

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 2022, 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 2022 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 according 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

Marica Makoter
Member of the Management Board

Blaž Jakič
Member of the Management Board

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 2022, 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 2022, 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 revija d.o.o. - The company is registered with the Ljubljana District Court, registration no. 1547105 - VAT ID S62560085 - Nominal capital EUR 74,214.30.

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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 2022. These matters were addressed in the context of our audit of the separate and consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Valuation of technical provisions in the separate and consolidated financial statements

Key audit matter	How our audit addressed the key audit matter
Disclosures related to technical provisions are included in 2.5.2.4 <i>Insurance-technical provisions</i> (accounting policies) and 3.16. <i>Insurance technical provisions and insurance technical provisions for unit-linked life insurance contracts</i> (value and assumptions).	
Technical provisions are a significant item in the separate and consolidated statements of financial position. The value of technical provisions as at 31 December 2022 equals EUR 1,677,748 thousand (2021: EUR 1,740,373 thousand) in the separate financial statements and EUR 2,519,080 thousand (2021: EUR 2,576,368 thousand) in the consolidated financial statements. Provisions are measured in accordance with accounting policies, which are described in the financial statements.	Our procedures that we carried out included, among others: <ul style="list-style-type: none"> - Obtaining an understanding of key internal controls and testing the effectiveness of their effectiveness. We have also reviewed the procedures for analysing economic and non-economic assumptions applied in the calculation of provisions. - Evaluation of the design, implementation and effectiveness of general IT controls by our IT experts. - Study of the adequacy of the key management assumptions applied in the assessment of the technical provisions for individual cases, and agreed them with adequate supporting documentation. We assessed whether provisions disclosed are in accordance with the requirements of the accounting framework, best industry practice and legal requirements. - In 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
Calculation of provisions for insurance contracts is complex as it entails a high level of management judgement and complex mathematical and statistical calculations. The models used to calculate technical provisions are designed for each category separately and this process largely depends on economic and demographic assumptions.	
Management reviews premiums, claims payments and other input data and assumptions of a model; the Company's actuarial function is responsible for verifying the adequacy of provisions assessed.	
Technical provisions are significant accounting estimates, subject to a high level of judgement, therefore we have considered them as a key audit matter.	

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	<p>recalculations of provisions. Actuarial experts were involved in checking the adequacy of the models and testing the model calculations, and they 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>
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Valuation of investments in the equity of subsidiaries in the separate financial statements

Key audit matter	How our audit addressed the key audit matter
Disclosures related to investments in the equity of subsidiaries are included in 2.5.1.1. <i>Investments in subsidiaries</i> (accounting policies) and 3.5. <i>Investments in subsidiaries</i> and 5.7. <i>Related-party transactions</i> (value and assumptions).	
<p>Investments in the equity of subsidiaries equal EUR 185,360 thousand (2021: EUR 132,925 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 2022, - 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,

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	<ul style="list-style-type: none"> - verifying the adequacy of disclosures in the separate financial statements. <p>An auditor's expert took part in our procedures.</p>
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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.

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

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

As part of an audit in accordance with International Standards of Auditing, 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

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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 24 May 2022. Our total uninterrupted engagement has lasted 4 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 2023 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 European Single Electronic Format (ESEF)

We undertook a reasonable assurance engagement on whether the separate and consolidated financial statements of the Company and the Group for the year ended 31 December, 2022 (hereinafter 'audited separate and 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 2022 (hereinafter 'Delegated Regulation').

Responsibilities of Management and Those Charged with Governance

Management is responsible for the preparation and correct presentation of audited separate and 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 separate and consolidated financial statements in electronic form that are free from material misstatement, whether due to fraud or error.

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Those charged with governance are responsible for overseeing the preparation of audited separate and 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 separate and 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 (revised)–*Assurance Engagements Other than Audits or Reviews of Historical Financial Information (ISAE 3000)* published by the International Auditing and Assurance Standards Board. This standard requires that we plan and perform the engagement to obtain reasonable assurance for providing a conclusion.

We have conducted the engagement in compliance with independence and ethical requirements as provided by the 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 Management (ISQM 1) and accordingly maintain an overall quality management 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 separate and 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 separate and consolidated financial statements satisfy the conditions of Delegated Regulations, valid on the reporting date;
 - we have obtained reasonable assurance that the audited separate and 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 separate and consolidated financial statements of the Company and the Group for the year ended 31 December 2022, are in all material respect prepared in accordance with the requirements of the Delegated Regulation.

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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.

Ljubljana, 10 March 2023

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Ljubljana, Slovenija 3

1. Financial statements¹⁰⁰

1.1 Statement of financial position

in EUR

	Notes	Triglav Group		Zavarovalnica Triglav	
		31 December 2022	31 December 2021	31 December 2022	31 December 2021
ASSETS		4,128,824,919	4,374,353,616	2,920,466,482	3,118,944,094
Intangible assets	3.1	112,459,749	107,184,415	70,414,326	67,022,027
Property, plant and equipment	3.2	107,998,468	108,655,212	67,285,004	65,143,307
Non-current assets held for sale	3.13	2,182,419	3,812,044	0	0
Deferred tax assets	3.21	40,971,447	927,425	34,667,180	0
Investment property	3.3	68,377,495	75,110,973	43,377,173	43,840,055
Right of use assets	3.4	10,367,625	10,933,109	3,940,725	4,548,298
Investments in subsidiaries	3.5	0	0	185,360,343	131,924,683
Investments in associates	3.6	37,810,184	36,031,346	41,951,871	41,693,997
– accounted for using the equity method		37,810,184	36,031,346	0	0
– measured at fair value		0	0	41,951,871	41,693,997
Financial investments	3.7	2,593,109,846	2,937,700,150	1,625,187,871	1,968,679,979
– loans and deposits		126,526,363	98,104,537	31,856,441	32,521,523
– held to maturity		456,469,434	157,560,733	227,656,974	140,946,233
– available for sale		1,810,796,092	2,137,609,082	1,278,747,957	1,588,390,263
– recognised at fair value through profit and loss		199,317,957	544,425,798	86,926,499	206,821,960
Unit-linked insurance assets	3.8	571,866,521	619,617,488	490,618,848	539,417,972
Reinsurers' share of technical provisions	3.9	209,799,017	174,839,890	180,142,940	136,077,958
Receivables	3.10	269,140,646	212,376,909	152,064,970	105,169,567
– receivables from direct insurance operations		145,702,112	116,855,207	98,739,720	73,516,574
– receivables from reinsurance and coinsurance operations		81,261,176	67,200,932	37,156,172	23,522,340
– current tax receivables		6,704,693	4,127,384	0	564,166
– other receivables		35,472,665	24,193,386	16,169,078	7,566,487
Other assets	3.11	6,280,050	4,843,025	2,389,990	1,513,260
Cash and cash equivalents	3.12	98,461,452	82,321,630	23,065,241	13,912,991
EQUITY AND LIABILITIES		4,128,824,919	4,374,353,616	2,920,466,482	3,118,944,094
Equity	3.14	752,798,863	932,986,869	552,089,340	675,221,933
Controlling interests		749,398,341	930,511,224	552,089,340	675,221,933
– share capital		73,701,392	73,701,392	73,701,392	73,701,392
– share premium		50,304,674	50,283,747	53,412,884	53,412,884
– reserves from profit		481,833,959	421,633,959	464,762,643	404,562,643
– treasury share reserves		364,680	364,680	0	0
– treasury shares		-364,680	-364,680	0	0
– fair value reserve		-129,532,451	77,834,278	-103,556,856	55,884,634
– net profit brought forward		225,893,107	234,588,994	3,497,205	50,944,831
– net profit/loss for the year		50,259,978	75,439,847	60,272,072	36,715,549
– currency translation differences		-3,062,318	-2,970,993	0	0
Non-controlling interests	2.1.4	3,400,522	2,475,645	0	0
Subordinated liabilities	3.15	49,522,163	49,471,831	49,522,163	49,471,831
Insurance technical provisions	3.16	2,519,079,596	2,576,368,384	1,677,748,467	1,740,373,185
– unearned premiums		414,289,158	370,043,725	276,301,501	246,017,849
– mathematical provisions		1,356,890,816	1,432,613,660	944,548,259	1,008,319,155
– claims provisions		688,788,186	694,498,311	426,901,198	446,567,255
– other insurance technical provisions		59,111,436	79,212,688	29,997,509	39,468,926
Insurance technical provisions for unit-linked insurance contracts	3.16	580,944,539	622,303,399	495,682,803	540,135,052
Provisions for employee benefits	3.19	17,429,108	17,672,133	12,381,473	12,842,304
Other provisions	3.20	2,146,887	2,512,536	154,638	358,980
Deferred tax liabilities	3.21	259,455	9,377,034	0	4,212,732
Other financial liabilities	3.22	1,873,559	3,085,647	22,640	1,690,586
Operating liabilities	3.24	93,775,550	63,341,658	67,460,551	34,861,554
– liabilities from direct insurance operations		21,501,649	19,450,557	11,547,677	10,182,945
– liabilities from reinsurance and co-insurance operations		60,816,415	41,241,465	46,215,403	24,678,609
– current tax liabilities		11,457,486	2,649,636	9,697,471	0
Lease liabilities	3.23	10,767,382	11,274,806	4,054,668	4,643,844
Other liabilities	3.25	100,227,817	85,959,319	61,349,739	55,132,093

¹⁰⁰ Notes on pages from 204 to 313 are part of financial statements.

1.2 Income statement

in EUR

	Notes	Triglav Group		Zavarovalnica Triglav	
		2022	2021	2022	2021
Net premium income	4.1	1,189,905,615	1,119,846,051	627,675,389	598,755,000
– gross written premium		1,479,557,087	1,352,975,550	868,863,623	794,350,103
– ceded written premium		-254,986,410	-220,949,875	-222,977,014	-187,969,749
– change in unearned premium reserve		-34,665,062	-12,179,624	-18,211,220	-7,625,354
Income from investments in subsidiaries and associates	4.2	1,842,183	1,444,054	32,887,342	8,179,885
– profit on equity investments accounted for using the equity method		1,842,183	1,444,054	0	0
– other income from investments in subsidiaries and associates		0	0	32,887,342	8,179,885
Income from investments	4.2	91,556,381	155,339,171	64,694,593	115,612,898
– interest income calculated using the effective interest method		34,401,619	34,281,279	19,620,922	19,685,884
– gains on disposals		37,775,442	16,301,340	34,325,465	14,888,504
– other income from investments		19,379,320	104,756,552	10,748,206	81,038,510
Other income from insurance operations	4.6	59,934,985	48,794,300	58,536,290	45,387,033
– fees and commission income		49,184,889	38,916,088	50,904,726	38,196,377
– other income from insurance operations		10,750,096	9,878,212	7,631,564	7,190,656
Other income	4.7	59,826,129	53,334,060	11,036,337	8,825,846
Net claims incurred	4.8	746,732,431	715,028,788	346,407,269	365,137,225
– gross claims settled		832,230,541	736,580,050	452,455,851	408,868,382
– reinsurers' share		-59,907,680	-44,884,460	-49,939,407	-35,818,958
– changes in claims provisions		-32,975,668	16,152,394	-56,109,175	-7,912,199
– equalisation scheme expenses for supplementary health insurance		7,385,238	7,180,804	0	0
Change in other insurance technical provisions (excluding ULI)	4.10	-79,041,779	-2,113,408	-56,716,599	-13,989,227
Change in insurance technical provisions for unit-linked insurance contracts	4.10	-43,787,917	112,661,349	-47,072,818	91,860,583
Expenses for bonuses and discounts	4.11	10,798,750	11,404,143	9,167,812	10,490,736
Operating expenses	4.12	301,928,130	266,857,908	194,264,584	170,334,866
– acquisition costs		211,429,288	184,911,170	142,569,005	124,268,560
– other operating costs		90,498,842	81,946,738	51,695,579	46,066,306
Expenses from investments in subsidiaries and associates	4.3	0	145,632	4,002,475	1,087,047
– loss on investments accounted for using the equity method		0	145,632	0	0
– other expenses from financial assets and liabilities		0	0	4,002,475	1,087,047
Expenses from investments	4.3	201,644,899	31,832,786	149,433,105	18,366,687
– loss on impairment of investments		9,034,736	33,628	6,433,441	0
– loss on disposal of investments		50,341,763	7,122,739	46,526,684	6,870,017
– other expenses from investments		142,268,400	24,676,419	96,472,980	11,496,670
Other insurance expenses	4.13	59,496,583	51,915,940	27,910,368	25,298,497
Other expenses	4.14	70,753,966	58,379,653	27,075,891	22,485,637
– expenses from financing		2,731,227	2,729,286	2,289,560	2,277,892
– other expenses		68,022,739	55,650,367	24,786,331	20,207,745
Profit before tax		134,540,230	132,644,845	140,357,864	85,688,611
Income tax expense	4.15	24,323,552	19,679,152	19,885,791	12,273,062
NET PROFIT FOR THE PERIOD		110,216,678	112,965,693	120,472,073	73,415,549
Earnings per share (basic and diluted) ¹⁰¹		4.85	4.97	-	-
Net profit/loss attributable to the controlling company		110,459,978	112,761,814	-	-
Net profit/loss attributable to the non-controlling interest holders		-243,300	203,879	-	-

¹⁰¹ 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	
		2022	2021	2022	2021
Net profit for the year after tax	3.14	110,216,678	112,965,693	120,472,073	73,415,549
Other comprehensive income after tax		-208,116,859	-11,437,675	-159,484,615	-3,547,037
Items which will not be transferred in income statement in future periods		1,277,288	129,024	1,245,737	164,711
Actuarial gains/losses on defined benefit pension plans	3.19	1,277,288	129,024	1,245,737	164,711
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		-209,394,147	-11,566,699	-160,730,352	-3,711,748
Fair value gains/losses on available-for-sale financial assets	3.7	-264,520,286	-40,682,514	-210,403,921	-32,679,481
– net gains/losses recognized directly in fair value reserve		-224,832,237	-19,537,964	-171,620,525	-13,562,819
– transfers from fair value reserve to income statement		-39,688,049	-21,144,550	-38,783,396	-19,116,662
Liabilities from insurance contracts with DPF		11,541,802	23,304,304	11,541,802	23,304,304
Currency translation differences		-93,590	170,440	0	0
Tax on other comprehensive income		43,677,927	5,641,071	38,131,767	5,663,429
COMPREHENSIVE INCOME OR LOSS FOR THE YEAR AFTER TAX		-97,900,181	101,528,018	-39,012,542	69,868,512
Controlling interest		-97,053,678	101,458,431	-	-
Non-controlling interest		-846,503	69,587	-	-

1.4 Statement of changes in equity

in EUR

Triglav Group	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
	Share capital	Share premium	Contingency reserves	Legal and statutory reserves	Treasury share reserves	Treasury shares	Other reserves from profit							
As at 1 January 2021	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
Comprehensive income for the year after tax	0	0	0	0	0	0	0	-207,366,729	-55,601	110,459,978	-91,325	-97,053,677	-846,503	-97,900,181
a) Net profit	0	0	0	0	0	0	0	0	0	110,459,978	0	110,459,978	-243,300	110,216,678
b) Other comprehensive income	0	0	0	0	0	0	0	-207,366,729	-55,601	0	-91,325	-207,513,655	-603,203	-208,116,859
Dividend payment	0	0	0	0	0	0	0	0	-84,030,139	0	0	-84,030,139	-22,199	-84,052,338
Allocation of last year's net profit to net profit brought forward	0	0	0	0	0	0	0	0	75,439,847	-75,439,847	0	0	0	0
Allocation of net profit for the year to reserves from profit	0	0	0	0	0	0	60,200,000	0	0	-60,200,000	0	0	0	0
Increase in legal and statutory reserves by profit brought forward	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Reclassification from statutory to other reserves from profit	0	0	0	0	0	0	0	0	-49,994	0	0	-49,994	-1,135	-51,129
Change in Group	0	20,927	0	0	0	0	0	0	0	0	0	20,927	1,794,714	1,815,641
As at 31 December 2022	73,701,392	50,304,674	640,340	20,306,673	364,680	-364,680	460,886,946	-129,532,451	225,893,107	50,259,978	-3,062,318	749,398,341	3,400,522	752,798,863

in EUR

Zavarovalnica Triglav	Share capital	Share premium	Reserves from profit		Fair value reserve	Net profit brought forward	Net profit/loss	Total
			Legal and statutory reserves	Other reserves from profit				
As at 1 January 2021	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
c) 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
Comprehensive income for the year after tax	0	0	0	0	-159,441,490	-43,125	120,472,073	-39,012,542
a) Net profit	0	0	0	0	0	0	120,472,073	120,472,073
b) Other comprehensive income	0	0	0	0	-159,441,490	-43,125	0	-159,484,615
Dividend payment	0	0	0	0	0	-84,120,050	0	-84,120,050
Allocation of last year's net profit to net profit brought forward	0	0	0	0	0	36,715,549	-36,715,549	0
Allocation of net profit for the year to reserves from profit	0	0	0	60,200,000	0	0	-60,200,000	0
As at 31 December 2022	73,701,392	53,412,884	4,662,643	460,100,000	-103,556,856	3,497,205	60,272,072	552,089,340

1.5 Cash flow statement

in EUR

	Notes	Triglav Group		Zavarovalnica Triglav	
		2022	2021	2022	2021
A. OPERATING CASH FLOW					
a. Net profit for the period		110,216,678	112,965,693	120,472,073	73,415,549
b. Adjustments:		42,863,811	63,556,712	-50,018,909	4,209,150
– depreciation and amortisation		26,637,016	23,556,292	17,097,319	14,336,508
– changes in fair value of investments		136,543,090	-73,906,038	93,958,724	-67,375,401
– other investment income and expenses		-27,987,036	-49,529,610	-38,105,079	-36,963,650
– interest expenses and other expenses		2,625,553	2,729,286	472,995	3,508,152
– revaluation of other assets		1,947,123	2,607,602	632,779	1,304,005
– changes in technical provisions		-123,135,722	139,060,606	-143,961,438	77,471,473
– corporate income tax		26,233,787	19,038,574	19,885,791	11,928,063
c. Net income before changes in operating assets (a+b)		153,080,489	176,522,405	70,453,164	77,624,699
Changes in operating receivables		-35,496,451	-14,471,407	-37,677,895	-2,904,874
Changes in other assets		-4,420,233	2,972,861	-12,603,034	-454,701
Changes in liabilities		-8,771,199	-9,851,218	28,019,054	-4,224,674
Paid corporate income tax		-19,473,890	-17,814,509	-10,934,058	-16,008,593
d. Changes in net operating assets		-68,161,772	-39,164,273	-33,195,934	-23,592,842
e. Net cash from/ (used in) operating activities (c+d)	5.2	84,918,717	137,358,132	37,257,231	54,031,857
B. CASH FLOWS FROM INVESTING ACTIVITIES					
a. Cash inflows from investing activities		1,060,042,718	1,093,015,888	866,067,369	945,312,943
Cash inflows from interest from investing activities		37,585,569	37,412,752	22,699,669	23,440,425
Cash inflows from dividends received and profit sharing		6,151,738	5,653,046	37,802,746	12,494,301
Cash inflows from the disposal of intangible assets		0	0	0	0
Cash inflows from the disposal of property, plant and equipment		7,995,544	3,515,560	785,630	151,349
Cash inflows from the disposal of financial investments		1,008,309,867	1,046,434,530	804,779,324	909,226,868
– Cash inflows from the disposal of investments in subsidiaries and associates		0	0	0	0
– Other cash inflows from disposal of financial investments		1,008,309,867	1,046,434,530	804,779,324	909,226,868
b. Cash outflows from investing activities		-1,039,510,454	-1,186,871,319	-806,619,546	-965,578,127
Cash outflows for the purchase of intangible assets		-8,650,450	-7,877,065	-5,506,904	-6,931,001
Cash outflows for the purchase of property, plant and equipment		-8,981,115	-9,507,447	-5,474,025	-3,365,839
Cash outflows for the purchase of financial investments		-1,021,878,889	-1,169,486,807	-795,638,617	-955,281,287
– Cash outflows for the purchase of investments in subsidiaries and associates		-35,987	-4,465,325	-57,355,448	-7,039,617
– Other cash outflows to acquire financial investments		-1,021,842,902	-1,165,021,482	-738,283,169	-948,241,670
c. Net cash from/ (used in) investing activities (a + b)	5.2	20,532,264	-93,855,431	59,447,823	-20,265,184
C. CASH FLOWS FROM FINANCING ACTIVITIES					
a. Cash inflows from financing activities		0	0	0	0
b. Cash outflows from financing activities		-89,334,516	-43,097,819	-87,552,803	-42,157,904
Cash outflows for paid interest		-2,625,553	-2,458,714	-2,266,934	-2,343,302
Cash outflows for payments of long-term financial liabilities		0	0	0	0
Cash outflows for payments of short-term financial liabilities		-2,656,625	-2,030,685	-1,165,822	-1,164,850
Cash outflows from dividends paid		-84,052,338	-38,608,420	-84,120,048	-38,649,752
c. Net cash from/ (used in) financing activities (a + b)	5.2	-89,334,516	-43,097,819	-87,552,803	-42,157,904
D. Closing balance of cash and cash equivalents	3.12	98,461,452	82,321,630	23,065,242	13,912,991
E1. Net cash flow for the period		16,116,465	404,882	9,152,251	-8,391,231
E2. Foreign exchange differences		23,357	17,084	0	0
F. Opening balance of cash and cash equivalents	3.12	82,321,630	81,899,664	13,912,991	22,304,222

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.

In the life insurance segment, the following funds, which are kept separately, operated in 2022:

- Skupina kritnih skladov PDPZ (registered number 5063345032), which includes three guarantee funds, within which the lifecycle investment policy is implemented. The pension schemes for group supplemental voluntary pension insurance with the designations PN-ZT-01/15-9, PN-ZT-03/15-9 and PN-ZT-05/15-9 and for individual supplemental voluntary pension insurance with the designations PN-ZT-02/15-9, PN-ZT-02/15-9, PN-ZT-04/15-9 and PN-ZT-06/15-9 are implemented in all three guarantee funds. The following guarantee funds operate in Skupina kritnih skladov PDPZ:
 - Triglav PDPZ – zjamčeni guarantee fund (registered number 5063345029);
 - Triglav PDPZ – zmerni guarantee fund (registered number 5063345030);
 - Triglav PDPZ – drzni guarantee fund (registered number 5063345031);
- PDPZ guarantee fund in the period of pension annuity payout – renta 1 (registered number 5063345028);
- PDPZ guarantee fund in the period of pension annuity payout – renta 2 (registered number 5063345033);
- guarantee fund backing unit-linked life insurance (registered number 5063345023).

The manager of the Triglav PDPZ – zmerni and Triglav PDPZ – drzni guarantee funds is Triglav Skladi d.o.o. Zavarovalnica Triglav manages the rest of the abovementioned guarantee funds. Custodial services are provided by the custodial bank.

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 2022 were:

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

On 9 December 2022, two Supervisory Board members of Zavarovalnica Triglav, Branko Bračko and Peter Kavčič, notified the Company of their resignation as Supervisory Board members. In order to ensure the proper implementation of nomination procedures, they are submitting an irrevocable letter of resignation effective as of the date on which the Supervisory Board approves the Triglav Group's annual report for 2022, or as of 31 March 2023 at the latest. The effective date of their resignation and termination of their term of office as Supervisory Board members shall be the date of the regular annual General Meeting of Shareholders (which, according to the Company's financial calendar for 2023, is planned to take place on 6 June 2023), but not later than 30 June 2023.

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.

At its session on 17 October 2022, the Supervisory Board of Zavarovalnica Triglav agreed with the proposal of the President of the Management Board to appoint Blaž Jakič a new Management Board Member and approved the agreement on the termination of the term of office of Management Board

Member David Benedek, which entered into force as of 1 December 2022. Blaž Jakič was appointed for a five-year term of office, the decision entered into force on 2 March 2023. The five-year term of office of the Management Board Member Barbara Smolnikar ended on 17 October 2022.

In 2022, the Management Board was composed of:

- Andrej Slapar, President,
- Uroš Ivanc, Member,
- Tadej Čoroli, Member,
- Barbara Smolnikar, Member, until 17 October 2022
- David Benedek, Member, until 1 December 2022
- 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 2022 on 10 March 2023. The annual report is published on the Company's website www.triglav.eu.

2.1.3 Data on employees

In 2022, the Group employed an average of 5,286 employees (2021: 5,281), of which 2,231 were employees of Zavarovalnica Triglav (2021: 2,243).

As at 31 December 2022, the Group employed 5,306 employees (31 December 2021: 5,246), of which 2,243 were employees of Zavarovalnica Triglav (31 December 2021: 2,246).

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 December 2022	31 December 2021	31 December 2022	31 December 2021
2-5	2,204	2,226	772	803
6/1	528	534	363	379
6/2	809	781	458	438
7	1,529	1,491	551	528
8/1	214	211	90	90
8/2	22	21	9	8
TOTAL	5,306	5,264	2,243	2,246
Average number of employees	5,286	5,281	2,231	2,243

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.

The Group's two key strategic activities are insurance and asset management. 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 subsidiaries¹⁰²

Company	Address	Tax rate (in %)	ACTIVITY	Equity stake (in %)		Share of voting rights (in %)	
				2022	2021	2022	2021
Pozavarovalnica Triglav RE, d.d.	Miklošičeva cesta 19, Ljubljana, Slovenija	19	Reinsurance	100.00	100.00	100.00	100.00
Triglav, Zdravstvena zavarovalnica, d.d.	Pristaniška ulica 10, Koper, Slovenija	19	Insurance	100.00	100.00	100.00	100.00
Triglav Osiguranje, d.d., Zagreb	Antuna Heinza 4, Zagreb, Hrvaška	18	Insurance	100.00	100.00	100.00	100.00
Triglav Osiguranje, d.d., Sarajevo	Dolina 8, Sarajevo, Bosna in Hercegovina	10	Insurance	97.78	97.78	98.87	98.87
Lovčen Osiguranje, a.d., Podgorica	Ulica slobode 13a, Podgorica, Črna gora	9	Insurance	99.07	99.07	99.07	99.07
Lovčen životna osiguranja, a.d., Podgorica	Ulica Marka Miljanova 29/III, Podgorica, Črna gora	9	Insurance	99.07	99.07	99.07	99.07
Triglav Osiguranje, a.d.o., Beograd	Milutina Milankovića 7a, Beograd, Srbija	15	Insurance	100.00	100.00	100.00	100.00
Triglav Osiguranje, a.d., Banja Luka	Ulica Prvog krajiškog korpusa 29, Banja Luka, Bosna in Hercegovina	10	Insurance	100.00	100.00	100.00	100.00
Triglav Osiguruvanje, a.d., Skopje	Bulevar 8-mi Septemvri 16, Skopje, Severna Makedonija	10	Insurance	81.69	81.32	81.69	81.32
Triglav Osiguruvanje Život, a.d., Skopje	Bulevar 8-mi Septemvri 18, Skopje, Severna Makedonija	10	Insurance	97.38	96.26	97.38	96.26
Triglav penzisko društvo, a.d., Skopje	Bulevar 8-mi septemvri 18, Skopje, Severna Makedonija	10	Fund management	100.00	100.00	100.00	100.00
Triglav, pokojninska družba, d.d.	Dunajska cesta 22, Ljubljana, Slovenija	19	Fund management	100.00	100.00	100.00	100.00
Triglav INT, d.o.o.	Dunajska cesta 22, Ljubljana, Slovenija	19	Holding company	100.00	100.00	100.00	100.00
Triglav Skladi, d.o.o.	Dunajska cesta 20, Ljubljana, Slovenija	19	Fund management	100.00	100.00	100.00	100.00
Triglav Avtoservis, d.o.o.	Verovškova 60b, Ljubljana, Slovenija	19	Maintenance and repair of motor vehicles	100.00	100.00	100.00	100.00
Triglav Svetovanje, d.o.o.	Ljubljanska cesta 86, Domžale, Slovenija	19	Insurance agency	100.00	100.00	100.00	100.00
Triglav, Upravljanje nepremičnin, d.o.o.	Dunajska cesta 22, Ljubljana, Slovenija	19	Real estate management	100.00	100.00	100.00	100.00
Triglav Savjetovanje, d.o.o., Sarajevo	Dolina 8, Sarajevo, Bosna in Hercegovina	10	Insurance agency	97.78	97.78	97.78	97.78
Triglav Savjetovanje, d.o.o., Zagreb	Sarajevska cesta 60, Zagreb, Hrvaška	18	Insurance	100.00	100.00	100.00	100.00
Triglav Savetovanje, d.o.o., Beograd	Zelengorska 1g, Beograd, Srbija	15	Insurance agency	100.00	100.00	100.00	100.00
Autocentar BH, d.o.o.	Džemala Bijedića 165b, Sarajevo, Bosna in Hercegovina	10	Maintenance and repair of motor vehicles	97.78	97.78	98.87	97.78
Sarajevostan, d.o.o.	Džemala Bijedića 147, Sarajevo, Bosna in Hercegovina	10	Real estate management	90.95	90.95	91.97	90.95
Lovčen auto, d.o.o., Podgorica	Novaka Miloševa 6/2, Podgorica, Črna gora	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, Hrvaška	18	Real estate management	100.00	100.00	100.00	100.00
Triglav upravljanje nekretninama, d.o.o., Podgorica	Džordža Vašingtona 44, Podgorica, Črna gora	9	Real estate management	100.00	100.00	100.00	100.00
Triglav upravljanje nekretninama, d.o.o., Sarajevo	Dolina 8, Sarajevo, Bosna in Hercegovina	10	Real estate management	100.00	97.78	100.00	97.78
Triglav Fondovi, d.o.o., Sarajevo	Ulica Mehmed paše Sokolovića 15, Sarajevo, Bosna in Hercegovina	10	Fund management	62.54	62.54	62.54	62.54
Triglav zdravje asistenca, d.o.o., Ljubljana	Dunajska cesta 22, Ljubljana, Slovenija	19	Other human health activities	100.00	-	100.00	-
Zavod Vse bo v redu	Miklošičeva cesta 19, Ljubljana, Slovenija	19	Corporate Social Responsibility Institute	100.00	100.00	100.00	100.00

¹⁰² All subsidiaries except institute Vse bo v redu, which is not material for the Group, are included in the consolidated financial statements according to the full consolidation method. GRI 207-4.

Condensed financial statements of the Triglav Group companies

in EUR

Company	Assets		Liabilities		Equity		Income		Net profit/loss	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
Pozavarovalnica Triglav Re d.d., Ljubljana	391,600,201	362,467,179	304,900,543	266,915,458	86,699,658	95,551,721	283,059,307	228,079,978	6,956,723	11,324,430
Triglav, Zdravstvena zavarovalnica d.d., Koper	92,513,597	111,448,859	56,072,074	65,812,869	36,441,523	45,635,990	206,807,792	200,703,434	-1,212,580	6,379,174
Triglav Osiguranje d.d., Zagreb	196,962,193	196,173,329	171,156,174	166,478,465	25,806,019	29,694,864	103,991,820	96,269,515	-3,237,771	1,820,083
Triglav Osiguranje d.d., Sarajevo	83,825,109	76,491,259	63,527,655	56,377,177	20,297,454	20,114,082	40,978,095	36,219,946	1,347,979	1,296,180
Lovćen Osiguranje a.d., Podgorica	55,181,897	52,424,790	42,140,738	39,286,519	13,041,159	13,138,271	39,958,692	37,677,417	2,261,664	1,308,164
Lovćen životna osiguranja a.d., Podgorica	8,207,691	8,180,680	4,587,312	4,191,088	3,620,379	3,989,592	5,211,203	4,935,706	384,647	256,415
Triglav Osiguranje a.d.o., Beograd	105,743,031	101,307,828	81,512,923	74,849,135	24,230,108	26,458,693	87,961,160	79,849,221	1,457,188	3,585,281
Triglav Osiguranje a.d., Banja Luka	14,312,162	13,102,599	9,011,437	8,859,000	5,300,725	4,243,599	7,515,921	6,625,994	42,813	-302,774
Triglav Osiguruvanje a.d., Skopje	41,888,801	49,525,142	28,096,676	32,843,926	13,792,125	16,681,216	27,448,166	24,135,021	65,059	482,192
Triglav Osiguruvanje Život a.d., Skopje	11,551,111	7,907,892	6,494,782	3,649,158	5,056,329	4,258,734	6,221,044	3,409,223	36,002	-86,155
Triglav penzisko društvo a.d., Skopje	3,337,875	1,738,046	158,532	184,087	3,179,343	1,553,959	516,136	308,458	-658,783	-623,974
Triglav, pokojninska družba d.d., Ljubljana	444,936,228	416,477,600	387,166,335	397,380,084	57,769,893	19,097,516	49,173,044	57,784,500	-4,448,273	1,597,670
Triglav INT d.o.o., Ljubljana	67,880,648	71,128,059	23,950	33,581	67,856,698	71,094,478	977,783	69	-13,237,780	-1,253,106
Triglav Skladi d.o.o., Ljubljana	70,404,233	86,248,279	10,490,054	11,071,037	59,914,179	75,177,242	30,839,723	30,728,566	7,248,043	8,246,729
Triglav Avtoservis d.o.o., Ljubljana	1,280,681	1,298,820	1,129,950	1,168,153	150,731	130,667	3,159,777	2,508,476	9,835	1,967
Triglav Svetovanje d.o.o., Domžale	1,899,367	1,807,856	1,467,293	1,495,117	432,074	312,739	5,730,523	4,880,110	105,393	-209,070
Triglav, Upravljanje nepremičnin d.o.o., Ljubljana	29,168,602	32,393,981	3,490,986	3,296,282	25,677,616	29,097,699	15,994,120	3,740,839	10,527,057	288,055
Triglav Savjetovanje d.o.o., Sarajevo	268,100	341,689	258,192	338,995	9,908	2,694	695,685	700,024	7,213	-65,178
Triglav Savjetovanje d.o.o., Zagreb	54,398	236,485	91,415	146,759	-37,017	89,726	370,325	577,291	-126,522	42,090
Triglav Savetovanje d.o.o., Beograd	266,807	137,944	268,503	128,612	-1,696	9,332	688,500	698,454	-36,589	-26,889
Autocentar BH d.o.o., Sarajevo	2,574,026	2,775,450	530,338	763,557	2,043,688	2,011,893	1,775,595	1,720,885	82,925	63,082
Sarajevostan d.o.o., Sarajevo	1,890,498	1,624,805	709,061	666,977	1,181,437	957,828	2,314,825	2,855,026	223,609	800,106
Lovćen auto d.o.o., Podgorica	4,824,902	4,907,430	1,439,562	1,616,923	3,385,340	3,290,507	2,325,018	1,856,714	94,833	-428,084
Triglav upravljanje nekretninama d.o.o., Zagreb	456,642	460,737	729	2,719	455,913	458,018	81,034	112,772	-834	-51,835
Triglav upravljanje nekretninama d.o.o., Podgorica	790,982	1,923,394	194,395	210,583	596,587	1,712,811	12,252	32,706	-116,225	-110,568
Triglav upravljanje nekretninama d.o.o., Sarajevo	990,357	15,339	5,173	0	985,184	15,339	8,397	0	-13,526	0
Triglav Fondovi d.o.o., Sarajevo	4,182,216	4,989,348	20,708	34,847	4,161,508	4,954,501	144,562	1,046,677	-786,584	560,544
Triglav zdravje asistencija d.o.o., Ljubljana	6,100	-	599	-	5,501	-	2,455	-	-1,999	-
Zavod Vse bo v redu	98,730	147,171	0	3,544	100,000	100,000	364,907	113,000	-44,898	47,180

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)	
	2022	2021	2022	2021	2022	2021	2022	2021
Triglav Osiguranje d.d., Sarajevo	2.22	2.22	1.13	1.13	27,850	27,640	283,170	280,040
Triglav Osiguruvanje a.d., Skopje	18.31	18.68	18.31	18.68	11,915	90,054	1,389,778	1,955,469
Lovćen Osiguranje a.d., Podgorica	0.93	0.93	0.93	0.93	21,033	18,676	497,584	498,487
Lovćen životna osiguranja a.d., Podgorica	0.93	0.93	0.93	0.93	3,577	2,385	80,166	83,600
Triglav Savjetovanje d.o.o., Sarajevo	2.22	2.22	1.13	2.22	160	-1,447	-19,462	-19,622
Autocentar BH d.o.o., Sarajevo	2.22	2.22	1.13	2.22	816	1,400	-143,109	-142,790
Lovćen auto d.o.o., Podgorica	0.93	0.93	0.93	0.93	882	-3,982	-398,599	-399,483
Triglav Osiguruvanje Život a.d., Skopje	2.62	3.74	2.62	3.74	942	-3,218	-78,641	-26,610
Sarajevostan d.o.o., Sarajevo	9.05	9.05	8.03	9.05	-15,822	72,370	230,733	246,555
Triglav Fondovi d.o.o., Sarajevo	37.46	-	37.46	-	-294,654	-	1,558,902	-
TOTAL					-243,301	203,878	3,400,522	2,475,645

The two Group companies holding a significant non-controlling interest are Triglav Osiguruvanje, a.d., Skopje and Triglav Fondovi, d.o.o., Sarajevo. Their key financial information is presented below.

	in EUR			
	Triglav Osiguruvanje a.d., Skopje		Triglav Fondovi d.o.o., Sarajevo	
	31 Dec. 2022	31 Dec. 2021	31 Dec. 2022	31 Dec. 2021
CONDENSED BALANCE SHEET				
Current assets	7,277,227	7,286,521	3,906,712	4,756,230
Current liabilities	4,433,108	3,001,242	19,212	33,649
Net current assets/liabilities	2,844,119	4,285,279	3,887,500	4,722,582
Non-current assets	34,611,574	42,238,621	275,567	233,194
Non-current liabilities	23,663,568	29,842,684	1,496	1,274
Net non-current assets/liabilities	10,948,006	12,395,937	274,071	231,920
Net assets	13,792,125	16,681,216	4,161,571	4,954,501

	in EUR			
	Triglav Osiguruvanje a.d., Skopje		Triglav Fondovi d.o.o., Sarajevo	
	2022	2021	2022	2021
CONDENSED COMPREHENSIVE INCOME				
Net profit or loss for the year	65,059	482,192	-786,584	560,544
Other comprehensive income	-2,954,150	361,165	0	0
Total comprehensive income	-2,889,091	843,357	-786,584	560,544

	in EUR			
	Triglav Osiguruvanje a.d., Skopje		Triglav Fondovi d.o.o., Sarajevo	
	2022	2021	2022	2021
CONDENSED CASH FLOW STATEMENT				
Cash flows from operating activities	1,513,473	336,580	-107,193	233,535
Cash flows from investing activities	-1,600,936	-143,442	231,556	-157,171
Cash flows from financing activities	0	20,280	296	-849
Net change in cash flows	-87,463	213,418	124,659	75,515

Changes in the structure of the Triglav Group in 2022

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

Triglav INT, d.o.o., Ljubljana acquired a 0.36% participating interest from the non-controlling interest holders of Triglav Osiguranje, a.d., Skopje, thereby becoming its 81.69% owner. The consideration totalled MAK 2,203,980 or EUR 35,826. 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 20,928.

Transfer of the participating interest in Triglav Savetovanje, d.o.o., Belgrade

Triglav Svetovanje, d.o.o., Domžale sold its 51% participating interest in Triglav Savetovanje a.o.o., Belgrade to Triglav Osiguranje, a.d.o., Belgrade. As a result, Triglav Osiguranje, a.d.o., Belgrade became a 100% owner of Triglav Savetovanje, d.o.o., Belgrade. This transaction had no impact on the Group's consolidated financial statements.

Establishment of Triglav zdravje asistenca, družba za zdravstveno dejavnost, d.o.o., Ljubljana

Triglav, Zdravstvena zavarovalnica, d.d., Koper, established the subsidiary Triglav zdravje asistenca, družba za zdravstveno dejavnost, d.o.o., in which it holds a 100% participating interest. The new company is included in the Triglav Group's consolidated financial statements under the full consolidation method.

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

Triglav Svetovanje, d.o.o., Domžale sold its 51% participating interest in Triglav Savjetovanje, d.o.o., Zagreb to Triglav Osiguranje, d.d., Zagreb. As a result, Triglav Osiguranje, d.d., Zagreb became a 100% owner of Triglav Savjetovanje, d.o.o., Zagreb. This transaction had no impact on the Group's consolidated financial statements.

Capital increase of Triglav, pokojninska družba, d.d., Ljubljana

Zavarovalnica Triglav d.d. carried out two capital increases of Triglav, pokojninska družba, d.d., Ljubljana. The first capital increase was performed at the end of May in the amount of EUR 7,999,836 and the second in June in the amount of EUR 36,999,612. Both capital increases in the total amount of EUR 44,999,448 were carried out with in-cash contributions. With the capital increases, Zavarovalnica Triglav remained a 100% owner of said company. The capital increases did not affect the consolidated financial statements of the Triglav Group.

The first consolidation of Triglav Fondovi, d.o.o., Sarajevo

In the third quarter of 2022, Triglav Fondovi, d.o.o., Sarajevo, was for the first time included in the Triglav Group's consolidated financial statements under the full consolidation method. Up to and including the first half of 2022, the company was included in the consolidated financial statements using the equity method due to immateriality. Due to the nature and scope of business, the company may become material for the consolidated financial statements in the future, therefore, with the aim of greater transparency, it became subject to full consolidation. As a result of the first consolidation of said company, the Triglav Group's balance sheet total as at 31 December 2022 increased by EUR 4,182,279 and, consequently, minority interests increased by EUR 1,853,556. There were no effects on the consolidated income statement from this transaction.

Capital increase of and transfer of the participating interest in Triglav upravljanje nekretninama, d.o.o., Sarajevo

In 2022, Triglav Osiguranje, d.d., Sarajevo, Autocentar BH, d.o.o., Sarajevo, and Sarajevostan, d.o.o., Sarajevo, increased the capital of Triglav upravljanje nekretninama, d.o.o., Sarajevo with in-kind contributions in the total amount of EUR 983,386. As at the 2022 year-end, the ownership of this company was transferred to Triglav Upravljanje nepremičnin, d.o.o., Ljubljana. The capital increase and the transfer of the participating interest had no material impact on the Triglav Group's consolidated financial statements.

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

Triglav INT, holdinška družba, d.o.o., Ljubljana, increased the capital of Triglav Osiguranje, d.d., Banja Luka with an in-cash contribution of EUR 999,985. With the capital increase, Triglav INT, d.o.o., remained a 100% owner of said company. The capital increase had no impact on the Group's consolidated financial statements.

Capital increase of Triglav Osiguranje, d.d., Zagreb

Triglav INT, holdinška družba, d.o.o., Ljubljana, increased the capital of Triglav Osiguranje, d.d., Zagreb with an in-cash contribution of EUR 9,987,527. With the capital increase, Triglav INT, d.o.o. remained a 100% owner of said company. The capital increase had no impact on the Group's consolidated financial statements.

Capital increase of Triglav Osiguranje Život, a.d., Skopje

Triglav INT, holdinška družba, d.o.o., Ljubljana, increased the capital of Triglav Osiguranje Život, a.d., Skopje with an in-cash contribution of EUR 2,000,000. Because the capital increase was carried out by one of the two shareholders, their participating interests changed. Through the capital increase, Triglav INT, d.o.o., became an 85.71% owner (previously 80%) of said company, while the participating interest of Triglav Osiguranje, a.d., in said company decreased to 14.29% (previously 20%). Due to indirect ownership, the Group's participating interest in said company increased to 97.38% (previously 96.34%) on account of the capital increase.

Capital increase of Triglav penzisko društvo, a.d., Skopje

Zavarovalnica Triglav, d.d., increased the capital of Triglav penzisko društvo, a.d., Skopje with an in-cash contribution of EUR 2,356,000. With the capital increase, Zavarovalnica Triglav remained a 100% owner of said company. The capital increase had no impact on the Group's consolidated financial statements.

Capital increase of Triglav INT, holdinška družba, d.o.o., Ljubljana

Zavarovalnica Triglav, d.d., increased the capital of Triglav INT, holdinška družba, d.o.o., Ljubljana, with an in-cash contribution of EUR 10,000,000. With the capital increase, Zavarovalnica Triglav remained a 100% owner of said company. The capital increase had no impact on the Group's consolidated financial statements.

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 2022 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 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 deterioration of the general economic and geopolitical situation and the consequences of 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.

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

The impact of the general economic and geopolitical situation and the consequences of 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 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. If the exchange rate for a certain currency is not published by the Bank of Slovenia, the exchange rate published by Bloomberg is used. 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). 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 2.50% 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 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.

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 and mathematical provisions in the amount of estimated bonuses for the current financial year.

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 yearly 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 yearly 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 (business activity);
- 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 strategic 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 CAPM model.

Goodwill impairment is recognised in profit or loss.

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 as follows: for provisions for retirement benefits in other comprehensive income and for provisions for jubilee benefits in profit or loss.

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.

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 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.

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 0.92%	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 1.87 and 6%	Level 2
Equity securities	Cash flow discounting	g (growth rate during constant growth period)	2%	Level 3
		EBIT margin (constant growth period)	16.40–30.30%	
		Discount rate	11.71–14.7%	
		Lack of marketability discount	6.50–18.00%	
		NAV method	Real property price changes	
	Market approach	MVIC/EBITDA		
Equity investment in associates	Equity method	Accumulated gains and losses		Level 3
Real property for own use	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 Market values based on information available	Level 3

The fair value of assets and liabilities is shown in section [5.3](#).

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 2022 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 2.5.1.3 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

Item in the financial statements / content	Accounting judgement / estimate	Assumptions and sources of uncertainty	Accounting policy	Assumptions and estimates used
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
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	Intangible assets, 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

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, Section 3.2 Accounting Report, Section 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, Section 3.3	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, Section 3.4	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, Section 3.5	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.

2.7.2 The impact of geopolitical risks and the changed economic situation on individual items in the financial statements

The COVID-19 pandemic gradually ended in 2022. European countries' pandemic-related measures resulted in loosening supply chains, stimulated increased household consumption and higher sovereign debt. The year 2022 was marked by the beginning of the war in Ukraine. The consequences of the Russian aggression on Ukraine were the extensive sanctions of the world economies with the aim of weakening the Russian economy, which additionally affected supply chain disruptions and increased the prices of energy products. All these events in 2022 resulted in rising inflation, which the central banks tried to moderate by increasing interest rates, thereby greatly increasing the borrowing costs of the already highly indebted countries. Geopolitical risks and the deteriorating macroeconomic situation also affected the financial markets, where significant increases in interest rates, uncertainty surrounding the operations in the Russian market and uncertainty regarding future economic development caused major falls in market prices.

Impact on business

Geopolitical risks and the changed macroeconomic situation mainly influenced the increase in operating expenses and claims paid in the non-life insurance segment. High inflation did not have a significant impact on life insurance claims experience, as the vast majority of insurance policies have a sum insured determined in an absolute amount that is independent of inflation.

In response to inflationary trends, primarily gross written premium rose and, as expected, premium income to a somewhat lesser extent. Premium increase in 2022 will have the largest impact on premium income in 2023.

The changed economic environment did not have a significant impact on policyholders' decision to terminate their policies early. On the basis of empirical data, up to and including December 2022, no significant deviations from the past few years were identified. Furthermore, changes in the economic environment in 2022 have not yet had a negative impact on the balance or structure of receivables by maturity, as shown in Section [3.10](#).

Impact on assumptions used in creating provisions

The changed economic situation mainly affected the assumptions used to calculate non-life insurance claims provisions, provisions resulting from the LAT for life insurance and employee benefits.

In calculating non-life insurance claims provisions as at 31 December 2022, the inflation forecast for 2023 by the International Monetary Fund (IMF) and local institutions in each country was taken into account. For Slovenia, a 3.9% inflation rate was taken into account, which is in line with the forecast of the Institute of Macroeconomic Analysis and Development of the Republic of Slovenia. The consumer price index was used as an inflation indicator for all non-life insurance segments. The claim frequency, which fell during the COVID-19 epidemic, returned to a level comparable to pre-COVID-19 levels, which was taken into account in creating provisions.

Due to the nature of the calculation of insurance-technical provisions for life insurance, inflation had no effect on their level, but due to the rise in interest rates provisions from the LAT in the amount of EUR 12,257,283 were released.

In the calculation of employee benefits, the assumption of future salary increases was increased, while the risk-free interest rate term structure increased due to rising interest rates in the financial markets. The combined effect of both changes is a reduction in provisions by EUR 2,098,298.

Impact on the financial assets portfolio

In 2022, due to the reasons described above, there was a historic increase in risk-free interest rates and credit spreads (which affected the fall in the value of the Group's debt financial investments) and a decline in the value of the Group's equity investments. The increase in interest rates mainly depended on the higher inflation rate. Since higher inflation is accompanied by higher nominal interest rates, the inflationary environment negatively affects the value of fixed-income assets. Fixed-rate debt financial instruments account for the majority of the Group's financial investments. Part of the interest sensitivity of assets can be neutralised with the interest sensitivity of insurance liabilities by implementing an appropriate asset-liability management policy, which in the event of an increase in interest rates means that both assets and liabilities are revalued, while the effect on the amount of excess of assets over liabilities, i.e. capital, is accordingly lower.

In 2023, the Company expects a gradual easing of inflation, but it will remain elevated. As a result, the Company anticipates a calm and moderate increase in interest rates for the next year as well, and thus a smaller impact on the revaluation of the Group's financial assets.

Impact on the valuation of investments in subsidiaries

For the purposes of financial statements, interests in subsidiaries are subject to a model-based valuation. In the model-based valuation, nominal projections of cash flows from operating activities are used. The nominal interest rate and other market parameters (e.g. premium for capital risk) are also taken into account in the discount rate. The actual impact of inflation on an individual subsidiary strongly depends on the ability of how quickly and efficiently the company can transfer the impact of inflation on key operating parameters (premium adjustments, increase in claims, etc.) to end customers.

The business plans, which are the basis for making value assessment, were prepared with increased inflation in mind and the ability to protect an individual company from the effects of inflation. The negative impact of inflation on the value of the considered balance sheet item would therefore be expressed only through the part of inflation that would not be properly taken into account/forecast when developing business plans or which a company would not be able to contain adequately.

See Section [3.5](#) for more information about the impairment of investments in subsidiaries.

Impact on real property valuation

The sensitivity of real property to inflation is historically relatively low or not negative. Rising rents and increasing demand for real property, which is considered to preserve real value, tend to neutralise the negative effects of higher inflation on the value of assets.

In valuing real property as at 31 December 2022, due to the rise in prices of basic building materials, problems with their supply and the rise in service prices, the appraiser took into account 10% higher costs of the replacement reserve than in 2021.

The Slovenian real property market is characterised by excess demand, which in 2021 and 2022 was stimulated to the greatest extent by low interest rates and loan availability, and at the end of the year by the fear of rising inflation. Additional pressure on prices was caused by the rise in construction costs as a result of the global rise in energy and building materials prices, first due to the pandemic, and later due to the war in Ukraine. However, according to the appraiser's findings, the first signs of a slowdown in price growth have begun to show at the end of 2022. It is expected that market supply will exceed creditworthy demand and the sale of residential property will come to an end. In addition to the above, rising interest rates will have a major impact. All these expectations were taken into account when determining the fair value of real property as at 31 December 2022. Impairment of real property was not necessary, which is presented in more detail in sections [3.2](#) and [3.3](#).

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	
	2022	2021	2022	2021
Insurance premium tax	60,722,335	55,497,420	49,806,199	45,732,765
Fees from income of natural persons (employer's contributions and taxes)	26,151,952	34,312,596	16,004,255	14,829,707
Corporate income tax	25,112,860	20,082,226	20,633,936	11,928,064
Fire fee	5,619,234	5,162,084	5,043,587	4,600,869
Value added tax	5,966,859	3,878,207	1,269,293	1,315,778
Fee for the use of building land	1,036,726	992,342	742,547	717,619
Financial services tax	613,045	725,015	104,215	89,774
Other fees	1,055,105	232,516	0	0
Total fees charged in the year	126,630,964	120,882,406	93,604,032	79,214,576

in EUR

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.

in EUR

31 December 2022

Statement of financial position	NON-LIFE	LIFE	HEALTH	OTHER	TOTAL (before eliminations)	ELIMINATIONS	TOTAL (after eliminations)
ASSETS	2,176,100,199	2,112,703,629	88,062,826	195,057,434	4,571,924,088	-443,099,169	4,128,824,919
Intangible assets	85,700,534	7,466,973	410,239	18,882,003	112,459,749	0	112,459,749
Property, plant and equipment	91,823,423	10,021,800	1,804,464	4,348,781	107,998,468	0	107,998,468
Deferred tax assets	20,141,702	21,040,073	2,078,560	270,692	43,531,027	-2,559,580	40,971,447
Investment property	46,695,729	1,208,135	0	20,473,631	68,377,495	0	68,377,495
Right of use assets	10,578,968	777,319	428,285	3,035,139	14,819,711	-4,452,086	10,367,625
Investments in subsidiaries	171,768,414	21,249,883	7,500	74,162,546	267,188,343	-267,188,343	0
Investments in associates	37,369,536	440,648	0	0	37,810,184	0	37,810,184
Financial assets	1,080,399,828	1,972,050,911	72,877,987	41,231,004	3,166,559,730	-1,583,363	3,164,976,367
Financial investments	1,080,399,828	1,400,184,390	72,877,987	41,231,004	2,594,693,209	-1,583,363	2,593,109,846
– loans and deposits	70,108,140	54,550,244	0	3,451,342	128,109,726	-1,583,363	126,526,363
– held to maturity	0	456,469,434	0	0	456,469,434	0	456,469,434
– available for sale	995,921,433	706,309,748	72,877,987	35,686,924	1,810,796,092	0	1,810,796,092
– recognised at fair value through profit and loss	14,370,255	182,854,964	0	2,092,738	199,317,957	0	199,317,957
Unit-linked insurance assets	0	571,866,521	0	0	571,866,521	0	571,866,521
Reinsurers' share of technical provisions	292,026,028	8,871,415	1,587,797	0	302,485,240	-92,686,223	209,799,017
Receivables	309,766,986	12,713,965	6,809,719	14,281,239	343,571,909	-74,431,263	269,140,646
– receivables from direct insurance operations	139,543,071	1,996,181	4,822,986	60,453	146,422,691	-720,579	145,702,112
– receivables from reinsurance and coinsurance operations	142,211,080	231,491	260,700	0	142,703,271	-61,442,095	81,261,176
– current tax receivables	958,109	5,815	0	5,740,769	6,704,693	0	6,704,693
– other receivables	27,054,726	10,480,478	1,726,033	8,480,017	47,741,254	-12,268,589	35,472,665
Other assets	4,469,721	1,033,767	323,744	651,129	6,478,361	-198,311	6,280,050
Cash and cash equivalents	25,161,426	55,828,740	1,734,531	15,736,755	98,461,452	0	98,461,452
Non-current assets held for sale	197,904	0	0	1,984,515	2,182,419	0	2,182,419
EQUITY AND LIABILITIES	2,176,100,199	2,112,703,629	88,062,826	195,057,434	4,571,924,089	-443,099,169	4,128,824,919
Equity	701,242,554	110,828,057	32,012,221	174,777,994	1,018,860,827	-266,061,964	752,798,863
Controlling interests	701,242,554	110,828,057	32,012,221	174,777,994	1,018,860,827	-269,462,486	749,398,341
– share capital	129,690,864	77,249,393	20,822,144	106,331,530	334,093,931	-260,392,539	73,701,392
– share premium	43,380,681	39,652,231	0	31,061,946	114,094,858	-63,790,184	50,304,674
– reserves from profit	430,038,432	47,825,525	1,853,961	7,884,580	487,602,498	-5,768,539	481,833,959
– 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	-38,962,183	-99,343,389	-5,166,703	14,335,245	-129,137,030	-395,421	-129,532,451
– net profit brought forward	86,529,971	31,913,518	15,665,581	16,768,226	150,877,296	75,015,811	225,893,107
– net profit for the year	52,531,732	14,490,402	-1,162,762	-1,898,934	63,960,438	-13,700,460	50,259,978
– currency translation differences	-1,966,943	-959,612	0	-69,278	-2,995,844	-66,475	-3,062,318
Non-controlling interests	0	0	0	0	0	3,400,522	3,400,522
Subordinated liabilities	49,522,163	0	0	0	49,522,163	0	49,522,163
Insurance technical provisions	1,177,721,774	1,392,255,152	41,791,333	0	2,611,768,259	-92,688,663	2,519,079,596
– unearned premiums	441,382,787	451,984	3,666,189	0	445,500,960	-31,211,802	414,289,158
– mathematical provisions	0	1,356,890,816	0	0	1,356,890,816	0	1,356,890,816
– claims provisions	708,046,618	21,845,252	19,075,626	0	748,967,496	-60,179,310	688,788,186
– other insurance technical provisions	28,292,369	13,067,100	19,049,518	0	60,408,987	-1,297,551	59,111,436
Insurance technical provisions for unit-linked insurance contracts	0	580,944,539	0	0	580,944,539	0	580,944,539
Employee benefits	13,403,259	2,270,564	842,667	912,618	17,429,108	0	17,429,108
Other provisions	761,486	29,804	240,099	1,115,498	2,146,887	0	2,146,887
Deferred tax liabilities	774,194	-1,954,683	0	4,011,227	2,830,738	-2,571,283	259,455
Other financial liabilities	1,935,601	15,965	0	699,378	2,650,944	-777,385	1,873,559
Operating liabilities	139,984,311	9,023,024	6,261,317	1,218,781	156,487,433	-62,711,883	93,775,550
– liabilities from direct insurance operations	8,350,506	8,436,881	5,989,540	0	22,776,927	-1,275,278	21,501,649
– liabilities from reinsurance and co-insurance operations	121,468,760	512,483	271,777	0	122,253,020	-61,436,605	60,816,415
– current tax liabilities	10,165,045	73,660	0	1,218,781	11,457,486	0	11,457,486
Lease liabilities	10,885,928	795,055	436,456	3,239,155	15,356,594	-4,589,212	10,767,382
Other liabilities	79,868,929	18,496,152	6,478,733	9,082,783	113,926,597	-13,698,780	100,227,817
Non-current liabilities held for sale and discontinued operations	0	0	0	0	0	0	0

in EUR

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

	2022					2021					in EUR
Income statement	NON-LIFE	LIFE	HEALTH	OTHER	TOTAL	NON-LIFE	LIFE	HEALTH	OTHER	TOTAL	
Net premium income	725,629,617	260,098,110	204,177,888	0	1,189,905,615	677,079,548	244,584,435	198,182,068	0	1,119,846,051	
– gross written premium	1,009,172,823	266,160,975	204,223,289	0	1,479,557,087	904,500,010	250,160,945	198,314,595	0	1,352,975,550	
– ceded written premium	-248,921,289	-6,065,121	0	0	-254,986,410	-215,369,686	-5,580,189	0	0	-220,949,875	
– change in unearned premium reserve	-34,621,917	2,256	-45,401	0	-34,665,062	-12,050,776	3,679	-132,527	0	-12,179,624	
Income from investments in subsidiaries and associates	1,841,505	678	0	0	1,842,183	1,093,864	0	0	350,190	1,444,054	
– profit on equity investments accounted for using the equity method	1,841,505	678	0	0	1,842,183	1,093,864	0	0	350,190	1,444,054	
– other income from investments in subsidiaries and associates	0	0	0	0	0	0	0	0	0	0	
Income from investments	40,616,373	50,057,369	827,649	54,990	91,556,381	23,313,042	131,084,839	881,499	59,791	155,339,171	
– interest income calculated using the effective interest method	10,438,732	23,421,577	500,645	40,665	34,401,619	10,513,512	23,153,778	569,890	44,099	34,281,279	
– gains on disposals	23,511,658	14,089,269	163,601	10,914	37,775,442	6,288,821	9,795,552	203,031	13,936	16,301,340	
– other income from investments	6,665,983	12,546,523	163,403	3,411	19,379,320	6,510,709	98,135,509	108,578	1,756	104,756,552	
Other income from insurance operations	56,734,123	2,315,408	885,454	0	59,934,985	46,745,180	1,976,072	73,048	0	48,794,300	
– fees and commission income	46,900,776	2,284,113	0	0	49,184,889	36,966,451	1,949,637	0	0	38,916,088	
– other income from insurance operations	9,833,347	31,295	885,454	0	10,750,096	9,778,729	26,435	73,048	0	9,878,212	
Other income	9,415,112	189,920	97,076	50,124,021	59,826,129	11,211,689	428,125	109,532	41,584,714	53,334,060	
Net claims incurred	370,254,786	182,690,242	193,787,403	0	746,732,431	363,348,949	185,440,722	166,239,117	0	715,028,788	
– gross claims settled	463,442,125	185,401,039	183,387,377	0	832,230,541	393,254,881	185,673,862	157,651,307	0	736,580,050	
– reinsurers' share	-58,416,618	-1,489,120	-1,942	0	-59,907,680	-42,961,049	-1,924,694	1,283	0	-44,884,460	
– changes in claims provisions	-34,770,721	-1,221,677	3,016,730	0	-32,975,668	13,055,117	1,691,554	1,405,723	0	16,152,394	
– equalisation scheme expenses for supplementary health insurance	0	0	7,385,238	0	7,385,238	0	0	7,180,804	0	7,180,804	
Change in other insurance technical provisions (excluding ULI)	67,049	-67,578,173	-11,530,655	0	-79,041,779	-503,642	-10,008,883	8,399,117	0	-2,113,408	
Change in insurance technical provisions for unit-linked insurance contracts	0	-43,787,917	0	0	-43,787,917	0	112,661,349	0	0	112,661,349	
Expenses for bonuses and discounts	10,786,607	14,233	-2,090	0	10,798,750	11,392,922	11,221	0	0	11,404,143	
Operating expenses	237,351,894	46,880,107	17,696,129	0	301,928,130	209,838,574	41,771,953	15,247,381	0	266,857,908	
– acquisition costs	177,993,251	29,683,424	3,752,613	0	211,429,288	155,114,037	26,761,666	3,035,467	0	184,911,170	
– other operating costs	59,358,643	17,196,683	13,943,516	0	90,498,842	54,724,537	15,010,287	12,211,914	0	81,946,738	
Expenses from investments in subsidiaries and associates	0	0	0	0	0	135,453	10,179	0	0	145,632	
– loss on investments accounted for using the equity method	0	0	0	0	0	135,453	10,179	0	0	145,632	
– other expenses from financial assets and liabilities	0	0	0	0	0	0	0	0	0	0	
Expenses from investments	25,208,897	173,730,559	1,858,374	847,069	201,644,899	6,780,978	24,870,022	92,945	88,841	31,832,786	
– loss on impairment of investments	4,646,874	3,506,616	881,246	0	9,034,736	29,285	4,343	0	0	33,628	
– loss on disposal of investments	13,949,589	35,523,691	868,137	346	50,341,763	1,720,014	5,384,202	18,116	407	7,122,739	
– other expenses from investments	6,612,434	134,700,252	108,991	846,723	142,268,400	5,031,679	19,481,477	74,829	88,434	24,676,419	
Other insurance expenses	57,320,881	905,640	1,270,062	0	59,496,583	50,434,727	991,677	489,536	0	51,915,940	
Other expenses	29,243,604	3,233,474	920,111	37,356,777	70,753,966	20,779,040	2,696,207	792,471	34,111,935	58,379,653	
– expenses from financing	2,500,105	42,818	0	188,304	2,731,227	2,465,509	55,600	0	208,177	2,729,286	
– other expenses	26,743,499	3,190,656	920,111	37,168,473	68,022,739	18,313,531	2,640,607	792,471	33,903,758	55,650,367	
Profit before tax	104,003,012	16,573,320	1,988,733	11,975,165	134,540,230	97,236,322	19,629,024	7,985,580	7,793,919	132,644,845	
Income tax expense	18,990,486	2,809,389	-253,864	2,777,541	24,323,552	15,130,729	974,805	1,469,393	2,104,225	19,679,152	
NET PROFIT FOR THE PERIOD	85,012,526	13,763,931	2,242,597	9,197,624	110,216,678	82,105,593	18,654,219	6,516,187	5,689,694	112,965,693	
Net profit/loss attributable to the controlling company	84,958,080	13,753,059	2,242,597	9,506,242	110,459,978	81,973,513	18,650,761	6,516,187	5,621,353	112,761,814	
Net profit/loss attributable to the non-controlling interest holders	54,446	10,872	0	-308,618	-243,300	132,080	3,458	0	68,341	203,879	

in EUR

	31 December 2022				
Statement of financial position	SLOVENIA	OTHER	TOTAL (before eliminations)	ELIMINATIONS	TOTAL (after eliminations)
ASSETS	4,034,615,290	537,308,798	4,571,924,088	-443,099,169	4,128,824,919
Intangible assets	90,893,228	21,566,521	112,459,749	0	112,459,749
Property, plant and equipment	71,092,819	36,905,649	107,998,468	0	107,998,468
Deferred tax assets	40,268,086	3,262,941	43,531,027	-2,559,580	40,971,447
Investment property	62,494,753	5,882,742	68,377,495	0	68,377,495
Right of use assets	7,542,429	7,277,282	14,819,711	-4,452,086	10,367,625
Investments in subsidiaries	261,302,480	5,885,863	267,188,343	-267,188,343	0
Investments in associates	37,810,184	0	37,810,184	0	37,810,184
Financial assets	2,870,210,561	296,349,169	3,166,559,730	-1,583,363	3,164,976,367
Financial investments	2,321,724,897	272,968,312	2,594,693,209	-1,583,363	2,593,109,846
– loans and deposits	66,490,372	61,619,354	128,109,726	-1,583,363	126,526,363
– held to maturity	448,967,712	7,501,722	456,469,434	0	456,469,434
– available for sale	1,627,938,498	182,857,594	1,810,796,092	0	1,810,796,092
– recognised at fair value through profit and loss	178,328,315	20,989,642	199,317,957	0	199,317,957
Unit-linked insurance assets	548,485,664	23,380,857	571,866,521	0	571,866,521
Reinsurers' share of technical provisions	252,472,014	50,013,226	302,485,240	-92,686,223	209,799,017
Receivables	271,366,036	72,205,873	343,571,909	-74,431,263	269,140,646
– receivables from direct insurance operations	104,221,217	42,201,474	146,422,691	-720,579	145,702,112
– receivables from reinsurance and coinsurance operations	125,597,707	17,105,564	142,703,271	-61,442,095	81,261,176
– current tax receivables	6,106,570	598,123	6,704,693	0	6,704,693
– other receivables	35,440,542	12,300,712	47,741,254	-12,268,589	35,472,665
Other assets	3,079,189	3,399,172	6,478,361	-198,311	6,280,050
Cash and cash equivalents	64,148,373	34,313,079	98,461,452	0	98,461,452
Non-current assets held for sale	1,935,138	247,281	2,182,419	0	2,182,419
EQUITY AND LIABILITIES	4,034,615,290	537,308,798	4,571,924,088	-443,099,169	4,128,824,919
Equity	891,756,334	127,104,493	1,018,860,827	-266,061,965	752,798,863
Controlling interests	891,756,334	127,104,493	1,018,860,827	-269,462,487	749,398,341
– share capital	211,194,463	122,899,469	334,093,932	-260,392,540	73,701,392
– share premium	112,205,859	1,888,999	114,094,858	-63,790,184	50,304,674
– reserves from profit	476,413,471	11,189,026	487,602,497	-5,768,538	481,833,959
– treasury share reserves	364,680	0	364,680	0	364,680
– treasury shares	0	0	0	-364,680	-364,680
– fair value reserve	-112,483,389	-16,653,641	-129,137,030	-395,421	-129,532,451
– net profit brought forward	141,127,910	9,749,386	150,877,296	75,015,811	225,893,107
– net profit/loss for the year	62,933,340	1,027,098	63,960,438	-13,700,460	50,259,978
– currency translation differences	0	-2,995,844	-2,995,844	-66,475	-3,062,318
Non-controlling interests	0	0	0	3,400,522	3,400,522
Subordinated liabilities	49,522,163	0	49,522,163	0	49,522,163
Insurance technical provisions	2,292,914,917	318,853,342	2,611,768,259	-92,688,663	2,519,079,596
– unearned premiums	334,538,645	110,962,315	445,500,960	-31,211,802	414,289,158
– mathematical provisions	1,260,182,283	96,708,533	1,356,890,816	0	1,356,890,816
– claims provisions	640,408,091	108,559,405	748,967,496	-60,179,310	688,788,186
– other insurance technical provisions	57,785,898	2,623,089	60,408,987	-1,297,551	59,111,436
Insurance technical provisions for unit-linked insurance contracts	557,670,060	23,274,479	580,944,539	0	580,944,539
Employee benefits	14,117,696	3,311,412	17,429,108	0	17,429,108
Other provisions	1,349,054	797,833	2,146,887	0	2,146,887
Deferred tax liabilities	2,007,770	822,968	2,830,738	-2,571,283	259,455
Other financial liabilities	1,615,994	1,034,949	2,650,943	-777,384	1,873,559
Operating liabilities	126,276,645	30,210,788	156,487,433	-62,711,883	93,775,550
– liabilities from direct insurance operations	18,661,600	4,115,327	22,776,927	-1,275,278	21,501,649
– liabilities from reinsurance and co-insurance operations	96,717,362	25,535,658	122,253,020	-61,436,605	60,816,415
– current tax liabilities	10,897,683	559,803	11,457,486	0	11,457,486
Lease liabilities	7,720,133	7,636,461	15,356,594	-4,589,212	10,767,382
Other liabilities	89,664,524	24,262,073	113,926,597	-13,698,779	100,227,817
Non-current liabilities held for sale and discontinued operations	0	0	0	0	0

in EUR

	31 December 2021				
Statement of financial position	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

	2022			2021		
	SLOVENIA	OTHER	TOTAL	SLOVENIA	OTHER	TOTAL
Income statement						
Net premium income	958,065,989	231,839,626	1,189,905,615	906,255,858	213,590,193	1,119,846,051
– gross written premium	1,190,965,875	288,591,212	1,479,557,087	1,096,280,433	256,695,117	1,352,975,550
– ceded written premium	-209,405,140	-45,581,270	-254,986,410	-180,456,640	-40,493,235	-220,949,875
– change in unearned premium reserve	-23,494,746	-11,170,316	-34,665,062	-9,567,935	-2,611,689	-12,179,624
Income from investments in subsidiaries and associates	1,842,183	0	1,842,183	1,444,054	0	1,444,054
– profit on equity investments accounted for using the equity method	1,842,183	0	1,842,183	1,444,054	0	1,444,054
– other income from investments in subsidiaries and associates	0	0	0	0	0	0
Income from investments	83,766,268	7,790,113	91,556,381	143,978,937	11,360,234	155,339,171
– interest income calculated using the effective interest method	28,235,063	6,166,556	34,401,619	28,027,866	6,253,413	34,281,279
– gains on disposals	37,748,974	26,468	37,775,442	15,883,514	417,826	16,301,340
– other income from investments	17,782,231	1,597,089	19,379,320	100,067,557	4,688,995	104,756,552
Other income from insurance operations	48,877,912	11,057,073	59,934,985	39,799,148	8,995,152	48,794,300
– fees and commission income	41,536,713	7,648,176	49,184,889	32,848,742	6,067,346	38,916,088
– other income from insurance operations	7,341,199	3,408,897	10,750,096	6,950,406	2,927,806	9,878,212
Other income	52,375,306	7,450,823	59,826,129	41,096,092	12,237,968	53,334,060
Net claims incurred	618,904,582	127,827,849	746,732,431	596,436,554	118,592,234	715,028,788
– gross claims settled	695,224,251	137,006,290	832,230,541	612,775,009	123,805,041	736,580,050
– reinsurers' share	-47,780,703	-12,126,977	-59,907,680	-35,058,683	-9,825,777	-44,884,460
– changes in claims provisions	-35,924,204	2,948,536	-32,975,668	11,539,424	4,612,970	16,152,394
– equalisation scheme expenses for supplementary health insurance	7,385,238	0	7,385,238	7,180,804	0	7,180,804
Change in other insurance technical provisions (excluding ULI)	-84,772,001	5,730,222	-79,041,779	-7,719,847	5,606,439	-2,113,408
Change in insurance technical provisions for unit-linked insurance contracts	-40,494,749	-3,293,168	-43,787,917	108,609,475	4,051,874	112,661,349
Expenses for bonuses and discounts	9,151,979	1,646,771	10,798,750	10,490,542	913,601	11,404,143
Operating expenses	212,764,433	89,163,697	301,928,130	185,659,845	81,198,063	266,857,908
– acquisition costs	143,103,607	68,325,681	211,429,288	124,303,436	60,607,734	184,911,170
– other operating costs	69,660,826	20,838,016	90,498,842	61,356,409	20,590,329	81,946,738
Expenses from investments in subsidiaries and associates	0	0	0	145,632	0	145,632
– loss on investments accounted for using the equity method	0	0	0	145,632	0	145,632
– other expenses from financial assets and liabilities	0	0	0	0	0	0
Expenses from investments	195,571,582	6,073,317	201,644,899	30,608,229	1,224,557	31,832,786
– loss on impairment of investments	9,032,989	1,747	9,034,736	0	33,628	33,628
– loss on disposal of investments	50,332,452	9,311	50,341,763	7,101,695	21,044	7,122,739
– other expenses from investments	136,206,141	6,062,259	142,268,400	23,506,534	1,169,885	24,676,419
Other insurance expenses	53,184,760	6,311,823	59,496,583	46,552,182	5,363,758	51,915,940
Other expenses	55,812,390	14,941,576	70,753,966	48,575,954	9,803,699	58,379,653
– expenses from financing	2,336,102	395,125	2,731,227	2,304,423	424,863	2,729,286
– other expenses	53,476,288	14,546,451	68,022,739	46,271,531	9,378,836	55,650,367
Profit before tax	124,804,682	9,735,548	134,540,230	113,215,523	19,429,322	132,644,845
Income tax expense	23,960,861	362,691	24,323,552	18,425,518	1,253,634	19,679,152
NET PROFIT FOR THE PERIOD	100,843,821	9,372,857	110,216,678	94,790,005	18,175,688	112,965,693
Net profit/loss attributable to the controlling company	100,843,821	9,616,157	110,459,978	94,790,005	17,971,809	112,761,814
Net profit/loss attributable to the non-controlling interest holders	0	-243,300	-243,300	0	203,879	203,879

in EUR

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.

Statement of financial position	31 December 2022			31 December 2021		
	NON-LIFE	LIFE	TOTAL	NON-LIFE	LIFE	TOTAL
ASSETS	1,435,563,635	1,496,632,978	2,932,196,613	1,425,009,986	1,704,592,224	3,129,602,210
Intangible assets	63,071,014	7,343,311	70,414,326	58,793,824	8,228,203	67,022,027
Property, plant and equipment	59,340,077	7,944,927	67,285,004	57,022,314	8,120,993	65,143,307
Deferred tax assets	15,415,208	19,251,972	34,667,180	0	0	0
Investment property	43,095,689	281,484	43,377,173	43,019,770	820,285	43,840,055
Right of use assets	3,940,725	0	3,940,725	4,548,298	0	4,548,298
Investments in subsidiaries	166,826,654	18,533,689	185,360,343	120,444,672	11,480,011	131,924,683
Investments in associates	41,951,871	0	41,951,871	41,693,997	0	41,693,997
Financial assets	698,915,782	1,416,890,936	2,115,806,718	841,558,081	1,666,539,870	2,508,097,951
Financial investments	698,915,782	926,272,088	1,625,187,871	841,558,081	1,127,121,898	1,968,679,979
– loans and deposits	22,088,137	9,768,303	31,856,441	25,488,933	7,032,590	32,521,523
– held to maturity	0	227,656,974	227,656,974	0	140,946,233	140,946,233
– available for sale	676,827,645	601,920,312	1,278,747,957	816,048,831	772,341,432	1,588,390,263
– recognised at fair value through profit and loss	0	86,926,499	86,926,499	20,317	206,801,643	206,821,960
Unit-linked insurance assets	0	490,618,848	490,618,848	0	539,417,972	539,417,972
Reinsurers' share of technical provisions	180,101,977	40,963	180,142,940	135,986,397	91,560	136,077,957
Receivables	154,183,507	9,611,595	163,795,102	113,944,682	1,883,002	115,827,684
– receivables from direct insurance operations	98,522,971	216,748	98,739,720	73,285,008	231,566	73,516,574
– receivables from reinsurance and coinsurance operations	37,153,635	2,538	37,156,172	23,516,494	5,846	23,522,340
– current tax receivables	0	0	0	564,166	0	564,166
– other receivables	18,506,901	9,392,309	27,899,210	16,579,014	1,645,590	18,224,604
Other assets	2,352,519	37,471	2,389,990	1,463,755	49,505	1,513,260
Cash and cash equivalents	6,368,612	16,696,630	23,065,241	6,534,196	7,378,795	13,912,991
EQUITY AND LIABILITIES	1,435,563,635	1,496,632,978	2,932,196,613	1,425,009,986	1,704,592,224	3,129,602,210
Equity	543,041,098	9,048,243	552,089,340	577,396,816	97,825,117	675,221,933
– 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	419,248,752	45,513,891	464,762,643	359,048,752	45,513,891	404,562,643
– fair value reserve	-15,140,347	-88,416,509	-103,556,856	52,861,390	3,023,244	55,884,634
– net profit brought forward	3,497,205	0	3,497,205	43,310,026	7,634,805	50,944,831
– net profit for the year	43,749,970	16,522,102	60,272,072	30,491,131	6,224,418	36,715,549
Subordinated liabilities	49,522,163	0	49,522,163	49,471,831	0	49,471,831
Insurance technical provisions	706,537,944	971,210,522	1,677,748,467	696,332,340	1,044,040,846	1,740,373,186
– unearned premiums	275,914,934	386,566	276,301,501	245,629,454	388,396	246,017,850
– mathematical provisions	0	944,548,259	944,548,259	0	1,008,319,155	1,008,319,155
– claims provisions	406,656,449	20,244,749	426,901,198	425,072,536	21,494,719	446,567,255
– other insurance technical provisions	23,966,561	6,030,948	29,997,509	25,630,350	13,838,576	39,468,926
Insurance technical provisions for unit-linked insurance contracts	0	495,682,803	495,682,803	0	540,135,052	540,135,052
Employee benefits	10,301,838	2,079,636	12,381,473	10,763,216	2,079,089	12,842,305
Other provisions	154,638	0	154,638	342,266	16,714	358,980
Deferred tax liabilities	0	0	0	973,178	3,239,555	4,212,733
Other financial liabilities	22,640	0	22,640	1,690,586	0	1,690,586
Operating liabilities	61,220,200	6,240,352	67,460,551	28,724,774	6,136,780	34,861,554
– liabilities from direct insurance operations	5,317,350	6,230,328	11,547,677	4,053,234	6,129,711	10,182,945
– liabilities from reinsurance and co-insurance operations	46,205,379	10,024	46,215,403	24,671,540	7,069	24,678,609
– current tax liabilities	9,697,471	0	9,697,471	0	0	0
Lease liabilities	4,054,668	0	4,054,668	4,643,844	0	4,643,844
Other liabilities	60,708,446	12,371,422	73,079,868	54,671,134	11,119,071	65,790,206

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 2022	31 December 2021
Balance sheet total (without offsetting)	2,932,196,613	3,129,602,210
Mutual receivables and liabilities	-11,730,131	-10,658,116
Deffered tax assets and liabilities	0	0
Offset balance	2,920,466,482	3,118,944,094

in EUR

Income statement	2022			2021		
	NON-LIFE	LIFE	TOTAL	NON-LIFE	LIFE	TOTAL
Net premium income	429,820,611	197,854,778	627,675,389	411,222,504	187,532,496	598,755,000
– gross written premium	670,083,437	198,780,186	868,863,623	606,009,493	188,340,610	794,350,103
– ceded written premium	-222,050,006	-927,008	-222,977,014	-187,144,606	-825,143	-187,969,749
– change in unearned premium reserve	-18,212,820	1,600	-18,211,220	-7,642,383	17,029	-7,625,354
Income from investments in subsidiaries and associates	29,175,149	3,712,193	32,887,342	8,179,885	0	8,179,885
– profit on equity investments accounted for using the equity method	0	0	0	0	0	0
– other income from investments in subsidiaries and associates	29,175,149	3,712,193	32,887,342	8,179,885	0	8,179,885
Income from investments	30,842,470	33,852,123	64,694,593	14,196,067	101,416,831	115,612,898
– interest income calculated using the effective interest method	4,210,389	15,410,533	19,620,922	4,517,587	15,168,297	19,685,884
– gains on disposals	21,408,415	12,917,050	34,325,465	5,599,009	9,289,495	14,888,504
– other income from investments	5,223,666	5,524,540	10,748,206	4,079,471	76,959,039	81,038,510
Other income from insurance operations	52,871,824	5,664,466	58,536,290	40,177,409	5,209,624	45,387,033
– fees and commission income	45,240,980	5,663,746	50,904,726	32,989,482	5,206,895	38,196,377
– other income from insurance operations	7,630,844	720	7,631,564	7,187,927	2,729	7,190,656
Other income	10,249,268	787,069	11,036,337	7,933,559	892,287	8,825,846
Net claims incurred	193,719,737	152,687,532	346,407,269	207,492,094	157,645,131	365,137,225
– gross claims settled	298,242,176	154,213,675	452,455,851	252,725,831	156,142,551	408,868,382
– reinsurers' share	-49,612,866	-326,541	-49,939,407	-35,569,203	-249,755	-35,818,958
– changes in claims provisions	-54,909,573	-1,199,602	-56,109,175	-9,664,534	1,752,335	-7,912,199
Change in other insurance technical provisions (excluding ULI)	610,277	-57,326,876	-56,716,599	-161,262	-13,827,965	-13,989,227
Change in insurance technical provisions for unit-linked insurance contracts	0	-47,072,818	-47,072,818	0	91,860,583	91,860,583
Expenses for bonuses and discounts	9,167,812	0	9,167,812	10,490,736	0	10,490,736
Operating expenses	154,279,681	39,984,903	194,264,584	134,499,756	35,835,110	170,334,866
– acquisition costs	114,854,039	27,714,966	142,569,005	98,861,653	25,406,907	124,268,560
– other operating costs	39,425,642	12,269,937	51,695,579	35,638,103	10,428,203	46,066,306
Expenses from investments in subsidiaries and associates	3,056,317	946,158	4,002,475	1,087,047	0	1,087,047
– loss on investments accounted for using the equity method	0	0	0	0	0	0
– other expenses from financial assets and liabilities	3,056,317	946,158	4,002,475	1,087,047	0	1,087,047
Expenses from investments	19,965,522	129,467,583	149,433,105	5,475,499	12,891,188	18,366,687
– loss on impairment of investments	2,927,051	3,506,390	6,433,441	0	0	0
– loss on disposal of investments	11,919,826	34,606,858	46,526,684	1,691,092	5,178,925	6,870,017
– other expenses from investments	5,118,645	91,354,335	96,472,980	3,784,407	7,712,263	11,496,670
Other insurance expenses	27,049,929	860,439	27,910,368	24,354,804	943,693	25,298,497
Other expenses	23,993,453	3,082,438	27,075,891	19,932,095	2,553,542	22,485,637
– expenses from financing	2,286,174	3,386	2,289,560	2,276,328	1,564	2,277,892
– other expenses	21,707,279	3,079,052	24,786,331	17,655,767	2,551,978	20,207,745
Profit before tax	121,116,594	19,241,270	140,357,864	78,538,655	7,149,956	85,688,611
Income tax expense	17,166,624	2,719,167	19,885,791	11,347,522	925,540	12,273,062
NET PROFIT FOR THE PERIOD	103,949,970	16,522,103	120,472,073	67,191,133	6,224,416	73,415,549

in EUR

Comprehensive income by business segments	2022			2021		
	NON-LIFE	LIFE	TOTAL	NON-LIFE	LIFE	TOTAL
Net profit for the year after tax	103,949,970	16,522,103	120,472,073	67,191,131	6,224,418	73,415,549
Other comprehensive income after tax	-68,051,744	-91,432,871	-159,484,615	3,437,170	-6,984,207	-3,547,037
Items which will not be transferred in P&L in future periods	1,040,035	205,702	1,245,737	138,303	26,408	164,711
– Actuarial gains and losses related to post-employment benefits on retirement	1,040,035	205,702	1,245,737	138,303	26,408	164,711
– 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	-69,091,779	-91,638,573	-160,730,352	3,298,867	-7,010,615	-3,711,748
– Fair value gains/losses on available-for-sale financial assets	-85,298,492	-125,105,429	-210,403,921	4,072,638	-36,752,119	-32,679,481
– net gains/losses recognized directly in fair value reserve	-60,034,737	-111,585,788	-171,620,525	12,380,157	-25,942,976	-13,562,819
– transfers from fair value reserve to income statement	-25,263,755	-13,519,641	-38,783,396	-8,307,519	-10,809,143	-19,116,662
– Liabilities from insurance contracts with DPF	0	11,541,802	11,541,802	0	23,304,304	23,304,304
– Tax on other comprehensive income	16,206,713	21,925,054	38,131,767	-773,771	6,437,200	5,663,429
COMPREHENSIVE INCOME OR LOSS FOR THE YEAR AFTER TAX	35,898,226	-74,910,768	-39,012,542	70,628,301	-759,789	69,868,512

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 2022	Non-life	Life	Health	Non-insurance	TOTAL
Investments in intangible assets	7,704,512	2,582,858	34,056	2,311,108	12,632,534
Investments in property, plant and equipment	8,735,825	213,605	241,778	929,961	10,121,169
Investments in investment property	1,152,492	0	0	1,434,136	2,586,628

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

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

- in non-life insurance, exposure to Kreditanstalt für Wiederaufbau of EUR 61,579,803
- in life insurance, exposure to Kreditanstalt für Wiederaufbau of EUR 35,699,523
- in health insurance, exposure to Kreditanstalt für Wiederaufbau of EUR 8,525,985
- in non-insurance, exposure to Nova KBM, d.d. of EUR 7,498,494.

in EUR			
Zavarovalnica Triglav 2022	Non-life	Life	TOTAL
ADDITIONAL DISCLOSURES FROM THE STATEMENT OF FINANCIAL POSITION			
Investments in intangible assets	6,566,488	2,545,370	9,111,858
Investments in property, plant and equipment	6,811,231	45,135	6,856,366
Investments in investment property	1,152,492	0	1,152,492
ADDITIONAL DISCLOSURES FROM THE INCOME STATEMENT			
Depreciation charge for the current year	-12,252,817	-3,630,570	-15,883,387
Depreciation of right of use assets	-1,004,900	-209,032	-1,213,932
Expenses from the impairment of premium and subrogation receivables	-8,626,544	-2,855	-8,629,399
Income from reversal of impairment of receivables	8,231,348	0	8,231,348
Expenses from impairment of investment property	0	0	0
Expenses from impairment of other receivables	-71,268	0	-71,268
Income from reversal of impairment of other receivables	69,128	7,106	76,234

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

Maximum individual exposure of Zavarovalnica Triglav to financial institutions is:

- for non-life insurance: Kreditanstalt für Wiederaufbau: EUR 43,054,693 and
- for life insurance: SID-Slovenska izvozna in razvojna banka, d.d., Ljubljana: EUR 15,217,612.

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 2021, except for the new or amended standards and interpretations effective for annual periods beginning on or after 1 January 2022, 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 IAS 16 Property, Plant and Equipment

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

The 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 refer to the cost of fulfilling and are effective for annual periods beginning on or after 1 January 2022.

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.

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

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 the wording, which were adopted by the EU on 28 June 2021. Amendments to IFRS 1, IFRS 9 and IFRS 41 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:

- 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); and
- 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 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:

New IFRS 17 Insurance Contracts

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.

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.

In parallel with the new IFRS 17, IFRS 9 will apply to insurance companies that have opted for the temporary exemption from the application of said standard. The application of IFRS 17 and IFRS 9 will have a significant impact on the interim and annual consolidated and separate financial statements of Zavarovalnica Triglav for periods beginning on or after 1 January 2023. The assessed impact of the transition is presented in more detail in sections [5.1](#) and [5.2](#).

Amendments to IAS 1 Presentation of Financial Statements

Amendments to the standard refer to the disclosure of accounting policies and are effective for annual periods beginning on or after 1 January 2023.

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 to the standard refer to the definition of accounting estimates and are effective for annual periods beginning on or after 1 January 2023. 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 address deferred tax related to assets and liabilities arising from a single transaction and are effective for annual periods beginning on or after 1 January 2023. 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.

The impact of new standards and amendments to existing standards that will be effective at a later date on the Company's and the Group's financial statements

With the exception of the implementation of IFRS 17 and IFRS 9, it is estimated that the adopted amendments to the standards will not have a significant impact on the consolidated and separate financial statements of Zavarovalnica Triglav.

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

Presently, IFRSs 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.

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 2024 and relate to non-current liabilities with covenants.

The amendments clarify how the conditions that the entity must fulfil within twelve months after the reporting period affect the classification of liabilities.

Amendments to IFRS 16 Leases

Amendments refer to the lease liability in a sale and leaseback transaction and are effective for annual periods beginning on or after 1 January 2024.

The amendments to IFRS 16 require a seller-lessee to subsequently measure lease liabilities arising from a leaseback in a way that it does not recognise any amount of the gain or loss that relates to the right of use it retains. The new requirements do not prevent a seller-lessee from recognising in profit or loss any gain or loss relating to the partial or full termination of a lease.

Amendments to IFRS 14 Regulatory Deferral Accounts

Amendments are effective for annual periods beginning on or after 1 January 2016. However, the European Commission has decided not to begin the process of endorsing this interim standard until its final version has been issued.

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.

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

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

The amendments address a conflict between the requirements of IAS 28 and IFRS 10 and clarify that in a transaction involving an associate or joint venture the extent of gain or loss recognition depends on whether the assets sold or contributed constitute a business.

The impact of new standards and 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.

Notes on temporary exemption from applying IFRS 9

In 2022, 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	Zavorovalnica 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 2022	Fair value 31 December 2022	Fair value 1 January 2022	Fair value 31 December 2022
Debt securities	2,504,048,741	2,178,943,983	42,751,390	37,038,153
Equity securities	0	0	360,707,903	265,998,629
Derivatives	0	0	20,317	0
Loans and deposits	74,170,926	99,825,103	0	0
Cash and cash equivalents	82,321,630	98,461,452	0	0
Total	2,660,541,297	2,377,230,538	403,479,609	303,036,782

	in EUR			
Zavorovalnica Triglav	Assets whose contractual cash flows are solely payments of principal and interest on the principal amounts outstanding		Other financial assets	
	Fair value 1 January 2022	Fair value 31 December 2022	Fair value 1 January 2022	Fair value 31 December 2022
Debt securities	1,743,950,017	1,422,119,467	25,504,977	23,833,305
Equity securities	0	0	204,009,208	151,148,306
Derivatives	0	0	20,317	0
Loans and deposits	24,470,029	23,321,503	3,278,362	3,264,537
Cash and cash equivalents	13,912,991	23,065,241	0	0
Total	1,782,333,038	1,468,506,211	232,812,864	178,246,148

The table below shows the fair value of assets as at 31 December 2022 whose contractual cash flows are solely payments of principal and interest on the principal amounts outstanding by credit risk rating grades.

	in EUR					
Triglav Group	Ratings of assets whose cash flows are solely payments of principal and interest on the principal amounts outstanding					
	Unrated	AAA	AA/A	BBB	BB/B	Total
Debt securities	37,101,404	481,771,294	792,619,023	696,480,513	170,971,749	2,178,943,983
Loans and deposits	95,437,149	0	0	775,123	3,612,830	99,825,103
Cash and cash equivalents	45,665,576	0	4,635	29,125,119	23,667,786	98,463,116
Total	178,204,129	481,771,294	792,623,658	726,380,755	198,252,365	2,377,232,202

	in EUR					
Zavorovalnica Triglav	Ratings of assets whose cash flows are solely payments of principal and interest on the principal amounts outstanding					
	Unrated	AAA	AA/A	BBB	BB/B	Total
Debt securities	15,983,926	336,338,881	601,466,910	417,861,002	50,468,748	1,422,119,467
Loans and deposits	23,321,503	0	0	0	0	23,321,503
Cash and cash equivalents	503,061	0	4,635	19,146,567	3,410,977	23,065,241
Total	39,808,491	336,338,881	601,471,545	437,007,569	53,879,725	1,468,506,211

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	
Skupina Triglav	Assets whose contractual cash flows are solely payments of principal and interest and do not have a low credit risk	
	Fair value	Carrying amount
Debt securities	208,073,153	208,047,476
Loans and deposits	99,049,979	100,698,363
Cash and cash equivalents	69,333,362	69,333,362
Total	376,456,494	378,079,201

	in EUR	
Zavorovalnica Triglav	Assets whose contractual cash flows are solely payments of principal and interest and do not have a low credit risk	
	Fair value	Carrying amount
Debt securities	66,452,674	66,452,674
Loans and deposits	23,321,503	23,946,271
Cash and cash equivalents	3,914,039	3,914,039
Total	93,688,216	94,312,984

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 2021	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
– transfer in use	0	0	0	2,361,862	-2,361,862	0
– purchases	0	0	0	6,550,771	6,081,763	12,632,534
– disposals	0	0	0	-3,369,436	0	-3,369,436
– decrease (net value)	0	5,588,379	-143,861	0	0	5,444,518
– exchange rate difference	0	-3,244	0	-13,845	-288	-17,377
As at 31 December 2022	10,413,312	58,690,098	158,421	114,750,355	7,287,645	191,299,831
ACCUMULATED AMORTISATION						
As at 1 January 2021	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
– current year amortisation	0	0	0	-12,790,825	0	-12,790,825
– disposals	0	0	0	3,365,322	0	3,365,322
– exchange rate difference	0	0	0	10,596	0	10,596
As at 31 December 2022	0	0	0	-78,840,082	0	-78,840,082
CARRYING AMOUNT						
As at 31 December 2021	10,413,312	53,104,963	302,282	39,795,828	3,568,032	107,184,417
As at 31 December 2022	10,413,312	58,690,098	158,421	35,910,273	7,287,645	112,459,749

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 2022, 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 2023–2028 and a discount rate of 12.85% (2021: 11.99%).

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 2022. 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 2022, 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 2022, the Group assessed the existence of possible signs of impairment of other intangible assets. No signs of impairment were identified.

Zavarovalnica Triglav	in EUR				
	Deferred acquisition costs	Long-term deferred items	Licenses and software	Intangible assets in course of acquisition	Total
COST					
As at 1 January 2021	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
– transfer in use	0	0	1,434,479	-1,434,479	0
– purchases	0	0	5,901,323	3,210,534	9,111,858
– disposal	0	0	-1,855,146	0	-1,855,146
– decrease (net value)	4,450,567	-143,861	0	0	4,306,706
As at 31 December 2022	39,496,416	158,422	79,629,265	4,737,580	124,021,683
ACCUMULATED AMORTISATION					
As at 1 January 2021	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	-45,436,240	0	-45,436,240
– amortisation	0	0	-10,026,264	0	-10,026,264
– disposal	0	0	1,855,146	0	1,855,146
As at 31 December 2022	0	0	-53,607,358	0	-53,607,358
CARRYING AMOUNT					
As at 31 December 2021	35,045,849	302,283	28,712,369	2,961,525	67,022,026
As at 31 December 2022	39,496,416	158,422	26,021,907	4,737,580	70,414,326

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 2022 amount to EUR 2,274,244 (31 December 2021: EUR 8,255,490). 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 2022. 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 2022, 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 19.46% of total cost of property, plant and equipment used by the Company (31 December 2021: 14.46%). In 2022, the Company assessed the existence of possible signs of impairment of other intangible assets. No signs of impairment were identified.

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 2021	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
– transfer in use	0	546,941	1,110,761	-1,657,702	0
– purchases	0	535,297	8,148,282	1,437,590	10,121,169
– disposals	-33,621	-796,202	-7,313,981	0	-8,143,804
– transfer to investment property	0	-817,293	0	0	-817,293
– transfer from investment property	0	810,984	0	0	810,984
– impairment	0	-767	-96,867	0	-97,634
– transfer to non-current assets	0	-3,082,889	0	0	-3,082,889
– exchange rate differences	-12,267	-40,727	-12,386	-143	-65,523
As at 31 December 2022	11,434,739	126,183,868	69,292,840	1,738,094	208,649,541
ACCUMULATED DEPRECIATION					
As at 1 January 2021	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	-44,931,683	-56,337,636	0	-101,269,319
– depreciation for the current year	0	-2,538,175	-5,940,073	0	-8,478,248
– disposals	0	277,580	7,042,755	0	7,320,335
– transfer to investment property	0	356,634	89,129	0	445,763
– transfer from investment property	0	-320,507	0	0	-320,507
– impairment	0	441	95,957	0	96,398
– transfer to non-current assets	0	1,531,109	0	0	1,531,109
– exchange rate differences	0	13,538	9,860	0	23,398
As at 31 December 2022	0	-45,611,063	-55,040,008	0	-100,651,071
CARRYING AMOUNT					
As at 31 December 2021	11,480,627	84,096,841	11,119,395	1,958,349	108,655,212
As at 31 December 2022	11,434,739	80,572,805	14,252,832	1,738,094	107,998,468

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 2022. 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 2022, 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 [5.3](#).

The fair value of real property was determined based on valuations performed as at 30 September 2022 by an external certified real estate valuer in accordance with the guidelines described in Section [2.5.13](#). When preparing the financial statements as at 31 December 2022, the management performed a re-assessment and concluded that there were no changes between the valuation date and the reporting date 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 7.50% and 9.25% for commercial buildings. Residential buildings were valued using the comparable sales method due to sufficient market evidence in local markets. The following assumptions were taken into account in the calculation of the capitalisation rate:

- the 0.53% risk-free rate of return in real terms, taking into account the yield on a 10-year Slovenian government bond of 3.24% and the annual price growth rate of 2.7%;
- the real estate risk premium of 5.0–7.0%;
- the capital retention premium of 1.42% (in the case of an estimated age of office property of 70 years).

When using the income capitalisation method, the fair value of real property abroad was estimated using a discount rate ranging between 7.8% and 13.4%. The following assumptions were taken into account in the calculation of the capitalisation rate:

- the risk-free rate of return of 5.6–11.2%, 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 6.0%;
- the capital retention premium of 1.67% (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 2021	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
– transfer in use	0	381,851	177,896	-559,747	0
– purchases	0	51,230	6,260,448	544,688	6,856,366
– disposal	0	-392,118	-5,639,803	0	-6,031,921
– transfer from investment property	0	810,984	0	0	810,984
As at 31 December 2022	5,875,545	84,106,434	41,501,830	215,946	131,699,755
ACCUMULATED DEPRECIATION					
As at 1 January 2021	0	-28,792,850	-33,612,742	0	-62,405,592
– 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	-30,201,336	-34,719,680	0	-64,921,016
– depreciation for the current year	0	-1,417,798	-3,472,525	0	-4,890,323
– disposal	0	116,625	5,600,473	0	5,717,098
– transfer from investment property	0	-320,507	0	0	-320,507
As at 31 December 2022	0	-31,823,016	-32,591,732	0	-64,414,748
CARRYING AMOUNT					
As at 31 December 2021	5,875,545	53,053,151	5,983,609	231,004	65,143,310
As at 31 December 2022	5,875,545	52,283,418	8,910,098	215,946	67,285,004

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 2022, trade payables for property, plant and equipment amounted to EUR 2,886,007 (31 December 2021: EUR 1,141,961).

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 2022. 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 19.95% of total cost of all assets used (31 December 2021: 19.12%).

In 2022, 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 [5.3](#).

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 2021	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
– transfer in use	0	3,347,280	-3,347,280	0
– purchases	0	1,016,944	1,569,684	2,586,628
– disposals	-2,877,976	-1,179,333	-152,144	-4,209,453
– transfer from property, plant and equipment	0	817,294	0	817,294
– transfer to property, plant and equipment	0	-810,984	0	-810,984
– transfer to non-current assets	-4,023,015	0	0	-4,023,015
– exchange rate difference	-206	0	0	-206
As at 31 December 2022	7,946,988	70,609,302	11,975,300	90,531,590
ACCUMULATED DEPRECIATION				
As at 1 January 2021	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	-21,060,349	0	-21,060,349
– depreciation for the current year	0	-1,430,563	0	-1,430,563
– disposals	0	379,509	0	379,509
– transfer from property, plant and equipment	0	-356,634	0	-356,634
– transfer to property, plant and equipment	0	320,507	0	320,507
– impairment	0	-6,617	0	-6,617
– exchange rate difference	0	54	0	54
As at 31 December 2022	0	-22,154,093	0	-22,154,093
CARRYING AMOUNT				
As at 31 December 2021	14,848,185	46,357,752	13,905,040	75,110,977
As at 31 December 2022	7,946,988	48,455,209	11,975,300	68,377,495

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 2022. 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 2022, 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 [5.3](#).

The fair value of real property was determined based on valuations performed as at 30 September 2022 by an external certified real estate valuer in accordance with the guidelines described in Section [2.5.13](#). When preparing the financial statements as at 31 December 2022, the management performed a re-assessment and concluded that there were no changes between the valuation date and the reporting date 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 7.50% and 9.25% for commercial buildings and between 3.75% and 5.75% for residential buildings. Residential buildings were valued using the comparable sales method due to sufficient market evidence in local markets. The following assumptions were taken into account in the calculation of the capitalisation rate:

- the 0.53% risk-free rate of return in real terms, taking into account the yield on a 10-year Slovenian government bond of 3.24% and the annual price growth rate of 2.7%;
- the real estate risk premium of 5.0–7.0%;
- the capital retention premium of 1.42% (in the case of an estimated age of office property of 70 years).

When using the income capitalisation method, the fair value of real property abroad was estimated using a discount rate ranging between 7.80% and 13.40%. The following assumptions were taken into account in the calculation of the capitalisation rate:

- the risk-free rate of return of 5.6–11.20%, 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 6.0%;
- the capital retention premium of 1.67% (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 2021	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
– purchases	0	33,675	1,118,817	1,152,492
– disposal	-16,237	-202,020	0	-218,257
– transfer to property, plant and equipment	0	-810,984	0	-810,984
As at 31 December 2022	3,513,227	39,708,804	11,929,735	55,151,767
ACCUMULATED DEPRECIATION				
As at 1 January 2021	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	-11,188,462	0	-11,188,462
– depreciation	0	-966,800	0	-966,800
– disposal	0	60,161	0	60,161
– transfer to property, plant and equipment	0	320,507	0	320,507
As at 31 December 2022	0	-11,774,594	0	-11,774,594
CARRYING AMOUNT				
As at 31 December 2021	3,529,464	29,499,671	10,810,918	43,840,054
As at 31 December 2022	3,513,227	27,934,210	11,929,735	43,377,173

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 2022. 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 2022, 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 [5.3](#).

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:

	Triglav Group		Zavarovalnica Triglav	
	2022	2021	2022	2021
Lease income	5,132,926	4,954,878	6,058,930	5,596,224
Sublease income	96,441	94,255	57,360	56,692

There were no significant modifications or terminations of lease contracts in 2022. 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.

	Triglav Group		Zavarovalnica Triglav	
	31 December 2022	31 December 2021	31 December 2022	31 December 2021
Year 1	6,296,386	6,598,071	4,163,420	4,194,027
Year 2	5,079,823	6,065,580	3,640,923	3,885,191
Year 3	3,527,026	2,724,405	3,174,242	1,246,545
Year 4	3,199,416	1,182,994	2,893,336	818,800
Year 5	432,008	1,085,003	217,600	768,063
From year 5	320,280	730,220	284,142	473,802
TOTAL	18,854,939	18,386,272	14,373,663	11,386,428

3.4 Right of use assets

in EUR

Triglav Group	Land and buildings	Vehicles	Other	Total
Carrying amount as at 1 January 2021	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
– addition	477,392	953,740	1,985	1,433,117
– accumulated depreciation	-2,905,105	-884,393	-39,941	-3,829,439
– modification	2,093,237	-246,226	-9,961	1,837,050
– exchange rate difference	-4,942	-1,235	-34	-6,211
Carrying amount as at 31 December 2022	8,274,126	2,056,791	36,709	10,367,625

in EUR

Zavarovalnica Triglav	Land and buildings	Vehicles	Other	Total
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
– addition	45,082	563,475	1,985	610,543
– accumulated depreciation	-685,848	-515,855	-12,229	-1,213,932
– modification	-3,674	-509	0	-4,183
Carrying amount as at 31 December 2022	2,540,481	1,363,533	36,710	3,940,725

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. When valuing assets and liabilities from contracts concluded for an indefinite term, there were no changes in the estimated term of contracts in 2022.

in EUR

	Triglav Group		Zavarovalnica Triglav	
	2022	2021	2022	2021
DEPRECIATION OF RIGHT OF USE ASSETS	3,829,439	3,583,871	1,213,932	1,186,592
Depreciation of rights to use land and buildings	2,905,105	2,792,093	685,848	667,267
Depreciation of right to use vehicles	884,393	752,043	515,855	506,765
Depreciation of rights to use other assets	39,941	39,735	12,229	12,560
INTEREST EXPENSE ON LEASE LIABILITIES	497,677	489,303	79,806	65,714
OTHER LEASE EXPENSES	689,665	572,507	475,811	430,026
Short – term lease expenses	125,836	84,236	49,092	1,678
Low – value lease expenses	563,829	488,271	426,719	428,348
Payment for right of use assets	4,227,582	3,945,755	1,245,256	1,230,260

3.5 Investments in subsidiaries

There were no business combinations in the Triglav Group in 2022. All other changes in the Group in 2022 are described in Section [2.1.4](#).

In preparing the financial statements for 2022, 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 2022. 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 was recognised in the Company's separate financial statements under expenses from investments in associates:

- in the amount of EUR 2,894,788, which relates to the impairment of investments in Triglav Pokojninska družba, d.d., Ljubljana
- in the amount of EUR 1,025,000, which relates to the impairment of investments in Triglav Penzisko društvo, a.d., Skopje.

The following assumptions were taken into account in determining the recoverable amount of investment in the subsidiary Triglav Pokojninska družba, d.d.:

- expected cash flows based on the companies' business plans for 2023–2027;
- the discount rate of 12.46–14.46% represented by cost of equity;
- 6.5% illiquidity discount;
- application of the assumption of the payment of excess capital above the legally required limit.

The addition method was used in determining the recoverable amount of investment in the subsidiary 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)	
					2022	2021	2022	2021	2022	2021
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	89,770,730	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	52,070,000	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.	Dunajska cesta 20, Ljubljana, Slovenia	19	Fund management	100.00	100.00	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	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	Institute 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, Skopje, North Macedonia	10	Fund management	100.00	100.00	100.00	100.00	2,889,000	1,558,000
TOTAL									185,360,343	131,924,683

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 257,874 was recognised in the Company's separate financial statements. The revaluation effect was recognised in other comprehensive income as an increase in fair value reserves.

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 2023–2035,

- the discount rate of 10.91–14.09% based on weighted average cost of capital (WACC) and
- the expected long-term growth rate of 2.0–2.5%.

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.¹⁰³

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, Slovenia	19	Health
Alifenet d.o.o.	Dunajska cesta 22, Ljubljana, Slovenia	19	Fund management

	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)	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
Nama, d.d.	39.15	39.15	39.15	39.15	4,496,424	4,315,813	39.07	39.07	39.07	39.07	10,098,002	9,091,928
Triglavko, d.o.o.	38.47	38.47	38.47	38.47	18,561	18,125	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	10,925,240	10,704,506	49.90	49.90	49.90	49.90	10,133,000	10,016,000
Društvo za upravljanje EDPF, a.d.	34.00	34.00	34.00	34.00	440,648	439,970	0.00	0.00	0.00	0.00	0	0
Diagnostični center Bled, d.o.o.	50.00	50.00	50.00	50.00	21,856,110	20,479,730	50.00	50.00	50.00	50.00	21,609,167	22,474,368
Alifenet, 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					37,810,184	36,031,346					41,951,871	41,693,997

COMPANY	ASSETS		LIABILITIES		EQUITY		REVENUES		PROFIT/LOSS	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
Nama, d.d. *	13,321,960	13,751,455	2,113,715	2,739,598	11,208,246	11,011,857	11,336,442	11,002,629	432,555	229,928
Triglavko, d.o.o.	144,424	163,574	60,986	81,270	83,438	82,304	345,210	373,638	1,133	2,076
TRIGAL, upravljanje naložb in svetovanje, d.o.o.	23,607,734	22,463,968	1,274,288	137,388	22,333,446	22,326,580	1,385,607	1,286,945	442,652	315,521
Društvo za upravljanje EDPF, a.d.	1,308,881	1,390,985	29,895	52,388	1,278,986	1,338,597	337,902	319,378	22,849	26,127
Diagnostični center Bled, d.o.o.*	46,338,747	44,917,007	17,455,813	18,908,119	28,882,934	26,008,888	29,450,654	25,785,214	2,752,760	1,690,544

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

¹⁰³ Data for 2022 are unaudited. Data for 2021 are adjusted if the revised data were different from those published in the 2021 Annual Report.

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

CONDENSED BALANCE SHEET	Diagnostični center Bled d.o.o.		NAMA d.d.		TRIGAL d.o.o.	
	31 December 2022	31 December 2021	31 December 2022	31 December 2021	31 December 2022	31 December 2021
Current assets	9,019,587	7,424,883	6,556,745	6,513,339	4,608,767	4,728,599
Current liabilities	6,718,522	5,501,977	1,392,041	2,057,697	283,850	96,689
Net current assets/liabilities	2,301,065	1,922,906	5,164,704	4,455,642	4,324,917	4,631,910
Non-current assets	37,319,160	37,492,125	6,765,216	7,238,116	18,998,967	17,735,369
Non-current liabilities	10,737,292	13,406,142	721,674	681,901	990,438	40,699
Net non-current assets/liabilities	26,581,868	24,085,983	6,043,542	6,556,215	18,008,529	17,694,670
Net assets	28,882,933	26,008,889	11,208,246	11,011,857	22,333,446	22,326,580

CONDENSED COMPREHENSIVE INCOME	Diagnostični center Bled d.o.o.		NAMA d.d.		TRIGAL d.o.o.	
	2022	2021	2022	2021	2022	2021
Net profit or loss for the year	2,752,760	1,690,544	432,555	229,928	442,653	315,521
Other comprehensive income	0	0	-74,031	98,295	0	-164
Total comprehensive income	2,752,760	1,690,544	358,523	328,224	442,653	315,357
Dividends from associates for the year	0	0	63,345	0	0	0

3.7 Financial investments¹⁰⁴

Triglav Group	Carrying value		Fair value	
	31 Dec. 2022	31 Dec. 2021	31 Dec. 2022	31 Dec. 2021
Held to maturity	456,469,434	157,560,733	437,358,263	191,798,392
At fair value through profit and loss	199,317,957	544,425,798	199,317,957	544,425,798
– held for trading	0	266,015	0	266,015
– classified at acquisition	199,317,957	544,159,783	199,317,957	544,159,783
Available for sale	1,810,796,092	2,137,609,082	1,810,620,481	2,137,609,082
Loans and deposits	126,526,363	98,104,537	126,201,572	99,906,383
TOTAL	2,593,109,846	2,937,700,150	2,573,498,273	2,973,739,655

Types of investments of the Triglav Group as at 31 December 2022

	in EUR					
	HTM	FVTPL – Held for trading	FVTPL – Designated upon acquisition	AFS	L&R	TOTAL
Debt and other fixed-return securities	456,469,434	0	135,836,743	1,638,019,344	5,982,437	2,236,307,958
Investments in shares, other floating-rate securities and fund coupons	0	0	63,480,799	171,295,868	0	234,776,667
Financial derivatives	0	0	0	0	0	0
Loans and deposits	0	0	415	1,480,880	106,498,949	107,980,244
– deposits with banks	0	0	0	0	96,853,602	96,853,602
– loans given	0	0	0	0	4,645,899	4,645,899
– other financial investments	0	0	415	1,480,880	4,999,448	6,480,743
Financial investments of reinsurance companies in reinsurance contracts	0	0	0	0	14,044,977	14,044,977
TOTAL	456,469,434	0	199,317,957	1,810,796,092	126,526,363	2,593,109,846

Types of investments of the Triglav Group as at 31 December 2021

	in EUR					
	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

¹⁰⁴ 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

Movement of investments of Triglav Group

in EUR					
	HTM	FVTPL	AFS	L&R	TOTAL
As at 1 January 2021	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 trough 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
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
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
Purchases	311,747,316	210,110,134	613,393,693	93,565,989	1,228,817,132
Disposals	0	-463,473,605	-517,478,479	-23,003,572	-1,003,955,656
Maturities	-23,299,892	-47,633,690	-159,821,692	-43,612,147	-274,367,421
Amount removed from other comprehensive income at disposal	0	0	-47,540,864	0	-47,540,864
Valuation trough profit and loss	2,000	-48,547,547	-8,616,734	13	-57,162,268
Valuation through other comprehensive income	0	0	-215,359,280	0	-215,359,280
Impairment	0	0	-8,733,949	162,973	-8,570,976
Premiums and discounts	5,449,360	0	-5,221,220	386	228,526
Interest income	5,018,705	3,560,155	22,660,342	1,361,722	32,600,924
Exchange rate difference	-8,788	876,712	-94,807	-53,538	719,579
As at 31 December 2022	456,469,434	199,317,957	1,810,796,092	126,526,363	2,593,109,846

As 31 December 2022, 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 2.0% as at the reporting date (31 December 2021: 2.22%).

	Carrying value		Fair value	
	31 Dec. 2022	31 Dec. 2021	31 Dec. 2022	31 Dec. 2021
Zavarovalnica Triglav	31,856,441	32,521,523	31,191,711	32,135,431
Loans and deposits	31,856,441	32,521,523	31,191,711	32,135,431
Held to maturity	227,656,974	140,946,233	226,836,297	173,901,172
Available for sale	1,278,747,957	1,588,390,263	1,278,747,957	1,588,390,263
At fair value through profit and loss:	86,926,499	206,821,960	86,926,499	206,821,960
– designated	86,926,499	206,801,643	86,926,499	206,801,643
– held for trading	0	20,317	0	20,317
TOTAL	1,625,187,871	1,968,679,979	1,623,702,464	2,001,248,826

Types of investments of Zavarovalnica Triglav as at 31 December 2022

in EUR					
	HTM	FVTPL - Designated upon acquisition	AFS	L&R	TOTAL
Debt and other fixed-return securities	227,656,974	68,678,600	1,144,495,399	5,982,438	1,446,813,411
Investments in shares, other floating-rate securities and fund coupons	0	18,247,899	132,900,407	0	151,148,306
Financial derivatives	0	0	0	0	0
Loans and deposits:	0	0	1,352,151	25,874,003	27,226,154
– deposits with banks and certificates of deposits	0	0	0	19,514,700	19,514,700
– loans given	0	0	0	4,446,917	4,446,917
– other financial investments	0	0	1,352,151	1,912,386	3,264,537
TOTAL	227,656,974	86,926,499	1,278,747,957	31,856,441	1,625,187,871

Types of investments of Zavarovalnica Triglav as at 31 December 2021

in EUR					
	HTM	FVTPL - Designated upon acquisition	AFS	L&R	TOTAL
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

Movement of investments of Zavarovalnica Triglav

	in EUR				
	HTM	FVTPL	AFS	L&R	TOTAL
As at 1 January 2021	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
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
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
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
Purchases	98,905,203	129,497,468	450,431,295	5,825,801	684,659,767
Maturities	-19,746,242	-10,566,989	-103,266,309	-6,844,346	-140,423,886
Disposal	0	-219,420,098	-443,429,715	-184,942	-663,034,755
Amount removed from other comprehensive income at disposal	0	0	-45,216,837	0	-45,216,837
Valuation trough profit and loss	2,000	-20,507,966	0	13	-20,505,953
Valuation through other comprehensive income	0	0	-171,878,513	0	-171,878,513
Impairments	0	0	-6,433,441	0	-6,433,441
Premiums and discounts	5,449,192	0	-4,587,203	517	862,506
Interest income	2,100,588	1,178,755	14,734,118	616,342	18,629,803
Exchange rate difference	0	-76,631	4,299	-78,467	-150,799
As at 31 December 2022	227,656,974	86,926,499	1,278,747,957	31,856,441	1,625,187,871

As 31 December 2022, 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 2.92% as at the reporting date (31 December 2021: 2.96%).

The signs of impairment of financial investments were tested as at 31 December 2022, 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. For investments in debt instruments, objective evidence of impairment is essential (default due to inability to pay, significant deterioration of the issuer's credit rating).

Signs of impairment of financial investments were identified in several financial instruments. With regard thereto, the Group recorded EUR 9,034,736 in expenses and Zavarovalnica EUR 6,433,441 in expenses in 2022, with Russian bonds accounting for a significant portion thereof. These expenses were recognised in profit or loss under the item "impairment of investments".

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 financial investments are presented below according to financial asset type.

Types of investments of the Triglav Group as at 31 December 2022

	in EUR				
	HTM	FVTPL	AFS	L&R	TOTAL
Debt and other fixed-return securities	0	19,537,715	0	0	19,537,715
Investments in shares, other floating-rate securities and fund coupons	0	546,964,429	0	0	546,964,429
Financial derivatives	0	719,558	0	0	719,558
Loans and deposits	0	0	0	4,644,819	4,644,819
– deposits with banks and certificates of deposits	0	0	0	0	0
– loans given	0	0	0	4,644,819	4,644,819
– other financial investments	0	0	0	0	0
TOTAL	0	567,221,702	0	4,644,819	571,866,521

Types of investments of the Triglav Group as at 31 December 2021

	in EUR				
	HTM	FVTPL	AFS	L&R	TOTAL
Debt and other fixed-return securities	0	25,350,414	0	0	25,350,414
Investments in shares, other floating-rate securities and fund coupons	0	594,267,074	0	0	594,267,074
Financial derivatives	0	0	0	0	0
Loans and deposits	0	0	0	0	0
– deposits with banks and certificates of deposits	0	0	0	0	0
– loans given	0	0	0	0	0
– other financial investments	0	0	0	0	0
TOTAL	0	619,617,488	0	0	619,617,488

Types of investments of Zavarovalnica Triglav as at 31 December 2022

	in EUR				
	HTM	FVTPL	AFS	L&R	TOTAL
Debt and other fixed-return securities	0	5,796,534	0	0	5,796,534
Investments in shares, other floating-rate securities and fund coupons	0	484,822,314	0	0	484,822,314
Financial derivatives	0	0	0	0	0
Loans and deposits	0	0	0	0	0
– deposits with banks and certificates of deposits	0	0	0	0	0
– loans given	0	0	0	0	0
– other financial investments	0	0	0	0	0
TOTAL	0	490,618,848	0	0	490,618,848

Types of investments of Zavarovalnica Triglav as at 31 December 2021

	in EUR				
	HTM	FVTPL	AFS	L&R	TOTAL
Debt and other fixed-return securities	0	9,819,593	0	0	9,819,593
Investments in shares, other floating-rate securities and fund coupons	0	529,598,379	0	0	529,598,379
Financial derivatives	0	0	0	0	0
Loans and deposits	0	0	0	0	0
– deposits with banks and certificates of deposits	0	0	0	0	0
– loans given	0	0	0	0	0
– other financial investments	0	0	0	0	0
TOTAL	0	539,417,972	0	0	539,417,972

Movement of unit-linked insurance assets

	in EUR	
	Triglav Group	Zavarovalnica Triglav
As at 1 January 2021	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
Purchases	122,498,450	95,793,661
Disposals	-68,610,626	-57,233,134
Maturities	-8,494,018	-4,551,123
Amount removed from other comprehensive income at disposal	-27,600	0
Profit/loss on disposal	0	0
Valuation trough profit and loss	-95,800,702	-84,077,545
Valuation through other comprehensive income	-262	0
Impairments	0	0
Premium and discounts	0	0
Interest income	337,022	103,243
Transfer between funds	0	0
Exchange rate difference	2,346,769	1,165,774
As at 31 December 2022	571,866,521	490,618,848

Unit-linked insurance assets are presented below according to financial asset type.

	Triglav Group		Zavarovalnica Triglav	
	31 Dec. 2022	31 Dec. 2021	31 Dec. 2022	31 Dec. 2021
Equity securities	546,964,429	594,267,074	484,822,314	529,598,379
Debt securities	19,537,715	25,350,414	5,796,534	9,819,593
Derivatives	719,558	0	0	0
Loans given	4,644,819	0	0	0
Cash of the KSNT fund	9,078,017	2,685,911	5,063,955	717,080
Total unit-linked insurance assets	580,944,538	622,303,399	495,682,803	540,135,052
Insurance technical provisions for unit-linked life insurance assets	580,944,538	622,303,399	495,682,803	540,135,052

Both the Triglav Group and Zavarovalnica Triglav disclose the cash of the KSNT fund in the statement of financial position under the item “cash and cash equivalents”.

3.9 Reinsurers' share of technical provisions

	Triglav Group		Zavarovalnica Triglav	
	31 Dec. 2022	31 Dec. 2021	31 Dec. 2022	31 Dec. 2021
NON-LIFE INSURANCE				
Reinsurers' share of unearned premiums	57,746,261	53,115,634	49,203,455	41,581,360
Reinsurers' share of claims	143,136,654	115,899,852	130,898,522	94,405,037
Reinsurers' share of technical provisions for bonuses and discounts	44,687	34,916	0	0
Total non-life insurance	200,927,602	169,050,402	180,101,977	135,986,397
LIFE INSURANCE				
Reinsurers' share of unearned premiums	1,581	1,903	499	728
Reinsurers' share of claims	108,695	155,829	40,464	90,832
Reinsurers' share of other mathematical provisions	8,761,139	5,631,756	0	0
Total life insurance	8,871,415	5,789,488	40,963	91,560
TOTAL ASSETS FROM REINSURANCE CONTRACTS	209,799,017	174,839,890	180,142,940	136,077,958

3.10 Receivables

Triglav Group

in EUR

31 December 2022	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	114,595,560	-51,531	114,544,029	28,555,048	-2,435,505	26,119,543	44,515,263	-39,476,723	5,038,540	145,702,112
Receivables from insurers	93,936,610	-46,233	93,890,377	27,166,268	-2,373,738	24,792,530	33,546,548	-32,158,672	1,387,876	120,070,783
Receivables from insurance brokers	456,947	0	456,947	287,927	-43,161	244,766	484,901	-475,419	9,482	711,195
Other receivables from direct insurance operations	20,202,003	-5,298	20,196,705	1,100,853	-18,606	1,082,247	10,483,814	-6,842,632	3,641,182	24,920,134
Receivables from co-insurance and reinsurance operations	59,656,918	0	59,656,918	14,366,155	0	14,366,155	7,348,555	-110,452	7,238,103	81,261,176
Premium receivable from co-insurance	1,212,045	0	1,212,045	1,524,254	0	1,524,254	984,557	-6,114	978,443	3,714,742
Premium receivable from reinsurance	44,972,983	0	44,972,983	10,289,309	0	10,289,309	4,641,077	-104,338	4,536,739	59,799,031
Receivables from co-insurers ' share in claims	251,353	0	251,353	25,028	0	25,028	5,790	0	5,790	282,171
Receivables from reinsurers ' share in claims	12,587,901	0	12,587,901	2,527,564	0	2,527,564	1,715,855	0	1,715,855	16,831,320
Other receivables from co-insurance and reinsurance operation	632,636	0	632,636	0	0	0	1,276	0	1,276	633,912
Receivables for income tax refund	6,704,693	0	6,704,693	0	0	0	0	0	0	6,704,693
Other receivables	28,442,433	-219	28,442,214	6,414,424	-1,015,893	5,398,531	60,803,784	-59,171,864	1,631,920	35,472,665
Other short-term receivables from insurance operations*	6,876,275	0	6,876,275	3,695,319	-977,417	2,717,902	56,422,067	-55,327,089	1,094,978	10,689,155
Short-term receivables from financing	9,299,050	0	9,299,050	43,627	-6,575	37,052	401,647	-398,117	3,530	9,339,632
Other short-term receivables	11,599,045	-219	11,598,826	1,828,201	-31,901	1,796,300	3,980,070	-3,446,658	533,412	13,928,538
Long-term receivables	668,063	0	668,063	847,277	0	847,277	0	0	0	1,515,340
TOTAL	209,399,604	-51,750	209,347,854	49,335,627	-3,451,398	45,884,229	112,667,602	-98,759,039	13,908,563	269,140,646

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

in EUR

31 December 2021	NOT DUE			OVERDUE UP TO 180 DAYS			OVERDUE OVER 180 DAYS			TOTAL
	Gross value	Impairment	Net value	Gross value	Impairment	Net value	Gross value	Impairment	Net value	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.

Zavarovalnica Triglav

in EUR

31 December 2022	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	85,990,602	-24,932	85,965,670	10,384,165	-1,312,903	9,071,262	18,848,764	-15,145,976	3,702,788	98,739,720
Receivables from insurers	65,991,779	-24,932	65,966,847	9,835,515	-1,296,590	8,538,925	15,147,525	-15,006,389	141,136	74,646,908
Receivables from insurance brokers	0	0	0	0	0	0	0	0	0	0
Other receivables from direct insurance operations	19,998,823	0	19,998,823	548,650	-16,313	532,337	3,701,239	-139,587	3,561,652	24,092,812
Receivables from co-insurance and reinsurance operations	27,195,591	0	27,195,591	4,765,201	0	4,765,201	5,195,379	0	5,195,379	37,156,172
Premium receivable from co-insurance	448,662	0	448,662	0	0	0	0	0	0	448,662
Premium receivable from reinsurance	15,955,755	0	15,955,755	2,371,835	0	2,371,835	3,567,523	0	3,567,523	21,895,114
Receivables from co-insurers' share in claims	200,310	0	200,310	0	0	0	0	0	0	200,310
Receivables from reinsurers' share in claims	10,590,864	0	10,590,864	2,393,366	0	2,393,366	1,627,856	0	1,627,856	14,612,086
Other receivables from co-insurance and reinsurance operation	0	0	0	0	0	0	0	0	0	0
Receivables for income tax refund	0	0	0	0	0	0	0	0	0	0
Other receivables	12,562,237	0	12,562,237	3,892,707	-920,523	2,972,184	55,107,253	-54,472,596	634,657	16,169,078
Other short-term receivables from insurance operations*	2,257,202	0	2,257,202	3,232,659	-913,563	2,319,096	54,912,709	-54,299,936	612,773	5,189,071
Short-term receivables from financing	8,274,517	0	8,274,517	37,397	-6,575	30,822	124,295	-123,840	455	8,305,794
Other short-term receivables	1,725,630	0	1,725,630	622,651	-385	622,266	70,250	-48,820	21,430	2,369,325
Long-term receivables	304,888	0	304,888	0	0	0	0	0	0	304,888
TOTAL	125,748,430	-24,932	125,723,498	19,042,073	-2,233,426	16,808,647	79,151,396	-69,618,572	9,532,824	152,064,970

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

in EUR

31 December 2021	NOT DUE			OVERDUE UP TO 180 DAYS			OVERDUE OVER 180 DAYS			TOTAL
	Gross value	Impairment	Net value	Gross value	Impairment	Net value	Gross value	Impairment	Net value	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.

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	
	2022	2021	2022	2021
VALUE ADJUSTMENT OF RECEIVABLES FROM POLICYHOLDERS				
Impairment allowance for receivables as at 1 January	36,386,940	39,353,272	17,126,536	19,206,413
– increase of impairment allowance for receivables	3,721,837	4,399,903	2,278,125	2,607,237
– decrease in impairment allowance for receivables	-2,905,795	-3,037,943	-1,732,404	-2,523,776
– receivables write-off	-2,603,491	-4,363,319	-1,344,346	-2,163,338
– exchange rate difference	-20,848	35,030	0	0
Impairment allowance for receivables as at 31 December	34,578,643	36,386,940	16,327,911	17,126,536
IMPAIRMENT ALLOWANCE FOR OTHER SHORT-TERM RECEIVABLES				
Impairment allowance for receivables as at 1 January	60,251,140	62,548,247	59,048,712	61,510,856
– increase of impairment allowance for receivables	6,328,593	7,179,130	6,258,968	7,123,619
– decrease in impairment allowance for receivables	-6,589,842	-5,986,348	-6,548,616	-6,095,000
– receivables write-off	-3,685,703	-3,490,763	-3,545,565	-3,490,763
– exchange rate difference	318	874	0	0
Impairment allowance for receivables as at 31 December	56,304,506	60,251,140	55,213,499	59,048,712
VALUE ADJUSTMENT OF OTHER RECEIVABLES				
Impairment allowance for receivables as at 1 January	11,320,696	14,089,513	226,290	350,419
– increase of impairment allowance for receivables	803,355	293,938	163,574	48,390
– decrease in impairment allowance for receivables	-178,498	-2,517,850	-26,562	-35,643
– receivables write-off	-546,976	-577,353	-27,782	-136,876
– exchange rate difference	-19,539	32,448	0	0
Impairment allowance for receivables as at 31 December	11,379,038	11,320,696	335,520	226,290
TOTAL VALUE ADJUSTMENT OF RECEIVABLES				
As at 1 January	107,958,776	115,991,032	76,401,538	81,067,688
As at 31 December	102,262,187	107,958,776	71,876,930	76,401,538

3.11 Other assets

	in EUR			
	Triglav Group		Zavarovalnica Triglav	
	31 Dec. 2022	31 Dec. 2021	31 Dec. 2022	31 Dec. 2021
Inventories	506,418	474,248	225,649	199,858
Deferred costs	5,457,061	3,940,050	2,164,341	1,313,402
Investments into computer software for the Group	0	0	0	0
Other assets	316,571	428,727	0	0
TOTAL	6,280,050	4,843,025	2,389,990	1,513,260

3.12 Cash and cash equivalents

	in EUR			
	Triglav Group		Zavarovalnica Triglav	
	31 Dec. 2022	31 Dec. 2021	31 Dec. 2022	31 Dec. 2021
Cash in bank accounts	83,004,509	54,383,207	23,050,904	13,897,783
Call account	14,627,683	27,510,454	0	0
Cash on hand	829,260	427,969	14,338	15,208
TOTAL	98,461,452	82,321,630	23,065,241	13,912,991

In the statement of financial position under the item “cash and cash equivalents”, cash of the KSNT fund is disclosed in the amount of EUR 9,078,017 (2021: EUR 2,685,911) for the Triglav Group and in the amount of EUR 5,063,955 (2021: EUR 717,080) for Zavarovalnica Triglav.

3.13 Non-current assets held for sale

	in EUR			
	Triglav Group		Zavarovalnica Triglav	
	31 Dec. 2022	31 Dec. 2021	31 Dec. 2022	31 Dec. 2021
Land and business premises in Slovenia	0	3,564,626	0	0
Business premises in Slovenia	1,551,780	0	0	0
Building in Slovenia	383,358	0	0	0
Land and buildings outside Slovenia	247,281	247,281	0	0
TOTAL	2,182,419	3,812,044	0	0

3.14 Equity

As at 31 December 2022, the Company's share capital amounted to EUR 73,701,392 (31 December 2021: 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 2022, there were 8,294 subscribers of shares in Zavarovalnica Triglav's share register (31 December 2021: 11,998). The largest subscribers are presented in the table below.

Shareholders of Zavarovalnice Triglav

Subscribers	in EUR	
	Numbers of shares	Share (%)
	2022	2022
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 – fiduciary account, Croatia	1,526,190	6.71
Unicredit Bank Austria – fiduciary account, Austria	613,116	2.70
Citibank – fiduciary account, Great Britain	491,165	2.16
Hrvatska poštanska banka – fiduciary account, Croatia	232,644	1.02
Other shareholders (less than 1%)	5,648,761	24.85
TOTAL	22,735,148	100.00

Subscribers	in EUR	
	Numbers of shares	Share (%)
	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 – fiduciary account, Croatia	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
Other shareholders (less than 1%)	5,602,253	24.65
TOTAL	22,735,148	100.00

Share price

	in EUR	
	31 December 2022	31 December 2021
Quoted price of the share on the regulated securities market	34.50	36.80
Book value of equity per share	24.28	29.70

The share's book value is calculated taking into account the Company's total equity.

Distribution of accumulated profits of Zavarovalnica Triglav

	in EUR	
	2022	2021
Net profit/loss for the year	120,472,073	73,415,549
Net profit brought forward	3,540,330	50,974,423
Increase in retained income	-43,125	-29,592
Increase of other reserves from profit based on the decision by the Management and Supervisory Boards	-60,200,000	-36,700,000
ACCUMULATED PROFITS	63,769,278	87,660,380
Distribution of accumulated profits		
– to shareholders		84,120,050
– allocation to other reserves from profit		0
– transfer to the following year		3,540,330

The General Meeting of Shareholders will decide on the distribution of accumulated profit for 2022 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 2022, the Management Board formed other reserves from profit in the amount of EUR 60,200,000 (2021: 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 2022. 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.

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 2022, translation differences amounted to EUR 92,029 (2021: EUR 169,111)¹⁰⁵. 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 2022:

- increase in capital for net profit of the year in the amount of EUR 110,216,678 of which EUR 243,300 is accounted for by non-controlling interests;
- reduction of capital for the dividend payment in the amount of EUR 84,052,338 or EUR 3.70 per share;
- allocation of net profit from 2021 to net profit brought forward in the amount of EUR 75,439,847;
- allocation of net profit from 2022 to reserves from profit in the amount of EUR 60,200,000;
- the effect of the first consolidation of Triglav Fondovi, d.o.o., which increased minority interests by EUR 1,853,556;
- the effect of repurchases of shares of subsidiaries from non-controlling interests, which reduced the value of non-controlling interests by EUR 38,062, while the positive effect of repurchases in the amount of EUR 20,927 is disclosed as an increase in the Group's share premium;
- the effect of the disproportionate capital increase of subsidiaries and the resulting increased share of majority interests, while decreasing the value of non-controlling interests by EUR 20,779;

- reduction of fair value reserves and net profit brought forward in the total amount of EUR 208,116,862 of which EUR 603,203 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 2022:

- increase in capital for net profit of the year in the amount of EUR 120,472,073;
- reduction of capital for the payment of dividends in the amount of EUR 84,120,048 based on a General Meeting of Shareholders' resolution;
- allocation of net profit from 2021 to net profit brought forward in the amount of EUR 36,715,549;
- allocation of net profit from 2022 to reserves from profit in the amount of EUR 60,200,000 based on a General Meeting of Shareholders' resolution;
- reduction of fair value reserves and net profit brought forward in the total amount of EUR 159,484,619 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 December 2022	31 December 2021	31 December 2022	31 December 2021
Amortised cost	49,522,163	49,471,831	49,522,163	49,471,831
Fair value	41,987,521	53,749,521	41,987,521	53,749,521

in EUR

Subordinated bond with the ISIN code XS1980276858 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 bond is 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 stock exchange. The price of the bond was 83.118% as at 31 December 2022 (vs. 106.660% as at 31 December 2021).

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.

¹⁰⁵ The amount does not include translation differences relating to non-controlling interests.

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 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 2.4% 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 2.40%. 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 December 2022	31 December 2021	31 December 2022	31 December 2021
in EUR				
NON-LIFE INSURANCE				
GROSS UNEARNED PREMIUM PROVISIONS	410,328,413	366,127,294	275,914,934	245,629,454
GROSS CLAIMS PROVISIONS	647,871,942	655,329,262	406,656,449	425,072,536
Gross claims provisions for IBNR and IBNER	215,686,091	263,481,464	111,670,066	165,583,089
Gross provisions for incurred and reported claims	396,867,410	355,693,497	265,231,659	228,650,138
Gross claims provisions for co-insurance	867,899	646,211	867,899	646,211
Expected subrogation	-4,740,711	-6,391,970	-4,740,711	-6,391,970
Provisions for claim handling costs	39,191,253	41,900,059	33,627,536	36,585,068
GROSS PROVISIONS FOR BONUSES AND DISCOUNTS	21,962,914	24,165,736	21,450,003	23,724,069
OTHER GROSS INSURANCE TECHNICAL PROVISIONS	5,031,904	4,938,070	2,516,558	1,906,281
TOTAL NON-LIFE INSURANCE TECHNICAL PROVISIONS	1,085,195,173	1,050,560,362	706,537,944	696,332,340
LIFE INSURANCE				
GROSS UNEARNED PREMIUM PROVISIONS	451,984	454,613	386,566	388,396
GROSS MATHEMATICAL PROVISIONS	1,356,890,816	1,432,613,660	944,548,259	1,008,319,155
Gross mathematical provisions covering life insurance	768,079,986	810,444,012	671,371,454	723,013,422
Gross mathematical provisions covering SVPI	503,805,826	545,627,331	188,171,801	208,763,416
Gross mathematical provisions covering SVPI during the annuity pay-out period	85,005,004	76,542,317	85,005,004	76,542,317
GROSS CLAIMS PROVISIONS	21,845,253	23,114,787	20,244,749	21,494,719
Gross claims provisions for IBNR and IBNER	18,385,755	19,431,913	17,400,878	18,542,390
Gross provisions for incurred and reported claims	3,160,770	3,382,190	2,580,122	2,684,866
Gross claims provisions for co-insurance	0	0	0	0
Expected subrogation	0	0	0	0
Provisions for claim handling costs	298,728	300,683	263,749	267,463
GROSS PROVISIONS FOR BONUSES AND DISCOUNTS	0	0	0	0
OTHER INSURANCE TECHNICAL PROVISIONS	13,067,100	16,230,260	6,030,949	13,838,576
TOTAL LIFE INSURANCE TECHNICAL PROVISIONS	1,392,255,153	1,472,413,320	971,210,523	1,044,040,846
HEALTH INSURANCE				
GROSS UNEARNED PREMIUM PROVISIONS	3,508,761	3,461,818	0	0
GROSS CLAIMS PROVISIONS	19,070,991	16,054,262	0	0
Gross claims provisions for IBNR and IBNER	16,844,313	14,062,216	0	0
Gross provisions for incurred and reported claims	1,931,386	1,735,686	0	0
Gross claims provisions for co-insurance	43,989	42,281	0	0
Expected subrogation	0	0	0	0
Provisions for claim handling costs	251,303	214,079	0	0
GROSS PROVISIONS FOR BONUSES AND DISCOUNTS	0	3,298,449	0	0
OTHER INSURANCE TECHNICAL PROVISIONS	19,049,518	30,580,173	0	0
TOTAL HEALTH INSURANCE TECHNICAL PROVISIONS	41,629,270	53,394,702	0	0
TOTAL INSURANCE TECHNICAL PROVISIONS	2,519,079,596	2,576,368,384	1,677,748,467	1,740,373,186
GROSS MATHEMATICAL PROVISIONS FOR UNIT-LINKED LIFE INSURANCE	580,944,539	622,303,398	495,682,803	540,135,052

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.

Gross and net claims provisions

in EUR

	Triglav Group		Zavarovalnica Triglav	
	31 December 2022	31 December 2021	31 December 2022	31 December 2021
NON-LIFE INSURANCE				
Gross provisions for incurred and unreported claims	190,809,241	246,006,802	99,633,844	156,055,411
Gross claims provisions	215,686,091	263,481,465	111,670,066	165,583,089
Reinsurers' share	-24,876,850	-17,474,662	-12,036,222	-9,527,678
Gross provisions for incurred and reported claims	278,126,675	256,859,736	145,888,428	143,364,210
Gross claims provisions	396,867,410	355,693,497	265,231,659	228,650,138
Reinsurers' and co-insurers' share	-118,740,735	-98,833,761	-119,343,231	-85,285,928
Gross claims provisions for co-insurance	867,899	646,211	867,899	646,211
Gross claims provisions	867,899	646,211	867,899	646,211
Reinsurers' share	0	0	0	0
Expected subrogation	-4,259,780	-5,983,401	-4,259,780	-5,983,401
Gross claims provisions	-4,740,711	-6,391,970	-4,740,711	-6,391,970
Reinsurers' share	480,931	408,569	480,931	408,569
Provisions for claim handling costs	39,191,253	41,900,059	33,627,536	36,585,068
Gross claims provisions	39,191,253	41,900,059	33,627,536	36,585,068
Reinsurers' share	0	0	0	0
TOTAL LIFE INSURANCE GROSS CLAIMS PROVISIONS	504,735,288	539,429,407	275,757,926	330,667,499
TOTAL GROSS CLAIMS PROVISIONS	647,871,942	655,329,262	406,656,449	425,072,536
TOTAL REINSURERS' SHARE	-143,136,654	-115,899,852	-130,898,522	-94,405,037

in EUR

	Triglav Group		Zavarovalnica Triglav	
	31 December 2022	31 December 2021	31 December 2022	31 December 2021
LIFE INSURANCE				
Gross provisions for incurred and unreported claims	18,385,755	19,431,913	17,400,878	18,542,390
Gross claims provisions	18,385,755	19,431,913	17,400,878	18,542,390
Reinsurers' share	0	0	0	0
Gross provisions for incurred and reported claims	3,052,075	3,226,361	2,539,658	2,594,034
Gross claims provisions	3,160,770	3,382,190	2,580,122	2,684,866
Reinsurers' share	-108,695	-155,829	-40,464	-90,832
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	298,728	300,683	263,749	267,463
Gross claims provisions	298,728	300,683	263,749	267,463
Reinsurers' share	0	0	0	0
TOTAL LIFE INSURANCE GROSS CLAIMS PROVISIONS	21,736,558	22,958,957	20,204,285	21,403,887
TOTAL GROSS CLAIMS PROVISIONS	21,845,253	23,114,787	20,244,749	21,494,719
TOTAL REINSURERS' SHARE	-108,695	-155,829	-40,464	-90,832

in EUR

	Triglav Group		Zavarovalnica Triglav	
	31 December 2022	31 December 2021	31 December 2022	31 December 2021
HEALTH INSURANCE				
Gross provisions for incurred and unreported claims	16,844,313	14,062,216	0	0
Gross claims provisions	16,844,313	14,062,216	0	0
Reinsurers' share	0	0	0	0
Gross provisions for incurred and reported claims	1,931,386	1,735,686	0	0
Gross claims provisions	1,931,386	1,735,686	0	0
Reinsurers' and co-insurers' share	0	0	0	0
Gross claims provisions for co-insurance	43,989	42,281	0	0
Gross claims provisions	43,989	42,281	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	251,303	214,079	0	0
Gross claims provisions	251,303	214,079	0	0
Reinsurers' share	0	0	0	0
TOTAL HEALTH INSURANCE GROSS CLAIMS PROVISIONS	19,070,991	16,054,262	0	0
TOTAL GROSS CLAIMS PROVISIONS	19,070,991	16,054,262	0	0
TOTAL REINSURERS' SHARE	0	0	0	0

Analysis of changes in gross insurance technical provisions for Triglav Group

in EUR

NON-LIFE INSURANCE	Gross unearned premium	Gross mathematical provisions	Gross claims provisions	Gross provisions for bonuses and discounts	Other gross insurance technical provisions	Unit-linked insurance-technical provisions	Total gross insurance technical provisions
1 January 2021	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
Increase	299,806,147	0	234,358,314	19,134,371	3,157,467	0	556,456,299
Use	-255,525,702	0	-241,692,031	-21,336,565	-3,064,244	0	-521,618,542
Exchange rate difference	-79,326	0	-123,603	-628	611	0	-202,946
31 December 2022	410,328,413	0	647,871,942	21,962,914	5,031,904	0	1,085,195,173

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 2021	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
Increase	405,727	64,147,010	19,552,573	0	12,843,415	21,960,654	118,909,379
Use	-408,305	-139,748,259	-20,821,445	0	-16,006,575	-63,245,471	-240,230,055
Transfer between funds	0	0	0	0	0	0	0
Exchange rate difference	-51	-121,595	-662	0	0	-74,043	-196,351
31 December 2022	451,984	1,356,890,816	21,845,252	0	13,067,100	580,944,539	1,973,199,690

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 2021	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
Increase	3,661,615	0	18,894,928	0	1,465,885	0	24,022,428
Use	-3,614,672	0	-15,878,199	-3,298,449	-12,996,540	0	-35,787,860
Exchange rate difference	0	0	0	0	0	0	0
31 December 2022	3,508,761	0	19,070,991	0	19,049,518	0	41,629,270

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 2021	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
Increase	234,373,304	188,387,033	18,304,653	2,516,558	0	443,581,548
Use	-204,087,824	-206,803,120	-20,578,719	-1,906,281	0	-433,375,944
31 December 2022	275,914,934	406,656,449	21,450,003	2,516,558	0	706,537,944

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 2021	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
Increase	386,566	39,193,204	14,475,836	4,498,981	6,109,479	64,664,066
Use	-388,396	-102,964,101	-15,725,806	-12,306,608	-50,561,728	-181,946,639
Transfer between funds	0	0	0	0	0	0
31 December 2022	386,566	944,548,259	20,244,749	6,030,949	495,682,803	1,466,893,325

Analysis of the decrease in gross mathematical provisions

in EUR

	Triglav Group		Zavarovalnica Triglav	
	2022	2021	2022	2021
Surrenders	33,343,790	34,745,374	19,073,471	13,582,683
Endowments	75,444,380	67,344,272	61,560,929	63,191,276
Deaths	3,105,554	3,532,657	2,191,015	2,638,500
Other	27,854,532	27,006,273	20,138,684	12,321,928
TOTAL	139,748,256	132,628,576	102,964,099	91,734,387

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

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

in EUR

	Year of occurrence											TOTAL
	Before 2013	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	
Cumulative loss assessment												
– at the end of year of occurrence		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	685,826,695	
– 1 year after year of occurrence		447,917,990	481,304,284	477,337,992	463,199,516	513,384,536	551,464,785	615,659,287	567,980,725	679,951,181		
– 2 years after year of occurrence		463,342,293	466,027,510	463,910,257	456,287,534	505,363,769	551,950,951	570,039,619	548,452,311			
– 3 years after year of occurrence		439,583,068	458,436,319	460,400,102	450,345,614	501,998,857	556,923,802	566,960,366				
– 4 years after year of occurrence		433,339,855	453,418,013	453,483,042	449,036,330	512,189,291	549,187,286					
– 5 years after year of occurrence		431,734,293	449,934,658	452,435,034	459,081,971	508,996,041						
– 6 years after year of occurrence		427,365,044	449,715,329	463,207,693	452,448,361							
– 7 years after year of occurrence		425,783,667	456,124,574	457,886,746								
– 8 years after year of occurrence		433,719,427	454,162,454									
– 9 years after year of occurrence		432,800,066										
– 10 years after year of occurrence	64,042,086											
Cumulative loss assessment		432,800,066	454,162,454	457,886,746	452,448,361	508,996,041	549,187,286	566,960,366	548,452,311	679,951,181	685,826,695	5,336,671,506
Cumulative payments until balane sheet date	7,081,105	423,116,552	447,081,001	447,925,811	442,100,137	491,424,536	523,942,865	526,755,822	488,106,767	533,150,063	437,787,845	4,768,472,504
Claims provisions balance at the beginning of the period	86,582,912	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	0	635,661,355
Settled during the period	7,081,105	1,258,509	1,466,858	1,294,261	2,748,630	3,956,066	4,804,791	12,328,512	26,727,083	147,375,842	437,787,845	646,829,502
Claim provisions balance	56,960,980	9,683,514	7,081,454	9,960,935	10,348,224	17,571,505	25,244,421	40,204,544	60,345,544	146,801,118	248,038,850	632,241,088

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

in EUR

	Year of occurrence											TOTAL
	Before 2013	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	
Cumulative loss assessment												
– at the end of year of occurrence		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	318,069,082	
– 1 year after year of occurrence		266,546,400	276,286,823	244,620,306	248,557,097	279,993,010	278,632,613	281,008,780	263,456,383	317,270,132		
– 2 years after year of occurrence		256,384,328	265,047,929	236,877,342	244,240,955	273,830,944	269,833,005	275,224,075	255,974,735			
– 3 years after year of occurrence		249,972,030	260,339,640	233,832,537	238,886,264	270,644,347	266,837,916	272,559,383				
– 4 years after year of occurrence		245,898,744	255,549,812	229,118,262	237,422,941	269,327,405	263,385,009					
– 5 years after year of occurrence		243,246,940	251,874,520	230,089,064	235,266,092	265,678,561						
– 6 years after year of occurrence		239,361,697	252,655,777	228,533,326	229,392,198							
– 7 years after year of occurrence		238,448,945	247,509,999	222,414,852								
– 8 years after year of occurrence		236,727,536	245,534,615									
– 9 years after year of occurrence		235,796,574										
– 10 years after year of occurrence	52,532,408											
Cumulative loss assessment		235,796,574	245,534,615	222,414,852	229,392,198	265,678,561	263,385,009	272,559,383	255,974,735	317,270,132	318,069,082	2,626,075,142
Cumulative payments until balane sheet date		227,965,501	241,330,795	215,695,696	221,903,208	254,622,593	247,176,289	249,846,626	225,069,801	233,153,491	178,735,201	2,295,499,202
Claims provisions balance at the beginning of the period	74,651,633	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	0	394,879,438
Settled during the period	5,338,724	315,854	1,192,574	857,920	696,029	2,538,777	2,031,262	5,796,716	9,613,181	71,886,447	178,735,201	279,002,686
Claim provisions balance	47,193,684	7,831,073	4,203,820	6,719,156	7,488,990	11,055,968	16,208,720	22,712,757	30,904,934	84,116,641	139,333,881	377,769,624

3.17 The liability adequacy test (LAT) for life insurance

The liability adequacy test for life insurance provisions was performed as at 31 December 2022 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 2022 was used for Zavarovalnica Triglav. The ten-year benchmark is 3.92% for life, annuity and voluntary pension insurance, and 3.81% for all other insurance.
- The yield curve of Slovenian government debt securities denominated in euros as at 31 December 2022 was used for Triglav, pokojninska družba, d.d. The ten-year benchmark is 3.81%.
- The yield curve of Slovenian government debt securities denominated in euros as at 31 December 2022 was used for Triglav Osiguranje, d.d., Sarajevo. The ten-year benchmark is 3.81%.
- The yield curve of Slovenian government debt securities denominated in euros as at 31 December 2022 was used for Lovćen životna osiguranja, a.d., Podgorica. The ten-year benchmark is 3.81%.
- The yield curve of Croatian government debt securities denominated in euros and with the payment of obligations in Croatian kuna as at 31 December 2022 was used for Triglav Osiguranje, d.d., Zagreb. The ten-year benchmark is 3.70%.
- The yield curves of Serbian government debt securities denominated in euros (the ten-year benchmark is 4.07%) and Serbian dinars (the ten-year benchmark is 7.21%) as at 31 December 2022 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 2022 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 22–40% of supplemental voluntary pension insurance policyholders and 100% 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.

3.17.2 Test results

Based on the data available, the LAT results confirm the sufficient amount of insurance technical provisions for life insurance for all Group companies.

3.17.3 Test sensitivity analysis

The valuation of liabilities mainly depends on insurance technical parameters such as mortality, lapse rate, operating expenses, the probability of policyholders deciding to opt for pension annuity and future increase in life expectancy. 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 following parameter changes were taken into account:

- increased probability of mortality by 10%;
- decreased probability of mortality (longevity) by 10%;
- increased lapse rate by 10%;
- decreased lapse rate by 10%;
- increased costs by 10%;
- increased share of policyholders who will decide to buy a pension annuity by 10%;
- zero increase in life expectancy of the population.

The LAT results confirm the sufficient amount of insurance technical provisions for life insurance for all Group companies even in the event of changed parameters.

3.18 The liability adequacy test (LAT) for non-life insurance

The liability adequacy test for non-life insurance provisions was performed as at 31 December 2022 by the Group's certified actuaries.

The LAT results for the Group's insurance companies 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.

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. Most of these provisions were made by Zavarovalnica Triglav.

- **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 valuing liabilities from annuity claims.
- **Discount interest rate:** The basic model for calculating the capitalised amounts for annuity claims takes into account a 2.50% discount interest rate.

3.19 Provisions for employee benefits

	Triglav Group		Zavarovalnica Triglav	
	31 Dec. 2022	31 Dec. 2021	31 Dec. 2022	31 Dec. 2021
Provisions for unused leave	5,232,404	4,573,999	4,123,232	3,665,467
Provisions for retirement benefits	9,797,099	10,914,184	6,415,476	7,552,987
Provisions for jubilee payments	2,399,605	2,183,950	1,842,765	1,623,850
TOTAL	17,429,108	17,672,133	12,381,473	12,842,304

in EUR

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 3.7%; 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 2022. The ten-year benchmark is 3.81%. 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

	Provisions for employee benefits			TOTAL
	Provisions for unused leave	Provisions for retirement benefits	Provisions for jubilee payments	
As at 1 January 2021	4,680,123	10,765,010	2,336,020	17,781,153
Use of provisions in the year	-4,333,805	-347,319	-179,750	-4,860,874
Release of provisions in the year	-34,756	-135,251	-73,559	-243,566
Creation of provisions in the year	4,262,209	627,828	100,499	4,990,536
Exchange rate difference	228	3,916	740	4,884
As at 31 December 2021	4,573,999	10,914,184	2,183,950	17,672,133
Use of provisions in the year	-4,259,433	-463,030	-195,875	-4,918,338
Release of provisions in the year	-24,529	-1,438,072	-27,421	-1,490,022
Creation of provisions in the year	4,942,655	785,793	439,378	6,167,826
Exchange rate difference	-288	-1,776	-427	-2,491
As at 31 December 2022	5,232,404	9,797,099	2,399,605	17,429,108

in EUR

Analysis of the movement of employee benefits at Zavarovalnica Triglav

	Provisions for employee benefits			TOTAL
	Provisions for unused leave	Provisions for retirement benefits	Provisions for jubilee payments	
As at 1 January 2021	3,858,499	7,489,893	1,724,972	13,073,364
Use of provisions in the year	-3,858,499	-176,487	-149,318	-4,184,304
Creation of provisions in the year	3,665,467	239,581	48,196	3,953,244
As at 31 December 2021	3,665,467	7,552,987	1,623,850	12,842,304
Use of provisions in the year	-3,665,467	-1,552,585	-156,259	-5,374,311
Creation of provisions in the year	4,123,232	415,075	375,173	4,913,480
As at 31 December 2022	4,123,232	6,415,477	1,842,764	12,381,473

in EUR

Provisions for retirement benefits and jubilee payments at the Triglav Group

in EUR			
	Provisions for retirement benefits	Provisions for jubilee payments	TOTAL
As at 1 January 2021	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
Current service cost	614,100	141,356	755,456
Interest cost	39,723	1,286	41,009
Actuarial gains/losses due to:			
– changes in demographic assumptions	-104	0	-104
– changes in financial assumptions	-1,851,889	257,558	-1,594,331
– experience adjustments	885,479	-12,079	873,400
Past service cost	1,097	-528	569
Benefits paid during the year	-445,872	-179,984	-625,856
Gains/losses upon payment	-357,843	8,473	-349,370
Liabilities recognised in business combinations	0	0	0
Exchange rate difference	-1,776	-427	-2,203
As at 31 December 2022	9,797,099	2,399,605	12,196,704

Sensitivity analysis of parameter changes at the Triglav Group

in EUR			
Parameter	Parameter change	2022	2021
Interest rate	shift in the discount curve by +0.25%	238,036	-258,706
	shift in the discount curve by -0.25%	740,213	261,833
Wage growth	change in annual wage growth by +0.5%	881,583	530,849
	change in annual wage growth by -0.5%	130,401	-478,481
Mortality rate	constant increase in mortality by +20%	394,419	-97,169
	constant increase in mortality by -20%	576,876	99,322
Early employment termination	shift in the expense curve by +20%	108,901	-331,476
	shift in the expense curve by -20%	898,052	385,064

Provisions for retirement benefits and jubilee payments at Zavarovalnica Triglav

in EUR			
	Provisions for retirement benefits	Provisions for jubilee payments	TOTAL
As at 1 January 2021	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
Current service cost	395,232	120,280	515,512
Interest expenses	19,844	798	20,642
Actuarial gains/loss due to:			
– change in demographic assumptions	0	0	0
– change in financial assumptions	-1,775,399	259,093	-1,516,306
– experience adjustments	908,542	-12,645	895,897
Profit/loss upon payment	-378,877	7,647	-371,230
Termination payments during the year	-306,852	-156,259	-463,111
As at 31 December 2022	6,415,477	1,842,764	8,258,241

Sensitivity analysis of parameter changes at Zavarovalnica Triglav

in EUR			
Parameter	Parameter change	2022	2021
Interest rate	shift in the discount curve by +0.25%	-135,334	-186,283
	shift in the discount curve by -0.25%	140,435	194,068
Wage growth	change in annual wage growth by +0.5%	258,816	322,551
	change in annual wage growth by -0.5%	-230,782	-282,990
Mortality rate	constant increase in mortality by +20%	-58,971	-74,910
	constant increase in mortality by -20%	59,746	75,941
Early employment termination	shift in the expense curve by +20%	-261,064	-345,669
	shift in the expense curve by -20%	277,580	369,492

3.20 Other provisions

	in EUR	
	Triglav Group	Zavarovalnica Triglav
As at 1 January 2021	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
Increase (creation)	530,200	343,433
Decrease (draw down)	-751,210	-465,775
Release	-144,282	-82,000
Exchange rate difference	-357	0
As at 31 December 2022	2,146,887	154,638

Other 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	
DEFERRED TAX ASSETS	Triglav Group	Zavarovalnica Triglav
As at 1 January 2021	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
– increase	32,593,347	24,981,590
– decrease	-2,409,855	-2,186,161
As at 31 December 2022	43,531,027	34,667,180

DEFERRED TAX LIABILITIES	Triglav Group	Zavarovalnica Triglav
As at 1 January 2021	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
– increase	228,742	0
– decrease	-19,206,852	-16,084,484
As at 31 December 2022	2,819,035	0

Deferred tax assets are recognised for deductible temporary differences arising mainly from the valuation of available-for-sale financial instruments (for the Group: EUR 26,939,537, for Zavarovalnica Triglav: EUR 22,047,285), the impairment of receivables (for the Group: EUR 7,936,633, for Zavarovalnica Triglav: EUR 7,488,210), the impairment of financial investments (for the Group: EUR 4,982,976 for Zavarovalnica Triglav: EUR 3,991,790), the impairment of real property (for the Group: EUR 312,092, for Zavarovalnica Triglav: EUR 285,803) and provisions for retirement and jubilee benefits (for the Group: EUR 1,134,507, for Zavarovalnica Triglav: EUR 854,092). 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 from the valuation of financial assets at fair value through equity.

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. Tax rates by different countries where the Group members operate are presented in Section [2.1.4](#).

	2022			2021		
Tax jurisdiction	Deferred tax assets	Deferred tax liabilities	Total deferred tax	Deferred tax assets	Deferred tax liabilities	Total deferred tax
Slovenia	40,268,086	-2,004,470	38,263,616	13,123,103	-20,325,169	-7,202,066
Croatia	2,360,509	0	2,360,509	66,533	-703,696	-637,163
Montenegro	530,341	-686,179	-155,838	120,850	-505,058	-384,208
Bosnia and Herzegovina	24,116	-127,733	-103,617	10,789	-115,492	-104,703
North Macedonia	321,686	-653	321,033	0	-147,730	-147,730
Serbia	26,289	0	26,289	26,260	0	26,260
TOTAL DEFERRED TAX	43,531,027	-2,819,035	40,711,992	13,347,535	-21,797,145	-8,449,610
Total deferred tax assets			40,971,447			927,425
Total deferred tax liabilities			-259,455			-9,377,035

3.22 Other financial liabilities

	in EUR			
	Triglav Group		Zavarovalnica Triglav	
	31 Dec. 2022	31 Dec. 2021	31 Dec. 2022	31 Dec. 2021
Loans from banks	501,173	414,897	0	0
Financial liabilities for acquired securities	1,099	5,170	0	5,170
Liabilities for dividends	63,524	656,594	0	656,594
Other financial liabilities	1,307,763	2,008,986	22,640	1,028,822
TOTAL	1,873,559	3,085,647	22,640	1,690,586

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.

MATURITY ANALYSIS	in EUR			
	Triglav Group		Zavarovalnica Triglav	
	31 Dec. 2022	31 Dec. 2021	31 Dec. 2022	31 Dec. 2021
1 year	2,826,366	3,466,114	1,052,085	1,167,179
2 years	2,593,212	2,525,541	902,108	949,773
3 years	2,319,673	1,971,159	830,129	785,757
4 years	1,824,535	1,680,346	629,924	702,087
5 years	724,153	1,179,380	164,015	494,262
More than 5 years	431,897	391,868	476,407	544,785
Foreign exchange differences	47,547	60,399	0	0
TOTAL	10,767,382	11,274,806	4,054,668	4,643,844

3.24 Operating liabilities

	in EUR			
	Triglav Group		Zavarovalnica Triglav	
	31 Dec. 2022	31 Dec. 2021	31 Dec. 2022	31 Dec. 2021
DIRECT INSURANCE LIABILITIES	21,501,649	19,450,557	11,547,677	10,182,945
Liabilities to policyholders	12,966,758	11,823,747	8,678,082	7,927,509
Liabilities to insurance brokers	1,381,583	1,289,593	1,080,294	1,142,535
Other liabilities from direct insurance operations	7,153,308	6,337,217	1,314,673	688,893
Liabilities from direct insurance operations to Group companies	0	0	474,628	424,008
LIABILITIES FROM CO-INSURANCE AND REINSURANCE OPERATIONS	60,816,415	41,241,465	46,215,403	24,678,609
Liabilities for re/co-insurance premiums	51,519,315	33,219,399	40,207,540	18,510,739
Liabilities for co-insurers' share of claims	9,037,842	7,866,165	6,007,863	6,167,870
Other re/co-insurance liabilities	259,258	155,901	0	0
CURRENT TAX LIABILITIES	11,457,486	2,649,636	9,697,471	0
TOTAL LIABILITIES FROM INSURANCE OPERATIONS	93,775,550	63,341,658	67,460,551	34,861,554

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

3.25 Other liabilities

in EUR

	Triglav Group		Zavarovalnica Triglav	
	31 December 2022	31 December 2021	31 December 2022	31 December 2021
Short-term liabilities to employees	34,501,643	29,754,061	29,963,307	25,270,631
Trade payables	12,280,632	17,435,217	10,192,690	13,450,724
Other short-term liabilities from insurance operations	10,630,213	9,632,019	5,926,537	6,244,071
Other short-term liabilities	14,328,041	6,869,471	7,300,107	3,801,755
Other long-term liabilities	829,228	1,414,672	0	0
Accrued interest on issued bonds	419,521	419,521	419,521	419,521
Short-term deferred income from charged interest on arrears	2,932,768	3,319,240	2,932,768	3,319,240
Other accruals	24,305,772	17,115,118	4,614,809	2,626,151
TOTAL	100,227,818	85,959,319	61,349,739	55,132,093

Other short-term liabilities include recognised liabilities from the realisation of an inadequately issued guarantee under suretyship insurance in the amount of EUR 3,982,754. The issued guarantee was the subject of an inspection by the Croatian Financial Services Supervisory Agency (hereinafter: HANFA), which found irregularities in entering into said transaction. Due to an inadequate procedure in issuing the guarantee, which was issued based on concluding a suretyship insurance contract, there is a high probability that it will be realised by its bearer, therefore it was recognised as a liability in its full amount.

In addition to the aforementioned liability, other short-term liabilities include short-term liabilities for contributions, taxes and other charges in the amount of EUR 1,287,810 (31 December 2021: EUR 1,307,551), short-term liabilities for advances received in the amount of EUR 5,088,921 (31 December 2021: EUR 1,700,798) and liabilities for deductions from employees' salaries in the amount of EUR 443,568 (31 December 2021: EUR 421,868).

4. Notes to the income statement

4.1 Premium income

in EUR

	Triglav Group		Zavarovalnica Triglav	
	2022	2021	2022	2021
NON-LIFE INSURANCE				
Gross written premium	826,459,419	732,320,025	584,317,354	518,612,566
Assumed re-insurance written premium	176,111,500	165,013,147	84,844,380	86,288,445
Assumed co-insurance written premium	6,601,904	7,166,838	921,702	1,108,482
Ceded co-insurance written premium	-6,139,418	-6,708,680	-2,198,557	-2,556,301
Reinsurance written premium	-242,781,872	-208,661,006	-219,851,448	-184,588,305
Changes in gross provisions for unearned premiums	-48,661,533	-27,574,814	-25,834,914	-13,596,976
Changes in reinsurers' share of unearned premiums	14,039,616	15,524,038	7,622,095	5,954,593
Net premium income on non-life insurance	725,629,616	677,079,548	429,820,612	411,222,504
LIFE INSURANCE				
Gross written premium	265,959,888	250,137,276	198,780,185	188,340,610
Assumed co-insurance written premium	201,087	23,669	0	0
Ceded co-insurance written premiums	-671,916	-972,642	-95,274	-73,329
Reinsurance written premium	-5,393,204	-4,607,547	-831,734	-751,814
Changes in gross provisions for unearned premiums	2,580	3,353	1,829	16,936
Changes in reinsurers' share of unearned premiums	-324	326	-229	93
Net premium income on life insurance	260,098,111	244,584,435	197,854,777	187,532,496
HEALTH INSURANCE				
Gross written premium	204,223,289	198,314,595	0	0
Changes in gross provisions for unearned premiums	-45,401	-132,527	0	0
Net premium income on health insurance	204,177,888	198,182,068	0	0
TOTAL NET PREMIUM INCOME	1,189,905,615	1,119,846,051	627,675,389	598,755,000

Overview of premium income by insurance class for Triglav Group¹⁰⁶

	in EUR				
2022	Gross written premium ¹⁰⁷	Co-insurers' share in gross written premium	Ceded co-insurance written premium	Reinsurance written premium	Own share
NON-LIFE INSURANCE					
Accident insurance	40,031,971	182,236	-308,436	-2,437,784	37,467,987
Health insurance	214,767,196	1,415,959	-630,283	-881,198	214,671,674
Land motor vehicle insurance	173,836,041	99,638	-227,689	-19,998,487	153,709,503
Railway insurance	6,631,322	12,301	-350,753	-2,874,701	3,418,169
Aircraft insurance	7,051,304	0	0	-2,930,460	4,120,844
Marine Insurance	32,504,104	168,888	-71,757	-10,831,475	21,769,760
Cargo insurance	13,601,799	305,682	-424,203	-2,525,856	10,957,422
Fire and natural forces insurance	114,244,450	1,433,824	-1,649,996	-43,585,577	70,442,701
Other damage to property insurance	258,061,211	2,637,493	-1,337,176	-81,070,654	178,290,874
Motor TPL insurance	198,501,093	185	0	-33,550,394	164,950,884
Aircraft liability insurance	2,561,060	0	0	-1,012,142	1,548,918
Marine liability insurance	2,654,940	0	0	-487,711	2,167,229
General liability insurance	63,773,820	213,904	-1,070,704	-18,196,837	44,720,183
Credit insurance	38,221,698	0	0	-12,599,007	25,622,691
Suretyship insurance	7,076,024	5,742	-11,125	-3,477,309	3,593,332
Miscellaneous financial loss insurance	8,268,681	126,052	-12,223	-4,552,523	3,829,987
Legal expenses insurance	627,883	0	-45,042	-81,478	501,363
Travel assistance insurance	24,379,613	0	-31	-1,688,279	22,691,303
Total non-life insurance	1,206,794,210	6,601,904	-6,139,418	-242,781,872	964,474,824
LIFE INSURANCE					
Life insurance	110,306,219	201,087	-671,916	-5,392,198	104,443,192
Wedding insurance or birth insurance	0	0	0	0	0
Unit-linked life insurance	133,782,429	0	0	0	133,782,429
Tontines	0	0	0	0	0
Supplemental pension insurance according to the ZPIZ	21,521,009	0	0	0	21,521,009
Loss of income due to illness	350,229	0	0	-1,006	349,223
Total life insurance	265,959,886	201,087	-671,916	-5,393,204	260,095,853
TOTAL	1,472,754,096	6,802,991	-6,811,334	-248,175,076	1,224,570,677

	in EUR				
2021	Gross written premium ¹⁰⁸	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
Supplemental pension insurance according to the ZPIZ	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

¹⁰⁶ Non-life insurance also includes health insurance.

¹⁰⁷ Gross written premium also includes inward reinsurance premium.

¹⁰⁸ Gross written premium also includes inward reinsurance premium.

Overview of premium income by insurance class for Zavarovalnica Triglav

	in EUR				
2022	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	25,342,439	0	-161,262	-2,298,527	22,882,650
Health insurance	933,956	0	-392,784	0	541,171
Land motor vehicle insurance	141,497,773	0	0	-14,914,490	126,583,283
Railway insurance	5,880,448	0	0	-2,158,450	3,721,998
Aircraft insurance	2,546,345	0	0	-1,311,385	1,234,960
Marine Insurance	18,083,405	0	0	-18,839,586	-756,181
Cargo insurance	7,975,392	0	-420,081	-2,690,271	4,865,040
Fire and natural forces insurance	55,460,264	921,702	-496,450	-23,888,047	31,997,468
Other damage to property insurance	182,452,893	0	-91,645	-96,593,442	85,767,806
Motor TPL insurance	121,932,761	0	0	-24,267,115	97,665,647
Aircraft liability insurance	1,557,041	0	0	-572,926	984,115
Marine liability insurance	1,427,546	0	0	-428,211	999,335
General liability insurance	48,665,425	0	-583,006	-17,712,429	30,369,990
Credit insurance	26,957,217	0	0	-8,000,687	18,956,530
Suretyship insurance	4,516,701	0	0	-2,273,061	2,243,640
Miscellaneous financial loss insurance	3,643,791	0	-8,287	-1,922,456	1,713,049
Legal expenses insurance	610,916	0	-45,042	-83,078	482,797
Travel assistance insurance	19,677,421	0	0	-1,897,287	17,780,134
Total non-life insurance	669,161,734	921,702	-2,198,557	-219,851,448	448,033,431
LIFE INSURANCE					
Life insurance	74,655,209	0	-95,274	-795,987	73,763,948
Wedding insurance or birth insurance	0	0	0	0	0
Unit-linked life insurance	102,603,967	0	0	-35,747	102,568,220
Tontines	0	0	0	0	0
Supplemental pension insurance according to the ZPIZ	21,521,009	0	0	0	21,521,009
Loss of income due to illness	0	0	0	0	0
Total life insurance	198,780,185	0	-95,274	-831,734	197,853,177
TOTAL	867,941,919	921,702	-2,293,831	-220,683,182	645,886,608

	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
Supplemental pension insurance according to the ZPIZ	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

4.2 Income from investments

	in EUR			
	Triglav Group		Zavarovalnica Triglav	
	2022	2021	2022	2021
INTEREST INCOME FROM FINANCIAL ASSETS				
– available for sale	18,677,538	18,961,233	10,157,304	10,629,506
– loans and deposits	1,357,476	1,312,236	673,908	852,057
– held to maturity	10,474,246	7,267,273	7,549,780	6,692,393
– at fair value through profit and loss	3,892,359	6,740,537	1,281,997	1,689,166
Inntrest income	34,401,619	34,281,279	19,662,989	19,863,122
DIVIDENDS FROM				
– available-for-sale financial assets	4,649,044	4,517,664	4,410,224	4,285,150
– financial assets at fair value through profit and loss	1,471,355	1,510,514	684,423	539,485
– subsidiaries and associates	31,339	41,552	32,765,113	8,000,000
TOTAL DIVIDENDS	6,151,738	6,069,730	37,859,760	12,824,635
Fair value gains	5,085,853	90,078,182	2,065,425	73,502,582
Realised gains on disposals	37,775,442	16,301,340	34,325,465	14,888,504
Other financial income	8,141,729	8,608,640	3,668,296	2,713,940
Profit on investments accounted for using the equity method	1,842,183	1,444,054	0	0
TOTAL INVESTMENT INCOME	93,398,564	156,783,225	97,581,935	123,792,783

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

	in EUR			
	Triglav Group		Zavarovalnica Triglav	
	2022	2021	2022	2021
Fair value losses	132,594,212	16,138,516	89,339,216	6,127,181
Realised loss on disposals	50,341,763	7,122,739	46,526,684	6,870,017
Loss on disposals of subsidiaries	0	0	0	0
Loss on impairment of financial assets	9,034,736	33,628	10,353,229	1,066,400
Other finance costs	9,674,188	8,537,903	7,216,451	5,390,136
- Net exchange losses	3,102,252	1,526,841	2,109,615	694,116
- Other expenses from financial assets and liabilities	1,756,509	2,612,849	1,229,269	1,103,281
- Asset management costs	4,815,427	4,398,213	3,877,567	3,592,739
Loss on equity investments in associates accounted for using the equity method	0	145,632	0	0
TOTAL EXPENSES FROM FINANCIAL ASSETS	201,644,899	31,978,418	153,435,580	19,453,734

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 3,919,788 (see the section [3.5](#)).

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

	in EUR			
	Triglav Group		Zavarovalnica Triglav	
	2022	2021	2022	2021
Financial assets recognised at fair value through profit/loss	-127,400,182	73,908,119	-87,273,791	67,343,854
– gains	5,085,853	89,984,986	2,065,425	73,409,386
– losses	-132,486,035	-16,076,867	-89,339,216	-6,065,532
Derivative financial instruments	-108,172	31,547	0	31,547
– gains	0	93,196	0	93,196
– losses	-108,172	-61,649	0	-61,649
NET GAINS FROM CHANGES IN FAIR VALUE	-127,508,354	73,939,666	-87,273,791	67,375,401

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	
	2022	2021	2022	2021
Financial assets recognised at fair value through profit/loss	-17,147,763	3,730,480	-17,235,132	3,487,484
– realised gains on disposals	1,501,931	6,380,071	561,805	5,972,200
– realised losses on disposals	-18,649,694	-2,649,591	-17,796,937	-2,484,716
Available-for-sale financial assets	4,712,399	5,536,389	5,164,870	4,665,592
– realised gains on disposals	36,273,511	9,870,950	33,763,660	8,912,305
– realised losses on disposals	-31,561,112	-4,334,561	-28,598,790	-4,246,713
Derivatives	-130,957	-92,268	-130,957	-138,587
– gains on disposal	0	46,319	0	0
– Losses on disposal	-130,957	-138,587	-130,957	-138,587
Loans and deposits	0	4,000	0	4,000
– gains on disposal	0	4,000	0	4,000
– 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	-12,566,321	9,178,601	-12,201,219	8,018,488

4.6 Other insurance income

	in EUR			
	Triglav Group		Zavarovalnica Triglav	
	2022	2021	2022	2021
Fees and commission income	49,184,889	38,916,088	50,904,726	38,196,377
– reinsurance commission income	49,082,208	38,817,938	50,802,044	38,098,226
– investment management services	102,681	98,150	102,682	98,151
Other income from insurance operations	10,750,096	9,878,212	7,631,564	7,190,656
– income from sale of green cards for motor vehicles	976,267	1,560,468	239,433	758,052
– income from claims settled for other insurance companies	912,028	580,433	498,304	376,336
– income from assistance services	15,052	30,508	6,870	23,622
– other income from insurance operations	3,867,995	3,474,891	2,384,128	2,163,993
– interest from receivables	4,978,754	4,231,912	4,502,829	3,868,653
OTHER INSURANCE INCOME	59,934,985	48,794,300	58,536,290	45,387,033

4.7 Other income

	in EUR			
	Triglav Group		Zavarovalnica Triglav	
	2022	2021	2022	2021
Income from investment property	7,293,257	6,918,534	6,058,930	5,596,224
Income from disposal of investment property	7,953,757	319,781	154,310	151,349
Income from disposal of intangible assets	140,083	0	110	0
Income from disposal of property, plant and equipment	82,299	418,456	0	0
Other income	3,680,578	6,480,257	4,574,380	2,974,819
Operating income of non-insurance companies	40,269,245	39,038,452	0	0
– income from asset management	30,101,187	30,184,817	0	0
– other operating income of non-insurance companies	10,168,058	8,853,635	0	0
Revaluation income	406,909	158,580	248,607	103,454
TOTAL OTHER INCOME	59,826,129	53,334,060	11,036,337	8,825,846

Under other income amounting to EUR 4,574,380 as at 31 December 2022, the Company discloses income from the provision of services for Group companies in the total amount of EUR 1,439,610 (2021: EUR 1,664,984), income from deductible VAT in the amount of EUR 212,526 (2021: EUR 195,450), the release of provisions for lawsuits in the amount of EUR 82,000 (2021: EUR 466,000), income from incentives for employing people with disabilities in the amount of EUR 155,268 (2021: EUR 201,482), write-off of liabilities from dividends from previous years in the amount of EUR 1,817,200 (2021: EUR 0) and other income in the amount of EUR 476,291 (2021: EUR 446,903).

4.8 Claims

in EUR

	Triglav Group		Zavarovalnica Triglav	
	2022	2021	2022	2021
NON-LIFE INSURANCE				
Gross claims settled	404,111,444	354,171,578	283,732,864	248,226,326
Gross claims paid from inward reinsurance	74,236,187	53,980,157	26,263,098	16,384,151
Gross claims paid from coinsurance	1,922,442	1,153,280	2,369	1,280
Income from gross subrogated receivables	-16,827,948	-16,050,134	-11,756,155	-11,885,927
Reinsurers' share of gross claims settled	-56,360,619	-41,047,824	-48,929,067	-34,824,864
Co-insurers' share of gross claims settled	-2,055,999	-1,913,225	-683,799	-744,339
Change in gross claims provisions	-5,325,072	39,093,301	-18,416,087	14,505,097
Change in gross claims provisions for re/co-insurer's share	-29,445,649	-26,038,184	-36,493,486	-24,169,631
Net claims incurred on non-life insurance	370,254,786	363,348,949	193,719,737	207,492,093
LIFE INSURANCE				
Gross claims settled	185,401,039	185,673,862	154,213,675	156,142,551
Coinsurers' shares and gross claims	-554,601	-1,064,815	-9,054	-8,369
Reinsurers' share in gross claims	-934,519	-859,879	-317,487	-241,386
Change in gross claims provisions	-1,254,110	1,753,071	-1,249,970	1,802,537
Change in reinsurers' share in gross claims provisions	32,433	-61,517	50,368	-50,202
Net claims incurred on life insurance	182,690,242	185,440,722	152,687,532	157,645,131
HEALTH INSURANCE				
Gross claims settled	183,494,904	157,763,966	0	0
Income from gross exercised subrogation receivables	-107,527	-112,659	0	0
Coinsurers' shares in gross claims paid	-1,942	1,283	0	0
Change in gross claims provisions	3,015,022	1,402,895	0	0
Change in claims provisions for reinsurers' share	1,708	2,828	0	0
Equalisation scheme expenses	7,385,238	7,180,804	0	0
TOTAL net claims incurred on health insurance	193,787,403	166,239,117	0	0
NET CLAIMS INCURRED TOTAL	746,732,431	715,028,788	346,407,269	365,137,224

Overview of net claims incurred by insurance class

	in EUR					
Triglav Group 2022	Gross claims ¹⁰⁹	Gross claims paid from coinsurance	Coinsurers' shares	Income from subrogated receivables	Reinsurers' share	Net claims incurred
NON-LIFE INSURANCE						
Accident insurance	21,960,900	55,290	-245,156	-7,287	-386,899	21,376,848
Health insurance	189,330,175	958,989	-345,726	-131,616	-405,893	189,405,929
Land motor vehicle insurance	115,902,914	826	-219,599	-3,874,889	-7,469,814	104,339,438
Railway insurance	1,045,598	13,116	-10,281	0	-3,845	1,044,588
Aircraft insurance	1,068,068	0	0	0	-429,613	638,455
Marine Insurance	8,822,915	75	0	-150,953	-788,602	7,883,435
Cargo insurance	4,032,355	0	-203,467	-215,438	-608,204	3,005,246
Fire and natural forces insurance	51,348,429	13,709	-79,805	-196,609	-7,234,909	43,850,815
Other damage to property insurance	102,015,284	577,429	-275,322	-463,378	-21,064,246	80,789,767
Motor TPL insurance	113,272,117	2,825	0	-4,113,784	-13,549,495	95,611,663
Aircraft liability insurance	361,702	0	0	0	-158,429	203,273
Marine liability insurance	802,850	0	-3,319	-14,449	-4,099	780,983
General liability insurance	15,654,340	212,890	-511,564	-428,416	-785,651	14,141,599
Credit insurance	12,744,430	0	0	-7,077,818	-2,464,302	3,202,310
Suretyship insurance	1,577,314	87,293	-160,874	-216,963	-186,485	1,100,285
Miscellaneous financial loss insurance	2,204,740	0	0	0	-178,154	2,026,586
Legal expenses insurance	69,078	0	-2,828	0	-4,178	62,072
Travel assistance insurance	19,629,327	0	0	-43,875	-637,801	18,947,651
Total non-life insurance	661,842,536	1,922,442	-2,057,941	-16,935,475	-56,360,619	588,410,943
LIFE INSURANCE						
Life insurance	117,663,948	0	-554,601	0	-934,519	116,174,828
Wedding insurance or birth insurance	0	0	0	0	0	0
Unit-linked life insurance	62,303,614	0	0	0	0	62,303,614
Tontines	0	0	0	0	0	0
Supplemental pension insurance according to the ZPIZ	5,329,529	0	0	0	0	5,329,529
Loss of income due to illness	103,947	0	0	0	0	103,947
Total life insurance	185,401,038	0	-554,601	0	-934,519	183,911,918
TOTAL	847,243,574	1,922,442	-2,612,542	-16,935,475	-57,295,138	772,322,861

¹⁰⁹ Gross claims paid also include gross claims paid from inward reinsurance and equalisation scheme expenses for supplemental health insurance.

in EUR

Triglav Group 2021	Gross claims ¹¹⁰	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
Supplemental pension insurance according to the ZPIZ	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

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

in EUR						
Zavarovalnica Triglav 2022	Gross claims	Gross claims paid from coinsurance	Coinsurers' shares	Income from subrogated receivables	Reinsurers' share	Net claims incurred
NON-LIFE INSURANCE						
Accident insurance	12,485,330	0	-46,550	-4,030	-401,032	12,033,718
Health insurance	308,705	0	-10,768	0	0	297,936
Land motor vehicle insurance	92,764,887	0	0	-1,969,789	-6,580,810	84,214,287
Railway insurance	1,031,427	0	0	0	-26	1,031,401
Aircraft insurance	81,464	0	0	0	-3,408	78,056
Marine Insurance	2,605,896	75	0	0	-2,069,050	536,921
Cargo insurance	2,579,234	0	-215,224	-170,586	-1,071,515	1,121,909
Fire and natural forces insurance	18,876,250	1,599	-71,611	-41,778	-3,258,807	15,505,653
Other damage to property insurance	61,724,986	0	-40,601	-115,167	-21,317,762	40,251,456
Motor TPL insurance	75,110,990	0	0	-2,123,131	-10,855,397	62,132,462
Aircraft liability insurance	102,773	0	0	0	-57,323	45,449
Marine liability insurance	340,918	0	-3,319	0	-7,614	329,985
General liability insurance	12,028,007	695	-292,898	-365,919	-817,980	10,551,905
Credit insurance	10,318,991	0	0	-6,709,898	-1,127,845	2,481,248
Suretyship insurance	449,053	0	0	-213,362	20,807	256,499
Miscellaneous financial loss insurance	1,320,419	0	0	0	-236,511	1,083,908
Legal expenses insurance	68,821	0	-2,828	0	-3,261	62,732
Travel assistance insurance	17,797,811	0	0	-42,495	-1,141,533	16,613,782
Total non-life insurance	309,995,962	2,369	-683,799	-11,756,155	-48,929,067	248,629,310
LIFE INSURANCE						
Life insurance	100,112,762	0	-9,054	0	-295,948	99,807,760
Wedding insurance or birth insurance	0	0	0	0	0	0
Unit-linked life insurance	48,771,384	0	0	0	-21,539	48,749,845
Tontines	0	0	0	0	0	0
Supplemental pension insurance according to the ZPIZ	5,329,529	0	0	0	0	5,329,529
Loss of income due to illness	0	0	0	0	0	0
Total life insurance	154,213,675	0	-9,054	0	-317,487	153,887,134
TOTAL	464,209,637	2,369	-692,853	-11,756,155	-49,246,554	402,516,444

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
Supplemental pension insurance according to the ZPIZ	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

4.9 Reinsurance result

	in EUR			
	Triglav Group		Zavarovalnica Triglav	
	2022	2021	2022	2021
Reinsurance premiums	-248,175,076	-213,268,553	-220,683,182	-187,969,749
Changes in reinsurers' share of unearned premiums	14,039,292	15,524,365	7,621,866	5,954,686
Reinsurers' share of claims	57,295,138	41,907,703	49,246,554	35,066,250
Changes in claims provisions for reinsurers' shares	29,411,508	26,096,873	36,443,118	24,219,833
Net result from reinsurance operations	-147,429,138	-129,739,612	-127,371,644	-122,728,980
Reinsurance commission	49,082,208	38,817,937	45,463,598	33,189,769
GROSS REINSURANCE RESULT	-98,346,930	-90,921,675	-81,908,046	-89,539,211

4.10 Change in other insurance-technical provisions

	in EUR			
	Triglav Group		Zavarovalnica Triglav	
	2022	2021	2022	2021
Change in other insurance technical provisions	-79,041,779	-2,113,408	-56,716,599	-13,989,227
– changes in gross provisions for cancellations	-59,131	-30,917	112,319	25,616
– changes in gross provisions for unexpired risks	-11,404,476	7,877,024	497,958	-186,878
– changes in gross provisions for other catastrophic risks	0	49,367	0	0
– changes in gross provisions for life insurance	-70,664,672	-10,190,070	-57,851,848	-14,009,153
– changes in gross provisions for bonuses from with-profits life insurance	3,086,500	181,188	524,972	181,188
Change in gross provisions for unit-linked insurance contracts	-43,787,917	112,661,349	-47,072,818	91,860,583
TOTAL CHANGE IN OTHER INSURANCE TECHNICAL PROVISIONS	-122,829,696	110,547,941	-103,789,417	77,871,356

4.11 Expenses for bonuses and discounts

	in EUR			
	Triglav Group		Zavarovalnica Triglav	
	2022	2021	2022	2021
Settled bonuses and discounts	12,794,170	11,584,788	11,441,877	10,603,774
Changes in gross provisions for bonuses and discounts	-1,995,420	-180,647	-2,274,065	-113,038
TOTAL EXPENSES FOR BONUSES AND DISCOUNTS	10,798,750	11,404,141	9,167,812	10,490,736

4.12 Expenses

	in EUR			
	Triglav Group		Zavarovalnica Triglav	
	2022	2021	2022	2021
Acquisition costs	211,429,288	184,911,170	142,569,005	124,268,560
Other operating costs	90,498,842	81,946,738	51,695,579	46,066,306
Claim handling costs*	31,416,954	28,586,329	23,232,828	21,120,474
Costs of asset management**	4,815,427	4,398,213	3,877,567	3,592,739
Operating expenses from non-insurance operations***	36,723,021	33,548,996	0	0
TOTAL	374,883,532	333,391,446	221,374,979	195,048,079

* 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 2022	Non-life insurance	Life insurance	Health insurance	Total costs of insurance operations	Costs of non-insurance operations	TOTAL
Acquisition costs	61,409,276	16,335,551	1,505,164	79,249,991	0	79,249,991
Cost of goods sold	0	0	0	0	7,722	7,722
Depreciation of operating assets	16,770,242	4,331,638	844,472	21,946,352	2,578,208	24,524,560
Labour costs	128,009,322	17,581,939	7,663,539	153,254,800	17,683,031	170,937,831
Wages and salaries	88,428,381	10,420,962	5,538,451	104,387,794	12,313,795	116,701,589
Social security and pension insurance costs	19,161,533	3,434,096	931,220	23,526,849	3,312,477	26,839,326
Other labour costs	20,419,408	3,726,881	1,193,868	25,340,157	2,056,759	27,396,916
Costs of services provided by natural persons other than SPs, including related taxes	1,150,558	105,771	188,369	1,444,698	0	1,444,698
Other operating costs	61,834,219	12,239,398	8,191,052	82,264,669	16,454,061	98,718,730
Costs of entertainment, advertising, trade shows	17,210,491	2,123,575	1,223,274	20,557,340	1,658,087	22,215,427
Costs of material and energy	6,944,034	1,272,741	275,686	8,492,461	2,045,029	10,537,490
Maintenance costs	7,873,047	1,921,890	3,208,454	13,003,391	1,271,332	14,274,723
Reimbursement of labour-related costs	3,393,245	581,953	92,248	4,067,446	668,904	4,736,350
Costs of intellectual and personal services	5,462,588	1,158,123	520,024	7,140,735	757,594	7,898,329
Membership fees and charges	2,760,748	512,846	237,477	3,511,071	1,035,176	4,546,247
Costs of services - transport and communications	3,053,336	1,010,013	1,500,050	5,563,399	126,439	5,689,838
Costs for insurance premiums	849,179	76,078	176,055	1,101,312	251,511	1,352,823
Payment transaction costs and banking services	1,466,304	461,361	255,830	2,183,495	4,431,444	6,614,939
Rents	4,816,207	867,205	15,396	5,698,808	753,054	6,451,862
Costs of professional training services	1,021,670	254,677	93,264	1,369,611	176,753	1,546,364
Other costs of services	6,983,370	1,998,936	593,294	9,575,600	3,278,738	12,854,338
TOTAL OPERATING EXPENSES	269,173,617	50,594,297	18,392,596	338,160,510	36,723,022	374,883,532

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

Zavarovalnica Triglav	2022			2021		
	Non-life insurance	Life insurance	TOTAL	Non-life insurance	Life insurance	TOTAL
Acquisition costs	33,516,807	11,777,903	45,294,710	24,425,956	9,949,186	34,375,142
Depreciation of operating assets	12,129,485	3,821,246	15,950,731	10,403,546	2,769,727	13,173,273
Labour costs	95,020,103	17,928,520	112,948,623	89,743,630	16,863,839	106,607,469
Wages and salaries	66,509,395	12,570,361	79,079,756	63,300,286	11,908,074	75,208,360
Social security and pension insurance costs	11,237,387	2,160,968	13,398,355	10,704,876	2,074,123	12,778,999
Other labour costs	17,273,321	3,197,191	20,470,512	15,738,468	2,881,642	18,620,110
Costs of services provided by natural persons other than SPs, including related taxes	465,067	48,732	513,799	272,979	36,776	309,755
Other operating costs	36,977,623	9,689,493	46,667,116	31,311,263	9,271,177	40,582,440
Costs of entertainment, advertising, trade shows	7,922,591	1,766,111	9,688,702	6,341,580	2,306,272	8,647,852
Costs of material and energy	4,207,423	1,015,607	5,223,030	2,685,840	757,417	3,443,257
Maintenance costs	5,396,363	1,775,591	7,171,954	6,832,700	1,866,350	8,699,050
Reimbursement of labour-related costs	2,640,081	420,389	3,060,470	2,113,331	313,405	2,426,736
Costs of intellectual and personal services	3,590,468	852,202	4,442,670	2,127,300	627,038	2,754,338
Membership fees and charges	1,898,865	454,282	2,353,147	1,195,811	261,803	1,457,614
Costs of services - transport and communications	1,880,733	902,342	2,783,075	2,074,106	855,881	2,929,987
Costs for insurance premiums	406,798	45,783	452,581	286,638	18,505	305,143
Payment transaction costs and banking services	988,108	342,872	1,330,980	788,435	346,719	1,135,154
Rents	3,536,818	783,213	4,320,031	2,985,344	703,289	3,688,633
Costs of professional training services	846,045	220,286	1,066,331	722,233	173,495	895,728
Other costs of services	3,663,330	1,110,815	4,774,145	3,157,945	1,041,004	4,198,949
TOTAL OPERATING EXPENSES	178,109,085	43,265,894	221,374,979	156,157,374	38,890,705	195,048,079

In addition to costs of salaries, the Company set aside provisions for employee bonuses based on performance results in 2022 in the amount of EUR 16,298,391 (2021: EUR 13,493,729) under other expenses. Total costs of salaries at Zavarovalnica Triglav in 2022 amounted to EUR 95,378,148 (2021: EUR 88,702,089).

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 2022 amounted to EUR 18,922,432 (2021: EUR 15,666,219).

4.12.2 Gross operating expenses by nature and function

						in EUR
Triglav Group 2022	Cost of contract acquisition	Claim handling costs	Costs of asset management	Other operating expenses	Costs of non-insurance operations	TOTAL
Acquisition costs	79,249,991	0	0	0	0	79,249,991
Cost of goods sold	0	0	0	0	7,722	7,722
Depreciation of operating assets	10,979,077	2,492,733	470,781	8,003,762	2,578,207	24,524,560
Labour costs	77,494,100	21,422,495	2,984,787	51,353,418	17,683,031	170,937,831
Wages and salaries	53,752,149	14,611,474	2,119,892	33,904,279	12,313,795	116,701,589
Social security and pension insurance costs	11,883,103	3,301,015	421,557	7,921,174	3,312,477	26,839,326
Other labour costs	11,858,848	3,510,006	443,338	9,527,965	2,056,759	27,396,916
Costs of services provided by natural persons other than SPs, including related taxes	424,299	448,609	4,264	567,526	0	1,444,698
Other operating costs	43,281,821	7,053,117	1,355,595	30,574,136	16,454,061	98,718,730
Costs of entertainment, advertising, trade shows	19,312,797	95,269	83,242	1,066,032	1,658,087	22,215,427
Costs of material and energy	4,842,917	1,254,360	102,319	2,292,865	2,045,029	10,537,490
Maintenance costs	3,739,804	1,064,280	313,518	7,885,789	1,271,332	14,274,723
Reimbursement of labour-related costs	2,972,228	179,182	77,461	838,575	668,904	4,736,350
Costs of intellectual and personal services	1,197,990	1,314,238	254,457	4,374,050	757,594	7,898,329
Membership fees and charges	1,880,421	160,562	19,821	1,450,267	1,035,176	4,546,247
Costs of services - transport and communications	2,813,870	502,847	35,851	2,210,831	126,439	5,689,838
Costs for insurance premiums	389,341	100,207	12,179	599,585	251,511	1,352,823
Payment transaction costs and banking services	592,879	1,395	60,094	1,529,127	4,431,444	6,614,939
Rents	2,346,732	744,230	94,598	2,513,248	753,054	6,451,862
Costs of professional training services	451,079	142,731	133,455	642,346	176,753	1,546,364
Other costs of services	2,741,763	1,493,816	168,600	5,171,421	3,278,739	12,854,338
TOTAL OPERATING EXPENSES	211,429,288	31,416,954	4,815,427	90,498,842	36,723,022	374,883,532

						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

Zavarovalnica Triglav 2022	Cost of contract acquisition	Claim handling costs	Costs of asset management	Other operating expenses	TOTAL
Acquisition costs	45,294,710	0	0	0	45,294,710
Depreciation of operating assets	9,227,110	2,151,769	391,333	4,180,519	15,950,731
Labour costs	63,018,340	16,205,520	2,418,286	31,306,477	112,948,623
Wages and salaries	45,201,789	11,166,937	1,760,582	20,950,450	79,079,758
Social security and pension insurance costs	7,661,652	1,906,140	303,698	3,526,863	13,398,353
Other labour costs	10,154,899	3,132,443	354,006	6,829,164	20,470,512
Costs of services provided by natural persons other than SPs, including related taxes	52,380	284,883	3,738	172,797	513,798
Other operating costs	24,976,465	4,590,656	1,064,210	16,035,786	46,667,117
Costs of entertainment, advertising, trade shows	9,152,773	58,265	62,647	415,017	9,688,702
Costs of material and energy	2,709,374	999,746	81,887	1,432,023	5,223,030
Maintenance costs	2,756,918	835,553	287,936	3,291,548	7,171,955
Reimbursement of labour-related costs	2,535,280	105,988	52,042	367,160	3,060,470
Costs of intellectual and personal services	901,150	781,159	233,289	2,527,072	4,442,670
Membership fees and charges	1,356,180	139,369	17,402	840,196	2,353,147
Costs of services - transport and communications	1,865,407	393,667	26,660	497,341	2,783,075
Costs for insurance premiums	142,330	60,774	4,768	244,710	452,582
Payment transaction costs and banking services	416,035	355	42,049	872,541	1,330,980
Rents	1,440,021	549,439	80,569	2,250,002	4,320,031
Costs of professional training services	372,390	119,882	131,266	442,794	1,066,332
Other costs of services	1,328,607	546,459	43,695	2,855,382	4,774,143
TOTAL OPERATING EXPENSES	142,569,005	23,232,828	3,877,567	51,695,579	221,374,979

in EUR

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

4.13 Other expenses from insurance operations

	Triglav Group		Zavarovalnica Triglav	
	2022	2021	2022	2021
Fee and commission expenses	39,099,418	35,152,667	15,526,041	14,437,986
Expenses from impairment of insurance receivables and write-offs	1,947,123	2,022,500	632,779	1,284,515
Fire tax	5,652,067	5,013,123	5,043,582	4,600,869
Expenses of preventive activity	4,060,247	3,527,029	3,136,208	2,891,761
Supervisory authority fees	2,363,369	2,014,826	1,162,060	1,058,180
Other net insurance expenses	6,374,359	4,185,795	2,409,698	1,025,186
OTHER EXPENSES FROM INSURANCE OPERATIONS	59,496,583	51,915,940	27,910,368	25,298,497

4.14 Other expenses

	Triglav Group		Zavarovalnica Triglav	
	2022	2021	2022	2021
Financial expenses	2,731,227	2,729,286	2,289,560	2,277,892
Interest expenses for bonds issued	2,187,500	2,187,500	2,187,500	2,187,500
Lease interest expenses	497,677	489,303	79,806	65,603
Other financing expenses	46,050	52,483	22,254	24,788
Other expenses	68,022,731	55,650,367	24,786,331	20,207,745
Operating expenses of non-insurance companies	36,293,795	32,844,278	0	0
Employee and Management Board bonuses	21,110,319	17,862,055	18,922,431	15,666,219
Expenses from impairment of investment property	6,617	4,340	0	0
Other investment property expenses	3,453,853	2,162,149	3,999,366	2,725,512
Depreciation of investment property	1,430,563	1,335,886	964,730	967,250
Depreciation of right of use assets	43,320	44,305	43,320	44,305
Loss from investment property disposal	14,518	28,825	1,114	0
Expenses from reversal of impairment of other receivables	329,285	33,829	0	18,323
Expenses from disposal of property, plant and equipment	44,233	39,298	37,120	4,549
Expenses from disposal of intangible assets	0	467,828	0	467,828
Expenses from impairment of real property used for ordinary activities	1,236	0	0	0
Other expenses	5,295,000	827,574	818,250	313,759
TOTAL OTHER EXPENSES	70,753,956	58,379,653	27,075,891	22,485,637

4.15 Income tax expense

4.15.1 Tax expense in the income statement

	Triglav Group		Zavarovalnica Triglav	
	2022	2021	2022	2021
Current tax expense	26,233,787	19,038,574	20,633,936	11,928,064
Deferred tax expense	-1,910,235	640,578	-748,145	345,000
TOTAL TAX EXPENSE IN THE INCOME STATEMENT	24,323,552	19,679,152	19,885,791	12,273,064

in EUR

4.15.2 Tax expense in other comprehensive income

Triglav Group	2022			2021		
	Before tax	Tax	After tax	Before tax	Tax	After tax
Profit from increase in fair value of available for sale financial assets	-267,227,622	46,385,263	-220,842,359	-46,148,956	11,107,513	-35,041,443
Liabilities from insurance contracts with a discretionary participating feature (shadow accounting)	14,249,138	-2,707,336	11,541,802	28,770,746	-5,466,442	23,304,304
Actuarial gains/losses	1,277,288	0	1,277,288	129,024	0	129,024
Translation differences	-94,294	0	-94,294	170,440	0	170,440
TOTAL OTHER COMPREHENSIVE INCOME	-251,795,490	43,677,927	-208,117,563	-17,078,746	5,641,071	-11,437,675

in EUR

Zavarovalnica Triglav	2022			2021		
	Before tax	Tax	After tax	Before tax	Tax	After tax
Profit from increase in fair value of available-for-sale financial assets	-213,111,258	40,839,104	-172,272,154	-38,145,921	11,129,871	-27,016,051
Liabilities from insurance contracts with a discretionary participating feature (shadow accounting)	14,249,138	-2,707,336	11,541,802	28,770,746	-5,466,442	23,304,304
Actuarial gains /losses	1,245,737	0	1,245,737	164,710	0	164,710
TOTAL OTHER COMPREHENSIVE INCOME	-197,616,383	38,131,768	-159,484,615	-9,210,465	5,663,429	-3,547,036

in EUR

4.15.3 Reconciliation between accounting profit and tax expense

in EUR

	Triglav Group		Zavarovalnica Triglav	
	2022	2021	2022	2021
Accounting profit	134,540,230	132,644,845	140,357,864	85,688,613
Income tax rate - tax rate average of several countries	18.41%	17.82%	19.00%	19.00%
Accounting profit multiplied by tax rate	24,762,510	23,639,583	26,667,994	16,280,836
Tax effect of income deductible for tax purposes	-2,329,470	-3,924,446	-8,105,189	-3,486,988
Tax effect of income added for tax purposes	-4,728	-9,064	43,711	10,614
Tax effect on the reduction in expenses not deductible for tax purposes	5,491,270	3,949,419	5,033,229	1,276,901
Tax relief	-1,831,966	-4,616,918	-2,325,161	-2,245,632
Other tax effects	199,783	0	-680,649	92,332
TOTAL TAX EXPENSE	26,233,787	19,038,574	20,633,935	11,928,063
Effective tax rate ¹¹¹	19.50%	14.35%	14.70%	13.92%

In accordance with the Corporate Income Tax Act (ZDDPO-2), the applicable tax rate in Slovenia was 19% in 2022, 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 25,026,939 as at 31 December 2022 (compared to EUR 29,372,450 as at 31 December 2021).

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

5. Other information

5.1 Transition of the application of the new standard IFRS 17 – Insurance contracts

For annual period beginning after 1 January 2023, IFRS 17 will replace IFRS 4. For the Company and Group this means significant changes in classification, measurement and disclosure which are explained below.

5.1.1 Definition and classification

IFRS 17 establishes principles for recognition, measurement, presentation and disclosure of insurance contracts issued, reinsurance contracts held and investment contracts with discretionary participating features.

An insurance contract is defined as a contract under which one party (the insurer) accepts significant insurance risk from another party (the policyholder) by agreeing to compensate the policyholder if a specified uncertain future event (the insured event) adversely affects the policyholder.

The key principles of IFRS 17 are that an entity:

- identifies insurance contracts as those under which the entity accepts significant insurance risk from another party (the policyholder) by agreeing to compensate the policyholder if a specified uncertain future event (the insured event) adversely affects the policyholder;
- separates specified embedded derivatives, distinct investment components and distinct (i.e. non-insurance) goods or services from insurance contracts;
- divides the contracts into groups it will recognize and measure;
- recognizes and measures groups of insurance contracts as:
 - a risk-adjusted present value of the future cash flows (the fulfilment cash flows) that incorporates all available information about the fulfilment cash flows in a way that is consistent with observable market information, and
 - an amount representing the unearned profit in the group of contracts (the contractual service margin or CSM).
- recognizes profit from a group of insurance contracts over the period the entity provides insurance and other services. If a group of contracts is expected to be onerous (i.e. loss making) over the remaining coverage period, an entity recognizes the loss immediately;

- presents insurance revenue, insurance service expenses and insurance finance income or expenses separately;
- discloses information to enable financial statement users to assess the effect that contracts within the scope of IFRS 17 have on an entity's financial position, financial performance and cash flows.

The Company and Group do not expect any significant changes in the classification of the non-life portfolio, whereas the life portfolio will be subject to significant changes. Besides separating distinct investment components, the classification of pension product during the saving phase will change from insurance contract to financial contract according to IFRS 17.7(e). This will result in lower income and expense in profit and loss statement as well as lower liabilities from insurance contracts. On the other hand, insurance liabilities and assets from these contracts will be reclassified to liabilities and assets from financial contracts.

5.1.2 Aggregation

A portfolio of insurance contracts is defined as »insurance contracts subject to similar risks and managed together«. The level of aggregation is applied by grouping contracts together at initial recognition, considering all relevant features that are part of a contract, applying the following characteristics:

- similar risk and are managed together (i.e., part of one portfolio of contracts),
- split to annual cohorts;
- similar profitability, distinguishing at inception contracts that are expected to be onerous from those that are expected to be profitable.

The requirements of IFRS 17 limit the offsetting of gains on groups of profitable contracts, which are generally deferred as a CSM, against losses on groups of onerous contracts, which are recognized immediately. Compared with portfolio level at which the liability adequacy test is performed under IFRS 4, the level of aggregation under IFRS 17 is more granular and is expected to result in more contracts being identified as onerous and losses on onerous contracts being recognized sooner.

5.1.3 Contract boundaries

The measurement of a group of contracts includes all future cash flows within the boundary of each contract in the group, determined as follows.

Insurance contracts

Cash flows are within the contract boundary if they arise from substantive rights and obligations that exist during the reporting period in which the Group can compel the policyholder to pay premiums or has a substantive obligation to provide services (including insurance coverage and any investment services). A substantive obligation to provide services ends when:

- the Group has the practical ability to reassess the risks of the particular policyholder and can set a price or level of benefits that fully reflects those reassessed risks; or
- the Group has the practical ability to reassess the risks of the portfolio that contains the contract and can set a price or level of benefits that fully reflects the risks of that portfolio, and the pricing of the premiums up to the reassessment date does not take into account risks that relate to periods after the reassessment date.

The reassessment of risks considers only risks transferred from policyholders to the Group, which may include both insurance and financial risks, but exclude lapse and expense risks.

Reinsurance contracts held

Cash flows are within the contract boundary if they arise from substantive rights and obligations that exist during the reporting period in which the Group is compelled to pay amounts to the reinsurer or has a substantive right to receive services from the reinsurer.

A substantive right to receive services from the reinsurer ends when the reinsurer:

- has the practical ability to reassess the risks transferred to it and can set a price or level of benefits that fully reflects those reassessed risks; or
- has a substantive right to terminate the coverage.

Expected changes with transition to IFRS 17:

The Company and Group do not expect any significant changes in terms of contracts boundaries for non-life business, compared to the IFRS 4 accounting. Some life (pension) contracts with saving phase were reclassified from insurance contract to financial contract according to IFRS 17.7(e). The payment phase is still classified as insurance contract and consequently the contract boundaries has been changed..

5.1.4 Measurement

IFRS 17 introduces three possible approaches to policy treatment and its accounting:

- General model (also known as Building Block approach – BBA) – this is default model, applicable to all long-term insurance contracts;
- Simplified approach (also known as Premium Allocation Approach - PAA) – standard allows using this simplified model for the measurement of insurance contracts with short coverage (usually applicable to non-life policies with short coverage);
- Variable Fee Approach (VFA) – usually applicable to life participating contracts (unit-linked).

The PAA is permitted if and only if, at the inception of the group of contracts:

- the business unit reasonably expects that such simplification would produce a measurement of the liability for remaining coverage (LRC) for the group that would not differ materially from the one that would be produced applying the requirements for the general model (i.e. the fulfilment cash flows related to future service plus the contractual service margin); or
- the coverage period of each contract in the group (including coverage arising from all premiums within the contract boundary determined at that date) is one year or less.

Insurance contracts with direct participation features are insurance contracts that are substantially investment-related service contracts under which an entity promises an investment return based on underlying items (i.e. items that determine some of the amounts payable to a policyholder). Hence, they are defined as insurance contracts for which:

- the contractual terms specify that the policyholder participates in a share of a clearly identified pool of underlying items;
- the entity expects to pay to the policyholder an amount equal to a substantial share of the fair value returns on the underlying items; and
- the entity expects a substantial proportion of any change in the amounts to be paid to the policyholder to vary with the change in fair value of the underlying items.

According to the standard, Company and Group will classify its products as presented below.

Life business

- In line with the standard, for all long-term traditional life contracts (whole life, term, credit), BBA method will be used;
- For traditional products with profit participation (whole life, dowry, endowments, annuities, old pensions products) and UL product with a high percentage of premium being invested into guaranteed fund BBA method will be used based on VFA eligibility test performed;
- For unit-linked products with a low percentage of premium being invested into guaranteed fund and new pensions products VFA method will be used;

- Shadow accounting will no longer be applied. Instead OCI option will be used to value the majority of the impact of changes in economic / financial assumptions;
- Pension products in saving phase will be reclassified according to IFRS 17.7(e).

Non-Life business

- Most non-life products within Company's and Group's portfolio provide cover up to one year, hence as a general rule PAA method shall be applied;
- Rare exceptions to this rule cover non-life insurance with longer cover, usually with non-linear distribution of risk over time, such as:
 - Insurance of construction and installation projects;
 - Construction guarantees;
 - Credit insurance (with long covers);
 - Financial guarantees;
 - General liability insurance for buildings / installations / design;
 - Other miscellaneous contracts with coverage longer than 1 year.

If sufficient justification is provided, PAA method will be also applied for contracts longer than one year, e.g. based on materiality assessment and PAA eligibility testing.

Fronting and other accepted (inward) reinsurance

For fronting policies, measurement methods should be applied in a manner consistent with similar products within direct insurance business.

Passive (outward) reinsurance

- Instead of the BBA method applied to direct insurance business, a modified BBA approach is imposed by the Standard, in which instead of a Loss Component, a negative CSM can be recognized;
- The choice of the method shall reflect characteristic of reinsurance agreement and underlying direct insurance contract(s);
- The requirement to assign a measure (PAA or BBA) may result in a situation, where the reinsurance contract will be treated in a completely different approach (UoA and measure) than a corresponding direct insurance contract.

On initial recognition, insurance contracts are measured as the total of:

- the fulfilment cash flows, which comprise estimates of future cash flows, adjusted to reflect the time value of money and the associated financial risks;
- a risk adjustment for non-financial risk; and
- the contractual service margin (CSM).

The cash flows will be discounted and weighted by the estimated probability of that outcome to derive an expected present value. Discounting is performed by using risk-free yield curves adjusted to reflect the characteristics of the cash flows and the liquidity characteristics of the contracts. Cash flows that vary based on the returns on any underlying items will be adjusted for the effect of that variability using risk-neutral measurement techniques and discounted using the risk-free rates as adjusted for illiquidity.

The risk adjustment for non-financial risk for a group of contracts, determined separately from the other estimates, is the compensation that the Company and Group would require for bearing uncertainty about the amount and timing of the cash flows that arises from non-financial risk.

The contractual service margin is a component of the asset or liability for the group of insurance contracts that represents the surplus of premiums over claims and other expenses expected to be paid over the life of contracts within the group. The idea of creating the CSM is to recognize profits over time instead of showing one-off gains at contracts recognition. The CSM is measured as the difference between expected cash inflows less expected cash outflows within the contractual boundaries, risk adjusted and adjusted for the time value of money. IFRS 17 requires the CSM to be measured on initial recognition of the group of insurance contracts, subsequently adjusted and recognized in profit or loss over the coverage period. CSM is recognized in both the General Model and the Variable Fee approach. CSM is not created when using the premium allocation approach.

For PAA contract on initial recognition, the carrying amount of the liability for remaining coverage is measured at the premiums received on initial recognition minus any insurance acquisition cash flows at that date. Insurance acquisition cash flows will be expensed when they incurred. Subsequently, the carrying amount of the liability for remaining coverage is increased by any further premiums received and decreased by the amount recognised as insurance revenue for services provided. According to the standard, liability for remaining coverage will not be adjusted to reflect the time value of money and the effect of financial risk.

5.1.5 Significant judgements and estimates

Future cash flows

Estimates of future cash flows will include all reasonable and supportable information that is available without undue cost or effort at the reporting date. Updated internal and external historical data will be used about claims and other experience in order to reflect current expectations of future events.

Cash flows within the contract boundary are those that relate directly to the fulfilment of the contract, including those for which the Company or Group has discretion over the amount or timing. These include

payments to (or on behalf of) policyholders, insurance acquisition cash flows and other costs that are incurred in fulfilling contracts. Insurance acquisition cash flows and other costs that are incurred in fulfilling contracts comprise both direct costs and an allocation of fixed and variable overheads.

Cash flows attributable to acquisition and other fulfilment activities will be allocated to groups of contracts using methods that are systematic and rational and will be consistently applied to all costs that have similar characteristics. The Company and Group will generally allocate insurance acquisition cash flows to groups of contracts based on the total premiums for each group, claims handling costs based on the number of claims for each group, and maintenance and administration costs based on the number of in-force contracts in each group.

Risk adjustment

Risk adjustment for non-financial risk is the compensation that insurance company requires for bearing the uncertainty about the amount and timing of the cash flows arising from non-financial risk as the insurance company fulfils insurance contracts. Risk adjustment will be calculated using the Value at Risk method. Risk adjustment is calculated separately for Non-Life and Life business each with relevant methodology and parameters and also takes into account the entity's risk aversion.

Risk adjustment for Life business

Risk adjustment (RA) is calculated for liability for incurred claims and liability for remaining coverage (LIC and LRC). Risks included in risk adjustment calculations are risks related to mortality, longevity, morbidity, lapse, expense, mortality catastrophe, health. Operational risks are not included nor any of market risks. Metric used for RA calculation is cost-of-capital approach with portfolio run-off as a time horizon.

Solvency 2 methodology is leveraged as much as possible: S2 standard formula submodule shocks for each of the above-mentioned risks deemed to be calibrated to the 99,5 percentile level of confidence are utilized on IFRS 17 cash-flows to derive corresponding capital requirement (with 1-year time horizon). Corresponding 1-year capital requirements for later periods until portfolio run-off are derived via proxies tailored to each risk. Next, capital requirements for each risk are converted into capital requirement at a lower fixed confidence level for all future periods, aggregated to Life portfolio capital requirements (via summation allowing for portfolio diversification effects by scaling down by calibrated factor, thus avoiding non-linearity through use of correlations) for each future period. By applying cost-of-capital rate on those capital requirements 1-year cost-of-capital for each future period is determined. Finally, these are discounted to arrive at the cost-of-capital at portfolio valuation date, which represents final risk adjustment.

All mentioned quantities are calculated bottom-up, starting with policy level. Since we achieved linearity across risks (by avoiding correlations), all aggregations (at the accounting unit level and higher) of needed quantities are done simply via summations and scaling with no subsequent need to allocate entity level RA top-down.

Resulting run-off confidence level of life business RA is in-line with company's risk appetite and appropriately disclosed.

Risk adjustment for Non-Life business

For non-life portfolios the risk adjustment for liability for incurred claims is calculated as the excess of the value at risk over the best estimate of future cash flows at a confidence level determined by entity. The calculation is performed at the level of homogenous groups and the diversification is valued using a correlation matrix and allocated back to the groups.

The risk adjustment of liability for remaining coverage is derived from basic solvency capital requirements of appropriate risks from Solvency II standard formula scaled from 99,5 % to the predetermined confidence level which coincides with the one used in the calculation of the risk adjustment for liability for incurred claims. Diversification between portfolios for both liabilities is again determined using an appropriate correlation matrix and allocated back to portfolios.

Risk adjustments for liabilities of reinsurance held treaties are derived from their underlying direct business and active reinsurance contracts taking into account the specifics of the risks ceded to reinsurers and the format of reinsurance held treaty.

Discount rates

In estimation of the present value of future cash flows, discount rates that reflect the characteristics of the cash flows, should be used. When defining the appropriate discount rate, the liquidity characteristics of insurance contract should also be taken in consideration. Triglav Group will use bottom-up approach with risk free rate and illiquidity premium. The illiquidity premium is applied to the risk-free interest rate as a parallel shift to the last liquidity point.

Base risk-free interest rates for the euro are obtained from the EIOPA database according to the recognition date. These are based on data from interest rate swaps. For the EU countries in which the Group operates, a volatility adjustment is applied, which is also published by EIOPA, and this represents a 100% illiquidity premium curve.

The risk-free interest rate term structure for the Bosnia and Herzegovina convertible mark and the Macedonian denar is calculated based on euro interest rate swaps due to the specifics of both currencies. The illiquidity premium is calculated as the difference between the supply and demand of government bonds of the respective country and euro interest rate swaps.

The basis of risk-free interest rates for the Serbian dinar are liquid government bonds. The illiquidity premium is calculated based on the difference between the supply and demand of liquid government bonds and adjusted Slovenian corporate bonds for the Serbian market.

For life business the level of illiquidity of liabilities is determined for each portfolio at least once yearly through illiquidity investigation which is based on calculation of illiquidity indicators. This is then used to allocate each policy at initial recognition into illiquidity bucket (50%, 75%, and 100% of full illiquidity curve), which does not change until policy's run-off. Resulting curve (discounting and fund growth) is sum of risk-free rates and corresponding illiquidity premium.

For non-life business all liabilities are discounted using EIOPA's risk free yield rates with exception of liabilities relating to annuities stemming from the business. Those cash flows are discounted using published EIOPA volatility adjustment curve as 100% illiquidity premium curve.

Contractual service margin or CSM

The contractual service margin (CSM) is a component of the asset or liability for the group of insurance contracts that represents the surplus of premiums over claims and other expenses expected to be paid over the life of contracts within the group. The idea of creating the CSM is to recognize profits over time instead of showing one-off gains at contracts recognition. The CSM is measured as the difference between expected cash inflows less expected cash outflows within the contractual boundaries, risk adjusted and adjusted for the time value of money. IFRS 17 requires the CSM to be measured on initial recognition of the group of insurance contracts, subsequently adjusted and recognized in profit or loss over the coverage period.

CSM is recognized in both the General Model and the Variable Fee approach (VFA). CSM is not created when using the premium allocation approach (PAA).

The contractual service margin at the end of the reporting period represents the profit in the group of insurance contracts that has not yet been recognized in profit or loss because it relates to the future service to be provided under the contracts in the Group.

An amount of the contractual service margin for a group of insurance contracts is recognized in profit or loss in each period to reflect the services provided under the group of insurance contracts in that period. The amount is determined by:

- identifying the coverage units in the group. The number of coverage units in a group is the quantity of coverage provided by the contracts in the group, determined by considering for each contract the quantity of the benefits provided under a contract and its expected coverage duration. In case of investment contracts with contracts with DPF, CSM shall be recognized in a systematic way that reflects the transfer of investment services under the contract;
- Allocating the contractual service margin at the end of the period (before recognizing any amounts in profit or loss to reflect the services provided in the period) equally to each coverage unit provided in the current period and expected to be provided in the future;
- Recognizing in profit or loss the amount allocated to coverage units provided in the period.

Basis for determining quantity of benefits provided can be found bellow in the table.

Type of insurance	Product type	Basis
Life	Endowment life insurance	Sum insured
Life	Term life	Sum insured
Life	Annuity insurance	Annual annuity
Life	Unit linked insurance	Higher of sum insured, fund value
Life	Whole life insurance	Sum insured
Life	Total and permanent disability	Sum insured
Life	Riders	Sum insured
Non-life	Insurance of construction and installation projects	Passage of time and sum insured
Non-life	Construction guarantees	Passage of time and sum insured
Non-life	Credit insurance (with long covers)	Passage of time and sum insured
Non-life	Financial guarantees	Passage of time and sum insured
Non-life	General liability insurance for buildings / installations / design	Passage of time and sum insured

5.1.6 Presentation and disclosure

IFRS 17 will change substantially the Company's and Group's consolidated financial statements.

All rights and obligations arising from the portfolio of insurance and reinsurance contracts will be valued on the basis of expected and actual cash flows and shown in the statement of financial position as an asset or liability from insurance contracts. Receivables from insurance premium, liabilities for claims, insurance-technical provisions and other insurance-related items will no longer be shown in separate balance sheet items. Any assets or liabilities recognized for cash flows arising before the recognition of the related group of contracts (including any assets for insurance acquisition cash flows) will also be presented in the same line item as the related portfolios of contracts.

Statement of profit and loss will now present the insurance service result, which is divided into insurance revenue and insurance service expenses and result from reinsurance. Insurance finance income or expenses includes the effects of unwinding and changes in the value of underlying items and interest rates. Change in interest rates can also be shown in the statement of other comprehensive income if the entity chooses this option.

Insurance service result

For BBA and VFA method insurance revenue represents services for which the Group expects to receive consideration. The consideration is divided into consideration for covering the entity costs such as admin expenses and claims and an allocation of premiums that relate to recovering insurance acquisition cash flows. The liability for remaining coverage will change according to service provided in the period.

For contracts measured using the PAA, insurance revenue for the period is recognized based on the amount of expected premium receipts allocated to the period based on the passage of time.

The requirements in IFRS 17 to recognize insurance revenue over the coverage period will have an impact on the result on long term contracts. The result will be more evenly distributed over the coverage period especially because different approach in amortizing deferred acquisition costs.

Expenses that relate directly to the fulfilment of contracts will be recognized in profit or loss as insurance service expenses, generally when they are incurred. The Company and Group expect that most expenses will be attributable to insurance contracts. The minority will be shown as not attributable costs outside insurance service result.

Significant changes will also be due to separation of investment component. This will result in lower income and expense in comparison with current practice. The Company and Group will identify the investment component of a contract by determining the amount that it would be required to repay to the policyholder in all scenarios with commercial substance.

Passive reinsurance will now be presented as net income or expense from reinsurance as separate line in the statement of profit and loss. Consequently, the revenue and claims will be presented higher than current practice. Active reinsurance will be presented as direct business.

The Company and Group will choose not to disaggregate changes in the risk adjustment for non-financial risk between the insurance service result and insurance finance income or expenses. All changes in the risk adjustment for non-financial risk recognized in profit or loss will be included in the insurance service result.

Insurance finance income and expense

Under IFRS 17, changes in the carrying amounts of groups of contracts arising from impact of changes in economic / financial assumptions can be disaggregated into the statement of profit and loss or other comprehensive income to reduce accounting mismatch with investment part under IFRS 9. The Group needs to define the disaggregation of portfolio level.

For most of portfolios, the Company and Group will use the option to present the financial effect in the statement of other comprehensive income because most of the investment portfolio under IFRS 9 will also be classified as fair value through other comprehensive income. Some unit linked products however will have the changes presented in the statement of profit and loss because the majority of underlying assets will be classified as fair value through profit and loss under IFRS 9.

5.1.7 Estimated impacts of the transition on the application of the new IFRS 17

Zavarovalnica Triglav will publish the first consolidated and separate financial statements prepared using IFRS 17 for the first half of 2023. A full retroactive approach will be applied, therefore the data for comparable periods will also be restated in the interim and annual financial statements.

The management assessed the impact of the initial application of IFRS 17 on the consolidated and separate financial statements of Zavarovalnica Triglav as at the transition date, i.e. 1 January 2022. The information presented below was prepared based on the best estimate and interpretation of the standard and will be subject to review. Officially published financial statements may therefore contain information that will significantly differ from the estimate presented below.

Life business

Life business will have significant changes in financial statements. The Group expects that the profit recognized over the lifetime of the contracts will not change, but the release pattern will be slower. This is mainly due to deferred acquisition costs under IFRS 17.

A major change relates to transition from discounting with technical interest rate to market interest rate. As most of the group companies has opted to choose the other comprehensive option for change in interest rates, the asset liability management will be more aligned under IFRS 17 versus IFRS 4.

The amount of contractual service margin is significantly affected by risk adjustment, which is also a major change compared to IFRS 4. This reflects the uncertainty in timing and in amount of future cash flows. The introduction of risk adjustment will increase the liability to policyholder and decrease the equity of the Company and Group.

All three methods of transition (full retrospective, modified retrospective and fair value) will be used for transition. For the majority of policies, either modified retrospective or full retrospective were used and consequently initial recognition of losses component, recognized in profit and loss, will not be significant.

Revenues and claims will be lower due to investment component. As Triglav Group has a significant portfolio with mixed content (insurance and investment), the effects will be also significant. As already mentioned, the overall lifetime earnings are expected to be on the same level, but the timing will be different in accordance with the release of the contractual service margin.

Non-Life business

Non-Life business will be less affected by IFRS 17 compared to Life business in terms of financial statement. A greater impact is expected on the transition date, when insurance contracts will be measured for the first time using an estimate that is close to the calculated solvency requirements. Using this method, the estimated liabilities are lower than estimated claims provisions according to IFRS 4. The reduction of liabilities from insurance contracts will manifest in the increase of the profit brought forward from previous years. The impacts are presented below.

Most non-life insurance policies of the Company and the Group (insurance and reinsurance) are short-term contracts; therefore, in accordance with the option allowed by IFRS 17, a simplified approach will be used for the valuation of these contracts, i.e. the premium allocation approach or PAA. Both the full retrospective approach and the modified retrospective approach will be used to restate data retrospectively.

Although the PAA approach is similar to the current accounting treatment of insurance contracts, the implementation of IFRS 17 will affect the financial statements. In accordance with IFRS 17, when measuring insurance contracts, discount must be applied for claims incurred over one year. Discounting will reduce the amount of liabilities. In addition, risk adjustment will be introduced, which will result in a higher liability and lower capital of the Company and the Group. Acquisition costs will be deferred using a different methodology, due to which associated expenses from insurance operations will be lower.

Impacts of the transition on the application of the new IFRS 17

The Company and the Group assess that the impacts of the transition on the application of the new standard IFRS 17 as at 1 January 2022 will be as follows:

in EUR million

Triglav Group	Impact on retained earnings	Impact on other comprehensive income	Impact on net deferred tax liabilities
Life business	19.6	-12.4	-1.3
Non-life business	92.6	-7.5	20.4
Total	112.2	-20	19.2

in EUR million

Zavarovalnica Triglav	Impact on retained earnings	Impact on other comprehensive income	Impact on net deferred tax liabilities
Life business	15.8	-10.9	-1.5
Non-life business	99.5	-7.5	21.6
Total	115.4	-18.4	20.0

The contractual service margin as at 1 January 2022 for the Group is EUR 157 million, and for the Company 150 million. Risk adjustment as at 1 January 2022 for the Group is EUR 74 million, and for the Company EUR 50 million.

5.2 Transition of the application of the new standard IFRS 9 – Financial instruments

IFRS 9 replaces IAS 39 Financial Instruments: Recognition and Measurement and is effective for annual periods beginning on or after 1 January 2018, with early adoption permitted. However, Triglav as insurance group has applied the temporary exemption from IFRS 9 for annual periods before 1 January 2023. Consequently, the Company and Group will apply IFRS 9 for the first time on 1 January 2023. Comparative financial statement for financial year 2022 will also be restated.

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, which are described in detail in Section [2.10](#).

5.2.1 Classification

The classification of investment under IFRS 9 depends on defined business models of the Company and Group along with contractual cash flows characteristics. Accordingly, the Company and Group have three possibilities of classification: amortized cost (AC), fair value through other comprehensive income (FVOCI) and fair value through profit and loss. Compared to the previous categories under IAS 39 the held-to-maturity investments and loans and receivables are merged in amortized cost category, available for sale are now mainly presented in fair value through other comprehensive income, fair value through profit and loss does not change.

Financial assets measured at amortized cost

A financial asset is measured at amortized cost if it meets both of the following conditions:

- The financial assets are held for the purpose of collecting cash flows according to the business model of collecting cash flows
- The contractual cash flows represent only payments of principal and interest on the principal amount outstanding.

Financial assets measured at fair value through other comprehensive income

A financial asset is measured at fair value through other comprehensive income if it meets both of the following conditions and is not classified in other categories of measurement:

- The financial assets are held for the purpose of collecting cash flows and sale according to the business model of collecting cash flows and sale
- The contractual cash flows represent only payments of principal and interest on the principal amount outstanding.

Under this category, the Company and Group also measure equity instruments (non-monetary) which are not held for trading and for which the Company and Group irrevocably designate as FVOCI. These are mostly equity instruments of companies closely linked to the Company's and Group's business and equity instruments of companies with a solid dividend yield and an expected long-term growth potential.

Financial assets measured at fair value through profit and loss

If the financial asset is not measured at amortized cost or at fair value through other comprehensive income, it is measured at fair value through profit or loss. This applies to either financial assets that do not pass the cash flow adequacy test (SPPI test) or equity securities that either do not meet the conditions for measurement at fair value through other comprehensive income or are intended for trading. Financial assets from other business models, which are managed on a fair value basis or held for trading, are also measured under fair value through profit and loss.

5.2.2 Impairment

IFRS 9 replaces the incurred loss model under IAS 39 with the forward-looking expected credit loss approach. Expected credit losses are a probability-weighted credit loss estimate (i.e. the present value of all cash flow losses) in the 12-month period after the reporting date or during the expected lifetime of the financial instrument, depending on the stage into which the financial asset is classified.

The general IFRS9 approach to impairment follows a three stage model. Based on assets credit risk evolution, a financial instrument can migrate from the first stage to the third, but it is also possible to return to the previous group. Movement from Stage 1 to Stage 2 is triggered by significant increase in credit risk, movement to Stage 3 is triggered by objective signs of impairment. The impairment calculation is based on the expected credit losses.

All financial assets (except upon initial recognition of credit-impaired financial assets) are classified into Stage 1 upon initial recognition, for which 12-month expected credit losses are formed. 12-month expected credit losses are the portion of lifetime expected credit losses that refer to possible default events in the next 12 months after the reporting date or in a shorter period if the remaining maturity of the financial asset is less than 1 year. In Stage 1, interest income is recognised at the effective interest rate applied to the total gross amount of the asset (without reduction for loss allowance of the created value).

The new method is applied to debt instruments classified at amortised cost and fair value through other comprehensive income. It is not used for other debt instruments in other balance sheet categories (receivables, lease receivables) due to their insignificance.

Stage 2 includes financial assets where there has been a significant increase in credit risk compared to the credit risk since initial recognition of the financial asset, but the asset does not show objective evidence of impairment. Lifetime expected credit losses are created for Stage 2 financial assets. Lifetime expected credit losses are the expected credit losses arising from all possible default events during the lifetime of the financial asset. Based on a qualitative analysis – a comparison of the credit rating as at the reporting date and the credit rating at initial recognition – the Company determines whether the risk of default has increased significantly since initial recognition and requests a transfer from initial Stage 1 to a lower stage. In Stage 2, interest income is recognised at the effective interest rate applied to the total gross value of the asset (without reduction for expected credit losses).

Stage 3 comprises financial assets that show objective evidence of impairment. Objective evidence of impairment includes:

- payment default of coupon interest due to inability to pay,
- payment default of the principal due to inability to pay,
- initiation of insolvency proceedings.

Lifetime expected credit losses are calculated for Stage 3 financial assets. Interest income is recognised using the effective interest rate applied to the net value of the asset (less expected credit losses).

Credit loss is the difference between discounted contractual cash flows and discounted expected cash flows using the effective interest rate as a discount factor. The main factors for calculating a credit loss are probability of default, loss given default and exposure at default. The Group will use information from all available external and internal sources to ensure best estimates for these major factors. The main source of information will be Bloomberg and rating agencies.

The Company and the Group expect additional loss allowances due to the use of the expected credit loss model according to IFRS 9. The recognition of additional loss allowances upon adoption of IFRS 9 mainly relates to debt investments measured at fair value through other comprehensive income (FVOCI) as well as investments at amortised cost. Impairments of assets in the FVOCI group do not have an impact on total equity because loss allowances will not reduce the (fair value) carrying amount of the investments. Recognition of impairment losses in profit or loss will result in an equal and opposite gain in other comprehensive income.

5.2.3 Impacts of the transition on the application of the new standard IFRS 9

In accordance with the new requirements, IFRS 9 will affect the classification of financial instruments as follows:

- the biggest impact will have the reclassification of equity instruments from available-for-sale financial assets to financial assets measured at fair value through profit or loss (FVTPL);
- debt securities and other investments that fail the SPPI test will also be measured at fair value through profit or loss;
- most debt instruments that have been classified as available-for-sale until now will be classified as financial assets measured at fair value through other comprehensive income;
- held-to-maturity financial investments and loans and receivables measured at amortised cost under IAS 39 will generally also be measured at amortised cost under IFRS 9.

The effect of the transition is as follows:

in EUR million

Triglav Group	FVOCI	FVOCI OPT	FVTPL	AC	TOTAL
AFS	1,884	67	187	0	2,138
FVTPL	0	0	544	0	544
HTM	0	0	0	158	158
L&R	0	0	6	92	98
TOTAL	1,884	67	737	250	2,938

in EUR million

Zavarovalnica Triglav	FVOCI	FVOCI OPT	FVTPL	AC	TOTAL
AFS	1,397	64	128	0	1,589
FVTPL	0	0	207	0	207
HTM	0	0	0	141	141
L&R	0	0	6	26	32
TOTAL	1,397	64	341	167	1,969

Most financial assets of the Company and the Group are measured at fair value under IAS 39, and the classification under IFRS 9 will not change this guideline. As a result, the reclassification has no significant impact on the total equity of the Company and the Group as at 1 January 2022. However, the allocation between fair value reserve and retained earnings will change, which also means additional tax liabilities. The Company and the Group assess that the impacts of the transition on the application of the new IFRS 9 as at 1 January 2022 will be as follows:

in EUR million

Triglav Group	Impact on retained earnings	Impact on other comprehensive income	Impact on net deferred tax liabilities
Impact of transition to IFRS 9	35.3	-39.9	-1.4

in EUR million

Zavarovalnica Triglav	Impact on retained earnings	Impact on other comprehensive income	Impact on net deferred tax liabilities
Impact of transition to IFRS 9	16.4	-16.6	-0.1

5.3 Fair value measurement

5.3.1 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 2022	Carrying amount	Level 1	Level 2	Level 3	Total
Assets - measured at fair value					
Equity securities	255,410,148	125,087,874	20,967,782	109,354,492	255,410,148
Debt securities	1,754,703,898	332,204,283	1,422,448,565	51,050	1,754,703,898
Derivative financial instruments	0	0	0	0	0
Unit-linked insurance assets	567,221,702	551,153,357	15,723,134	345,211	567,221,702
Assets - fair value disclosed					
Land and buildings for insurance activities	91,940,998	0	0	103,969,858	103,969,858
Land and buildings for investment activities	68,377,495	0	0	85,298,690	85,298,690
Debt securities (HTM)	456,469,434	99,167,227	336,921,182	0	436,088,409
Deposits with banks	96,853,602	0	95,179,867	0	95,179,867
Loans given	9,645,347	0	981,056	8,650,584	9,631,640
Debt securities (L&R)	5,982,438	0	5,942,477	0	5,942,477
Liabilities - fair value disclosed					
Subordinated bonds	49,522,163	0	41,978,521	0	41,978,521

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

Zavarovalnica Triglav As at 31 December 2022	Carrying amount	Level 1	Level 2	Level 3	Total
Assets - measured at fair value					
Equity securities	152,500,457	53,453,233	0	99,047,224	152,500,457
Debt securities	1,213,173,999	249,196,986	963,977,013	0	1,213,173,999
Derivative financial instruments	0	0	0	0	0
Unit-linked insurance assets	490,618,848	485,427,489	5,191,359	0	490,618,848
Investments in associates	41,951,871	0	0	41,951,871	41,951,871
Assets - fair value disclosed					
Land and buildings for insurance activities	58,358,301	0	0	67,510,295	67,510,295
Land and buildings for investment activities	43,377,173	0	0	58,524,955	58,524,955
Debt securities (HTM)	227,656,974	41,528,453	185,307,843	0	226,836,296
Deposits with banks	19,499,355	0	19,116,835	0	19,116,835
Loans given	6,374,648	0	6,132,399	0	6,132,399
Debt securities (L&R)	5,982,438	0	5,942,477	0	5,942,477
Liabilities - fair value disclosed					
Subordinated bonds	49,522,163	0	41,978,521	0	41,978,521

in EUR

Zavarovalnica Triglav As at 31 December 2021	Knjigovodska vrednost	Nivo 1	Nivo 2	Nivo 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

5.3.2 Financial assets classified into Level 3

	Triglav Group		Zavarovalnica Triglav	
	2022	2021	2022	2021
Value as at 1 January	92,768,593	71,939,935	126,775,925	97,319,448
Purchases	10,753,186	30,164,475	10,672,230	33,872,252
Disposals	-3,746,069	-15,202,211	-3,706,781	-15,152,076
Revaluation through profit or loss	1,075,259	483,964	198,921	400,920
Revaluation in other comprehensive income	8,137,188	5,471,529	7,058,800	9,725,896
Transfers from/to other levels	763,753	609,485	0	609,485
Acquisition	0	-700,404	0	0
Foreign exchange differentials	-1,157	1,820	0	0
Value as at 31 December	109,750,753	92,768,593	140,999,095	126,775,925

in EUR

The value of financial assets classified into Level 3 increased in 2022 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.

5.3.3 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 2022	31 December 2021	31 December 2022	31 December 2021
Non-marketable assets (Level 3)	109,750,753	94,532,555	99,047,224	85,081,928
Estimated value deviation-/+	-26,121,887/12,748,545	-23,268,934/13,159,489	-23,899,552/10,599,161	-21,420,123/10,090,535
Equity investment in associates	38,068,059	36,031,346	41,951,871	41,693,996
Estimated value deviation-/+	n/a	n/a	-3,606,765/1,123,575	-5,414,335/966,967

in EUR

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 and asymmetric $-25/+10\%$ of the change in investment value for alternative investment funds.

5.3.4 Reclassification of financial assets between levels

	Triglav Group		Zavarovalnica Triglav	
	2022	2021	2022	2021
Reclassification from level 1 to level 2	266,222,612	755,181,819	199,015,793	603,687,505
Reclassification from level 2 to level 1	228,412,676	80,144,184	163,736,364	50,588,034

in EUR

The method of measuring fair value did not change in 2022. Reclassifications between levels were a result of market factors. As at the 2022 year-end, some financial assets showed lower liquidity and market depth than at the 2021 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.

5.4 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	
		2022	2021	2022	2021
in EUR					
A.	CASH FLOWS FROM OPERATING ACTIVITIES				
a.	Income statement items	131,696,364	144,641,397	59,519,111	57,377,294
	Net written premium for the period	1,224,570,677	1,187,488,721	645,886,610	606,380,354
	Investment income (excluding financial income)	9,983,912	22,539,986	9,934,053	9,134,442
	Other operating income (excluding revaluation and provisions reductions) and financial income from operating receivables	119,761,114	43,258,766	12,381,043	12,143,285
	Net claims paid for the period	-779,708,099	-713,359,986	-402,516,445	-373,056,512
	Bonuses and discounts paid	-12,794,170	-12,072,221	-11,441,877	-10,603,774
	Net operating expenses excluding depreciation costs and change in deferred acquisition costs	-275,291,114	-288,529,978	-147,229,709	-138,213,385
	Investment expenses (excluding depreciation and financial expenses)	-9,674,193	-8,839,299	-7,298,090	-6,371,339
	Other operating expenses excluding depreciation (other than revaluation and excluding the increase in provisions)	-125,677,873	-66,806,018	-29,262,415	-26,027,184
	Corporate income tax and other taxes excluded from operating expenses	-19,473,890	-19,038,574	-10,934,058	-16,008,593
b.	Changes in net operating current assets – operating balance sheet items	-46,777,647	-7,283,265	-22,261,880	-3,345,436
	Changes in operating receivables from direct insurance operations	-26,704,959	-12,709,036	-24,044,062	-6,113,550
	Changes in receivables from reinsurance operations	-5,246,480	5,742,340	-6,665,013	-3,725,245
	Changes in other receivables from (re)insurance operations	-3,545,012	424,995	-6,968,820	-1,550,658
	Changes in other receivables and assets	-4,500,219	-2,679,343	-12,577,248	1,575,807
	Changes in deferred tax assets	0	-107,165	0	0
	Changes in inventories	79,986	365,967	-25,791	454,701
	Changes in liabilities from direct insurance operations	2,051,092	2,551,991	1,346,807	-436,034
	Changes in liabilities from reinsurance operations	9,205,323	-1,363,326	21,536,796	4,854,423
	Changes in other operating liabilities	-20,014,916	-9,446,802	1,888,656	0
	Changes in other liabilities (other than unearned premium)	1,897,538	10,472,491	3,246,795	1,595,120
	Changes in deferred tax liabilities	0	-542,244	0	0
c.	Net cash from/(used in) operating activities (a + b)	84,918,717	137,358,132	37,257,231	54,031,858
B.	CASH FLOWS FROM INVESTING ACTIVITIES				
a.	Cash inflows from investing activities	1,060,019,361	1,093,015,888	866,067,369	945,312,942
	Cash inflows from interest received from investing activities	37,562,212	37,412,752	22,699,669	23,440,425
	Cash inflows from dividends and profit sharing	6,151,738	5,653,046	37,802,746	12,494,301
	Cash inflows from disposal of plant, property and equipment	7,995,544	3,515,560	785,630	151,349
	Cash inflows from disposal of financial investments	1,008,309,867	1,046,434,530	804,779,324	909,226,867
	– Cash inflows from disposal of investments in subsidiaries and other companies	0	0	0	0
	– Other cash inflows from disposal of financial investments	1,008,309,867	1,046,434,530	804,779,324	909,226,867
b.	Cash outflows from investing activities	-1,039,487,097	-1,186,871,319	-806,619,546	-965,578,127
	Cash outflows for acquisition of intangible assets	-8,627,093	-7,877,065	-5,506,904	-6,931,001
	Cash outflows for acquisition of property, plant and equipment	-8,981,115	-9,507,447	-5,474,025	-3,365,839
	Cash outflows for acquisition of financial investments	-1,021,878,889	-1,169,486,807	-795,638,617	-955,281,287
	– Cash outflows for acquisition of investments in subsidiaries and other companies	-35,987	-4,465,325	-57,355,448	-7,039,617
	– Other cash outflows for acquisition of financial investments	-1,021,842,902	-1,165,021,482	-738,283,169	-948,241,670
c.	Net cash from/(used in) investing activities (a + b)	20,532,264	-93,855,431	59,447,823	-20,265,185
C.	CASH FLOWS FROM FINANCING ACTIVITIES				
a.	Cash inflows from financing activities	0	0	0	0
b.	Cash outflows for financing activities	-89,334,516	-43,097,819	-87,552,803	-42,157,905
	Cash outflows for interest paid	-2,625,553	-2,458,714	-2,266,934	-2,343,302
	Cash outflows for payments of long-term financial liabilities	0	0	-1,165,822	-1,164,850
	Cash outflows for payments of short-term financial liabilities	-2,656,625	-2,030,685	0	0
	Cash outflows for dividends and profit sharing	-84,052,338	-38,608,420	-84,120,048	-38,649,752
c.	Net cash from/(used in) financing activities (a +b)	-89,334,516	-43,097,819	-87,552,803	-42,157,904
D.	Closing balance of cash and cash equivalents	98,461,452	82,321,630	23,065,242	13,912,991
E1.	Net cash flow for the period	16,116,465	404,882	9,152,251	-8,391,231
E2.	Exchange rate differences	23,357	17,084	0	0
F.	Opening balance of cash and cash equivalents	82,321,630	81,899,664	13,912,991	22,304,222

5.5 Amounts spent on auditors

The audit of the separate and consolidated financial statements for 2022 was performed by the audit firm Deloitte. The costs incurred in 2022 and related to this auditor are shown in the table below.

	in EUR			
	Triglav Group		Zavarovalnica Triglav	
	2022	2021	2022	2021
Auditing of the Annual Report	585,014	464,369	152,986	118,706
Other assurance and related services	90,633	75,111	62,708	62,708
TOTAL	675,647	539,480	215,694	181,414

5.6 Government grants

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

- government grants received as part of aid measures in response to unfavourable developments in the economy (primarily rising energy prices);
- 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.

	in EUR			
	Triglav Group		Zavarovalnica Triglav	
	2022	2021	2022	2021
Government grants in the framework of aid measures	215,909	194,560	191,008	127,017
State incentives for the employment of specific categories of workers	165,222	214,417	158,179	204,921
Funds obtained through public tenders	37,007	29,797	5,337	4,807
Reimbursement of labour costs by the state	2,713,394	2,259,241	2,525,437	2,189,942
Other government grants and assistance	6,929	14,272	-	-
TOTAL	3,138,461	2,712,287	2,879,961	2,526,687

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

5.7 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 2022 with the two largest shareholders was the dividend payout. The two shareholders received dividends in the total amount of EUR 52,569,255, of which the ZPIZ received EUR 28,965,189 and SDH EUR 23,604,066.

The shareholder-related companies are those in which SDH has a majority participating interest or dominant influence. As at 31 December 2022, there were 19 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 December 2022	31 December 2021
ASSETS		
Stakes and shares	185,360,343	131,924,683
Debt securities and loans given to members of the Group	1,250,984	2,146,807
Right of use assets	750,962	888,293
Insurance premium receivables from policyholders	22,914	10,027
Re-insurance receivables	8,356,949	7,002,697
Receivables for co-insurer's share in claims	5,227	2,630
Receivables for reinsurer's share in claims	11,561,376	6,478,503
Other short-term receivables from insurance operations	55,611	228,795
Short-term receivables from financing	28,581	21,531
Other short-term receivables	645,966	752,713
Short-term deferred expenses	30,859	30,732
LIABILITIES		
Liabilities to policyholders	0	17,925
Liabilities to agents and brokers	467,500	419,562
Liabilities to insurances for co-insurance premium	25,353	24,248
Liabilities for reinsurance premiums	16,929,777	10,967,485
Liabilities for shares in claims from re-insurance	5,193,470	5,909,345
Lease liabilities	784,361	915,166
Other short-term liabilities	150,289	174,610

	in EUR	
	2022	2021
INCOME AND EXPENSES		
Gross written premium and active reinsurance premium	25,605,181	31,802,130
Outward re-/co-insurance premium (-)	-106,624,787	-81,394,215
Net premium income	-81,019,606	-49,592,085
Re-/co-insurance commission income	26,870,243	17,710,400
Fee and commission income	5,338,448	4,908,456
Other income from insurance operations	1,304,219	1,440,370
Interest income	42,067	177,238
Other insurance income	1,206,281	1,145,554
Income from land and buildings	876,281	707,040
Other income	562,643	573,300
Dividends	32,701,768	8,000,000
Other income from financial assets	80,162	2,647
TOTAL INCOME	-12,037,494	-14,927,080
Gross claims settled	11,721,197	9,185,312
Re-/co-insurers' share in gross claims	-30,777,452	-26,491,451
Net claims	-19,056,255	-17,306,139
Expenses for reinsurance premiums	6,490,960	4,833,477
Other financial expenses	82,687	20,647
Interest expenses	20,474	20,549
Depreciation of right-of-use assets	120,412	122,001
TOTAL EXPENSES	-12,341,722	-12,309,465

Transactions with associates

	Triglav Group		Zavarovalnica Triglav	
	31 Dec. 2022	31 Dec. 2021	31 Dec. 2022	31 Dec. 2021
ASSETS				
Stakes and shares	37,810,184	36,031,346	41,951,871	41,693,997
Insurance premium receivables from policyholders	1,937	8,857	1,937	8,693
LIABILITIES				
Liabilities to agents and brokers	0	2,250	7,127	4,446
Other short-term liabilities	0	1,561	0	0
Accrued costs and expenses	450	450	0	0

	Triglav Group		Zavarovalnica Triglav	
	2022	2021	2022	2021
INCOME AND EXPENSES				
Gross written premium	71,689	91,048	71,689	89,085
Income from dividends and stakes	0	0	63,345	0
TOTAL INCOME	71,689	91,048	135,034	89,085
Gross claims settled	2,567	31,551	2,567	31,551
Acquisition costs	2,396	2,256	0	0
Other operating expenses	30,000	0	0	0
TOTAL EXPENSES	34,963	33,807	2,567	31,551

5.8 Members of the Management Board and Supervisory Board

In 2022, 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	210,826	56,210	267,036	97,866	74,525	8,432	82,957
Uroš Ivanc	200,399	53,399	253,798	96,922	54,270	984	55,254
Tadej Čoroli	200,399	53,399	253,798	95,971	54,270	4,594	58,864
Barbara Smolnikar****	175,697	97,072	272,769	106,144	44,821	4,449	49,270
David Benedek*****	224,360	78,459	302,819	118,174	51,505	6,003	57,508
Marica Makoter	200,399	53,399	253,798	95,007	54,271	4,273	58,544
TOTAL	1,212,080	391,938	1,604,018	610,084	333,662	28,735	362,397

* 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.

**** Barbara Smolnikar served as a Management Board Member until 17 October 2022.

***** David Benedek served as a Management Board Member until 1 December 2022.

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 2022, Zavarovalnica Triglav had the following liabilities to the Management Board members:

	Liabilities as at 31 December 2022		
First and last name	Deferred variable remuneration (bonuses) – gross (1)	Fixed remuneration (salary) – gross and reimbursement (2)	Total liabilities (3=1+2)
Andrej Slapar	62,870	17,473	80,343
Uroš Ivanc	59,727	16,758	76,485
Tadej Čoroli	59,727	16,969	76,696
Barbara Smolnikar****	16,054	0	16,054
David Benedek*****	12,630	755	13,385
Marica Makoter	59,727	16,599	76,326
TOTAL	270,735	68,554	339,289

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

In 2022, Zavarovalnica Triglav paid EUR 19,352,495 in remuneration to employees under an individual agreement (2021: EUR 17,317,917), of which EUR 17,151,231 in gross salaries (2021: EUR 15,534,781) and EUR 2,201,264 in other remuneration (2021: EUR 1,783,136). The amounts do not include meal and travel allowances.

In 2022, 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	26,361	2,585	28,946	21,052	2,593	1,886		
Branko Bračko	22,125	2,585	24,710	17,972	973	708		
Tomaž Benčina	20,625	3,641	24,266	17,649	812	590		
Peter Kavčič	22,500	3,905	26,405	19,204	1,941	1,412		
Igor Stebernak	18,750	3,465	22,215	14,634	623	410		
Jure Valjavec	18,861	3,641	22,502	16,366	329	239		
Peter Celar	18,750	3,641	22,391	16,285	757	551		
Branko Gorjan	18,750	2,585	21,335	15,517	519	377		
Igor Zupan	18,861	3,465	22,326	16,238	519	377		
Luka Kumer*	7,500	1,650	9,150	6,655	96	70		
Mitja Svoljšak*	111	0	111	81	0	0		
TOTAL	193,194	31,163	224,357	161,653	9,162	6,620		

* 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.

5.9 Off balance sheet items

					in EUR	
	Triglav Group		Zavarovalnica Triglav			
	31 Dec. 2022	31 Dec. 2021	31 Dec. 2022	31 Dec. 2021		
Outstanding subrogated receivables	59,665,634	63,743,330	50,699,241	54,851,990		
Alternative investments	31,038,598	36,317,208	29,329,100	34,145,677		
Bonds, guarantees and other sureties issued	750,023	864,880	0	0		
Contingent assets	4,264,971	5,302,124	2,706,002	2,730,891		
Receivables from forward contracts	0	19,281,915	0	19,281,915		
Contingent liabilities	2,533,810	298,647	0	0		
Properties under acquisition	8,838	46,862	0	0		
Assets under management	2,541,641	167,229,892	0	0		
TOTAL OFF-BALANCE SHEET ITEMS	100,803,515	293,084,859	82,734,343	111,010,473		

5.10 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. In 2022, there was a court settlement in which the plaintiff, Matjaž Rakovec, withdrew his action in its entirety, and Zavarovalnica Triglav, d.d., agreed to the withdrawal of the action and waived the claim for reimbursement of the costs of the proceedings.

Following the court settlement, Zavarovalnica Triglav, d.d., reversed all provisions for legal proceedings.

5.11 Events after the reporting period

On 16 February 2023, the Croatian Financial Services Supervision Agency (hereinafter: HANFA) issued a decision to Triglav Osiguranje d.d., Zagreb, based on a review of the part of its business that relates to risk management when concluding suretyship insurance contracts and their impact on the company's financial position. In its decision, the HANFA imposed on the company the obligation to carry out activities to improve the functioning of internal controls in the execution of these transactions and to record the liabilities arising from the issued guarantee under suretyship insurance. Based on the measures imposed, the company recorded in its separate financial statements for 2022 the maximum amount of liabilities arising from the realisation of the guarantee and expenses in the amount of EUR 4,037,212. This business event is also recorded in the Triglav Group's financial statements.

A significant event after the reporting period is the appointment of Blaž Jakič as a Management Board member of Zavarovalnica Triglav d.d. On 17 October 2022, the Supervisory Board adopted a decision on his appointment as a Management Board member, and on 2 March 2023, he received a decision of the Slovenian Insurance Supervisory Agency, granting him an authorisation to perform this function in Zavarovalnica Triglav d.d.

Reporting as required by the Insurance Supervision Agency¹¹²

Assets and liabilities of pension funds created as a guarantee fund

in EUR

Statement of financial position for PDPZ funds	31 December 2022				31 December 2021			
	PDPZ – skupina	PDPZ – zajamčeni	PDPZ – zmerni	PDPZ – drzni	PDPZ – skupina	PDPZ – zajamčeni	PDPZ – zmerni	PDPZ – drzni
ASSETS	234,968,514	188,646,390	23,417,236	22,930,374	249,789,207	209,337,165	20,062,106	20,449,892
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	231,050,533	186,573,718	22,555,975	21,920,840	245,306,210	206,801,643	18,953,886	19,550,681
Measured at amortised cost, of which:	99,647,220	99,647,220	0	0	0	0	0	0
– loans and deposits	0	0	0	0	0	0	0	0
– debt securities	99,647,220	99,647,220	0	0	0	0	0	0
Measured at fair value through other comprehensive income, of which:	0	0	0	0	0	0	0	0
– debt securities	0	0	0	0	0	0	0	0
– equity securities	0	0	0	0	0	0	0	0
Measured at fair value through through profit or loss, of which:	131,403,313	86,926,499	22,555,975	21,920,840	245,306,210	206,801,643	18,953,886	19,550,681
– debt securities	74,475,133	68,678,599	5,618,038	178,496	180,910,694	175,170,224	5,543,010	197,460
– equity securities	56,928,180	18,247,899	16,937,937	21,742,344	64,395,516	31,631,419	13,410,877	19,353,221
Receivables	149,589	1,748,766	500,192	919,817	28,662	1,771,999	479,415	686,357
Receivables from fund manager up to guaranteed return	0	0	0	0	0	0	0	0
Other receivables	149,589	1,748,766	500,192	919,817	28,662	1,771,999	479,415	686,357
Cash and cash equivalents	3,768,392	323,906	361,069	89,717	4,454,335	763,522	628,804	212,855
Other assets	0	0	0	0	0	0	0	0
Off-balance-sheet assets	1,438,547	1,438,547	0	0	2,137,172	2,137,172	0	0
Financial derivatives	0	0	0	0	0	0	0	0
Other off-balance-sheet assets	1,438,547	1,438,547	0	0	2,137,172	2,137,172	0	0
LIABILITIES	234,968,514	188,646,390	23,417,236	22,930,374	249,789,207	209,337,165	20,062,106	20,449,892
Insurance technical provisions	234,454,625	188,171,802	23,385,516	22,897,307	249,216,841	208,763,416	20,031,760	20,421,665
Mathematical provisions for net paid-in premiums	167,760,434	167,760,434	0	0	166,070,634	166,070,634	0	0
Mathematical provisions for capital gain on the guarantee fund	20,411,367	20,411,367	0	0	42,692,782	42,692,782	0	0
– fair value reserve	0	0	0	0	0	0	0	0
Insurance provisions for business funds backing unit-linked insurance, of which:	46,282,823	0	23,385,516	22,897,307	40,453,425	0	20,031,760	20,421,665
– fair value reserve	0	0	0	0	0	0	0	0
Financial liabilities	0	0	0	0	0	0	0	0
Operating liabilities	510,569	443,879	30,856	31,611	564,811	501,184	29,462	27,252
Liabilities from acquired securities and other financial instruments	0	0	0	0	0	0	0	0
Guarantee fund manager liabilities	251,557	194,450	27,298	29,809	261,582	211,915	23,737	25,931
Cash surrender value payments to guarantee fund members	254,789	249,430	3,557	1,802	296,316	289,269	5,725	1,321
Other operating liabilities	4,223	0	0	0	6,914	0	0	0
Other liabilities	3,320	30,708	865	1,455	7,555	72,565	884	975
Off-balance-sheet liabilities	1,438,547	1,438,547	0	0	2,137,172	2,137,172	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	1,438,547	1,438,547	0	0	2,137,172	2,137,172	0	0

¹¹² The data in the tables are not subject to the auditor's review.

Statement of financial position for funds posted separately

in EUR

Assets and liabilities of pension annuity fund	31 December 2022		31 December 2021	
	Renta 1	Renta 2	Renta 1	Renta 2
ASSETS	45,145,446	40,026,824	45,048,536	31,703,341
Investment property and financial investments	37,977,731	33,450,105	43,735,837	31,375,017
Investment property	0	0	0	0
Financial investments	0	0	0	0
Investments in subsidiaries	0	0	0	0
Investments in associates	0	0	0	0
Other financial investments	37,977,731	33,450,105	43,735,837	31,375,017
Shares and other floating rate securities and fund coupons	1,709,070	1,709,070	1,980,828	1,980,828
Debt and other fixed return securities	36,268,661	31,741,035	41,755,009	29,394,190
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	6,520,547	5,743,594	1,226,482	56,325
Receivables from direct insurance	0	16,491	0	42,039
– receivables from insurers	0	16,491	0	42,039
– 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	6,520,547	5,727,102	1,226,482	14,286
Other assets	647,169	833,125	86,217	271,999
Cash and cash equivalents	647,169	833,125	86,217	271,999
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	45,145,446	40,026,824	45,048,536	31,703,341
Fair value reserves	0	0	0	0
Gross insurance technical provisions	45,126,422	39,878,582	44,891,698	31,650,619
– gross provisions for unearned premiums	0	0	0	0
– gross mathematical provisions	45,126,422	39,878,582	44,891,698	31,650,619
– 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	19,024	148,242	156,837	52,722
Liabilities from direct insurance operations	10,464	89,168	78,705	13,896
– liabilities to policy holders	10,079	2,623	13,557	608
– liabilities to agents and brokers	0	0	0	0
– other liabilities from direct insurance operations	385	86,545	65,148	13,288
Liabilities from co-insurance and re-insurance operations	0	0	0	0
Other liabilities	8,560	59,074	78,133	38,826
Accruals	0	0	0	0

	in EUR	
Statement of financial position for guarantee fund backing unit-linked life insurance	31 December 2022	31 December 2021
ASSETS	454,107,314	502,042,853
Investment property and financial investments	446,142,033	500,913,405
Investment property	0	0
Financial investments	0	0
Investments in subsidiaries	0	0
Investments in associates	0	0
Other financial investments	446,142,033	500,913,405
Shares and other floating rate securities and fund coupons	446,142,033	496,834,282
Debt and other fixed return securities	0	4,079,123
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	4,350	3,476
Receivables from direct insurance	954	944
– receivables from insurers	0	0
– receivables from insurance brokers	0	0
– other receivables from direct insurance operations	954	944
Receivables from re-insurance operations	0	0
Other receivables	3,396	2,532
Other assets	7,960,931	1,125,972
Cash and cash equivalents	7,960,931	1,125,972
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	454,107,314	502,042,853
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	449,399,980	499,681,626
Liabilities from reinsurers' investments in reinsurance contracts	0	0
Other liabilities	4,707,334	2,361,227
Liabilities from direct insurance operations	63,914	1,614
– liabilities to policy holders	0	0
– liabilities to agents and brokers	0	0
– other liabilities from direct insurance operations	63,914	1,614
Liabilities from co-insurance and re-insurance operations	0	0
Other liabilities	4,643,420	2,359,613
Accruals	0	0

Income statement of pension funds formed as a guarantee fund

in EUR

Income statement for PDPZ funds	2022				2021			
	PDPZ – skupina	PDPZ – zajamčeni	PDPZ – zmerni	PDPZ – drzni	PDPZ – skupina	PDPZ – zajamčeni	PDPZ – zmerni	PDPZ – drzni
Financial income	6,561,453	2,532,018	1,588,674	2,440,762	10,917,769	3,519,412	2,740,192	4,658,165
Income from dividends and profit sharing	684,423	87,187	233,215	364,021	533,901	65,775	166,267	301,860
Interest income	2,488,007	2,385,641	93,966	8,400	1,687,331	1,602,748	76,183	8,400
Gains on disposal of financial investments	539,845	612	200,758	338,475	1,105,119	31,059	387,862	686,197
Net income from changes in the fair value of investments which are recognised at fair value through profit or loss	1,414,009	56,124	518,108	839,777	6,159,170	1,819,238	1,590,022	2,749,910
Other financial income	1,435,169	2,454	542,627	890,088	1,432,248	593	519,857	911,798
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	29,643,902	20,500,892	4,382,113	4,760,897	6,199,098	4,934,565	647,202	617,330
Interest expenses	0	0	0	0	0	0	0	0
Losses from disposal of financial investments	13,436,628	12,153,946	702,924	579,758	2,028,376	1,647,009	225,218	156,149
Revaluation operating expenses arising from a change in the fair value of financial investment through profit and loss	15,917,708	8,346,946	3,574,149	3,996,613	4,028,107	3,287,556	343,592	396,959
Other financial expenses	289,566	0	105,040	184,526	142,615	0	78,393	64,222
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	-23,082,448	-17,968,874	-2,793,439	-2,320,136	4,718,672	-1,415,153	2,092,990	4,040,835
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	2,389,744	1,929,159	237,816	222,768	2,444,631	2,070,910	192,536	181,185
Management commission	2,358,961	1,929,159	221,353	208,449	2,406,807	2,070,910	172,848	163,049
Custodian bank fees	11,605	0	5,977	5,628	13,436	0	6,914	6,522
Auditing expenses	865	0	432	432	418	0	209	209
Information expenses relating to guarantee fund members	2,805	0	1,403	1,403	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	15,508	0	8,652	6,856	23,970	0	12,565	11,404
Other expenses	0	0	0	0	0	0	0	0
Net profit intended for the insured	-25,472,193	-19,898,033	-3,031,255	-2,542,904	2,274,041	-3,486,063	1,900,453	3,859,651

Income statement for funds posted separately

in EUR

Income statement of the guarantee fund backing additional pension insurance during the annuity payout period	2022		2021	
	Renta 1	Renta 2	Renta 1	Renta 2
Transfer of funds from the pension scheme of additional pension insurance	2,775,664	13,270,462	5,929,143	13,773,514
This legal entity	1,450,674	4,749,788	3,835,536	4,820,151
Other insurance company	0	0	0	0
Other pension companies	1,324,990	8,520,674	2,093,608	8,953,363
Mutual pension fund	0	0	0	0
Income from investments	3,098,739	1,665,819	1,579,822	203,815
Income from dividends	7,095	7,095	0	0
Income from other investments	3,072,852	1,657,728	1,455,993	124,729
Income from land and buildings	0	0	0	0
Interest income	368,951	254,480	304,028	124,729
Other investment income	2,703,902	1,403,249	1,151,965	0
Income from asset value adjustments	0	0	0	0
Profit on disposal of investments	18,791	995	123,830	79,085
Claims incurred	3,127,044	4,716,020	3,351,330	3,633,754
Gross claims settled	3,127,044	4,716,020	3,351,330	3,633,754
Change in gross provisions for claims outstanding	0	0	0	0
Change in other net technical provisions (+/-)	234,724	8,227,963	3,500,524	9,702,071
Change of mathematical provisions (+/-)	234,724	8,227,963	3,500,524	9,702,071
Change of other net technical provisions (+/-)	0	0	0	0
Expenses included in policies	152,636	704,787	621,641	565,387
Initial expenses	50,562	497,026	69,559	418,447
Collection, administrative expenses	0	0	444,160	0
Costs of claim settlement	102,074	207,762	107,922	146,940
Net operating expenses	185,876	361,479	155,155	281,503
Acquisition costs	0	169,744	0	156,369
Change of deferred acquisition costs (+/-)	0	0	0	0
Other operating expenses	185,876	191,735	155,155	125,135
Depreciation of assets used in insurance business	16,523	17,820	11,490	9,617
Labour costs	81,816	88,237	70,613	59,103
– wages and salaries	57,179	61,666	49,088	41,086
– social security and pension insurance costs	9,771	10,538	8,806	7,370
– other labour costs	14,867	16,033	12,719	10,646
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	295	318	167	140
Other operating expenses	87,242	85,360	72,885	56,274
Income from reinsurance commissions and from participation in the positive technical result from reinsurance contract (-)	0	0	0	0
Expenses from investments	2,359,999	1,287,511	35,470	76,117
Depreciation and amortization of assets not used in operations	0	0	0	0
Expenses arising from asset management, interest expenses and other financial expenses	0	22,499	29,112	18,812
Revaluation financial expenses	719,964	467,612	0	0
Loss on disposal of investments	1,640,035	797,400	6,358	57,304
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	-33,241	343,309	466,486	283,884

	in EUR	
	2022	2021
Income statement for guarantee fund backing unit-linked life insurance		
Gross written premium	84,314,572	69,868,754
Income from investments	674,252	72,124,822
Income from dividends	0	5,583
Income from other investments	652,292	67,252,158
Income from land and buildings	0	0
Interest income	877	1,835
Other investment income	651,415	67,250,323
– financial income from revaluation	651,415	67,250,323
– other financial income	0	0
Income from asset value adjustments	0	0
Profit on disposal of investments	21,961	4,867,081
Expenses from cash surrender value	47,830,664	50,176,608
Ordinary termination	23,132,939	22,057,919
Extraordinary termination	24,697,725	28,118,690
– withdrawal from insurance contract	22,780,809	26,141,740
– cancellation of insurance contract	0	0
– death of the insured person	1,916,916	1,976,950
Change in other net technical provisions (+/-)	-50,188,437	78,911,179
Change of mathematical provisions (+/-)	-50,188,437	78,911,179
Change of other net technical provisions (+/-)	0	0
Fund management costs	9,565,443	10,406,903
Entry fees	1,228,897	2,743,858
Exit costs	0	0
Management commission	8,336,546	7,663,045
Expenses from investments	77,781,155	2,498,885
Depreciation and amortization of assets not used in operations	0	0
Expenses arising from asset management, interest expenses and other financial expenses	491	5,075
Revaluation financial expenses	73,421,509	2,037,470
Loss on disposal of investments	4,359,155	456,340
Net profit for the period	0	0