

As at 31 December 2021, the Company's share capital amounted to EUR 73,701,392 (31 December 2020: EUR 73,701,392). It was divided into 22,735,148 ordinary registered no-par value shares. Each share represents the same stake and corresponding amount in share capital. The proportion of each no-par value share in the share capital is determined based on the number of no-par value shares issued. All the shares have been paid up in full.

The shares are entered in the KDD register under the ZVTG ticker symbol and are listed on the Ljubljana Stock Exchange Prime Market. Shareholders have the right to participate in the management of the company and the right to participate in profit.

As at 31 December 2021, there were 11,998 subscribers of shares in Zavarovalnica Triglav's share register (31 December 2020: 12,982). The largest subscribers are presented in the table below.

Shareholders of Zavarovalnice Triglav¹¹³

	Numbers of shares	Share (%)
Subscribers	2021	2021
Zavod za pokojninsko in invalidsko zavarovanje Slovenije, Ljubljana	7,836,628	34.47
SDH d.d., Ljubljana	6,386,644	28.09
Erste Group Bank - PBZ Croatia Osiguranje OMF account – fiduciary account, Austria	1,526,190	6.71
Unicredit Bank Austria – fiduciary account, Austria	595,286	2.62
Citibank – fiduciary account, Great Britain	555,383	2.44
Hrvatska poštanska banka – fiduciary account, Croatia	232,764	1.02
Skandinaviska Enskilda Banken – fiduciary account, Luxembourg	161,940	0.71
Clearstream Banking SA – fiduciary account, Luxembourg	120,565	0.53
State Street Bank and Trust – fiduciary account, USA	90,194	0.40
Forplan d.o.o., Ljubljana	83,014	0.37
Other shareholders (less than 1%)	5,146,540	22.64
TOTAL	22,735,148	100.00

	Numbers of shares	Share (%)
Subscribers	2020	2020
Zavod za pokojninsko in invalidsko zavarovanje Slovenije, Ljubljana	7,836,628	34.47
SDH d.d., Ljubljana	6,386,644	28.09
Addiko Bank d.d., Pension fund 1 – fiduciary account, Croatia	1,526,190	6.71
Unicredit Bank Austria – fiduciary account, Austria	604,642	2.66
Citibank – fiduciary account, Great Britain	530,402	2.33
Hrvatska poštanska banka – fiduciary account, Croatia	232,644	1.02
East Capital – East Capital Balkans, Luxembourg	186,201	0.82
Pozavarovalnica Sava Re d.d., Ljubljana	166,678	0.73
The Bank of New York Mellon – fiduciary account, USA	84,399	0.37
Forplan d.o.o., Ljubljana	84,298	0.37
Other shareholders (less than 1%)	5,096,422	22.43
TOTAL	22,735,148	100.00

Share price

	31 Dec. 2021	31 Dec. 2020
Quoted price of the share on the regulated securities market	36.80	30.00
Book value of equity per share	29.70	28.33

Distribution of accumulated profits of Zavarovalnica Triglav

	2021	2020
Net profit/loss for the year	73,415,549	57,997,639
Net profit brought forward	50,974,423	60,543,475
Increase in retained income	-29,592	-16,939
Increase of other reserves from profit based on the decision by the Management and Supervisory Boards	-36,700,000	-28,900,000
ACCUMULATED PROFITS	87,660,380	89,624,175
Distribution of accumulated profits		
– to shareholders		38,649,752
– allocation to other reserves from profit		0
– transfer to the following year		50,974,423

The General Meeting of Shareholders will decide on the distribution of accumulated profit for 2021 at the proposal of the Management Board and the Supervisory Board.

Reserves from profit

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

In accordance with the ZGD-1, the Management Board may allocate up to one half of the amount of the net profit remaining after the appropriation of the profit for the purposes required by law to create other reserves. In addition to prudent risk management, the creation of these reserves based on, in particular, the anticipated company's strategic needs for capital, taking into account capital sources. When preparing the Annual Report for 2021, the Management Board formed other reserves from profit in the amount of EUR 36,700,000.

Treasury shares reserves and treasury shares (as a deductible item)

The treasury shares include the shares of Zavarovalnica Triglav held by other Group companies whose financial statements are included in the Group's consolidated financial statements. Triglav, Upravljanje nepremičnin d.o.o. held 24,312 shares of Zavarovalnica Triglav in the amount of EUR 364,680 as at 31 December 2021. The balance of treasury shares is unchanged compared to the preceding year.

In the consolidated financial statements, treasury shares are measured at cost and recognised as a deductible under equity. For these shares, treasury share reserves are created in the same amount from net profit brought forward.

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¹¹³ Based on KDD data, the table lists the 10 largest shareholders or subscribers who are custodian banks with shares of their clients in fiduciary accounts.

Fair value reserves

Fair value reserves are changes in the fair value of available-for-sale financial assets and are reduced by deferred taxes. Changes in fair value reserves are specified in greater detail in the statement of comprehensive income in Section 1.3.

Translation differences

Translation differences arise from foreign exchange differences in consolidation procedures. In 2021, translation differences amounted to EUR 169,111 (2020: EUR 533,006)¹¹⁴. Translation differences mainly refer to the change in the exchange rate of Croatian kuna and Serbian dinar.

Notes to the statement of changes in equity

The following changes are shown in the Group’s statement of changes in equity for 2021:

- increase in capital for net profit of the year in the amount of EUR 112,965,693, of which EUR 203,879 is accounted for by non-controlling interest holders;
- reduction of capital for the payment of dividends in the amount of EUR 38,608,421;
- allocation of net profit from 2020 to net profit brought forward in the amount of EUR 44,131,954;
- allocation of net profit from 2021 to reserves from profit in the amount of EUR 37,321,969;
- increase in legal and statutory reserves from net profit brought forward in the amount of EUR 205,295;
- reclassification from statutory reserves to other reserves from profit in the amount of EUR 652,926;
- the effect of repurchases of shares of subsidiaries from non-controlling interest holders, which reduced the value of non-controlling interest holders’ capital by EUR 97,315, while the positive effect of repurchases in the amount of EUR 12,640 is disclosed as an increase in the Group’s share premium;
- reduction of fair value reserves and net profit brought forward in the total amount of EUR 11,437,675, of which EUR 134,292 reduces the capital of non-controlling interest holders. The decrease relates to the re-measurement of the fair value of financial investments and the recalculation of actuarial gains and losses related to employee benefits.

The following changes are shown in the Company’s statement of changes in equity for 2021:

- increase in capital for net profit of the year in the amount of EUR 73,415,549;
- reduction of capital for the payment of dividends in the amount of EUR 38,649,752 based on a General Meeting of Shareholders’ resolution;
- allocation of net profit from 2020 to net profit brought forward in the amount of EUR 29,097,639;
- allocation of net profit from 2021 to reserves from profit in the amount of EUR 36,700,000 based on a General Meeting of Shareholders’ resolution;

- reduction of fair value reserves and net profit brought forward in the total amount of EUR 3,547,037 related to the re-measurement of the fair value of financial investments and the recalculation of actuarial gains and losses related to employee benefits.

3.15 Subordinated liabilities

	Triglav Group		Zavarovalnica Triglav	
	31 Dec. 2021	31 Dec. 2020	31 Dec. 2021	31 Dec. 2020
Amortised cost	49,471,831	49,423,693	49,471,831	49,423,693
Fair value	53,749,521	51,792,521	53,749,521	51,792,521

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

Issued bonds are disclosed at amortised cost. When calculating the fair value, the price according to the valuation model is taken into account, as there are very few transactions on the Ljubljana Stock Exchange. As at 31 December 2021, the price of ZAVARO 4 3/8 10/22/49 was 106.660% (31 December 2020: 102.746).

In the event of the Company’s bankruptcy or liquidation, liabilities from the above-mentioned bond issues are subordinated to net debt instruments and are paid only when all non-subordinated liabilities to ordinary creditors have been paid. The holders of bonds do not have the right to early redemption before the maturity date set by the amortisation schedule. Bonds are not convertible to equity or any other liability.

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

The calculation of insurance technical provisions is based on actuarial methods, with the influence of selected estimates and assumptions, especially in the calculation of life insurance liabilities, being very large. The estimates and assumptions used in the calculation of insurance technical provisions for life insurance are described below.

The valuation of life and annuity insurance liabilities was carried out by using the modified prospective net premium method, taking into account acquisition costs, including all contractual obligations and

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¹¹⁴ The amount does not include translation differences relating to non-controlling interests.

bonuses. The insurance technical parameters used by the method are either the same as those used for calculating insurance premium or adjusted so as to reflect subsequently changed circumstances which increase the value of liabilities. This is particularly the case for annuity insurance where in the calculation of liabilities the insurance company takes into account own, more conservative mortality tables and a carefully set (lower) interest rate. Slovenian annuity mortality tables SIA65 from 2010 and the interest rate of 2.4% were used for contracts with a guaranteed interest rate of 2.5% or more. The guaranteed technical interest rate used for valuation ranged between 0% and 5.0%. The calculation took into account acquisition costs below 3.5% of the sum insured under life insurance policies.

The mathematical provisions for voluntary pension insurance were built up over the accumulation period using the retrospective method. In calculating the provisions, this method takes into account all premiums paid up to the valuation date, entry fees, sums paid out, bonuses from the guaranteed interest rate and bonuses credited to personal accounts from profit participation. The mathematical provisions for voluntary pension insurance during the pension annuity payout period were created using the prospective net method. The insurance technical parameters taken into account in the calculation are either the same as those set at the time of underwriting the policy or adjusted to the circumstances expected during pension payout, if these circumstances are worse than those taken into account in premium calculation. The interest rate used in the valuation of liabilities during premium payments ranged from 0.75% to 2.45%. An interest rate in the range of 0.5–2.4% and the Slovenian annuity mortality table SIA65 from 2010 were used in the valuation of liabilities for the pension annuity payout period.

The mathematical provisions for voluntary pension insurance were built up over the accumulation period using the retrospective method; during the pension annuity payout period, provisions are set aside based on the present value of estimated future liabilities (the prospective net method). The insurance technical parameters taken into account in the calculation either match the parameters set at the time of underwriting the policy or are adjusted for those subsequently changed circumstances that increase the amount of liabilities, particularly in the valuation of liabilities during the pension payout period. Slovenian annuity mortality tables SIA65 from 2010 were used in the valuation of liabilities. An interest rate in the range of 0.5–2.4% was used in the valuation of liabilities for the pension annuity payout period.

	Triglav Group		Zavarovalnica Triglav	
	31 Dec. 2021	31 Dec. 2020	31 Dec. 2021	31 Dec. 2020
NON-LIFE INSURANCE				
GROSS UNEARNED PREMIUM PROVISIONS	366,127,294	340,941,945	245,629,454	234,785,484
GROSS CLAIMS PROVISIONS	655,329,262	609,302,604	425,072,536	410,567,439
Gross claims provisions for IBNR and IBNER	263,481,464	284,671,957	165,583,089	192,205,172
Gross provisions for incurred and reported claims	355,693,497	295,382,960	228,650,138	194,301,647
Gross claims provisions for co-insurance	646,211	655,874	646,211	655,874
Expected subrogation	-6,391,970	-6,796,269	-6,391,970	-6,796,269
Provisions for claim handling costs	41,900,059	35,388,083	36,585,068	30,201,015
GROSS PROVISIONS FOR BONUSES AND DISCOUNTS	24,165,736	24,882,389	23,724,069	23,837,107
OTHER GROSS INSURANCE TECHNICAL PROVISIONS	4,938,070	5,412,958	1,906,281	2,067,543
TOTAL NON-LIFE INSURANCE TECHNICAL PROVISIONS	1,050,560,362	980,539,896	696,332,340	671,257,573
LIFE INSURANCE				
GROSS UNEARNED PREMIUM PROVISIONS	454,613	457,883	388,396	405,332
GROSS MATHEMATICAL PROVISIONS	1,432,613,660	1,457,023,963	1,008,319,155	1,041,557,084
Gross mathematical provisions covering life insurance	810,444,012	843,031,557	723,013,422	765,330,996
Gross mathematical provisions covering SVPI	545,627,331	547,404,191	208,763,416	209,637,873
Gross mathematical provisions covering SVPI during the annuity pay-out period	76,542,317	66,588,215	76,542,317	66,588,215
GROSS CLAIMS PROVISIONS	23,114,787	21,380,025	21,494,719	19,692,182
Gross claims provisions for IBNR and IBNER	19,431,913	17,325,134	18,542,390	16,280,801
Gross provisions for incurred and reported claims	3,382,190	3,780,134	2,684,866	3,175,954
Gross claims provisions for co-insurance	0	0	0	0
Expected subrogation	0	0	0	0
Provisions for claim handling costs	300,683	274,757	267,463	235,427
GROSS PROVISIONS FOR BONUSES AND DISCOUNTS	0	14,516	0	0
OTHER INSURANCE TECHNICAL PROVISIONS	16,230,260	20,323,718	13,838,576	17,403,211
TOTAL LIFE INSURANCE TECHNICAL PROVISIONS	1,472,413,320	1,499,200,105	1,044,040,846	1,079,057,809
HEALTH INSURANCE				
GROSS UNEARNED PREMIUM PROVISIONS	3,461,818	3,361,099	0	0
GROSS CLAIMS PROVISIONS	16,054,262	14,648,539	0	0
Gross claims provisions for IBNR and IBNER	14,062,216	13,461,809	0	0
Gross provisions for incurred and reported claims	1,735,686	792,999	0	0
Gross claims provisions for co-insurance	42,281	39,453	0	0
Expected subrogation	0	0	0	0
Provisions for claim handling costs	214,079	354,277	0	0
GROSS PROVISIONS FOR BONUSES AND DISCOUNTS	3,298,449	3,298,449	0	0
OTHER INSURANCE TECHNICAL PROVISIONS	30,580,173	22,181,056	0	0
TOTAL HEALTH INSURANCE TECHNICAL PROVISIONS	53,394,702	43,489,143	0	0
TOTAL INSURANCE TECHNICAL PROVISIONS	2,576,368,384	2,523,229,144	1,740,373,186	1,750,315,383
GROSS MATHEMATICAL PROVISIONS FOR UNIT-LINKED LIFE INSURANCE	622,303,398	509,984,710	540,135,052	448,726,097

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.

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Gross and net claims provisions

in EUR

	Triglav Group		Zavarovalnica Triglav	
	31 Dec. 2021	31 Dec. 2020	31 Dec. 2021	31 Dec. 2020
NON-LIFE INSURANCE				
Gross provisions for incurred and unreported claims	246,006,802	263,661,814	156,055,411	180,600,843
Gross claims provisions	263,481,465	284,671,957	165,583,089	192,205,172
Reinsurers' share	-17,474,662	-21,010,143	-9,527,678	-11,604,329
Gross provisions for incurred and reported claims	256,859,736	232,983,504	143,364,210	135,260,905
Gross claims provisions	355,693,497	295,382,960	228,650,138	194,301,647
Reinsurers' and co-insurers' share	-98,833,761	-62,399,456	-85,285,928	-59,040,742
Gross claims provisions for co-insurance	646,211	661,523	646,211	655,874
Gross claims provisions	646,211	655,874	646,211	655,874
Reinsurers' share	0	5,649	0	0
Expected subrogation	-5,983,401	-6,386,603	-5,983,401	-6,386,603
Gross claims provisions	-6,391,970	-6,796,269	-6,391,970	-6,796,269
Reinsurers' share	408,569	409,666	408,569	409,666
Provisions for claim handling costs	41,900,059	35,388,083	36,585,068	30,201,015
Gross claims provisions	41,900,059	35,388,083	36,585,068	30,201,015
Reinsurers' share	0	0	0	0
TOTAL LIFE INSURANCE GROSS CLAIMS PROVISIONS	539,429,407	526,308,321	330,667,499	340,332,034
TOTAL GROSS CLAIMS PROVISIONS	655,329,262	609,302,605	425,072,536	410,567,439
TOTAL REINSURERS' SHARE	-115,899,852	-82,994,284	-94,405,037	-70,235,406

in EUR

	Triglav Group		Zavarovalnica Triglav	
	31 Dec. 2021	31 Dec. 2020	31 Dec. 2021	31 Dec. 2020
LIFE INSURANCE				
Gross provisions for incurred and unreported claims	19,431,913	17,325,134	18,542,390	16,280,801
Gross claims provisions	19,431,913	17,325,134	18,542,390	16,280,801
Reinsurers' share	0	0	0	0
Gross provisions for incurred and reported claims	3,226,361	3,665,848	2,594,034	3,135,324
Gross claims provisions	3,382,190	3,780,134	2,684,866	3,175,954
Reinsurers' share	-155,829	-114,286	-90,832	-40,630
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	300,683	274,757	267,463	235,427
Gross claims provisions	300,683	274,757	267,463	235,427
Reinsurers' share	0	0	0	0
TOTAL LIFE INSURANCE GROSS CLAIMS PROVISIONS	22,958,957	21,265,739	21,403,887	19,651,552
TOTAL GROSS CLAIMS PROVISIONS	23,114,787	21,380,025	21,494,719	19,692,182
TOTAL REINSURERS' SHARE	-155,829	-114,286	-90,832	-40,630

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	Triglav Group		Zavarovalnica Triglav	
	31 Dec. 2021	31 Dec. 2020	31 Dec. 2021	31 Dec. 2020
HEALTH INSURANCE				
Gross provisions for incurred and unreported claims	14,062,216	13,461,809	0	0
Gross claims provisions	14,062,216	13,461,809	0	0
Reinsurers' share	0	0	0	0
Gross provisions for incurred and reported claims	1,735,686	792,999	0	0
Gross claims provisions	1,735,686	792,999	0	0
Reinsurers' and co-insurers' share	0	0	0	0
Gross claims provisions for co-insurance	42,281	39,453	0	0
Gross claims provisions	42,281	39,453	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	214,079	354,277	0	0
Gross claims provisions	214,079	354,277	0	0
Reinsurers' share	0	0	0	0
TOTAL HEALTH INSURANCE GROSS CLAIMS PROVISIONS	16,054,262	14,648,538	0	0
TOTAL GROSS CLAIMS PROVISIONS	16,054,262	14,648,538	0	0
TOTAL REINSURERS' SHARE	0	0	0	0

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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 2020	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
Increase	265,980,915	0	230,589,155	17,212,543	3,053,771	0	516,836,384
Use	-240,971,129	0	-184,792,860	-17,932,464	-3,531,416	0	-447,227,869
Exchange rate difference	175,563	0	230,363	3,268	2,757	0	411,951
31 December 2021	366,127,294	0	655,329,262	24,165,736	4,938,070	0	1,050,560,362

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 2020	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
Increase	408,591	107,993,661	16,372,852	0	618,036	170,753,420	296,146,560
Use	-411,930	-132,628,576	-14,639,940	-14,516	-4,711,573	-58,543,880	-210,950,415
Transfer between funds	0	0	0	0	0	0	0
Exchange rate difference	69	224,612	1,850	0	79	109,148	335,758
31 December 2021	454,613	1,432,613,660	23,114,787	0	16,230,260	622,303,398	2,094,716,718

in EUR

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 2020	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
Increase	3,461,818	0	15,595,425	0	8,605,950	0	27,663,193
Use	-3,361,099	0	-14,189,702	0	-206,833	0	-17,757,634
Exchange rate difference	0	0	0	0	0	0	0
31 December 2021	3,461,818	0	16,054,262	3,298,449	30,580,173	0	53,394,702

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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 2020	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
Increase	203,868,546	178,339,458	17,071,676	1,906,281	0	401,185,961
Use	-193,024,576	-163,834,361	-17,184,714	-2,067,543	0	-376,111,194
31 December 2021	245,629,454	425,072,536	23,724,069	1,906,281	0	696,332,340

in EUR

LIFE INSURANCE	Gross unearned premium	Gross mathematical provisions	Gross provisions for bonuses and discounts	Other gross insurance technical provisions	Unit-linked insurance-technical provisions	Total gross insurance technical provisions
1 January 2020	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
Increase	388,396	58,496,458	11,907,104	0	141,789,936	212,581,894
Use	-405,332	-91,734,387	-10,104,567	-3,564,635	-50,380,981	-156,189,902
Transfer between funds	0	0	0	0	0	0
31 December 2021	388,396	1,008,319,155	21,494,719	13,838,576	540,135,052	1,584,175,898

Analysis of the decrease in gross mathematical provisions

in EUR

	Triglav Group		Zavarovalnica Triglav	
	2021	2020	2021	2020
Surrenders	34,745,374	41,713,979	13,582,683	28,097,610
Endowments	67,344,272	53,130,433	63,191,276	48,648,353
Deaths	3,532,657	3,191,863	2,638,500	2,477,250
Other	27,006,273	7,330,215	12,321,928	99,711
TOTAL	132,628,576	105,366,490	91,734,387	79,322,924

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

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

in EUR

	Year of occurrence											
	Before 2012	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	TOTAL
Cumulative loss assessment												
– at the end of year of occurrence		537,773,397	540,980,548	523,335,884	494,721,974	497,610,909	523,078,938	559,765,704	589,478,961	699,754,015	651,454,343	
– 1 year after year of occurrence		539,573,012	447,917,990	481,304,284	477,337,992	463,199,516	513,384,536	551,464,785	615,659,287	567,980,725		
– 2 years after year of occurrence		500,921,267	463,342,293	466,027,510	463,910,257	456,287,534	505,363,769	551,950,951	570,039,619			
– 3 years after year of occurrence		496,641,454	439,583,068	458,436,319	460,400,102	450,345,614	501,998,857	556,923,802				
– 4 years after year of occurrence		487,381,079	433,339,855	453,418,013	453,483,042	449,036,330	512,189,291					
– 5 years after year of occurrence		481,306,074	431,734,293	449,934,658	452,435,034	459,081,971						
– 6 years after year of occurrence		476,606,548	427,365,044	449,715,329	463,207,693							
– 7 years after year of occurrence		473,185,651	425,783,667	456,124,574								
– 8 years after year of occurrence		467,706,623	433,719,427									
– 9 years after year of occurrence		468,598,228										
– 10 years after year of occurrence	84,482,924											
Cumulative loss assessment		468,598,228	433,719,427	456,124,574	463,207,693	459,081,971	512,189,291	556,923,802	570,039,619	567,980,725	651,454,343	
Cumulative payments until balane sheet date	5,785,784	460,712,456	421,858,043	445,614,142	446,631,550	439,351,507	487,468,470	519,138,075	514,427,310	461,379,685	385,774,221	
Claims provisions balance at the beginning of the period	18,200,013	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
Settled during the period	5,785,784	745,893	690,287	1,867,101	1,632,476	3,135,674	5,757,472	9,297,936	28,075,864	108,143,481	385,774,221	550,906,188
Claim provisions balance	78,697,140	7,885,772	11,861,384	10,510,431	16,576,143	19,730,465	24,720,821	37,785,727	55,612,309	106,601,041	265,680,122	635,661,355

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

in EUR

	Year of occurrence											
	Before 2012	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	TOTAL
Cumulative loss assessment												
– at the end of year of occurrence		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	319,180,313	
– 1 year after year of occurrence		304,864,538	266,546,400	276,286,823	244,620,306	248,557,097	279,993,010	278,632,613	281,008,780	263,456,383		
– 2 years after year of occurrence		296,542,971	256,384,328	265,047,929	236,877,342	244,240,955	273,830,944	269,833,005	275,224,075			
– 3 years after year of occurrence		289,326,478	249,972,030	260,339,640	233,832,537	238,886,264	270,644,347	266,837,916				
– 4 years after year of occurrence		283,750,168	245,898,744	255,549,812	229,118,262	237,422,941	269,327,405					
– 5 years after year of occurrence		279,036,814	243,246,940	251,874,520	230,089,064	235,266,092						
– 6 years after year of occurrence		273,848,769	239,361,697	252,655,777	228,533,326							
– 7 years after year of occurrence		271,275,009	238,448,945	247,509,999								
– 8 years after year of occurrence		263,385,521	236,727,536									
– 9 years after year of occurrence		262,219,177										
– 10 years after year of occurrence	72,676,257											
Cumulative loss assessment		262,219,177	236,727,536	247,509,999	228,533,326	235,266,092	269,327,405	266,837,916	275,224,075	263,456,383	319,180,313	
Cumulative payments until balane sheet date		256,035,750	227,649,647	240,138,221	214,837,777	221,207,179	252,083,816	245,145,027	244,049,910	215,456,620	161,267,044	
Claims provisions balance at the beginning of the period	84,637,874	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		387,162,693
Settled during the period	4,208,051	498,443	277,829	1,504,184	1,178,884	2,085,942	3,543,721	4,229,408	12,906,141	52,186,062	161,267,044	243,885,708
Claim provisions balance	68,468,206	6,183,427	9,077,889	7,371,777	13,695,549	14,058,913	17,243,589	21,692,890	31,174,165	47,999,764	157,913,269	394,879,438

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3.17 The liability adequacy test (LAT) for life insurance

The liability adequacy test for life insurance provisions was performed as at 31 December 2021 by the Group's certified actuaries.

3.17.1 Test assumptions

Mortality, longevity and morbidity assumptions

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

Portfolio persistency

The model uses the probability of an early termination (lapse) of the insurance contract or discontinuation of premium payments determined based on the lapse analysis of life insurance contracts in past years. The Company continuously monitors the persistency of insurance policies by policy term and type of insurance, adjusting assumptions accordingly.

Expenses

The model takes into account policy handling/maintenance expenses, claim handling expenses and asset management expenses, as determined based on the cost analysis of an individual insurance company of the Group in previous years and business plans of insurance companies in the next strategy period. Estimated future expenses are increased annually in line with the expected inflation rate.

Increasing premium

In the case of insurance policies of which monthly premium changes and is directly or indirectly dependent on wage growth, premium growth will be taken into account in the future in accordance with the expected wage growth 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 Slovenian government debt securities denominated in euros as at 31 December 2021 was used for Zavarovalnica Triglav. The ten-year benchmark is 1.02% for life, annuity and voluntary pension insurance, and 0.46% for all other insurance.
- The yield curve of Slovenian government debt securities denominated in euros as at 31 December 2021 was used for Triglav, pokojninska družba d.d. The ten-year benchmark is 0.46%.
- The yield curve of Slovenian government debt securities denominated in euros as at 31 December 2021 was used for Triglav Osiguranje d.d., Sarajevo. The ten-year benchmark is 0.46%.

- The yield curve of Slovenian government debt securities denominated in euros as at 31 December 2021 was used for Lovćen životna osiguranja a.d., Podgorica. The ten-year benchmark is 0.46%.
- The yield curve of Croatian government debt securities denominated in euros and with the payment of obligations in Croatian kuna as at 31 December 2021 was used for Triglav Osiguranje d.d., Zagreb. The ten-year benchmark is 1.05%.
- The yield curves of Serbian government debt securities denominated in euros (the ten-year benchmark is 2.25%) and Serbian dinars (the ten-year benchmark is 4.19%) as at 31 December 2021 were used for Triglav Osiguranje a.d.o., Belgrade.
- The yield curve of Macedonian government debt securities denominated in Macedonian denar as at 31 December 2020 was used for Triglav Osiguruvanje Život a.d., Skopje. The ten-year benchmark is 1.69%.

Profit participation

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

In the model, profit as surplus over the technical interest rate of the policy is allocated to with-profits policies. The allocation is determined based on 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 22–50% of supplemental voluntary pension insurance policyholders and 95% 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.

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3.17.2 Test results

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 Zavarovalnica Triglav’s guarantee funds backing supplemental voluntary pension insurance, disclosing a total deficit of EUR 12,257,283 as at 31 December 2021 (2020: EUR 15,348,574). Due to the decrease in the deficit compared to the preceding year, other insurance technical provisions were released in the amount of EUR 3,091,290.

3.17.3 Test sensitivity analysis

The valuation of liabilities mainly depends on insurance technical parameters such as mortality, lapse rate, operating expenses and the probability of policyholders deciding to opt for pension annuity and future increase in the life expectancy of the population. 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. These changes are potentially practicable changes in the above parameters, which could significantly impact the future performance of insurance companies.

Individual sensitivity analyses 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 test results in the table below show how changes in specific parameters impact the disclosed deficit.

The level of deficit using changed parameters	Zavarovalnica Triglav
Increased probability of mortality by 10%	10,461,687
Decreased probability of mortality by 10%	16,967,713
Increased lapse rate by 10%	12,257,283
Decreased lapse rate by 10%	12,257,283
Increased costs by 10%	12,967,935
Increased share of policyholders who will decide to buy a pension annuity by 10%	12,257,283
Zero increase in life expectancy of the population	12,257,283

For Triglav Osiguranje a.d.o., Beograd, Triglav Osiguranje d.d., Sarajevo, Lovćen životna osiguranja a.d., Podgorica, Triglav Osiguranje d.d., Zagreb, Triglav Osiguruvanje Život, a.d. Skopje and Triglav, pokojninska družba d.d., the LAT showed an adequate amount of provisions formed even in the event of changed parameters.

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

The liability adequacy test for non-life insurance provisions was performed as at 31 December 2021 by the Group’s certified actuaries.

The LAT results for Zavarovalnica Triglav show that provisions for unearned premium together with provisions for unexpired risks are formed in an adequate amount. No additional provisions had to be made.

Based on the liability adequacy test for health insurance provisions, a deficit in the amount of EUR 21,951,153 was established as at 31 December 2021 (EUR 18,092,156 as at 31 December 2020). Therefore, provisions for unexpired risks in the amount of EUR 3,858,997 were additionally created in 2021. The provisions are intended for covering future healthcare service surcharges, which will be subsequently determined by the minister responsible for health.

In the context of testing the adequacy of provisions, the LAT for liabilities paid out as annuities was carried out. The following assumptions were taken into account in the calculation:

- Mortality: The risk arises from the longevity assumption. Slovenian annuity mortality tables SIA65 from 2010, which are used for the valuation of life insurance products, are 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: 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 performed every year, which is duly taken into account when valuating liabilities from annuity claims.
- Discount interest rate: Financial markets are currently experiencing low interest rates. The basic model for calculating the capitalised amounts for annuity claims takes into account a 0.50% discount interest rate.

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3.19 Provisions for employee benefits

	Triglav Group		Zavarovalnica Triglav	
	31 Dec. 2021	31 Dec. 2020	31 Dec. 2021	31 Dec. 2020
Provisions for unused leave	4,573,999	4,680,123	3,665,467	3,858,499
Provisions for retirement benefits	10,914,184	10,765,010	7,552,987	7,489,893
Provisions for jubilee payments	2,183,950	2,336,020	1,623,850	1,724,972
TOTAL	17,672,133	17,781,153	12,842,304	13,073,364

The following estimates and assumptions were taken into account in the calculation of provisions for pensions and retirement benefits:

- The expected mortality based on 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 companies 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 companies outside Slovenia, the expected employee turnover in an individual country was taken into account.
- The expected annual average wage growth in Slovenia was 2.9%; in the subsidiaries outside Slovenia, the expected average wage 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 2021. The ten-year benchmark is 0.46%. In the companies outside Slovenia, the yield curves of government debt securities of individual countries were taken into account.

Analysis of the movement of employee benefits at the Triglav Group

	in EUR		
	Provisions for unused leave	Provisions for retirement benefits	Provisions for jubilee payments
As at 1 January 2020	4,281,300	9,540,429	2,051,316
Use of provisions in the year	-3,926,696	-219,908	-215,504
Release of provisions in the year	-46,551	-9,623	-10,829
Creation of provisions in the year	4,373,293	1,464,773	513,547
Exchange rate difference	-1,223	-10,661	-2,510
As at 31 December 2020	4,680,123	10,765,010	2,336,020
Use of provisions in the year	-4,333,805	-347,319	-179,750
Release of provisions in the year	-34,756	-135,251	-73,559
Creation of provisions in the year	4,262,209	627,828	100,499
Exchange rate difference	228	3,916	740
As at 31 December 2021	4,573,999	10,914,184	2,183,950

Analysis of the movement of employee benefits at Zavarovalnica Triglav

	in EUR		
	Provisions for unused leave	Provisions for retirement benefits	Provisions for jubilee payments
As at 1 January 2020	3,525,883	6,909,641	1,456,925
Use of provisions in the year	-3,525,883	-118,256	-168,613
Creation of provisions in the year	3,858,499	698,508	436,660
As at 31 December 2020	3,858,499	7,489,893	1,724,972
Use of provisions in the year	-3,858,499	-176,487	-149,318
Creation of provisions in the year	3,665,467	239,581	48,196
As at 31 December 2021	3,665,467	7,552,987	1,623,850

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Provisions for retirement benefits and jubilee payments at the Triglav Group

	Provisions for retirement benefits	Provisions for jubilee payments	in EUR TOTAL
As at 1 January 2020	9,540,429	2,051,316	11,591,745
Current service cost	1,022,694	143,549	1,166,243
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	-10,660	-2,509	-13,169
As at 31 December 2020	10,765,010	2,336,020	13,101,030
Current service cost	583,976	112,839	696,815
Interest cost	-2,112	-4,648	-6,760
Actuarial gains/losses due to:			
- changes in demographic assumptions	82,936	26	82,962
- changes in financial assumptions	-391,422	-17,322	-408,744
- experience adjustments	549,748	-70,007	479,741
Past service cost	-36,553	1,329	-35,224
Benefits paid during the year	-536,461	-179,210	-715,671
Gains/losses upon payment	-104,854	4,183	-100,671
Liabilities recognised in business combinations	0	0	0
Exchange rate difference	3,916	740	4,656
As at 31 December 2021	10,914,184	2,183,950	13,098,134

Sensitivity analysis of parameter changes at the Triglav Group

Parameter	Parameter change	2021	2020
Interest rate	shift in the discount curve by +0.25%	-258,706	-290,008
	shift in the discount curve by -0.25%	261,833	301,604
Wage growth	change in annual wage growth by +0.5%	530,849	519,406
	change in annual wage growth by -0.5%	-478,481	-461,977
Mortality rate	constant increase in mortality by +20%	-97,169	-86,980
	constant increase in mortality by -20%	99,322	88,662
Early employment termination	shift in the expense curve by +20%	-331,476	-299,031
	shift in the expense curve by -20%	385,064	338,898

Provisions for retirement benefits and jubilee payments at Zavarovalnica Triglav

	Provisions for retirement benefits	Provisions for jubilee payments	in EUR TOTAL
As at 1 January 2020	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
Current service cost	444,288	140,920	585,208
Interest expenses	-11,952	-4,690	-16,642
Actuarial gains/loss due to:			
- change in demographic assumptions	0	0	0
- change in financial assumptions	-358,878	-21,065	-379,943
- experience adjustments	564,548	-71,018	493,530
Profit/loss upon payment	-148,442	-149,318	-297,760
Termination payments during the year	-426,470	4,049	-422,421
As at 31 December 2021	7,552,987	1,623,850	9,176,837

Sensitivity analysis of parameter changes at Zavarovalnica Triglav

Parameter	Parameter change	2021	2020
Interest rate	shift in the discount curve by +0.25%	-186,283	-196,854
	shift in the discount curve by -0.25%	194,068	205,400
Wage growth	change in annual wage growth by +0.5%	322,551	353,981
	change in annual wage growth by -0.5%	-282,990	-310,128
Mortality rate	constant increase in mortality by +20%	-74,910	-77,126
	constant increase in mortality by -20%	75,941	78,212
Early employment termination	shift in the expense curve by +20%	-345,669	-361,713
	shift in the expense curve by -20%	369,492	387,546

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3.20 Other provisions

	in EUR	
	Triglav Group	Zavarovalnica Triglav
As at 1 January 2020	2,750,400	732,811
Increase (creation)	588,515	37,146
Decrease (draw down)	-529,293	0
Exchange rate difference	-521	0
As at 31 December 2020	2,809,101	769,957
Increase (creation)	831,897	281,336
Decrease (draw down)	-660,262	-226,313
Release	-468,556	-466,000
Exchange rate difference	356	0
As at 31 December 2021	2,512,536	358,980

Over 90% of other provisions have a maturity of more than 12 months. As part of other provisions, provisions were created for Triglav Skladi's savings plans in the amount of EUR 758 thousand. The remaining provisions relate to provisions for legal disputes, provisions for property, plant and equipment acquired free of charge and provisions for received government grants.

3.21 Deferred tax assets and liabilities

Presented below is the movement of deferred tax assets and liabilities in non-offset amounts.

	in EUR	
	Triglav Group	Zavarovalnica Triglav
DEFERRED TAX ASSETS		
As at 1 January 2020	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
– increase	2,392,637	2,011,611
– decrease	-2,985,372	-2,356,611
As at 31 December 2021	13,347,535	11,871,751
DEFERRED TAX LIABILITIES		
As at 1 January 2020	23,197,166	17,368,219
– increase	5,252,643	4,379,694
– decrease	-68,140	0
As at 31 December 2020	27,701,195	21,747,913
– increase	4,367,913	4,302,528
– decrease	-10,271,963	-9,965,958
As at 31 December 2021	21,797,145	16,084,484

Deferred tax assets are recognised for deductible temporary differences arising mainly from impairment of receivables (for the Group: EUR 7,943,378, for Zavarovalnica Triglav: EUR 7,447,491), financial investments (for the Group: EUR 3,708,803, for Zavarovalnica Triglav: EUR 3,083,805) and real property (for the Group: EUR 330,596, for Zavarovalnica Triglav: EUR 302,941) and provisions for retirement benefits and jubilee payments (for the Group: EUR 1,314,082, for Zavarovalnica Triglav: EUR 1,037,513). Deferred tax assets are not recognised from impairments of investments in subsidiaries and associates disclosed in the separate financial statements. Deferred tax liabilities are mostly recognised due to the valuation of available-for-sale financial assets (for the Group: EUR 20,669,864, for Zavarovalnica Triglav: EUR 16,084,484).

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

in EUR

Tax jurisdiction	2021			2020		
	Deferred tax assets	Deferred tax liabilities	Total deferred tax	Deferred tax assets	Deferred tax liabilities	Total deferred tax
Slovenia	13,123,103	-20,325,169	-7,202,066	13,596,201	-26,018,022	-12,421,821
Croatia	66,533	-703,696	-637,163	272,316	-954,010	-681,694
Montenegro	120,850	-505,058	-384,208	36,143	-472,865	-436,722
Bosnia and Herzegovina	10,789	-115,492	-104,703	4,314	-154,360	-150,046
North Macedonia	0	-147,730	-147,730	5,061	-101,938	-96,877
Serbia	26,260	0	26,260	26,235	0	26,235
TOTAL DEFERRED TAX	13,347,535	-21,797,145	-8,449,610	13,940,270	-27,701,195	-13,760,926
Total deferred tax assets			927,425			26,235
Total deferred tax liabilities			-9,377,034			-13,787,160

3.22 Other financial liabilities

in EUR

	Triglav Group		Zavarovalnica Triglav	
	31 Dec. 2021	31 Dec. 2020	31 Dec. 2021	31 Dec. 2020
Loans from banks	414,897	634,748	0	0
Financial liabilities for acquired securities	5,170	0	5,170	0
Liabilities for dividends	656,594	657,300	656,594	657,300
Other financial liabilities	2,008,986	1,603,786	1,028,822	976,596
TOTAL	3,085,647	2,895,834	1,690,586	1,633,896

Other financial liabilities of the Company are liabilities from the squeeze-out of the Company's minority shareholders. At Group level, other financial liabilities include liabilities of the reinsurance company for retained deposits of cedants.

3.23 Lease liabilities

To calculate the net present value of future leases, discount rates were used that were 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		Zavarovalnica Triglav	
	31 Dec. 2021	31 Dec. 2020	31 Dec. 2021	31 Dec. 2020
MATURITY ANALYSIS				
1 year	3,466,114	3,195,958	1,167,179	1,079,119
2 years	2,525,541	2,981,134	949,773	957,266
3 years	1,971,159	1,979,579	785,757	789,063
4 years	1,680,346	835,021	702,087	234,303
5 years	1,179,380	550,713	494,262	121,445
More than 5 years	391,868	529,028	544,785	494,608
Foreign exchange differences	60,399	-45,901	0	0
TOTAL	11,274,806	10,025,532	4,643,844	3,675,805



3.24 Operating liabilities

	Triglav Group		Zavarovalnica Triglav	
	31 Dec. 2021	31 Dec. 2020	31 Dec. 2021	31 Dec. 2020
DIRECT INSURANCE LIABILITIES	19,450,557	16,801,856	10,182,945	10,636,904
Liabilities to policyholders	11,823,747	10,521,036	7,927,509	7,814,702
Liabilities to insurance brokers	1,289,593	966,894	1,142,535	808,446
Other liabilities from direct insurance operations	6,337,217	5,313,926	688,893	1,637,753
Liabilities from direct insurance operations to Group companies	0	0	424,008	376,003
LIABILITIES FROM CO-INSURANCE AND REINSURANCE OPERATIONS	41,241,465	48,940,738	24,678,609	19,824,185
Liabilities for re/co-insurance premiums	33,219,399	25,562,611	18,510,739	14,598,383
Liabilities for co-insurers' share of claims	7,866,165	9,098,912	6,167,870	5,225,802
Other re/co-insurance liabilities	155,901	14,279,215	0	0
CURRENT TAX LIABILITIES	2,649,636	4,570,444	0	3,516,683
TOTAL LIABILITIES FROM INSURANCE OPERATIONS	63,341,658	70,313,038	34,861,554	33,977,772

All operating liabilities are short-term and fall due within 12 months.

3.25 Other liabilities

	Triglav Group		Zavarovalnica Triglav	
	31 Dec. 2021	31 Dec. 2020	31 Dec. 2021	31 Dec. 2020
Short-term liabilities to employees	29,754,061	26,040,947	25,270,631	22,227,413
Trade payables	17,435,217	5,249,560	13,450,724	5,249,560
Other short-term liabilities from insurance operations	9,632,019	8,431,655	6,244,071	5,758,140
Other short-term liabilities	6,869,471	13,029,703	3,801,755	2,673,459
Other long-term liabilities	1,414,672	1,370,189	0	0
Accrued interest on issued bonds	419,521	419,521	419,521	419,521
Short-term deferred income from charged interest on arrears	3,319,240	1,759,420	3,319,240	1,759,420
Other accruals	17,115,118	11,986,410	2,626,151	2,300,352
TOTAL	85,959,319	68,287,405	55,132,093	40,387,864

Other short-term liabilities include short-term liabilities for contributions, taxes and other charges in the amount of EUR 1,307,551 (31 December 2020: EUR 1,292,323) and short-term liabilities for advances received in the amount of EUR 1,700,798 (31 December 2020: EUR 674,281).

4. Notes to the income statement

4.1 Premium income

	Triglav Group		Zavarovalnica Triglav	
	2021	2020	2021	2020
NON-LIFE INSURANCE				
Gross written premium	732,320,025	663,653,947	518,612,566	473,082,070
Assumed re-insurance written premium	165,013,147	139,910,457	86,288,445	70,736,329
Assumed co-insurance written premium	7,166,838	3,679,918	1,108,482	968,779
Ceded co-insurance written premium	-6,708,680	-4,522,997	-2,556,301	-2,307,095
Reinsurance written premium	-208,661,006	-152,074,485	-184,588,305	-134,829,732
Changes in gross provisions for unearned premiums	-27,574,814	-11,498,329	-13,596,976	-1,719,996
Changes in reinsurers' share of unearned premiums	15,524,038	4,631,041	5,954,593	4,279,137
Net premium income on non-life insurance	677,079,548	643,779,552	411,222,504	410,209,492
LIFE INSURANCE				
Gross written premium	250,137,276	230,808,276	188,340,610	174,468,691
Assumed co-insurance written premium	23,669	9,377	0	0
Ceded co-insurance written premiums	-972,642	-1,013,843	-73,329	-59,343
Reinsurance written premium	-4,607,547	-2,411,024	-751,814	-738,036
Changes in gross provisions for unearned premiums	3,353	-14,316	16,936	-13,028
Changes in reinsurers' share of unearned premiums	326	175	93	69
Net premium income on life insurance	244,584,435	227,378,645	187,532,496	173,658,354
HEALTH INSURANCE				
Gross written premium	198,314,595	195,713,390	0	0
Changes in gross provisions for unearned premiums	-132,527	-116,761	0	0
Net premium income on health insurance	198,182,068	195,596,628	0	0
TOTAL NET PREMIUM INCOME	1,119,846,051	1,066,754,825	598,755,000	583,867,846

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Overview of premium income by insurance class for Triglav Group¹¹⁵

	in EUR				
2021	Gross written premium ¹¹⁶	Co-insurers' share in gross written premium	Ceded co-insurance written premium	Reinsurance written premium	Own share
NON-LIFE INSURANCE					
Accident insurance	39,130,478	212,297	-324,080	-1,145,210	37,873,485
Health insurance	206,710,349	856,987	-254,644	-770,136	206,542,556
Land motor vehicle insurance	157,378,102	46,559	-187,585	-14,622,091	142,614,985
Railway insurance	4,910,990	10,201	-126,174	-1,988,898	2,806,119
Aircraft insurance	7,284,977	0	0	-3,780,515	3,504,462
Marine Insurance	18,209,242	140,003	0	-2,865,578	15,483,667
Cargo insurance	11,404,091	0	-588,173	-2,087,197	8,728,721
Fire and natural forces insurance	114,457,118	1,555,417	-1,359,902	-42,807,649	71,844,984
Other damage to property insurance	229,947,365	3,980,633	-2,293,835	-79,227,479	152,406,684
Motor TPL insurance	180,798,516	12,403	0	-20,907,171	159,903,748
Aircraft liability insurance	3,362,804	0	0	-2,027,875	1,334,929
Marine liability insurance	2,436,261	0	-16,000	-306,603	2,113,658
General liability insurance	55,358,707	172,119	-1,400,139	-16,601,666	37,529,021
Credit insurance	30,674,964	0	0	-10,207,909	20,467,055
Suretyship insurance	6,510,031	129,370	-101,292	-3,578,313	2,959,796
Miscellaneous financial loss insurance	6,731,191	50,849	-8,618	-4,881,327	1,892,095
Legal expenses insurance	615,445	0	-48,238	-73,152	494,055
Travel assistance insurance	19,727,136	0	0	-782,237	18,944,899
Total non-life insurance	1,095,647,767	7,166,838	-6,708,680	-208,661,006	887,444,919
LIFE INSURANCE					
Life insurance	111,908,734	23,669	-972,642	-4,606,600	106,353,161
Wedding insurance or birth insurance	0	0	0	0	0
Unit-linked life insurance	117,592,407	0	0	0	117,592,407
Tontines	0	0	0	0	0
Capital redemption insurance	20,316,064	0	0	0	20,316,064
Loss of income due to illness	320,071	0	0	-947	319,124
Total life insurance	250,137,276	23,669	-972,642	-4,607,547	244,580,756
TOTAL	1,345,785,043	7,190,507	-7,681,322	-213,268,553	1,132,025,675

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¹¹⁵ Non-life insurance also includes health insurance.

¹¹⁶ Gross written premium also includes inward reinsurance premium.



Triglav Group

	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	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

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Overview of premium income by insurance class for Zavarovalnica Triglav

in EUR					
2021	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	25,235,448	0	-158,758	-965,296	24,111,394
Health insurance	787,154	0	-384,014	0	403,140
Land motor vehicle insurance	129,298,413	0	0	-10,551,624	118,746,789
Railway insurance	4,614,328	0	0	-1,435,278	3,179,050
Aircraft insurance	3,683,029	0	0	-3,170,945	512,084
Marine Insurance	7,689,364	0	0	-3,640,157	4,049,207
Cargo insurance	6,858,896	0	-588,173	-1,893,395	4,377,328
Fire and natural forces insurance	59,690,602	1,106,031	-434,112	-23,927,164	36,435,357
Other damage to property insurance	165,026,243	0	-73,282	-94,113,835	70,839,126
Motor TPL insurance	109,621,258	0	0	-13,863,079	95,758,179
Aircraft liability insurance	2,779,402	0	0	-2,504,422	274,980
Marine liability insurance	1,390,962	0	-16,000	-170,538	1,204,424
General liability insurance	42,716,918	2,451	-845,106	-15,547,069	26,327,194
Credit insurance	21,883,872	0	0	-6,241,117	15,642,755
Suretyship insurance	3,600,839	0	0	-1,903,355	1,697,484
Miscellaneous financial loss insurance	2,948,793	0	-8,618	-3,679,086	-738,911
Legal expenses insurance	595,434	0	-48,238	-67,476	479,720
Travel assistance insurance	16,480,055	0	0	-914,469	15,565,586
Total non-life insurance	604,901,010	1,108,482	-2,556,301	-184,588,305	418,864,886
LIFE INSURANCE					
Life insurance	79,238,943	0	-73,329	-717,100	78,448,514
Wedding insurance or birth insurance	0	0	0	0	0
Unit-linked life insurance	88,785,604	0	0	-34,715	88,750,889
Tontines	0	0	0	0	0
Capital redemption insurance	20,316,064	0	0	0	20,316,064
Loss of income due to illness	0	0	0	0	0
Total life insurance	188,340,611	0	-73,329	-751,815	187,515,467
TOTAL	793,241,621	1,108,482	-2,629,630	-185,340,120	606,380,353

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Zavarovalnica Triglav

	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

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4.2 Income from investments

	Triglav Group		Zavarovalnica Triglav	
	2021	2020	2021	2020
INTEREST INCOME FROM FINANCIAL ASSETS				
– available for sale	18,961,233	23,459,079	10,629,506	14,909,519
– loans and deposits	1,312,236	1,842,659	852,057	1,334,800
– held to maturity	7,267,273	7,768,631	6,692,393	6,915,006
– at fair value through profit and loss	6,740,537	8,985,433	1,689,166	3,068,915
Interest income	34,281,279	42,055,802	19,863,122	26,228,240
DIVIDENDS FROM				
– available-for-sale financial assets	4,517,664	3,727,040	4,285,150	3,520,893
– financial assets at fair value through profit and loss	1,510,514	758,751	539,485	276,448
– subsidiaries and associates	41,552	0	8,000,000	0
TOTAL DIVIDENDS	6,069,730	4,485,791	12,824,635	3,797,341
Fair value gains	90,078,182	33,085,187	73,502,582	21,180,963
Realised gains on disposals	16,301,340	40,162,889	14,888,504	37,288,158
Other financial income	8,608,640	3,289,780	2,713,940	989,574
Profit on investments accounted for using the equity method	1,444,054	436,610	0	0
TOTAL INVESTMENT INCOME	156,783,225	123,516,059	123,792,783	89,484,277

Gains from changes in fair value are described in detail in Section 4.4 and gains on disposal in Section 4.5. Data in the table also include income from investments in associates.

4.3 Expenses from investments

	Triglav Group		Zavarovalnica Triglav	
	2021	2020	2021	2020
Fair value losses	16,138,516	16,644,853	6,127,181	11,353,809
Realised loss on disposals	7,122,739	6,941,491	6,870,017	5,719,183
Loss on disposals of subsidiaries	0	0	0	0
Loss on impairment of financial assets	33,628	1,971,302	1,066,400	5,550,209
Other finance costs	8,537,903	15,435,565	5,390,136	6,982,468
- Net exchange losses	1,526,841	7,995,342	694,116	2,120,782
- Other expenses from financial assets and liabilities	2,612,849	2,970,517	1,103,281	1,106,372
- Asset management costs	4,398,213	4,469,706	3,592,739	3,755,314
Loss on equity investments in associates accounted for using the equity method	145,632	139,422	0	0
TOTAL EXPENSES FROM FINANCIAL ASSETS	31,978,418	41,132,633	19,453,734	29,605,669

Losses from changes in fair value are described in detail in Section 4.4 and losses on disposal of financial assets in Section 4.5. Data in the table also include expenses from investments in associates. Expenses due to impairment of financial assets of Zavarovalnica Triglav also include expenses due to impairment of investments in subsidiaries in the total amount of EUR 607.000 (see the Section 3.5).

4.4 Gains/losses from changes in the fair value of financial assets

	Triglav Group		Zavarovalnica Triglav	
	2021	2020	2021	2020
Financial assets recognised at fair value through profit/loss	73,908,119	16,395,317	67,343,854	9,782,156
– gains	89,984,986	32,983,586	73,409,386	21,079,372
– losses	-16,076,867	-16,588,269	-6,065,532	-11,297,215
Derivative financial instruments	31,547	45,007	31,547	44,998
– gains	93,196	101,601	93,196	101,592
– losses	-61,649	-56,594	-61,649	-56,594
NET GAINS FROM CHANGES IN FAIR VALUE	73,939,666	16,440,324	67,375,401	9,827,154

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

4.5 Net realised gains and losses

	in EUR			
	Triglav Group		Zavarovalnica Triglav	
	2021	2020	2021	2020
Financial assets recognised at fair value through profit/loss	3,730,480	3,504,623	3,487,484	3,642,824
– realised gains on disposals	6,380,071	6,725,069	5,972,200	6,591,125
– realised losses on disposals	-2,649,591	-3,220,446	-2,484,716	-2,948,301
Available-for-sale financial assets	5,536,389	30,268,801	4,665,592	28,486,674
– realised gains on disposals	9,870,950	33,427,713	8,912,305	30,695,423
– realised losses on disposals	-4,334,561	-3,158,912	-4,246,713	-2,208,749
Derivatives	-92,268	-552,026	-138,587	-560,523
– gains on disposal	46,319	10,107	0	1,610
– Losses on disposal	-138,587	-562,133	-138,587	-562,133
Loans and deposits	4,000	0	4,000	0
– gains on disposal	4,000	0	4,000	0
– losses on disposal	0	0	0	0
Held to – maturity financial assets	0	0	0	0
– gains on disposal	0	0	0	0
– losses on disposal	0	0	0	0
TOTAL REALISED GAINS AND LOSSES	9,178,601	33,221,398	8,018,488	31,568,975

4.6 Other insurance income

	in EUR			
	Triglav Group		Zavarovalnica Triglav	
	2021	2020	2021	2020
Fees and commission income	38,916,088	30,649,757	38,196,377	30,080,891
– reinsurance commission income	38,817,938	30,584,802	38,098,226	30,015,937
– investment management services	98,150	64,955	98,151	64,954
Other income from insurance operations	9,878,212	10,357,236	7,190,656	8,029,138
– income from sale of green cards for motor vehicles	1,560,468	1,811,690	758,052	843,416
– income from claims settled for other insurance companies	580,433	671,161	18,026	474,269
– income from assistance services	30,508	17,245	23,622	1,612
– other income from insurance operations	3,474,891	3,127,731	2,522,303	2,288,777
– interest from receivables	4,231,912	4,729,408	3,868,653	4,421,064
OTHER INSURANCE INCOME	48,794,300	41,006,993	45,387,033	38,110,029

4.7 Other income

	in EUR			
	Triglav Group		Zavarovalnica Triglav	
	2021	2020	2021	2020
Income from investment property	6,918,534	6,519,268	5,596,224	5,577,256
Income from disposal of investment property	319,781	366,774	151,349	129,907
Income from disposal of intangible assets	0	98,163	0	2,973
Income from disposal of property, plant and equipment	418,456	12,987	0	0
Other income	6,480,257	2,295,222	2,974,819	2,086,698
Operating income of non-insurance companies	39,038,452	34,096,405	0	0
– income from asset management	30,184,817	23,716,238	0	0
– other operating income of non-insurance companies	8,853,635	10,380,167	0	0
Revaluation income	158,580	225,158	103,454	75,751
TOTAL OTHER INCOME	53,334,060	43,613,977	8,825,846	7,872,585

Under income from other services, the Company discloses income from the provision of services for Group companies in the amount of EUR 1,664,984 (2020: EUR 1,337,658), income from deductible VAT and the release of provisions for lawsuits in the amount of EUR 661,450 (2020: EUR 139,908), income from incentives for employing people with disabilities in the amount of EUR 201,482 (2020: EUR 193,974) and other income in the amount of EUR 446,903 (2020: EUR 415,158).

4.8 Claims

	Triglav Group		Zavarovalnica Triglav	
	2021	2020	2021	2020
NON-LIFE INSURANCE				
Gross claims settled	354,171,578	349,229,525	248,226,326	258,513,244
Gross claims paid from inward reinsurance	53,980,157	49,605,448	16,384,151	14,637,963
Gross claims paid from coinsurance	1,153,280	270,798	1,280	-213,364
Income from gross subrogated receivables	-16,050,134	-18,250,528	-11,885,927	-14,900,037
Reinsurers' share of gross claims settled	-41,047,824	-31,431,285	-34,824,864	-30,576,201
Co-insurers' share of gross claims settled	-1,913,225	-1,872,648	-744,339	-870,652
Change in gross claims provisions	39,093,301	29,208,174	14,505,097	1,582,680
Change in gross claims provisions for re/co-insurer's share	-26,038,184	-17,309,578	-24,169,631	-3,167,422
Net claims incurred on non-life insurance	363,348,949	359,449,906	207,492,093	225,006,211
LIFE INSURANCE				
Gross claims settled	185,673,862	172,878,283	156,142,551	150,240,333
Coinsurers' shares and gross claims	-1,064,815	-736,112	-8,369	-3,704
Reinsurers' share in gross claims	-859,879	-239,544	-241,386	-238,532
Change in gross claims provisions	1,753,071	624,021	1,802,537	356,178
Change in reinsurers' share in gross claims provisions	-61,517	-90,927	-50,202	-23,540
Net claims incurred on life insurance	185,440,722	172,435,721	157,645,131	150,330,735
HEALTH INSURANCE				
Gross claims settled	157,763,966	143,834,955	0	0
Income from gross exercised subrogation receivables	-112,659	-124,254	0	0
Coinsurers' shares in gross claims paid	1,283	0	0	0
Change in gross claims provisions	1,402,895	107,716	0	0
Change in claims provisions for reinsurers' share	2,828	1,628	0	0
Equalisation scheme expenses	7,180,804	7,926,103	0	0
TOTAL net claims incurred on health insurance	166,239,117	151,746,148	0	0
NET CLAIMS INCURRED TOTAL	715,028,788	683,631,775	365,137,224	375,336,947

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Overview of net claims incurred by insurance class

in EUR						
Triglav Group 2021	Gross claims ¹¹⁷	Gross claims paid from coinsurance	Coinsurers' shares	Income from subrogated receivables	Reinsurers' share	Net claims incurred
NON-LIFE INSURANCE						
Accident insurance	23,308,302	58,455	-172,853	-5,593	-595,720	22,592,591
Health insurance	162,804,419	556,111	-153,747	-113,080	-331,604	162,762,099
Land motor vehicle insurance	98,314,466	21,449	-291,003	-3,460,340	-6,142,260	88,442,312
Railway insurance	1,442,477	0	0	-550,087	-102	892,288
Aircraft insurance	1,654,818	0	0	0	-1,040,613	614,205
Marine Insurance	5,407,210	515	-48,081	0	-74,632	5,285,012
Cargo insurance	2,877,212	0	-220,857	-173,572	-115,209	2,367,574
Fire and natural forces insurance	49,815,866	4,317	-67,341	-224,422	-12,081,808	37,446,612
Other damage to property insurance	72,522,993	443,977	-468,072	-418,055	-10,045,103	62,035,740
Motor TPL insurance	100,895,715	17,480	0	-2,852,923	-6,842,066	91,218,206
Aircraft liability insurance	560,903	0	0	0	-371,568	189,335
Marine liability insurance	560,882	0	-24,041	0	-1,400	535,441
General liability insurance	13,968,126	50,976	-461,694	-221,470	-401,868	12,934,070
Credit insurance	12,285,635	0	0	-7,441,529	-1,599,993	3,244,113
Suretyship insurance	1,518,451	0	0	-676,329	-78,243	763,879
Miscellaneous financial loss insurance	2,543,480	0	0	0	-1,128,244	1,415,236
Legal expenses insurance	66,885	0	-4,254	0	-334	62,297
Travel assistance insurance	15,367,865	0	0	-25,393	-197,057	15,145,415
Total non-life insurance	565,915,705	1,153,280	-1,911,943	-16,162,793	-41,047,824	507,946,425
LIFE INSURANCE						
Life insurance	119,337,138	0	-1,064,814	0	-859,879	117,412,445
Wedding insurance or birth insurance	0	0	0	0	0	0
Unit-linked life insurance	61,808,056	0	0	0	0	61,808,056
Tontines	0	0	0	0	0	0
Capital redemption insurance	4,425,926	0	0	0	0	4,425,926
Loss of income due to illness	102,738	0	0	0	0	102,738
Total life insurance	185,673,858	0	-1,064,814	0	-859,879	183,749,165
TOTAL	751,589,563	1,153,280	-2,976,757	-16,162,793	-41,907,703	691,695,590

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¹¹⁷ Gross claims paid also include gross claims paid from inward reinsurance and equalisation scheme expenses for supplemental health insurance.

in EUR

Triglav Group 2020	Gross claims ¹¹⁸	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

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the income
statement¹¹⁸ Gross claims paid also include gross claims paid from inward reinsurance and equalisation scheme expenses for supplemental health insurance.

in EUR

Zavarovalnica Triglav 2021	Gross claims	Gross claims paid from coinsurance	Coinsurers' shares	Income from subrogated receivables	Reinsurers' share	Net claims incurred
NON-LIFE INSURANCE						
Accident insurance	12,761,262	0	-42,825	-5,343	-547,077	12,166,017
Health insurance	232,435	0	-7,204	0	0	225,231
Land motor vehicle insurance	77,841,773	0	0	-1,625,455	-5,677,647	70,538,671
Railway insurance	1,427,560	0	0	-265,554	-414	1,161,592
Aircraft insurance	463,425	0	0	0	-414,388	49,037
Marine Insurance	506,568	515	0	0	-278,014	229,069
Cargo insurance	1,479,440	0	-220,857	-94,862	-133,248	1,030,473
Fire and natural forces insurance	19,908,467	240	-58,208	-176,322	-7,255,227	12,418,950
Other damage to property insurance	45,288,870	0	-27,641	-270,220	-10,165,725	34,825,284
Motor TPL insurance	65,402,571	0	0	-1,401,336	-6,796,060	57,205,175
Aircraft liability insurance	48,321	0	0	0	-4,078	44,243
Marine liability insurance	278,905	0	-24,041	0	-4,203	250,661
General liability insurance	10,930,823	525	-359,310	-169,996	-671,299	9,730,743
Credit insurance	11,232,345	0	0	-7,186,442	-1,264,339	2,781,564
Suretyship insurance	959,033	0	0	-667,259	-17,219	274,555
Miscellaneous financial loss insurance	1,592,237	0	0	0	-962,342	629,895
Legal expenses insurance	66,610	0	-4,254	0	-433	61,923
Travel assistance insurance	14,189,833	0	0	-23,139	-633,153	13,533,541
Total non-life insurance	264,610,478	1,280	-744,340	-11,885,928	-34,824,866	217,156,624
LIFE INSURANCE						
Life insurance	100,677,757	0	-8,369	0	-236,262	100,433,126
Wedding insurance or birth insurance	0	0	0	0	0	0
Unit-linked life insurance	51,038,868	0	0	0	-5,125	51,033,743
Tontines	0	0	0	0	0	0
Capital redemption insurance	4,425,926	0	0	0	0	4,425,926
Loss of income due to illness	0	0	0	0	0	0
Total life insurance	156,142,551	0	-8,369	0	-241,387	155,892,795
TOTAL	420,753,029	1,280	-752,709	-11,885,928	-35,066,253	373,049,419

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Zavarovalnica Triglav 2020	Gross claims	Gross claims paid from coinsurance	Coinsurers' shares	Income from subrogated receivables	Reinsurers' share	Net claims incurred
NON-LIFE INSURANCE						
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

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4.9 Reinsurance result

	Triglav Group		Zavarovalnica Triglav	
	2021	2020	2021	2020
Reinsurance premiums	-213,268,553	-154,485,509	-187,969,749	-137,934,206
Changes in reinsurers' share of unearned premiums	15,524,365	4,631,215	5,954,686	4,279,206
Reinsurers' share of claims	41,907,703	31,670,829	35,066,250	30,814,733
Changes in claims provisions for reinsurers' shares	26,096,873	17,398,877	24,219,833	3,190,962
Net result from reinsurance operations	-129,739,612	-100,784,588	-122,728,980	-99,649,305
Reinsurance commission	38,817,937	30,584,803	33,189,769	26,633,336
GROSS REINSURANCE RESULT	-90,921,675	-70,199,785	-89,539,211	-73,015,969

4.10 Change in other insurance-technical provisions

	Triglav Group		Zavarovalnica Triglav	
	2021	2020	2021	2020
Change in other insurance technical provisions	-2,113,408	62,636,591	-13,989,227	13,449,956
– changes in gross provisions for cancellations	-30,917	1,602,164	25,616	-42,822
– changes in gross provisions for unexpired risks	7,877,024	16,740,058	-186,878	-356,632
– changes in gross provisions for other catastrophic risks	49,367	0	0	0
– changes in gross provisions for life insurance	-10,190,070	43,781,010	-14,009,153	13,336,051
– changes in gross provisions for bonuses from with-profits life insurance	181,188	513,359	181,188	513,359
Change in gross provisions for unit-linked insurance contracts	112,661,349	25,492,453	91,860,583	13,270,367
TOTAL CHANGE IN OTHER INSURANCE TECHNICAL PROVISIONS	110,547,941	88,129,043	77,871,356	26,720,323

4.11 Expenses for bonuses and discounts

	Triglav Group		Zavarovalnica Triglav	
	2021	2020	2021	2020
Settled bonuses and discounts	11,584,788	13,057,497	10,603,774	11,257,539
Changes in gross provisions for bonuses and discounts	-180,647	8,292,779	-113,038	4,771,959
TOTAL EXPENSES FOR BONUSES AND DISCOUNTS	11,404,141	21,350,276	10,490,736	16,029,498

4.12 Expenses

	Triglav Group		Zavarovalnica Triglav	
	2021	2020	2021	2020
Acquisition costs	184,911,170	163,528,966	124,268,560	113,568,435
Other operating costs	81,946,738	77,383,769	46,066,306	42,336,182
Claim handling costs*	28,586,329	26,966,051	21,120,474	20,290,917
Costs of asset management**	4,398,213	4,469,706	3,592,739	3,755,314
Operating expenses from non-insurance operations***	33,548,996	34,397,927	0	0
TOTAL	333,391,446	306,746,419	195,048,079	179,950,848

* Claim handling expenses are disclosed in the financial statements as part of gross claims paid.

** Asset management costs are disclosed in the financial statements as part of expenses from investments.

*** Expenses from non-insurance operations are disclosed in the consolidated financial statements as part of other expenses.

4.12.1 Gross operating expenses by nature and business segment

in EUR

Triglav Group 2021	Non-life insurance	Life insurance	Health insurance	Total costs of insurance operations	Costs of non-insurance operations	TOTAL
Acquisition costs	48,358,908	13,692,956	984,955	63,036,819	0	63,036,819
Cost of goods sold	0	0	0	0	130,008	130,008
Depreciation of operating assets	14,726,165	3,271,048	931,743	18,928,956	2,578,441	21,507,397
Labour costs	120,194,355	16,592,516	6,732,156	143,519,027	15,603,003	159,122,030
Wages and salaries	83,158,246	10,029,319	5,141,964	98,329,529	10,948,224	109,277,753
Social security and pension insurance costs	18,956,283	3,199,344	858,629	23,014,256	2,874,701	25,888,957
Other labour costs	18,079,826	3,363,853	731,563	22,175,242	1,780,078	23,955,320
Costs of services provided by natural persons other than SPs, including related taxes	1,244,112	95,630	195,952	1,535,694	0	1,535,694
Other operating costs	54,323,648	11,524,910	6,973,396	72,821,954	15,237,544	88,059,498
Costs of entertainment, advertising, trade shows	15,473,518	2,658,404	1,021,141	19,153,063	1,531,891	20,684,954
Costs of material and energy	4,980,416	970,375	267,730	6,218,521	1,632,672	7,851,193
Maintenance costs	9,220,834	2,008,037	2,680,383	13,909,254	1,126,083	15,035,337
Reimbursement of labour-related costs	2,509,044	399,909	50,008	2,958,961	496,101	3,455,062
Costs of intellectual and personal services	3,678,377	948,568	484,086	5,111,031	862,323	5,973,354
Membership fees and charges	2,187,915	356,050	142,550	2,686,515	793,363	3,479,878
Costs of services - transport and communications	3,171,740	952,785	1,256,779	5,381,304	125,837	5,507,141
Costs for insurance premiums	679,107	43,371	91,675	814,153	38,535	852,688
Payment transaction costs and banking services	1,211,630	414,022	250,149	1,875,801	4,921,518	6,797,319
Rents	4,172,267	769,422	7,528	4,949,217	690,172	5,639,389
Costs of professional training services	858,411	210,383	111,124	1,179,918	123,096	1,303,014
Other costs of services	6,180,389	1,793,584	610,243	8,584,216	2,895,953	11,480,169
TOTAL OPERATING EXPENSES	238,847,188	45,177,060	15,818,202	299,842,450	33,548,996	333,391,446

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

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Zavarovalnica Triglav	2021			2020		
	Non-life insurance	Life insurance	TOTAL	Non-life insurance	Life insurance	TOTAL
Acquisition costs	24,425,956	9,949,186	34,375,142	19,994,366	8,556,361	28,550,727
Depreciation of operating assets	10,403,546	2,769,727	13,173,273	9,853,276	2,291,994	12,145,270
Labour costs	89,743,630	16,863,839	106,607,469	85,276,081	16,037,554	101,313,635
Wages and salaries	63,300,286	11,908,074	75,208,360	60,851,633	11,482,384	72,334,017
Social security and pension insurance costs	10,704,876	2,074,123	12,778,999	10,079,291	1,921,461	12,000,752
Other labour costs	15,738,468	2,881,642	18,620,110	14,345,157	2,633,709	16,978,866
Costs of services provided by natural persons other than SPs, including related taxes	272,979	36,776	309,755	251,240	38,729	289,969
Other operating costs	31,311,263	9,271,177	40,582,440	29,707,071	7,944,175	37,651,247
Costs of entertainment, advertising, trade shows	6,341,580	2,306,272	8,647,852	5,972,357	1,635,219	7,607,576
Costs of material and energy	2,685,840	757,417	3,443,257	3,075,760	706,784	3,782,544
Maintenance costs	6,832,700	1,866,350	8,699,050	6,978,768	1,844,267	8,823,035
Reimbursement of labour-related costs	2,113,331	313,405	2,426,736	1,929,367	246,108	2,175,475
Costs of intellectual and personal services	2,127,300	627,038	2,754,338	1,487,234	584,790	2,072,024
Membership fees and charges	1,195,811	261,803	1,457,614	1,082,657	298,011	1,380,668
Costs of services - transport and communications	2,074,106	855,881	2,929,987	2,145,947	832,750	2,978,697
Costs for insurance premiums	286,638	18,505	305,143	353,686	25,631	379,318
Payment transaction costs and banking services	788,435	346,719	1,135,154	775,856	443,128	1,218,984
Rents	2,985,344	703,289	3,688,633	2,485,320	539,378	3,024,699
Costs of professional training services	722,233	173,495	895,728	603,519	161,427	764,946
Other costs of services	3,157,945	1,041,004	4,198,949	2,816,600	626,681	3,443,281
TOTAL OPERATING EXPENSES	156,157,374	38,890,705	195,048,079	145,082,034	34,868,813	179,950,848

In addition to costs of salaries, the Company set aside provisions for employee bonuses based on performance results in 2021 in the amount of EUR 13,493,729 (2020: EUR 10,931,618) under other expenses. Total costs of salaries at Zavarovalnica Triglav in 2021 amounted to EUR 88,702,089 (2020: EUR 83,265,635).

In addition to employees' salaries, contributions charged to the employer are taken into account when creating provisions for employee bonuses based on performance results. Total provisions created for 2021 amounted to EUR 15,666,219 (2020: EUR 12,691,608).

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4.12.2 Gross operating expenses by nature and function

in EUR

Triglav Group 2021	Cost of contract acquisition	Claim handling costs	Costs of asset management	Other operating expenses	Costs of non-insurance operations	TOTAL
Acquisition costs	63,036,819	0	0	0	0	63,036,819
Cost of goods sold	0	0	0	0	130,008	130,008
Depreciation of operating assets	9,357,628	2,226,555	409,252	6,935,521	2,578,441	21,507,397
Labour costs	74,311,229	20,621,175	2,886,763	45,699,860	15,603,003	159,122,030
Wages and salaries	51,668,280	14,066,086	2,069,015	30,526,148	10,948,224	109,277,753
Social security and pension insurance costs	11,656,992	3,215,161	414,668	7,727,435	2,874,701	25,888,957
Other labour costs	10,985,957	3,339,928	403,080	7,446,277	1,780,078	23,955,320
Costs of services provided by natural persons other than SPs, including related taxes	675,560	366,678	3,827	489,630	0	1,535,695
Other operating costs	37,529,934	5,371,921	1,098,371	28,821,727	15,237,544	88,059,497
Costs of entertainment, advertising, trade shows	17,450,633	33,977	28,190	1,640,263	1,531,891	20,684,954
Costs of material and energy	3,537,486	814,731	71,368	1,794,936	1,632,672	7,851,193
Maintenance costs	3,757,900	1,071,554	299,955	8,779,845	1,126,083	15,035,337
Reimbursement of labour-related costs	2,437,712	115,755	31,395	374,099	496,101	3,455,062
Costs of intellectual and personal services	855,275	479,533	167,671	3,608,552	862,323	5,973,354
Membership fees and charges	1,215,606	165,946	18,144	1,286,819	793,363	3,479,878
Costs of services - transport and communications	2,813,712	572,972	58,365	1,936,255	125,837	5,507,141
Costs for insurance premiums	282,178	61,115	7,448	463,412	38,535	852,688
Payment transaction costs and banking services	484,061	2,065	93,617	1,296,058	4,921,518	6,797,319
Rents	1,524,895	482,984	38,965	2,902,373	690,172	5,639,389
Costs of professional training services	456,542	120,738	118,511	484,127	123,096	1,303,014
Other costs of services	2,713,934	1,450,551	164,742	4,254,988	2,895,953	11,480,169
TOTAL OPERATING EXPENSES	184,911,170	28,586,329	4,398,213	81,946,738	33,548,996	333,391,446

in EUR

Triglav Group 2020	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

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Zavarovalnica Triglav 2021	Cost of contract acquisition	Claim handling costs	Costs of asset management	Other operating expenses	TOTAL
Acquisition costs	34,375,142	0	0	0	34,375,142
Depreciation of operating assets	7,631,707	1,868,843	325,483	3,347,240	13,173,273
Labour costs	60,760,502	15,886,968	2,410,361	27,549,638	106,607,469
Wages and salaries	43,726,323	11,012,037	1,765,812	18,704,189	75,208,360
Social security and pension insurance costs	7,375,834	1,863,978	304,483	3,234,705	12,778,999
Other labour costs	9,658,345	3,010,954	340,067	5,610,745	18,620,111
Costs of services provided by natural persons other than SPs, including related taxes	25,294	213,541	1,495	69,425	309,755
Other operating costs	21,475,915	3,151,122	855,399	15,100,004	40,582,440
Costs of entertainment, advertising, trade shows	8,388,109	24,103	19,986	215,654	8,647,852
Costs of material and energy	1,918,228	618,348	55,191	851,489	3,443,257
Maintenance costs	2,812,683	845,921	275,369	4,765,076	8,699,049
Reimbursement of labour-related costs	2,169,023	66,670	24,504	166,540	2,426,736
Costs of intellectual and personal services	658,428	79,107	150,657	1,866,146	2,754,338
Membership fees and charges	559,538	133,389	14,177	750,511	1,457,614
Costs of services - transport and communications	1,872,035	465,125	49,865	542,962	2,929,987
Costs for insurance premiums	56,255	22,958	1,943	223,986	305,142
Payment transaction costs and banking services	366,178	553	75,116	693,307	1,135,154
Rents	736,399	291,058	28,466	2,632,709	3,688,633
Costs of professional training services	361,503	104,083	117,498	312,644	895,728
Other costs of services	1,577,537	499,806	42,627	2,078,980	4,198,949
TOTAL OPERATING EXPENSES	124,268,560	21,120,474	3,592,739	46,066,306	195,048,079

in EUR

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

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4.13 Other expenses from insurance operations

	Triglav Group		Zavarovalnica Triglav	
	2021	2020	2021	2020
Fee and commission expenses	35,152,667	30,320,683	14,437,986	11,318,836
Expenses from impairment of insurance receivables and write-offs	2,022,500	5,221,362	1,284,515	3,298,341
Fire tax	5,013,123	4,741,187	4,600,869	4,400,360
Expenses of preventive activity	3,527,029	3,374,643	2,891,761	2,773,516
Supervisory authority fees	2,014,826	1,786,795	1,058,180	907,241
Other net insurance expenses	4,185,795	6,078,717	1,025,186	1,609,743
OTHER EXPENSES FROM INSURANCE OPERATIONS	51,915,940	51,523,387	25,298,497	24,308,038

in EUR

4.14 Other expenses

	Triglav Group		Zavarovalnica Triglav	
	2021	2020	2021	2020
Financial expenses	2,729,286	2,937,501	2,277,892	2,578,946
Interest expenses for bonds issued	2,187,500	2,351,604	2,187,500	2,460,276
Lease interest expenses	489,303	512,481	65,714	65,395
Other financing expenses	52,483	73,416	24,678	53,275
Other expenses	55,650,367	54,371,221	20,207,745	17,780,733
Operating expenses of non-insurance companies	32,844,278	32,184,037	0	0
Employee and Management Board bonuses	17,862,055	14,699,072	15,666,219	12,691,608
Expenses from impairment of investment property	4,340	697,313	0	653,340
Other investment property expenses	2,162,149	2,312,787	2,725,512	2,829,442
Depreciation of investment property	1,335,886	1,400,196	967,250	965,361
Depreciation of right of use assets	44,305	43,190	44,305	43,190
Loss from investment property disposal	28,825	207,679	0	1,685
Expenses from reversal of impairment of other receivables	33,829	117,257	18,323	39,272
Expenses from disposal of property, plant and equipment	39,298	23,488	4,549	16,116
Expenses from disposal of intangible assets	467,828	70,809	467,828	70,809
Expenses from impairment of real property used for ordinary activities	0	314,377	0	132,467
Expenses from impairment of intangible assets	0	783,164	0	0
Other expenses	827,574	1,517,852	313,759	337,444
TOTAL OTHER EXPENSES	58,379,653	57,308,722	22,485,637	20,359,679

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4.15 Income tax expense

4.15.1 Tax expense in the income statement

	Triglav Group		Zavarovalnica Triglav	
	2021	2020	2021	2020
Current tax expense	19,038,574	18,092,759	11,928,064	13,627,538
Deferred tax expense	640,578	-854,175	345,000	-555,211
TOTAL TAX EXPENSE IN THE INCOME STATEMENT	19,679,152	17,238,584	12,273,064	13,072,327

4.15.2 Tax expense in other comprehensive income

Triglav Group	2021			2020		
	Before tax	Tax	After tax	Before tax	Tax	After tax
Profit from increase in fair value of available for sale financial assets	-46,148,956	11,107,513	-35,041,443	27,824,231	-8,163,206	19,661,025
Liabilities from insurance contracts with a discretionary participating feature (shadow accounting)	28,770,746	-5,466,442	23,304,304	-17,577,840	3,339,790	-14,238,050
Actuarial gains/losses	129,024	0	129,024	-281,989	0	-281,989
Translation differences	170,440	0	170,440	-556,570	0	-556,570
TOTAL OTHER COMPREHENSIVE INCOME	-17,078,746	5,641,071	-11,437,675	9,407,832	-4,823,416	4,584,416

Zavarovalnica Triglav	2021			2020		
	Before tax	Tax	After tax	Before tax	Tax	After tax
Profit from increase in fair value of available-for-sale financial assets	-38,145,921	11,129,871	-27,016,051	27,765,868	-7,719,483	20,046,385
Liabilities from insurance contracts with a discretionary participating feature (shadow accounting)	28,770,746	-5,466,442	23,304,304	-17,577,840	3,339,790	-14,238,050
Actuarial gains /losses	164,710	0	164,710	-283,076	0	-283,076
TOTAL OTHER COMPREHENSIVE INCOME	-9,210,465	5,663,429	-3,547,036	9,904,952	-4,379,693	5,525,259



4.15.3 Reconciliation between accounting profit and tax expense

	Triglav Group		Zavarovalnica Triglav	
	2021	2020	2021	2020
Accounting profit	132,644,845	90,903,282	85,688,613	71,069,966
Income tax rate - tax rate average of several countries	17.82%	19.88%	19.00%	19.00%
Accounting profit multiplied by tax rate	23,639,583	18,068,868	16,280,836	13,503,293
Tax effect of income deductible for tax purposes	-3,924,446	-1,718,025	-3,486,988	-1,251,616
Tax effect of income added for tax purposes	-9,064	225,864	10,614	0
Tax effect on the reduction in expenses not deductible for tax purposes	3,949,419	4,083,688	1,276,901	2,266,047
Tax relief	-4,616,918	-3,086,668	-2,245,632	-1,468,155
Previously unrecognized deferred taxes	0	-365,535	0	0
Other tax effects	0	30,392	92,332	22,758
TOTAL TAX EXPENSE	19,038,574	17,238,584	11,928,063	13,072,327
Effective tax rate ¹¹⁹	14.35%	18.96%	13.92%	18.39%

In accordance with the Corporate Income Tax Act (ZDDPO-2), the applicable tax rate in Slovenia was 19% in 2021, the same as in the preceding year. In subsidiaries operating outside 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 [2.1.4](#).

The Company has no unused tax loss; at the Group level it amounted to EUR 27.5 million as at 31 December 2021 (compared to EUR 28.6 million as at 31 December 2020).

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¹¹⁹ 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

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

in EUR

Triglav Group As at 31 December 2021	Carrying amount	Level 1	Level 2	Level 3	Total
Assets - measured at fair value					
Equity securities	332,988,233	240,531,858	0	92,456,375	332,988,233
Debt securities	2,349,026,330	479,980,327	1,869,037,119	8,884	2,349,026,330
Derivative financial instruments	20,317	0	20,317	0	20,317
Unit-linked insurance assets	619,617,488	598,678,211	20,635,943	303,334	619,617,488
Assets - fair value disclosed					
Land and buildings for insurance activities	95,577,467	0	0	105,162,133	105,162,133
Land and buildings for investment activities	75,110,973	0	0	94,510,057	94,510,057
Debt securities (HTM)	157,560,733	0	191,789,261	0	191,789,261
Deposits with banks	70,472,826	0	69,641,171	0	69,641,171
Loans given	8,299,712	0	0	8,304,283	8,304,283
Debt securities (L&R)	5,991,639	0	5,952,000	0	5,952,000
Liabilities - fair value disclosed					
Subordinated bonds	49,471,831	0	53,749,521	0	53,749,521

in EUR

Triglav Group As at 31 December 2020	Carrying amount	Level 1	Level 2	Level 3	Total
Assets - measured at fair value					
Equity securities	223,163,402	151,243,025	0	71,920,377	223,163,402
Debt securities	2,403,308,090	1,506,407,355	896,900,735	0	2,403,308,090
Derivative financial instruments	113,301	0	113,301	0	113,301
Unit-linked insurance assets	501,808,980	449,327,642	52,461,780	19,558	501,808,980
Assets - fair value disclosed					
Land and buildings for insurance activities	97,614,829	0	0	101,997,495	101,997,495
Land and buildings for investment activities	78,977,800	0	0	97,660,730	97,660,730
Debt securities (HTM)	162,824,686	18,331,006	188,553,736	0	206,884,742
Deposits with banks	72,474,219	0	71,987,450	0	71,987,450
Loans given	7,885,008	0	0	7,887,114	4,220,386
Debt securities (L&R)	6,401,173	0	6,364,204	0	6,364,204
Liabilities - fair value disclosed					
Subordinated bonds	49,423,693	0	51,792,521	0	51,792,521





in EUR					
Zavarovalnica Triglav As at 31 December 2021	Carrying amount	Level 1	Level 2	Level 3	Total
Assets - measured at fair value					
Equity securities	205,590,084	120,508,156	0	85,081,928	205,590,084
Debt securities	1,589,601,822	356,825,433	1,232,776,388	0	1,589,601,822
Derivative financial instruments	20,317	0	20,317	0	20,317
Unit-linked insurance assets	539,417,972	530,759,767	8,658,205	0	539,417,972
Investments in associates	41,693,996	0	0	41,693,996	41,693,996
Assets - fair value disclosed					
Land and buildings for insurance activities	59,018,066	0	0	66,748,484	66,748,484
Land and buildings for investment activities	43,840,054	0	0	61,386,766	61,386,766
Debt securities (HTM)	140,946,233	0	173,901,172	0	173,901,172
Deposits with banks	19,660,793	0	19,604,272	0	19,604,272
Loans given	6,869,091	0	6,579,159	0	6,579,159
Debt securities (L&R)	5,991,639	0	5,952,000	0	5,952,000
Liabilities - fair value disclosed					
Subordinated bonds	49,471,831	0	53,749,521	0	53,749,521

in EUR					
Zavarovalnica Triglav As at 31 December 2020	Carrying amount	Level 1	Level 2	Level 3	Total
Assets - measured at fair value					
Equity securities	115,552,906	49,571,409	0	65,981,498	115,552,906
Debt securities	1,687,062,569	1,226,158,197	460,904,372	0	1,687,062,569
Derivative financial instruments	113,301	0	113,301	0	113,301
Unit-linked insurance assets	442,292,488	397,371,769	44,920,719	0	442,292,488
Investments in associates	31,337,951	0	0	31,337,951	31,337,951
Assets - fair value disclosed					
Land and buildings for insurance activities	59,195,351	0	0	64,855,528	64,855,528
Land and buildings for investment activities	44,451,276	0	0	59,837,722	59,837,722
Debt securities (HTM)	143,908,512	11,001,264	175,082,197	0	186,083,461
Deposits with banks	19,567,302	0	19,432,104	0	19,432,104
Loans given	10,982,611	0	8,109,920	0	8,109,920
Debt securities (L&R)	6,401,173	0	6,364,204	0	6,364,204
Liabilities - fair value disclosed					
Subordinated bonds	49,423,693	0	51,792,521	0	51,792,521

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5.1.2 Financial assets classified into Level 3

	Triglav Group		Zavarovalnica Triglav	
	2021	2020	2021	2020
Value as at 1 January	71,939,935	61,061,888	97,319,448	73,739,170
Purchases	31,161,252	11,361,478	33,872,252	25,601,495
Disposals	-15,202,211	-1,361,924	-15,152,076	-1,327,017
Revaluation through profit or loss	483,964	-505,908	400,920	-1,717,044
Revaluation in other comprehensive income	5,474,961	1,091,073	9,725,896	1,022,844
Transfers from/to other levels	1,373,238	0	609,485	0
Acquisition	-700,404	299,404	0	0
Foreign exchange differentials	1,820	-6,076	0	0
Value as at 31 December	94,532,555	71,939,935	126,775,925	97,319,448

The value of financial assets classified into Level 3 increased in 2021 predominantly due to the payments into alternative investment funds. The increase is reduced by payments received from alternative investment funds, which represent the bulk of the “sales” item. The “revaluation in other comprehensive income” item, which has a significant impact on the overall increase in financial assets classified into level 3, is also mainly a result of changes in the value of alternative investment funds.

5.1.3 Sensitivity analysis of non-marketable equity securities

Sensitivity analysis of financial assets classified in Level 3 is disclosed below. The analysis for Zavarovalnica Triglav includes equity investments in associates. The sensitivity analysis shows how much the fair values of these financial assets would increase or decrease in the case of differently applied assumptions that are not based on observable market data. The sensitivity analysis considered a median scenario of value estimates.

	Triglav Group		Zavarovalnica Triglav	
	31 December 2021	31 December 2020	31 December 2021	31 December 2020
Non-marketable assets (Level 3)	94,532,555	71,939,935	85,081,928	65,981,498
Estimated value deviation-/+	-23,268,934/13,159,489	-11,989,589/7,987,555	-21,420,123/10,090,535	-11,236,448/7,451,002
Equity investment in associates	36,031,346	28,237,714	41,693,996	31,337,951
Estimated value deviation-/+	n/a	n/a	-5,414,335/966,967	-7,785,294/4,184,099

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.

5.1.4 Reclassification of financial assets between levels

	Triglav Group		Zavarovalnica Triglav	
	2021	2020	2021	2020
Reclassification from level 1 to level 2	755,181,819	115,643,909	603,687,505	84,685,126
Reclassification from level 2 to level 1	80,144,184	452,418,713	50,588,034	322,307,603

The method of measuring fair value did not change in 2021. Reclassifications between levels were a result of market factors. As at the 2021 year-end, some financial assets showed lower liquidity and market depth than at the 2020 year-end, consequently failing to meet the requirements for classification into Level 1. Part of financial assets met the conditions for classification in the highest level of the fair value hierarchy, therefore it was reclassified into Level 1. Reclassification between levels has no impact on fair value.

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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 using the indirect method. Income and expenses are adjusted for the effects of non-monetary transactions (impairments, changes in insurance technical provisions, deferred income and expenses) and for the income and expenses items related to cash flows from investing and financing activities. In additions, changes in receivables and liabilities from operating activities in the period are taken into account when calculating net cash flows from operating activities.

Cash flows from investing and financing activities are disclosed based on actual payments. Cash flows from financing activities include expenses for interest and principal payments for leases.

The consolidated cash flow statement is composed of the sum of the cash flows of all Group companies and then adjusted for intragroup cash flows.

		Triglav Group		Zavarovalnica Triglav	
		2021	2020	2021	2020
A.	CASH FLOWS FROM OPERATING ACTIVITIES				
a.	Income statement items	144,641,397	125,392,511	57,377,294	43,160,418
	Net written premium for the period	1,187,488,721	1,119,644,973	606,380,354	581,321,664
	Investment income (excluding financial income)	22,539,986	18,201,062	9,134,442	9,606,634
	Other operating income (excluding revaluation and provisions reductions) and financial income from operating receivables	43,258,766	34,516,215	12,143,285	9,946,221
	Net claims paid for the period	-713,359,986	-686,447,305	-373,056,512	-376,589,051
	Bonuses and discounts paid	-12,072,221	-12,999,285	-10,603,774	-11,257,539
	Net operating expenses excluding depreciation costs and change in deferred acquisition costs	-288,529,978	-257,874,524	-138,213,385	-127,492,924
	Investment expenses (excluding depreciation and financial expenses)	-8,839,299	-9,172,145	-6,371,339	-6,925,520
	Other operating expenses excluding depreciation (other than revaluation and excluding the increase in provisions)	-66,806,018	-64,388,961	-26,027,184	-22,974,043
	Corporate income tax and other taxes excluded from operating expenses	-19,038,574	-16,087,519	-16,008,593	-12,475,023
b.	Changes in net operating current assets – operating balance sheet items	-7,283,265	-6,336,992	-3,345,436	-4,635,089
	Changes in operating receivables from direct insurance operations	-12,709,036	8,086,404	-6,113,550	68,733
	Changes in receivables from reinsurance operations	5,742,340	-16,107,791	-3,725,245	-2,577,417
	Changes in other receivables from (re)insurance operations	424,995	-8,242,089	-1,550,658	-2,367,792
	Changes in other receivables and assets	-2,679,343	1,115,863	1,575,807	-557,237
	Changes in deferred tax assets	-107,165	-772,947	0	0
	Changes in inventories	365,967	60,592	454,701	24,385
	Changes in liabilities from direct insurance operations	2,551,991	-4,891,037	-436,034	-3,602,591
	Changes in liabilities from reinsurance operations	-1,363,326	4,569,364	4,854,423	4,515,110
	Changes in other operating liabilities	-9,446,802	-9,988,588	0	-244,394
	Changes in other liabilities (other than unearned premium)	10,472,491	20,185,037	1,595,120	106,113
	Changes in deferred tax liabilities	-542,244	-351,800	0	0
c.	Net cash from/(used in) operating activities (a + b)	137,358,132	119,055,519	54,031,858	38,525,329
B.	CASH FLOWS FROM INVESTING ACTIVITIES				
a.	Cash inflows from investing activities	1,093,015,888	1,361,243,567	945,312,942	1,132,256,197
	Cash inflows from interest received from investing activities	37,412,752	43,998,453	23,440,425	28,815,764
	Cash inflows from dividends and profit sharing	5,653,046	5,248,223	12,494,301	3,801,801
	Cash inflows from disposal of intangible assets	0	132,562	0	12,562
	Cash inflows from disposal of plant, property and equipment	3,515,560	3,005,255	151,349	414,273
	Cash inflows from disposal of financial investments	1,046,434,530	1,308,859,074	909,226,867	1,099,211,797
	– Cash inflows from disposal of investments in subsidiaries and other companies	0	0	0	0
	– Other cash inflows from disposal of financial investments	1,046,434,530	1,308,859,074	909,226,867	1,099,211,797
b.	Cash outflows from investing activities	-1,186,871,319	-1,445,191,950	-965,578,127	-1,149,365,270
	Cash outflows for acquisition of intangible assets	-7,877,065	-9,126,252	-6,931,001	-7,711,934
	Cash outflows for acquisition of property, plant and equipment	-9,507,447	-13,601,854	-3,365,839	-7,310,866
	Cash outflows for acquisition of financial investments	-1,169,486,807	-1,422,463,844	-955,281,287	-1,134,342,470
	– Cash outflows for acquisition of investments in subsidiaries and other companies	-4,465,325	-14,948,951	-7,039,617	-14,900,000
	– Other cash outflows for acquisition of financial investments	-1,165,021,482	-1,407,514,893	-948,241,670	-1,119,442,470
c.	Net cash from/(used in) investing activities (a + b)	-93,855,431	-83,948,383	-20,265,185	-17,109,073
C.	CASH FLOWS FROM FINANCING ACTIVITIES				
a.	Cash inflows from financing activities	0	0	0	0
	Cash inflows from paid-in capital	0	0	0	0
	Cash inflows from long-term loans received (issued bond)	0	0	0	0
	Cash inflows from short-term loans received	0	0	0	0
b.	Cash outflows for financing activities	-43,097,819	-29,035,063	-42,157,905	-25,224,146
	Cash outflows for interest paid	-2,458,714	-3,982,947	-2,343,302	-3,513,302
	Cash outflows for purchase of treasury shares	0	0	0	0
	Cash outflows for capital repayment	0	0	0	-20,628,000
	Cash outflows for payments of long-term financial liabilities	0	-21,620,132	-1,164,850	-1,082,844
	Cash outflows for payments of short-term financial liabilities	-2,030,685	-3,431,984	0	0
	Cash outflows for dividends and profit sharing	-38,608,420	0	-38,649,752	0
c.	Net cash from/(used in) financing activities (a +b)	-43,097,819	-29,035,063	-42,157,905	-25,224,146
D.	Closing balance of cash and cash equivalents	82,321,630	81,899,664	13,912,991	22,304,222
E1.	Net cash flow for the period	404,882	6,072,073	-8,391,231	-3,807,890
E2.	External acquisition	0	0	0	0
E3.	Exchange rate differences	17,084	-42,184	0	0
F.	Opening balance of cash and cash equivalents	81,899,664	75,869,775	22,304,222	26,112,112

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5.3 Amounts spent on auditors

The audit of the separate and consolidated financial statements for 2021 was performed by the audit firm Deloitte, Revizija d.o.o., Ljubljana. Said audit firm also carried out the audit in all Group members. The amounts spent on the services of this audit firm are shown in the table below.

	Triglav Group		Zavarovalnica Triglav	
	2021	2020	2021	2020
Auditing of the Annual Report	540,408	545,478	181,414	174,277
Other assurance services	9,719	1,501	0	0
Other non-auditing services	54,778	3,900	0	0
TOTAL	604,905	550,879	181,414	174,277

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.

	Triglav Group		Zavarovalnica Triglav	
	2021	2020	2021	2020
COVID-related government grants	194,560	381,467	127,017	77,169
State incentives for the employment of specific categories of workers	214,417	212,831	204,921	198,242
Funds obtained through public tenders	29,797	55,473	4,807	36,773
Reimbursement of labour costs by the state	2,259,241	2,379,066	2,189,942	1,774,333
Other government grants and assistance	14,272	-	-	-
TOTAL	2,712,287	3,028,836	2,526,687	2,086,517

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 transactions

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

- transactions with subsidiaries are disclosed only at Company level and include transactions with entities in which the Company has a dominant influence (presented in Section 3.5). At Group level, these transactions are eliminated in the consolidation processes;
- transactions of associates in which the Group and the Company have significant influence are presented in Section 3.6;
- transactions with shareholders and shareholder-related companies;
- transactions with the management which is represented by the members of the Management Board and the Supervisory Board.

Transactions with subsidiaries and associates and income, expenses, receivables and liabilities arising from these transactions are shown below.

The largest shareholders of Zavarovalnica Triglav are Zavod za pokojninsko in invalidsko zavarovanje Slovenije (Pension and Disability Insurance Institute of Slovenia – ZPIZ) and Slovenski državni holding (Slovenian Sovereign Holding – SDH), which hold a 34.47% and a 28.09% participating interest respectively. The only material transaction in 2021 was the dividend payout. The two shareholders received dividends in the total amount of EUR 24.2 million, of which the ZPIZ received EUR 13.3 million and SDH EUR 10.9 million.

The shareholder-related companies are those in which SDH has a majority participating interest or dominant influence. As at 31 December 2021, there were two such companies, with which neither the Company nor the Group have significant transactions.

The related party services are charged at the same prices as those applying to unrelated parties. Pricing methods include the external or internal comparables method and cost contribution arrangement.



Transactions with subsidiaries

	in EUR	
	31 Dec. 2021	31 Dec. 2020
ASSETS		
Stakes and shares	131,924,683	132,337,466
Debt securities and loans given to members of the Group	2,146,807	6,610,381
Right of use assets	888,293	827,255
Insurance premium receivables from policyholders	10,027	15,620
Co-insurance receivables	0	0
Re-insurance receivables	7,002,697	6,778,184
Receivables for co-insurer's share in claims	2,630	197
Receivables for reinsurer's share in claims	6,478,503	5,221,704
Other short-term receivables from insurance operations	228,795	82,267
Short-term receivables from financing	21,531	46,152
Other short-term receivables	752,713	730,317
Short-term deferred expenses	30,732	61,969
LIABILITIES		
Liabilities to policyholders	17,925	0
Liabilities to agents and brokers	419,562	368,827
Liabilities to insurances for co-insurance premium	24,248	22,377
Liabilities for reinsurance premiums	10,967,485	9,594,905
Liabilities for shares in claims from co-insurance	0	0
Liabilities for shares in claims from re-insurance	5,909,345	4,510,857
Lease liabilities	915,166	851,981
Other short-term liabilities	174,610	153,503

	in EUR	
	2021	2020
INCOME AND EXPENSES		
Gross written premium and active reinsurance premium	31,802,130	29,560,612
Assumed co-insurance written premium	0	0
Outward re-/co-insurance premium (-)	-81,394,215	-73,313,592
Net premium income	-49,592,085	-43,752,980
Re-/co-insurance commission income	17,710,400	15,558,263
Fee and commission income	4,908,456	3,382,602
Other income from insurance operations	1,440,370	1,202,346
Interest income	177,238	294,441
Other insurance income	1,145,554	1,150,055
Income from land and buildings	707,040	687,336
Other income	573,300	473,282
Dividends	8,000,000	0
Other income from financial assets	2,647	8,203
TOTAL INCOME	-14,927,080	-20,996,452
Gross claims settled	9,185,312	8,242,296
Re-/co-insurers' share in gross claims	-26,491,451	-22,517,380
Net claims	-17,306,139	-14,275,084
Expenses for reinsurance premiums	4,833,477	4,575,494
Loss on disposal from financial assets	0	0
Other financial expenses	20,647	12,537
Other expenses	0	0
Interest expenses	20,549	22,561
Depreciation of right-of-use assets	122,001	129,523
TOTAL EXPENSES	-12,309,465	-9,534,969

Transactions with associates

	Triglav Group		Zavarovalnica Triglav	
	31 Dec. 2021	31 Dec. 2020	31 Dec. 2021	31 Dec. 2020
ASSETS				
Stakes and shares	36,031,346	28,237,714	41,693,997	31,337,951
Insurance premium receivables from policyholders	8,857	5,096	8,693	4,932
LIABILITIES				
Liabilities to policy holders	0	27	0	0
Liabilities to agents and brokers	2,250	7,319	4,446	7,176
Other short-term liabilities	1,561	312	0	0
Accrued costs and expenses	450	450	0	0

	Triglav Group		Zavarovalnica Triglav	
	2021	2020	2021	2020
INCOME AND EXPENSES				
Gross written premium	91,048	79,433	89,085	77,115
Income from dividends and stakes	0	0	0	0
Income from land and buildings	0	0	0	0
Gains on the sale of securities	0	0	0	0
TOTAL INCOME	91,048	79,433	89,085	77,115
Gross claims settled	31,551	2,648	31,551	2,648
Acquisition costs	2,256	2,829	0	0
Other operating expenses	0	0	0	0
TOTAL EXPENSES	33,807	5,477	31,551	2,648

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5.6 Members of the Management Board and Supervisory Board

In 2021, the Management Board members received the following remuneration:

in EUR							
First and last name	Fixed remuneration – gross (1)*	Variable remuneration (bonuses) – gross (2)	Total gross (3=1+2)	Total remuneration – net (4)	Insurance premium – benefits and SVPI (5)**	Other benefits (6)***	Total benefits and SVPI (7=5+6)
Andrej Slapar	197,563	53,634	251,197	81,935	67,683	10,456	78,139
Uroš Ivanc	188,487	50,953	239,440	83,244	48,741	1,078	49,819
Tadej Čoroli	188,487	50,953	239,440	81,796	48,706	5,461	54,167
Barbara Smolnikar	187,763	47,095	234,858	79,124	48,474	5,928	54,402
David Benedek	187,798	26,652	214,450	72,253	48,171	7,181	55,352
Marica Makoter	187,798	50,953	238,751	79,998	48,705	5,286	53,991
Benjamin Jošar****	0	3,857	3,857	2,254	0	0	0
TOTAL	1,137,896	284,097	1,421,993	480,604	310,480	35,390	345,870

* Fixed remuneration includes salary, holiday pay and jubilee benefits.
** 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.

The disclosure does not include travel expenses, accommodation costs and daily allowance as, by their nature, they are not considered remuneration of the Management Board

As at 31 December 2021, Zavarovalnica Triglav had the following liabilities to the Management Board members:

in EUR			
Liabilities as at 31 December 2021			
First and last name	Deferred variable remuneration (bonuses) – gross (1)	Fixed remuneration (salary) – gross and reimbursement (2)	Total liabilities (3=1+2)
Andrej Slapar	60,261	16,473	76,734
Uroš Ivanc	57,248	15,625	72,873
Tadej Čoroli	57,248	15,631	72,879
Barbara Smolnikar	57,248	15,349	72,597
David Benedek	35,211	15,638	50,849
Marica Makoter	57,248	15,619	72,867
TOTAL	324,464	94,335	418,799

The Company’s receivables from the Management Board members relate exclusively to receivables from salary deductions. The amounts of these are negligibly low.

In 2021, Zavarovalnica Triglav paid EUR 17,317,917 in remuneration to employees under an individual agreement (2020: EUR 14,943,676), of which EUR 15,534,781 in gross salaries (2020: EUR 13,710,082) and EUR 1,783,136 in other remuneration (2020: EUR 1,233,594). The amounts do not include meal and travel allowances.



In 2021, the Supervisory Board members and committee members received the following remuneration:

in EUR

First and last name	Flat-rate remuneration – gross (1)	Attendance fees – gross (2)	Total gross (1+2)	Total net	Travel expenses – gross	Travel expenses – net
Andrej Andoljšek	26,125	2,981	29,106	21,169	278	202
Branko Bračko	12,028	1,265	13,293	9,668	555	403
Tomaž Benčina	11,224	1,265	12,489	9,083	317	231
Peter Kavčič	12,229	1,705	13,934	10,134	1,275	927
Igor Stebernak	20,406	7,557	27,963	20,090	337	245
Jure Valjavec	10,219	1,265	11,484	8,352	0	0
Milan Tomaževič	10,018	1,716	11,734	8,534	278	202
Žiga Škerjanec	10,188	5,852	16,040	11,666	278	202
Mario Gobbo	9,339	2,156	11,495	7,572	0	0
Peter Celar	20,210	6,721	26,931	19,587	730	531
Branko Gorjan	18,708	2,981	21,689	15,775	0	0
Igor Zupan	18,708	3,421	22,129	16,095	278	203
Simon Kolenc*	3,396	1,045	4,441	3,230	0	0
Boštjan Koler*	1,504	2,200	3,704	2,694	0	0
Luka Kumer*	2,782	275	3,057	2,224	0	0
TOTAL	187,084	42,405	229,489	165,873	4,326	3,146

* External committee members.

All the above-mentioned remuneration of the members of the Management Board and the Supervisory Board represents the remuneration received at Zavarovalnica Triglav d.d. In the other Group companies, these members did not receive any remuneration.

The criteria for the performance assessment of the Management Board members are proposed by the Appointment and Remuneration Committee and approved by the Supervisory Board. The purpose of these criteria is to maximise the objective monitoring of the achievement of annual and medium-term objectives and to periodically assess the performance of the Management Board members. The performance criteria are designed to follow the Company’s annual and medium-term business objectives adopted in the Company’s annual business plans and strategic documents. The definition of a specific objective includes the following: its description, the expected target value, the assigned weight and the method for measuring or assessing its achievement. The method used to calculate the performance measures deviations from the set objectives by awarding a bonus for overperformance and through pay deduction from the basic salary of a Management Board member for underperformance.

The annual performance bonus is paid in three installments. The first half is paid 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, all three payments must be proportionate to the period of the office being held in a particular calendar year.

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

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5.7 Off balance sheet items

	Triglav Group		Zavarovalnica Triglav	
	31 Dec. 2021	31 Dec. 2020	31 Dec. 2021	31 Dec. 2020
Outstanding subrogated receivables	63,743,330	49,749,916	54,851,990	43,301,366
Alternative investments	36,317,208	43,651,573	34,145,677	38,348,369
Bonds, guarantees and other sureties issued	864,880	3,160,942	0	0
Contingent assets	5,302,124	4,570,811	2,730,891	2,757,155
Receivables from option agreements	0	0	0	0
Receivables from forward contracts	19,281,915	25,579,103	19,281,915	19,269,103
Contingent liabilities	298,647	332,467	0	0
Properties under acquisition	46,862	8,820	0	0
Assets under management	167,229,892	95,640,312	0	0
TOTAL OFF-BALANCE SHEET ITEMS	293,084,859	222,693,944	111,010,473	103,675,993

5.8 Major legal and arbitration disputes

On 19 August 2013, Zavarovalnica Triglav d.d. received an action filed by Matjaž Rakovec, in which he made a request to annul the Supervisory Board’s resolution of 22 May 2013 regarding his dismissal from the office of President of the Management Board and the appointment of Andrej Slapar as temporary President of the Management Board, to annul the entry of changes referring to the President of the Management Board into the court register, and to pay compensation amounting to EUR 516,399. Alternatively, Matjaž Rakovec requested that Zavarovalnica Triglav d.d. be obliged to reappoint him President of the Management Board and to recognise uninterrupted performance of his function of President of Zavarovalnica Triglav’s Management Board, including all the rights arising from the employment agreement, for the entire period of his unlawful dismissal from the office of President of the Management Board until his reappointment. Currently, only the dispute over the payment of compensation for non-pecuniary damage is still pending, as Ljubljana District Court ruled that Matjaž Rakovec is entitled to compensation in the amount of EUR 6,000, whereas his claim amounted to EUR 80,000. Zavarovalnica Triglav d.d. filed an appeal against the court’s decision, which has not yet been decided. The claim regarding the payment of pecuniary damage was referred to Ljubljana Labour and Social Court.

In the repeated proceedings (Ref. No. I Pd 421/2019), Ljubljana Labour and Social Court assessed the plaintiff’s claim for compensation of salaries, annual leave allowances, preventive medical examinations, training, annual insurance premiums and bonuses (amount in dispute: EUR 436,399.42 with all dues) in terms of compensation for damages. The primary claim was rejected in part by the court for the reason of lis pendens (the major part of the claim based on salaries and annual leave allowances) and res iudicate (the major part of the claim based on training), and dismissed it in part. The court rejected the plaintiff’s alternative claim in its entirety. The plaintiff filed an appeal against the said court decision, and Zavarovalnica Triglav d.d. filed a response to the appeal.

The decision to reject the plaintiff’s claim seeking to establish that the termination of his employment agreement and employment relationship was unlawful and to reappoint him to his previous office is final and was upheld by the Supreme Court of the Republic of Slovenia (Judgment VIII Ips 105/2018). Matjaž Rakovec’s employment agreement was thus terminated in a lawful manner and by said decision the proceedings concerning the alleged unlawfulness of the termination of his employment agreement and employment relationship conducted before the ordinary court were concluded. The constitutional complaint lodged by the plaintiff against the Supreme Court’s judgment was not admitted for consideration.

In the repeated proceedings (Ref. No. I Pd 394/2019), the Labour and Social Court assessed the plaintiff’s claim for the compensation of salaries and annual leave allowances (amount in dispute: EUR 75,625.16 with all dues) also in terms of compensation for damages. The court of first instance rejected the claim in the part under point 3 of the claim, which reads “and with all the rights arising therefrom”, regarding the calculation and payment of salary compensation for the period from May 2016 to his return to work and annual leave allowances for 2016 and all subsequent years until his return to work. It further rejected the claim for the payment of salary compensation for the period

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from June 2013 to April 2016 and for the payment of annual leave allowances for 2015 with statutory default interest. The Higher Labour and Social Court rejected Matjaž Rakovec's appeal and upheld the impugned judgment.

Zavarovalnica Triglav d.d. made provisions for the purpose of this dispute in the amount of EUR 82,000.

5.9 Events after the reporting period

In the period between the end of the reporting period and the date when the financial statements were authorised for issue, no adjusting events occurred that would affect the compiled consolidated and separate financial statements of Zavarovalnica Triglav for 2021.

A significant non-adjusting event after the reporting date is the war in Ukraine, which began on 24 February 2022. Until the approval of the annual report, the scale of this war and related sanctions against Russia and Belarus had not yet been known. The management carefully analysed the exposure of the Group and the Company to the aforementioned situation and assessed the potential impacts on their operations. The analysis was conducted in terms of the direct effects of the war, in terms of sanctions against Russia and Belarus and in terms of the increased risks of cyberattacks.

The direct effects of the war were assessed as negligible for the Group's and the Company's operations. With respect to insurance business in Ukraine, there are several active insurance covers; however, in most cases the Group's liability is excluded in the event of war. If damage not related to the events of war occurs, the Group's liabilities will be negligible and will be treated as part of its ordinary operations.

However, sanctions against Russia and Belarus could affect the Group's operations. Sanctions have already had a significant impact on financial markets and payment transactions. Direct exposure to Russian issuers of securities, i.e. mostly government bonds, accounts for 0.5% of the Group's bond portfolio. According to the most pessimistic scenario, these bonds will be fully impaired, which will reduce the Group's investment return and profit for 2022.

The high level of volatility recorded in the movement of the value of stock indices affects the value of the Group's equity portfolio. Until the approval of the annual report, general declines in the value of stock prices were recorded, with a negligible impact on profit or loss. The fall in value was mainly due to a decline in other comprehensive income. If the fall in value were significant or long-lasting, this would also decrease profit or loss for the year. The sensitivity analysis of changes in equity prices is presented in Risk Management, Section [2.4.2 Equity risk](#).

In carrying out its regular insurance and reinsurance transactions, the Group estimates that the main risk arises from the deteriorating credit quality of Russian reinsurance companies with which the Group operates. In addition, there is the risk of ban on international payment transactions with Russian reinsurance companies. The Group currently has 1.6% of claims provisions for claims incurred which are reinsured with Russian reinsurance companies. According to the most pessimistic scenario, i.e. the imposition of a complete block on the international payment transactions of Russian

reinsurance companies or a complete suspension of their operations, the Group would have to assume the whole share of provisions itself, reducing its profit or loss.

The Group also pays special attention to cyber risks. Since 22 February 2022, an increase in the scope of online activities has been seen, such as an increase in the number of emails using social engineering (e.g. phishing) and an increase in the scanning of the Group's public IP addresses. As a result, more attention is being paid to the regular monitoring of potential incidents. The business continuity plan that addresses cyber risks is also in place. Cyber risk management is presented in more detail in Risk Management (Section [Challenges and opportunities of today](#) and Section [2.7 Operational risks](#)).

Based on the performed analysis, there are no indications that these non-adjusting events after the reporting date pose a risk to the Group in terms of its ability to continue as a going concern.

The issue of a guarantee for potential investment opportunities is also a material non-adjusting event. A contingent liability arising from a given guarantee will not significantly affect the amount of the Group's assets.



5.10 Reporting as required by the Insurance Supervision Agency

5.10.1 Assets and liabilities of pension funds created as a guarantee fund

in EUR

Statement of financial position for PDPZ funds	31 December 2021				31 December 2020			
	PDPZ – skupina	PDPZ – zajamčeni	PDPZ – zmerni	PDPZ – drzni	PDPZ – skupina	PDPZ – zajamčeni	PDPZ – zmerni	PDPZ – drzni
ASSETS	249,789,207	209,337,165	20,062,106	20,449,892	238,022,822	210,130,825	14,903,162	13,002,992
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	245,306,210	206,801,643	18,953,886	19,550,681	232,607,973	207,613,047	12,892,078	12,102,848
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 profit or loss, of which:	245,306,210	206,801,643	18,953,886	19,550,681	232,607,973	207,613,047	12,892,078	12,102,848
- debt securities	180,910,694	175,170,224	5,543,010	197,460	209,318,178	205,749,608	3,381,150	187,420
- equity securities	64,395,516	31,631,419	13,410,877	19,353,221	23,289,795	1,863,439	9,510,928	11,915,428
Receivables	28,662	1,771,999	479,415	686,357	9,697	1,828,602	392,015	567,234
Receivables from fund manager up to guaranteed return	0	0	0	0	0	0	0	0
Other receivables	28,662	1,771,999	479,415	686,357	9,697	1,828,602	392,015	567,234
Cash and cash equivalents	4,454,335	763,522	628,804	212,855	5,405,152	689,176	1,619,069	332,910
Other assets	0	0	0	0	0	0	0	0
Off-balance-sheet assets	2,137,172	2,137,172	0	0	3,146,747	3,146,747	0	0
Financial derivatives	0	0	0	0	0	0	0	0
Other off-balance-sheet assets	2,137,172	2,137,172	0	0	3,146,747	3,146,747	0	0
LIABILITIES	249,789,207	209,337,165	20,062,106	20,449,892	238,022,822	210,130,825	14,903,162	13,002,992
Insurance technical provisions	249,216,841	208,763,416	20,031,760	20,421,665	237,495,087	209,637,873	14,883,467	12,973,747
Mathematical provisions for net paid-in premiums	166,070,634	166,070,634	0	0	161,802,005	161,802,005	0	0
Mathematical provisions for capital gain on the guarantee fund	42,692,782	42,692,782	0	0	47,835,868	47,835,868	0	0
- fair value reserve	0	0	0	0	0	0	0	0
Insurance provisions for business funds backing unit-linked insurance, of which:	40,453,425	0	20,031,760	20,421,665	27,857,214	0	14,883,467	12,973,747
- fair value reserve	0	0	0	0	0	0	0	0
Financial liabilities	0	0	0	0	0	0	0	0
Operating liabilities	564,811	501,184	29,462	27,252	524,297	473,268	19,211	28,831
Liabilities from acquired securities and other financial instruments	0	0	0	0	0	0	0	0
Guarantee fund manager liabilities	261,582	211,915	23,737	25,931	250,719	212,887	19,211	18,621
Cash surrender value payments to guarantee fund members	296,316	289,269	5,725	1,321	270,591	260,381	0	10,210
Other operating liabilities	6,914	0	0	0	2,987	0	0	0
Other liabilities	7,555	72,565	884	975	3,438	19,684	484	414
Off-balance-sheet liabilities	2,137,172	2,137,172	0	0	3,146,747	3,146,747	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	2,137,172	2,137,172	0	0	3,146,747	3,146,747	0	0

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5.10.2 Statement of financial position for funds posted separately

in EUR

Statement of financial position for funds posted separately	31 December 2021		31 December 2020	
	Renta 1	Renta 2	Renta 1	Renta 2
ASSETS	45,048,536	31,703,341	43,680,668	24,080,691
Investment property and financial investments	43,735,837	31,375,017	41,821,054	23,166,231
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	43,735,837	31,375,017	41,821,054	23,166,231
Shares and other floating rate securities and fund coupons	1,980,828	1,980,828	0	0
Debt and other fixed return securities	41,755,009	29,394,190	41,821,054	23,166,231
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	1,226,482	56,325	1,393,339	0
Receivables from direct insurance	0	42,039	0	0
- receivables from insurers	0	42,039	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	1,226,482	14,286	1,393,339	0
Other assets	86,217	271,999	466,275	914,460
Cash and cash equivalents	86,217	271,999	466,275	914,460
Other assets	0	0	0	0
Short-term deferred assets	0	0	0	0
Accrued income from interest and rent	0	0	0	0
Short-term deferred expenses	0	0	0	0
Other short-term deferred items	0	0	0	0
LIABILITIES	45,048,536	31,703,341	43,680,668	24,080,691
Fair value reserves	0	0	0	0
Gross insurance technical provisions	44,891,698	31,650,619	43,268,600	23,319,615
- gross provisions for unearned premiums	0	0	0	0
- gross mathematical provisions	44,891,698	31,650,619	43,268,600	23,319,615
- 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	156,837	52,722	412,068	761,076
Liabilities from direct insurance operations	78,705	13,896	255,205	595,828
- liabilities to policy holders	13,557	608	23,251	1,005
- liabilities to agents and brokers	0	0	0	0
- other liabilities from direct insurance operations	65,148	13,288	231,954	594,823
Liabilities from co-insurance and re-insurance operations	0	0	0	0
Other liabilities	78,133	38,826	156,863	165,248
Accruals	0	0	0	0

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in EUR

Statement of financial position for guarantee fund backing unit-linked life insurance	31 December 2021	31 December 2020
ASSETS	502,042,853	420,875,129
Investment property and financial investments	500,913,405	417,297,562
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	500,913,405	417,297,562
Shares and other floating rate securities and fund coupons	496,834,282	374,846,121
Debt and other fixed return securities	4,079,123	42,451,441
Investment fund shares	0	0
Mortgage loans	0	0
Other loans	0	0
Deposits with banks	0	0
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	3,476	2,139,506
Receivables from direct insurance	944	860
- receivables from insurers	0	0
- receivables from insurance brokers	0	0
- other receivables from direct insurance operations	944	860
Receivables from re-insurance operations	0	0
Other receivables	2,532	2,138,646
Other assets	1,125,972	1,438,061
Cash and cash equivalents	1,125,972	1,438,061
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	502,042,853	420,875,129
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	499,681,626	420,868,883
Liabilities from reinsurers' investments in reinsurance contracts	0	0
Other liabilities	2,361,227	6,246
Liabilities from direct insurance operations	1,614	6,128
- liabilities to policy holders	0	0
- liabilities to agents and brokers	0	0
- other liabilities from direct insurance operations	1,614	6,128
Liabilities from co-insurance and re-insurance operations	0	0
Other liabilities	2,359,613	118
Accruals	0	0

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5.10.3 Income statement of pension funds formed as a guarantee fund

in EUR

Income statement for PDPZ funds	2021				2020			
	PDPZ – skupina	PDPZ – zajamčeni	PDPZ – zmerni	PDPZ – drzni	PDPZ – skupina	PDPZ – zajamčeni	PDPZ – zmerni	PDPZ – drzni
Financial income	10,917,769	3,519,412	2,740,192	4,658,165	11,604,157	7,920,282	1,541,520	2,142,355
Income from dividends and profit sharing	533,901	65,775	166,267	301,860	272,617	70,757	72,825	129,035
Interest income	1,687,331	1,602,748	76,183	8,400	2,546,739	2,463,715	75,775	7,249
Gains on disposal of financial investments	1,105,119	31,059	387,862	686,197	2,504,029	2,074,185	256,360	173,484
Net income from changes in the fair value of investments which are recognised at fair value through profit or loss	6,159,170	1,819,238	1,590,022	2,749,910	6,216,723	3,310,125	1,110,338	1,796,260
Other financial income	1,432,248	593	519,857	911,798	64,049	1,500	26,222	36,327
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	6,199,098	4,934,565	647,202	617,330	3,919,100	1,730,771	951,197	1,237,132
Interest expenses	0	0	0	0	0	0	0	0
Losses from disposal of financial investments	2,028,376	1,647,009	225,218	156,149	2,056,951	1,126,434	437,099	493,418
Revaluation operating expenses arising from a change in the fair value of financial investment through profit and loss	4,028,107	3,287,556	343,592	396,959	823,878	596,330	114,160	113,388
Other financial expenses	142,615	0	78,393	64,222	1,038,271	8,007	399,938	630,326
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	4,718,672	-1,415,153	2,092,990	4,040,835	7,685,057	6,189,511	590,323	905,223
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 management rules	2,444,631	2,070,910	192,536	181,185	2,282,094	2,029,864	141,327	110,903
Management commission	2,406,807	2,070,910	172,848	163,049	2,258,025	2,029,864	127,790	100,371
Custodian bank fees	13,436	0	6,914	6,522	9,127	0	5,112	4,015
Auditing expenses	418	0	209	209	2,720	0	1,360	1,360
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	23,970	0	12,565	11,404	12,222	0	7,065	5,157
Other expenses	0	0	0	0	0	0	0	0
Net profit intended for the insured	2,274,041	-3,486,063	1,900,453	3,859,651	5,402,963	4,159,647	448,996	794,320

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5.10.4 Income statement for funds posted separately

in EUR

	2021		2020	
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	5,929,143	13,773,514	3,360,627	9,633,650
This legal entity	3,835,536	4,820,151	1,523,152	3,817,940
Other insurance company	0	0	0	0
Other pension companies	2,093,608	8,953,363	1,837,475	5,815,710
Mutual pension fund	0	0	0	0
Income from investments	1,579,822	203,815	2,591,613	675,110
Income from dividends	0	0	0	0
Income from other investments	1,455,993	124,729	1,807,500	151,931
Income from land and buildings	0	0	0	0
Interest income	304,028	124,729	414,284	151,931
Other investment income	1,151,965	0	1,393,216	0
Income from asset value adjustments	0	0	0	0
Profit on disposal of investments	123,830	79,085	784,113	523,179
Claims incurred	3,351,330	3,633,754	3,526,771	2,521,704
Gross claims settled	3,351,330	3,633,754	3,526,771	2,521,704
Change in gross provisions for claims outstanding	0	0	0	0
Change in other net technical provisions (+/-)	3,500,524	9,702,071	1,710,413	7,354,957
Change of mathematical provisions (+/-)	3,500,524	9,702,071	1,710,413	7,354,957
Change of other net technical provisions (+/-)	0	0	0	0
Expenses included in policies	621,641	565,387	583,473	375,476
Initial expenses	69,559	418,447	55,124	274,749
Collection, administrative expenses	444,160	0	415,746	0
Costs of claim settlement	107,922	146,940	112,603	100,727
Net operating expenses	155,155	281,503	139,398	194,141
Acquisition costs	0	156,369	0	112,066
Change of deferred acquisition costs (+/-)	0	0	0	0
Other operating expenses	155,155	125,135	139,398	82,075
Depreciation of assets used in insurance business	11,490	9,617	9,105	5,507
Labour costs	70,613	59,103	64,734	39,153
- wages and salaries	49,088	41,086	45,565	27,559
- social security and pension insurance costs	8,806	7,370	7,561	4,573
- other labour costs	12,719	10,646	11,608	7,021
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	167	140	198	120
Other operating expenses	72,885	56,274	65,361	37,295
Income from reinsurance commissions and from participation in the positive technical result from reinsurance contract (-)	0	0	0	0
Expenses from investments	35,470	76,117	131,583	56,623
Depreciation and amortization of assets not used in operations	0	0	0	0
Expenses arising from asset management, interest expenses and other financial expenses	29,112	18,812	108,001	53,649
Revaluation financial expenses	0	0	0	0
Loss on disposal of investments	6,358	57,304	23,582	2,974
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	466,486	283,884	444,075	181,335

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	in EUR	
Income statement for guarantee fund backing unit-linked life insurance	2021	2020
Gross written premium	69,868,754	56,640,852
Income from investments	72,124,822	17,943,614
Income from dividends	5,583	3,832
Income from other investments	67,252,158	15,401,135
Income from land and buildings	0	0
Interest income	1,835	538,380
Other investment income	67,250,323	14,862,755
- financial income from revaluation	67,250,323	14,862,755
- other financial income	0	0
Income from asset value adjustments	0	0
Profit on disposal of investments	4,867,081	2,538,647
Expenses from cash surrender value	50,176,608	48,338,150
Ordinary termination	22,057,919	25,651,724
Extraordinary termination	28,118,690	22,686,426
- withdrawal from insurance contract	26,141,740	21,063,758
- cancellation of insurance contract	0	0
- death of the insured person	1,976,950	1,622,668
Change in other net technical provisions (+/-)	78,911,179	6,525,905
Change of mathematical provisions (+/-)	78,911,179	6,525,905
Change of other net technical provisions (+/-)	0	0
Fund management costs	10,406,903	7,922,857
Entry fees	2,743,858	792,926
Exit costs	0	0
Management commission	7,663,045	7,129,931
Expenses from investments	2,498,885	11,797,554
Depreciation and amortization of assets not used in operations	0	0
Expenses arising from asset management, interest expenses and other financial expenses	5,075	0
Revaluation financial expenses	2,037,470	10,473,629
Loss on disposal of investments	456,340	1,323,925
Net profit for the period	0	0

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