



Zavarovalnica Triglav, d.d.
Miklošičeva cesta 19, 1000 Ljubljana

triglav

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Unaudited Interim Report of the Triglav Group and Zavarovalnica Triglav d.d. for the period from 1 January 2021 to 30 June 2021



MANAGEMENT BOARD:

President: Andrej Slapar

Members: Uroš Ivanc

Tadej Čoroli

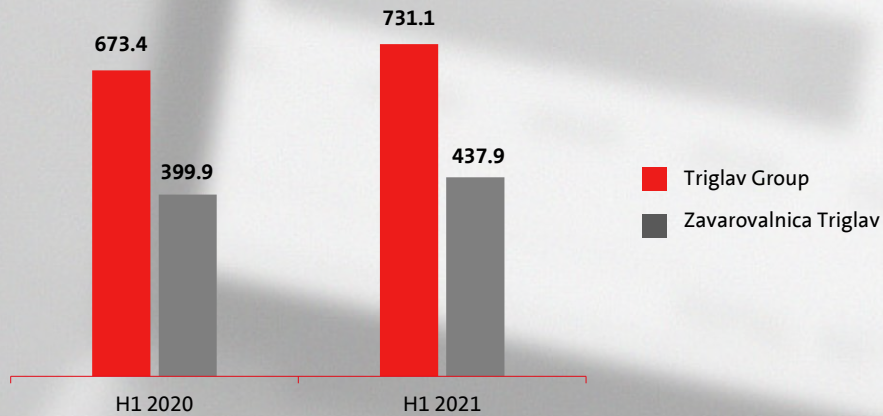
Barbara Smolnikar

David Benedek

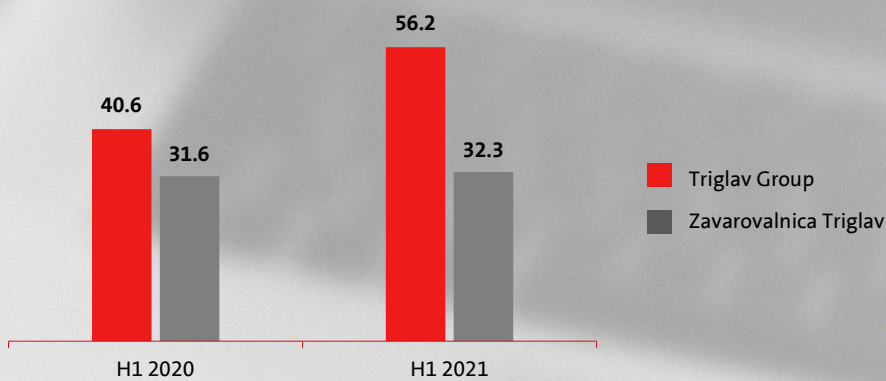
Marica Makoter

Ljubljana, August 2021

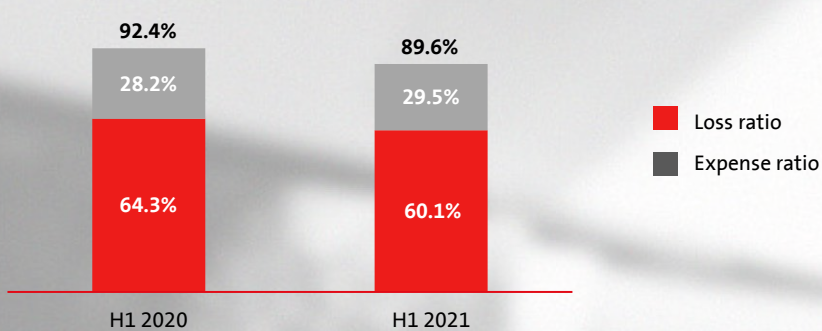
Gross written premium for insurance, coinsurance and reinsurance contracts in EUR million



Net profit before tax in EUR million



Combined ratio of the Triglav Group



Credit rating

"A"

of the Triglav Group
with a stable medium-term
outlook

EUR 1.7

Dividend per share

Dear shareholders, business partner and colleagues,



The Triglav Group earned a consolidated profit of EUR 56 million before tax in the first half of 2021, which is 39% more than in the same period last year and 35% more than in the year before that. We are satisfied with these results. Taking this into account and the business conditions anticipated until the end of the year, we estimate that we will achieve the planned annual profit of EUR 85–95 million.

Backed by our underwriting discipline, we achieved a 9% increase in consolidated gross written premium compared to last year (EUR 731 million). Premium growth was recorded in all markets; in Slovenia it stood at 7% (4 percentage points above the market) and in markets outside Slovenia it was 16%. The share of the Triglav Group's total written premium in markets outside Slovenia also grew this year, reaching 20%. Premium growth was recorded in all three insurance segments; the non-life insurance segment grew by 10%, the life and pension insurance segment by 9% and the health insurance segment by 1%.

Gross claims paid totalled EUR 348 million, up by 5% relative to the same period last year and 4% relative to the year before that. The growth in gross claims paid resulted from portfolio growth in all insurance segments over the last few years and the claims paid for which adequate provisions were already made at the end of last year (especially claims related to the earthquake in Croatia). We continue with the prudent taking of underwriting risks. Despite the growth in gross claims paid, we observed a lower frequency of claims in specific insurance classes in the first half of 2021 due to occasional restrictions related to the COVID-19 pandemic and the consequently low client activity. In contrast to the first quarter, major CAT events were observed in the second quarter, with an estimated value of EUR 6 million. In view of all of the above, we continue to achieve extremely good underwriting results, while in anticipation of the full normalisation of the situation we are creating appropriate insurance technical provisions with additional caution (e.g. health and motor vehicle insurance). The Triglav Group's combined ratio in non-life and health insurance was favourable, standing at 89.6%, which is the result of an improved claims ratio.

Also this year, low interest rates are affecting the rates of return on the Triglav Group's extensive investment portfolio worth EUR 3,558 million, as bond investments comprise the majority of investments (71%). We did not make any significant changes to investing and the structure of the entire portfolio. This year's situation in the capital markets and net inflows had a positive effect on the management of clients' assets in mutual funds and discretionary mandate assets, which the Triglav Group carries out via Triglav Skladi. Assets reached EUR 1,392 million, an increase of 20% compared to 2020 year-end.

We place great emphasis on ensuring that the dividend payment is in line with the outlined dividend policy. We are satisfied that this was possible this year. We fully met this year's pandemic-related requirements of the insurance regulator and paid out dividends to shareholders. The dividend yield of the ZVTG share was 5%, and its total return in the first half of 2021 was 14%.

The Triglav Group remains committed to its sustainable orientation and focused on the set strategic guidelines. Our team of over 5,000 employees is working hard towards this goal, for which I would like to express my sincere gratitude.

Andrej Slapar

President of the Management Board of Zavarovalnica Triglav

Business Report





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Business Report

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1. Financial highlights in the first half of 2021

1.1 Financial highlights of the Triglav Group

	in EUR million		
	H1 2021	H1 2020	Index 2021/2020
Gross written premium from insurance, coinsurance and reinsurance contracts	731.1	673.4	109
Net premium income	544.1	523.1	104
Gross claims paid*	347.6	330.8	105
Net claims incurred	351.3	338.3	104
Gross operating expenses	163.6	148.5	110
Profit before tax	56.2	40.6	139
Net profit	47.0	33.5	140
Net profit attributable to the controlling company	47.0	33.4	141
	30 June 2021	31 December 2020	Index 2021/2020
Insurance technical provisions	3,221.3	3,033.2	106
Equity	871.9	870.2	100
Equity attributable to the controlling company	869.3	867.6	100
Number of employees	5,322	5,316	100

*Gross claims paid include gross claims paid from inward reinsurance

Key performance indicators of the Triglav Group

	H1 2021	H1 2020
ROE annualised	11.2%	8.5%
Loss ratio	60.1%	64.3%
Expense ratio	29.5%	28.2%
Combined ratio	89.6%	92.4%
Ratio of gross operating expenses to gross written premium	20.3%	19.8%

1.2 Financial highlights of Zavarovalnica Triglav

	in EUR million		
	H1 2021	H1 2020	Index 2021/2020
Gross written premium from insurance, coinsurance and reinsurance contracts	437.9	399.9	110
Net premium income	292.1	283.2	103
Gross claims paid*	192.9	194.2	99
Net claims incurred	186.4	187.8	99
Gross operating expenses	98.0	88.7	110
Profit before tax	32.3	31.6	102
Net profit	26.4	26.4	100
	30 June 2021	31 December 2020	Index 2021/2020
Insurance technical provisions	2,314.6	2,199.0	105
Equity	624.4	644.0	97
Number of employees	2,250	2,244	100

*Gross claims paid include gross claims paid from inward reinsurance

Key performance indicators of Zavarovalnica Triglav

	H1 2021	H1 2020
ROE annualised	8.6%	9.1%
Loss ratio	53.0%	55.5%
Expense ratio	31.9%	32.1%
Combined ratio	84.9%	87.6%
Ratio of gross operating expenses to gross written premium	22.4%	22.2%

1.3 Activities, markets and position of the Triglav Group

The Triglav Group is the leading insurance/financial group in Slovenia and the Adria region as well as one of the leading groups in South-East Europe. The Group operates in seven markets in six countries. Furthermore, it operates in the wider international environment through partnerships with foreign insurance brokerage and agency companies as well as reinsurers.

Strategic activities

Insurance	Asset management
Non-life	Own insurance portfolio (asset backing liabilities and backing funds)
Life	
Pension	Mutual funds and individual asset management
Health	
Reinsurance	Pension funds

Insurance is the most extensive strategic activity of the Triglav Group, which includes non-life, life, health and pension insurance as well as reinsurance.

The insurance business of the Group comprises:

- **in Slovenia:** Zavarovalnica Triglav d.d., Triglav, Zdravstvena zavarovalnica d.d., Pozavarovalnica Triglav Re d.d. and Triglav, pokojninska družba d.d.;
- **abroad:** eight insurance undertakings in Croatia, Serbia, Montenegro, Bosnia and Herzegovina and North Macedonia.

The **asset management** activity at the Triglav Group, which is performed by Zavarovalnica Triglav, the Group's life insurance and pension insurance companies, Triglav Skladi d.o.o., Triglav, Upravljanje nepremičnin d.o.o. and Triglav d.o.o., includes saving via the Group's insurance services and investing in the Group's mutual funds, pension funds and private equity funds.

The Triglav Group members directly involved in or supporting the Group's strategic business lines

	Insurance	Asset management	Other
Slovenia	<ul style="list-style-type: none"> ▪ Zavarovalnica Triglav d.d. ▪ Pozavarovalnica Triglav Re d.d. ▪ Triglav, Zdravstvena zavarovalnica d.d. ▪ Triglav, pokojninska družba d.d. 	<ul style="list-style-type: none"> ▪ Triglav Skladi d.o.o. ▪ Triglav, Upravljanje nepremičnin d.o.o. ▪ Triglav d.o.o. 	<ul style="list-style-type: none"> ▪ Triglav INT d.d. ▪ Triglav Svetovanje d.o.o. ▪ Triglav Avtoservis d.o.o. ▪ Triglavko d.o.o. ▪ ZTSR d.o.o. ▪ Alifenet d.o.o.
Croatia	<ul style="list-style-type: none"> ▪ Triglav Osiguranje d.d., Zagreb 		<ul style="list-style-type: none"> ▪ Triglav Savjetovanje d.o.o.
Serbia	<ul style="list-style-type: none"> ▪ Triglav Osiguranje a.d.o., Belgrade 		<ul style="list-style-type: none"> ▪ Triglav Savetovanje d.o.o.
Montenegro	<ul style="list-style-type: none"> ▪ Lovćen Osiguranje a.d., Podgorica ▪ Lovćen životna osiguranja a.d., Podgorica 		<ul style="list-style-type: none"> ▪ Lovćen auto d.o.o.
Bosnia and Herzegovina	<ul style="list-style-type: none"> ▪ Triglav Osiguranje d.d., Sarajevo ▪ Triglav Osiguranje a.d., Banja Luka 	<ul style="list-style-type: none"> ▪ PROF-IN d.o.o. ▪ Društvo za upravljanje Evropskim dobrovoljnim penzijskim fondom a.d, Banja Luka 	<ul style="list-style-type: none"> ▪ Triglav Savjetovanje d.o.o. ▪ Autocentar BH d.o.o.
North Macedonia	<ul style="list-style-type: none"> ▪ Triglav Osiguruvanje a.d., Skopje ▪ Triglav Osiguruvanje Život a.d., Skopje 	<ul style="list-style-type: none"> ▪ Triglav penzijsko društvo a.d., Skopje 	

1.4 Composition of the Triglav Group

As at the reporting date, the Triglav Group comprises 44 companies; in addition to the parent company, 28 subsidiaries and 15 associates.

The Triglav Group as at 30 June 2021

Parent company: ▪ Zavarovalnica Triglav d.d.

Subsidiaries:

- Pozavarovalnica Triglav Re d.d., Ljubljana

- Triglav, Zdravstvena zavarovalnica d.d., Koper

- Triglav, pokojninska družba d.d., Ljubljana

- Triglav INT, holdinška družba d.d., Ljubljana
 - Triglav Osiguranje d.d., Zagreb
 - Triglav Osiguranje a.d.o., Belgrade
 - Lovćen Osiguranje a.d., Podgorica
 - Lovćen životna osiguranja a.d., Podgorica
 - Lovćen auto d.o.o., Podgorica
 - Triglav Osiguranje d.d., Sarajevo
 - Autocentar BH d.o.o., Sarajevo
 - Sarajevostan d.o.o., Sarajevo
 - Triglav Osiguranje a.d., Banja Luka
 - Triglav Osiguruvanje a.d., Skopje
 - Triglav Osiguruvanje Život a.d., Skopje

- Triglav Skladi, družba za upravljanje d.o.o., Ljubljana
 - PROF-IN d.o.o., Sarajevo

- Triglav Svetovanje, zavarovalno zastopanje d.o.o., Domžale
 - Triglav Savjetovanje d.o.o., Zagreb
 - Triglav Savetovanje d.o.o., Belgrade
 - Triglav Savjetovanje d.o.o., Sarajevo

-
- Triglav Avtoservis, družba za storitve in trgovino d.o.o., Ljubljana
-
- Triglav, Upravljanje nepremičnin d.o.o., Ljubljana
 - Triglav, upravljanje nekretninama d.o.o., Zagreb
 - Triglav, upravljanje nekretninama d.o.o., Podgorica
 - HGP Rest, investicije d.o.o., Ljubljana
-
- Triglav penzisko društvo a.d., Skopje
-
- Vse bo v redu, Zavod Zavarovalnice Triglav za družbeno odgovorne aktivnosti
-

Associates:

-
- Triglavko, zavarovalno zastopniška družba d.o.o., Ljubljana
-
- TRIGAL, upravljanje naložb in svetovalne storitve d.o.o., Ljubljana
 - Salinera, upravljanje naložb d.o.o., Ljubljana
-
- Nama, trgovsko podjetje d.d., Ljubljana
-
- Društvo za upravljanje Evropskim dobrovoljnim penzijskim fondom a.d., Banja Luka
-
- ZTSR, dejavnost holdingov d.o.o., Ljubljana
 - Diagnostični center Bled d.o.o., Bled
 - MTC Fontana d.o.o., Maribor
 - Medi Cons kardiologija d.o.o., Novo Mesto
 - Gastromedica d.o.o., Murska Sobota
 - Internistična GE ambulanta d.o.o., Nova Gorica
 - Cardial d.o.o., Ljubljana
 - DC Naložbe d.o.o., Ljubljana
 - Kirurški sanatorij Rožna dolina d.o.o., Ljubljana
-
- Alifenet d.o.o., Ljubljana
-

Changes in the Triglav Group in the first six months of 2021:

- Through in cash contribution of EUR 3.3 million, Zavarovalnica Triglav increased the capital of jointly controlled ZTSR d.o.o., thereby maintaining its 50% participating interest in said company.
- The ZTSR Group increased its strategic investment portfolio by acquiring a 100% participating interest in Kirurški sanatorij Rožna dolina d.o.o.
- Zavarovalnica Triglav made a subsequent capital contribution of EUR 63 thousand to its subsidiary Triglav Avtoservis d.o.o., thus remaining a 100% owner of said company.
- Triglav Svetovanje d.o.o. and Triglav Osiguranje a.d.o, Belgrade increased the capital of their subsidiary Triglav Savetovanje d.o.o., Belgrade proportional to their participating interests. The capital increase was raised by in cash contributions of RSD 7.9 million or EUR 67 thousand. As a result, the two companies retained their participating interests in said company of 51% and 49% respectively.
- Triglav Svetovanje d.o.o. and Triglav Osiguranje d.d., Zagreb increased the capital of their subsidiary Triglav Savjetovanje d.o.o., Zagreb proportional to their participating interests. The capital increase was raised by in cash contributions of HRK 1.1 million or EUR 145 thousand. As a result, the two companies retained their participating interests in said company of 51% and 49% respectively.
- Triglav's subsidiary Ljubljanica d.o.o. was renamed Salinera, upravljanje naložb d.o.o.
- Triglav INT d.d. acquired a 0.30% participating interest amounting to MAK 2,026,036 or EUR 82,883 from non-controlling interest holders of Triglav Osiguruvanje a.d., Skopje, thus becoming its 81.13% owner.

- Lovćen Osiguranje a.d., Podgorica increased the capital of its subsidiary Lovćen Auto d.o.o., Podgorica through in cash contribution of EUR 400,000 in the first six months of 2021, thus remaining its 100% owner.

The changes in the Triglav Group are discussed in greater detail in *Section 2.7 of the Accounting Report*.

1.5 Strategy of the Triglav Group

The strategy of the Triglav Group for the period from 2019 to 2022 follows a path to become a modern, digital and dynamic insurance/financial group, which remains the leader both in Slovenia and the wider region.

MISSION

Building a safer future.

VALUES

- **RESPONSIVENESS:** We respond immediately and effectively.
- **SIMPLICITY:** We are simple and transparent.
- **RELIABILITY:** We deliver as promised.

VISION OF THE TRIGLAV GROUP

Based on its client-centric approach, the Group dynamically develops new ways of doing business as the foundation of its responsible long-term development, while at the same time earns profit and operates safely.

- In South-East Europe, the Triglav Group is recognised as the leading provider of innovative and comprehensive insurance-service products and asset management services.
- The Group is the largest in terms of income and the best in terms of client satisfaction.
- Clients perceive the Group's omni-channel products and services as simple and desirable.
- Client experience is the Group's main competitive advantage.
- The Group dynamically develops new ways of doing business, setting top trends in digitalisation.
- The Group is well-positioned in dynamic networks of business ecosystems.
- The Group effectively manages the risks and ensures its financial stability.
- Return on equity (ROE) exceeds 10% throughout the whole strategy period.
- The standalone »A« credit rating assigned by a renowned rating agency is being maintained.
- The Group's governance and management systems are structured and effective.
- The Group's processes are lean, simple, technologically advanced and cost-effective.
- Engaged and highly skilled employees are the cornerstone of the Group's culture of openness and cooperation, as well as its sustainable development and a responsible attitude towards all stakeholders.

KEY STRATEGIC GUIDELINES

Key strategic guidelines

Long-term stable operations and increased value of the Triglav Group

Client focus and development of related services

Developing cooperative and agile organisation and culture

Implementation of the Triglav Group Strategy in the first six months of 2021

In accordance with its strategy, the Group pursued its planned short-term goals and implemented numerous activities in the first half of 2021, despite the fact that this period was still in the grip of the COVID-19 pandemic.

Through a deliberate approach to the implementation of its activities, the Group supported the long-term stability of its business and risk management, strengthened its corporate governance and transferred best practices among the Group members, upgraded its digital way of doing business, expanded its activities in new markets and upgraded its product and service range.

In line with its strategic guidelines, the Group focused on improving the client experience, including by strengthening various sales and marketing partnerships, in order to bring its clients a more comprehensive shopping experience.

Sustainable development is becoming integrated in the Group's operations. The Group has realised its commitment to business sustainability, where it outlined its development guidelines in the document entitled "The Triglav Group's commitment to sustainability (ESG)" at the end of 2020. The Group integrated the monitoring of sustainability risks into its asset management and insurance and investment financial products, and adopted the document entitled "The sustainability aspect of the investment policy". This year, the Group has continued the process of integrating sustainability risks and opportunities into its business; thus, in asset management, the share of sustainable investment classes has been increasing in line with the European Green Deal's overarching objective for the EU to become the first climate neutral continent by 2050. With respect to the insurance business, the Group provides products to underwrite risks related to climate change, the more efficient use of energy and its production from renewable sources and sustainable mobility, as well as promotes preventive action by policyholders.

The assessment of the implementation and realisation of the Group's strategy in the first half of 2021 is positive and encouraging. A selection of key results and the contribution to the realisation of individual strategic guidelines are presented below.

1. Long-term stable operations and increased value of the Triglav Group

- In the first half of 2021, gross written premium rose by 9% at the Group level, earning a profit before tax of EUR 56.2 million, up by 39% compared to the same period last year.
 - By taking prompt action with respect to the potential effects of the COVID-19 pandemic, the Group pursued its objectives related to financial stability, capital adequacy and profitability.
-

-
- The Group focused not only on cost-effectiveness but also on ensuring an effective risk management system and upgrading it, including taking into account the situation of potentially even greater uncertainty due to the COVID-19 pandemic.
 - The Group seized opportunities on new target markets by establishing new partnerships and upgrading existing partnerships in various fields.
 - The Group carried out activities aimed at not only achieving synergy effects at the Group level but also strengthening the competitive position of each Group member.

2. Client focus and development of related services

- The Group ensured business continuity throughout the whole period and strengthened its remote business, which also contributed to a higher client satisfaction score (NPS = 76%).
- The Group's client satisfaction measurement was upgraded by including additional communication channels and deepening its understanding of the client experience as well as by pursuing the objective of eliminating negative experiences quickly and transparently.
- The Group redesigned the existing and developed new products: clients were offered an even wider choice of insurance products, with a focus on life and health insurance products, including other insurance products for which market potential was identified, such as small animal insurance.
- The Group continued to upgrade the client management system and strengthened the assistance model, which provides clients not only with an even broader range of services but also a faster delivery of services.
- The Group ensured high responsiveness, reliability and transparency in all communication channels with its clients.

3. Developing a cooperative and agile organisation and culture

- The Group moved closer to achieving its desired culture and strengthened cooperation, development orientation, openness and creativity.
 - The Group's focus on digital business was strengthened, thus implementing the philosophy of agility.
 - The Group pursued key values (responsiveness, simplicity and reliability) in relation to all its stakeholders and in view of the ongoing COVID-19 epidemic.
 - The Group promoted intergenerational cooperation, teamwork, knowledge transfer and effective communication at all organisational levels.
 - The Group focused on strengthening its 2021 core competence, i.e. focusing on relationships.
 - The Group continued to develop and strengthen its employees' skills, especially leadership skills, through the system of individual and group coaching.
-

1.6 Significant events in the reporting period

Significant events in the first half of 2021 included:




- On 2 March 2021, the Supervisory Board reappointed Marica Makoter as the Management Board member – Worker Director at the proposal of the Works Council. Her new five-year term will begin on 23 December 2021.
- On 5 March 2021 and amended on 1 April 2021, the Insurance Supervision Agency (ISA) sent a letter to insurance, reinsurance and pension companies with the expectation that, due to the uncertain situation regarding the spread of the COVID-19 pandemic and the consequent uncertain consequences for the economy and the insurance sector, they

suspend dividend payments and undertake no irrevocable commitments to pay out dividends by 30 September 2021 unless they demonstrate guaranteed solvency, sufficient liquidity and profitability in compliance with the precautionary principle. Both recommendations are published at www.triglav.eu/sl/vlagatelji/aktualno/obvestila.

- The shareholders passed the resolution proposed by the Management Board and the Supervisory Board that part of accumulated profit in the amount of EUR 38,649,751.60 be used for dividend payment. This represents 53% of the Company's consolidated net profit for 2020 and a 5% dividend yield. The dividend amounted to EUR 1.70 per share. See sections *2.1 General Meeting of Shareholders* and *5.3 Dividend policy* for more details.
- Andrej Andoljšek, Tomaž Benčina, Branko Bračko, Jure Valjavec and Peter Kavčič were appointed new Supervisory Board members, shareholder representatives, by the General Meeting of Shareholders. At the first session of the new Supervisory Board, Andrej Andoljšek was appointed Chairman of the Supervisory Board and Branko Bračko Vice Chairman. See *Section 2.3 Composition of the Supervisory Board* for more information.

2. Governance of the Triglav Group

The Company uses a two-tier governance system. The management and supervisory bodies are as follows: **General Meeting of Shareholders**, **Management Board** and **Supervisory Board**. They operate in compliance with the primary and secondary legislation, the Articles of Association and their own rules of procedure. Zavarovalnica Triglav's Articles of Association are published on its official website (www.triglav.eu).

<i>Two-tier governance of Zavarovalnica Triglav</i>		The operation of the General Meeting of Shareholders, the Management Board and the Supervisory Board is described in greater detail in Section 5. Corporate Governance Statement of the Annual Report of the Triglav Group and Zavarovalnica Triglav d.d. for 2020.
	General Meeting of Shareholders	2.1 General Meeting of Shareholders
12,416 Shareholders (30 June 2021)		Zavarovalnica Triglav's shareholders met once, i.e. on 25 May 2021, at the 46th General Meeting of Shareholders. The total number of shares and voting rights represented at the General Meeting of Shareholders was 18,198,597 or 80.05% of all shares to which the voting rights are attached. The General Meeting of Shareholders was briefed on: <ul style="list-style-type: none">▪ Annual Report of the Triglav Group and Zavarovalnica Triglav d.d. for 2020,▪ the opinion given by the audit firm,▪ Annual Internal Audit Report of the Internal Audit Department of Zavarovalnica Triglav d.d. for 2020,▪ Report of the Supervisory Board of Zavarovalnica Triglav d.d. on the Verification of the Annual Report of the Triglav Group and Zavarovalnica Triglav d.d. for 2020,▪ Opinion of the Supervisory Board on the Annual Internal Audit Report of the Internal Audit Department of Zavarovalnica Triglav d.d. for 2020.
	Supervisory Board	
9 members 4 -year term of office		The shareholders adopted a resolution on the following distribution of the accumulated profit of EUR 89,624,175.26 as at 31 December 2020: <ul style="list-style-type: none">▪ A part of accumulated profit in the amount of EUR 38,649,751.60 shall be allocated for dividend payments. The dividend in the amount of EUR 1.70 gross per share shall be paid to the shareholders appearing in the share register as at 9 June 2021. As at 10 June 2021, the Company provided funds for the payment of all dividends to the account of KDD – Centralno klirinška depotna družba d.d.▪ The distribution of the remaining accumulated profit of EUR 50,974,423.66 shall be decided in the next few years.
	Management Board	
6 members 5 -year term of office		The shareholders granted a discharge for the 2020 business year to both the Management Board and the Supervisory Board of Zavarovalnica Triglav and adopted amendments to the Articles of Association of Zavarovalnica Triglav d.d.

The General Meeting of Shareholders took note of the resignation of the Supervisory Board member Nataša Damjanovič, dated 18 June 2020, and of the expiry of the term of office as of 13 June 2021 of four Supervisory Board members, shareholder representatives, i.e. Andrej Andoljšek, Milan Tomažević, Žiga Škerjanec and Mario Gobbo.

Andrej Andoljšek, Tomaž Benčina, Branko Bračko, Peter Kavčič and Jure Valjavec were appointed new Supervisory Board members, shareholder representatives, for the four-year term of office, starting as of 14 June 2021.

At the General Meeting of Shareholders, the Pan-Slovenian Shareholders' Association (VZMD) announced an action to set aside resolution No. 3.1.

Detailed information on the General Meeting of Shareholders' resolutions are available at the Company's website <https://www.triglav.eu/sl/vlagatelji/aktualno/obvestila>.

2.2 Composition of the Management Board

As at 30 June 2021 the Management Board of Zavarovalnica Triglav was comprised of:

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

2.3 Composition of the Supervisory Board

As at 30 June 2021, the Supervisory Board of Zavarovalnica Triglav was comprised of:

- shareholder representatives:
 - Andrej Andoljšek, Chairman,
 - Branko Bračko, Vice Chairman,
 - Tomaž Benčina, Member
 - Peter Kavčič, Member,
 - Igor Stebernak, Member, and
 - Jure Valjavec, Member,
- employee representatives:
 - Peter Celar, Member,
 - Branko Gorjan, Member,
 - Igor Zupan, Member.

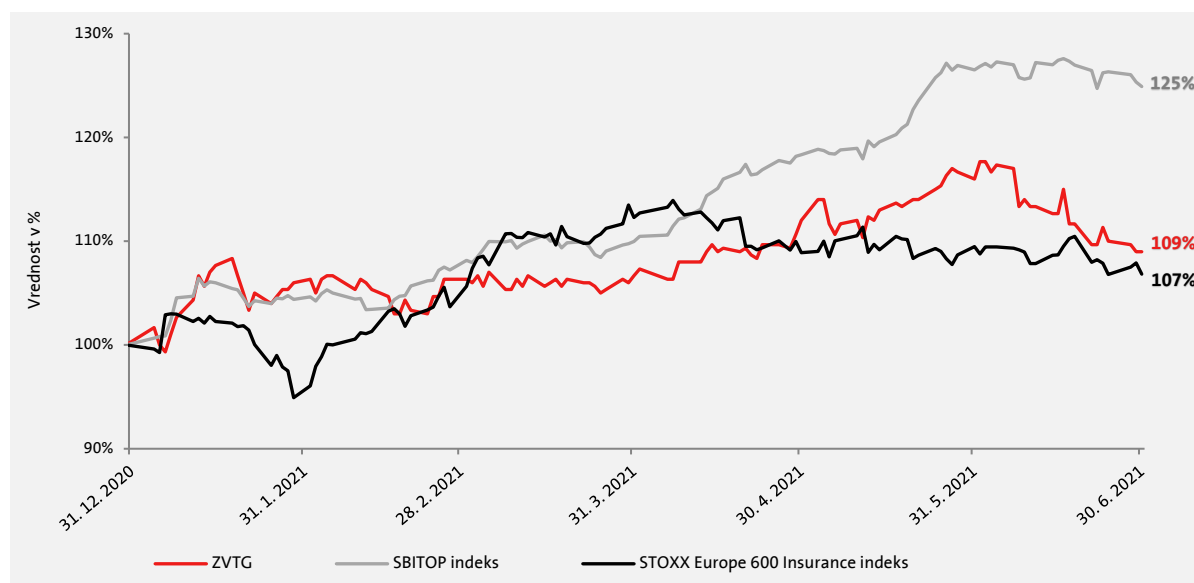
3. The share and the shareholders of Zavarovalnica Triglav

3.1 The share of Zavarovalnica Triglav

The total return on the ZVTG share as at the end of June was 14%, of which the price growth represented 9%. The price-to-book ratio was 0.9. In terms of market capitalisation, Zavarovalnica Triglav is the fourth largest Slovenian listed company (EUR 743 million).

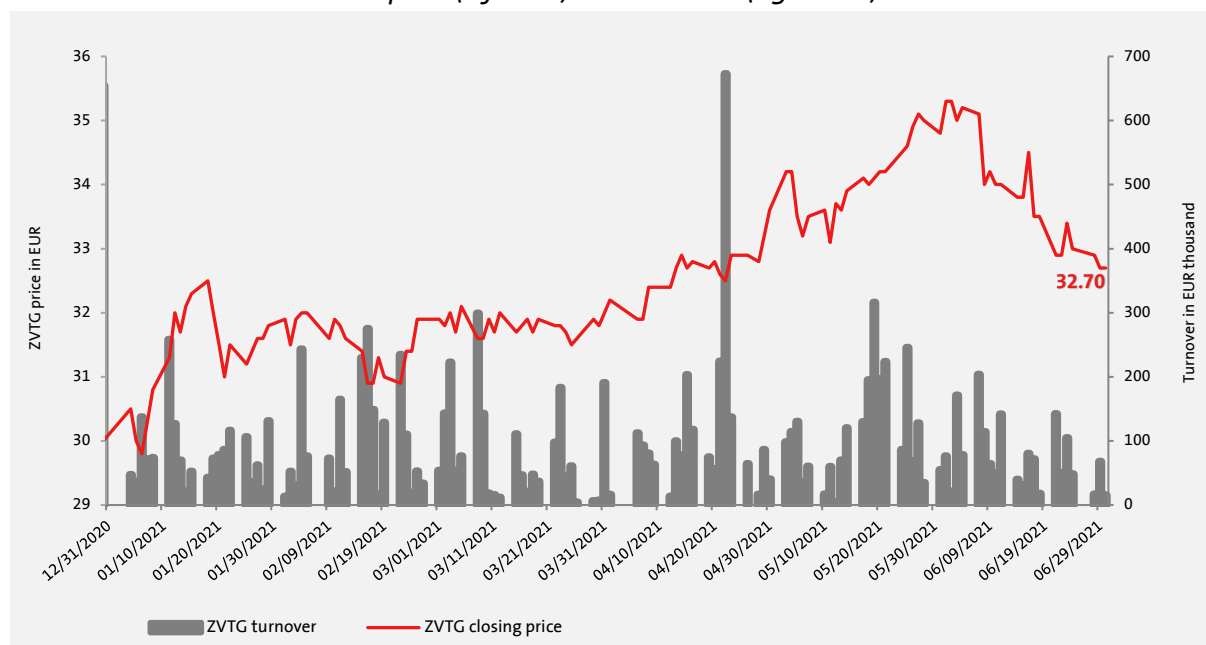
The trading volume and ZVTG share price movements were to some extent influenced by the implementation of the dividend policy this year and, in a broader sense, by the performance of insurance sector's shares on the equity markets. In the first quarter, there was uncertainty regarding the payment of Zavarovalnica Triglav's dividend due to the sector-wide positions of the insurance sector regulator. In the following months, the share price was influenced by the proposal of the Management Board and the Supervisory Board regarding the dividend payment and its adoption by the General Meeting of Shareholders on 25 May 2021 and the dividend payment with the cut-off date of 8 June 2021. The share outperformed the STOXX Europe 600 Insurance sectoral index of 35 shares of European insurance companies by 2 percentage points on a half-yearly basis. In the same period, the Ljubljana Stock Exchange SBITOP index, in which the ZVTG share holds a 11.5% share, grew by 25%.

Movement in the ZVTG share price in H1 2021 compared to the Ljubljana Stock Exchange SBITOP index and the sectoral index of European insurance companies STOXX Europe 600 Insurance (baseline date: 31 December 2020 = 100)



With an average daily turnover of EUR 119 thousand (excluding block trades: EUR 96 thousand), the ZVTG share was among five most liquid shares on the Ljubljana Stock Exchange. A total of 23% of its stock exchange turnover (excluding block trades) was performed by the liquidity provider.

Movements in the ZVTG share price (left axis) and turnover (right axis) in EUR



Key figures for Zavarovalnica Triglav's share in H1 2021 (in EUR)

Items	30 June 2021
Maximum closing price	35.30
Minimum closing price	29.80
Closing price	32.70
Book value per share (parent company)*	27.47
Book value per share (consolidated data)*	38.24
Net earnings per share (consolidated data)**	2.07
Market capitalisation	743,439,340
Average daily trading volume (excluding block trades)	95,520
Number of shares	22,735,148
The percentage of floating stock***	30.7%
Traded on	Ljubljana Stock Exchange - LJSE
ISIN code	SI0021111651
Ticker symbol	ZVTG
Bloomberg	ZVTG SV
Reuters	ZVTG.LJ
Credit rating (S&P Global Ratings, AM Best)	»A«, stable medium-term outlook

*In calculating the book value per share (parent company), the equity of Zavarovalnica Triglav and the number of shares as at the reporting date were taken into account, whilst in calculating the book value per share (consolidated data), the equity attributable to the controlling company and the number of shares as at the reporting date were taken into account.

**In calculating net earnings/loss per share (consolidated data), net profit or loss of the Triglav Group and the weighted average number of shares were taken into account.

***The shares held by shareholders with a 5% or higher stake are deducted from the total number of shares.

The Company is committed to transparent information of and active contact with its shareholders, investors and analysts. All key information is regularly published in Slovenian and English on its website www.triglav.eu. In this quarter, in the light of the COVID-19 pandemic, the Company continued to keep in contact with institutional investors via videoconference meetings and calls. In this way, the Company participated in investor conferences of its stock exchange members and the stock exchange as well as held its own meetings with institutional investors immediately following the publication of its annual and interim results.

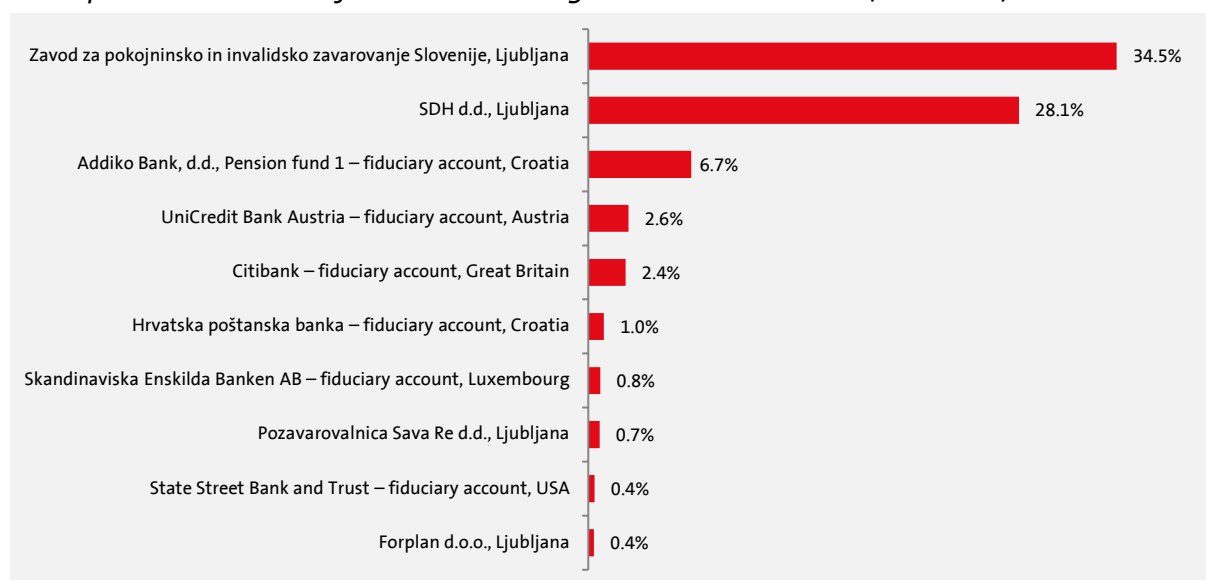
3.2 Equity

Zavarovalnica Triglav's share capital remained unchanged and amounted to EUR 73,701,391.79 as at 30 June 2021. It was divided into 22,735,148 ordinary registered no-par value shares of the same class. All shares are issued in a dematerialised form and are freely transferable. Each share represents the same stake and corresponding amount in share capital, and all have been fully paid up. Each share gives its holder the right to one vote at the General Meeting of Shareholders, a proportionate share of profit allocated for dividend payment and a proportionate share of residual bankruptcy or liquidation estate after the payoff of preference shareholders.

3.3 Shareholder structure

There were no significant changes in the shareholder structure of Zavarovalnica Triglav in the reporting period. Total ownership stake of the Company's top ten largest shareholders stood at 77.6%, and the stakes of the two largest shareholders remained unchanged.

The top ten shareholders of Zavarovalnica Triglav as at 30 June 2021 (share in %)



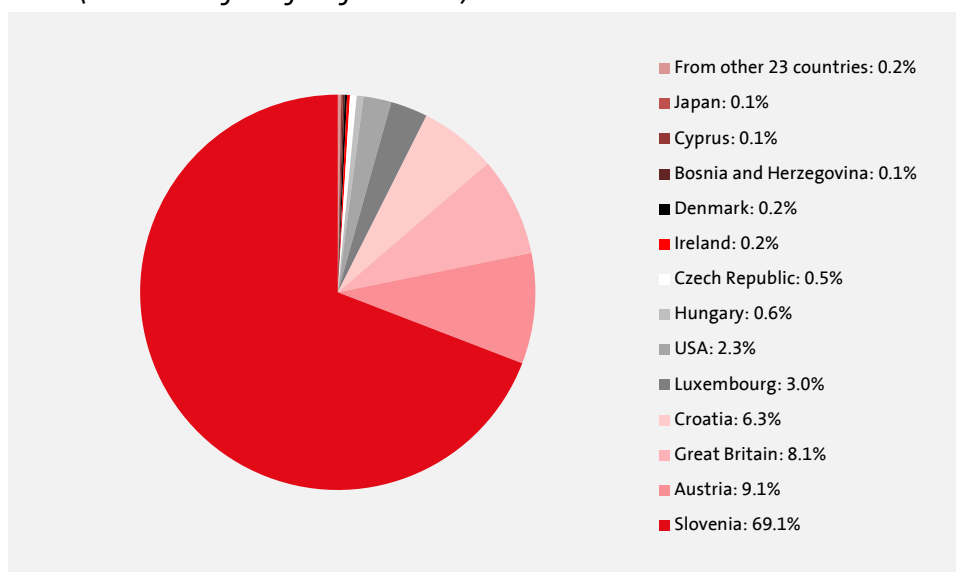
According to the share register data, Zavarovalnica Triglav had 12,416 shareholders/subscribers (index 94) as at 30 June 2021, among them around 30 international banks with fiduciary accounts held by their clients. In recent years, international shareholders have maintained a stable ownership stake between 16% and 17%, while Slovenian citizens have gradually increased their, which stood at 12.2% as at 30 June 2021, up by 0.8 percentage point relative to 31 December 2020.

Shareholder structure of Zavarovalnica Triglav as at 30 June 2021

	Total	Domestic	International	Legal entities	Individuals
Number of shares	22,735,148	19,053,782	3,681,366	19,959,346	2,775,802
Number of shareholders	12,416	12,086	330	486	11,930
Number of shares - percentage	100.0%	83.8%	16.2%	87.8%	12.2%
Number of shareholders - percentage	100.0%	97.3%	2.7%	3.9%	96.1%

The Company's share of the free float, i.e. the shares held by the shareholders with less than a 5% ownership stake, stood at 30.7%. The share is stable and the ownership of these shares is globally dispersed among shareholders from 36 countries.

The minority shareholder structure of Zavarovalnica Triglav by the country of origin as at 30 June 2021 (the share of the free float in %)



The members of Zavarovalnica Triglav’s Management Board and Supervisory Board held a total of 3,009 ZVTG shares as at 30 June 2021, or 0.013% of the Company’s total shares.

3.4 Credit rating

The credit ratings of the Triglav Group – and thus its parent company Zavarovalnica Triglav and its subsidiary Pozavarovalnica Triglav Re – are assigned by two renowned credit rating agencies: S&P Global Ratings (hereinafter: S&P) and AM Best. The Triglav Group was assigned an **“A” stand-alone credit rating with a stable medium-term outlook** by both. The latest credit rating report, i.e. the announcement of the credit rating agency from 2020, is available on the website www.triglav.eu under the Investor Relations tab.

3.5 Dividend policy

The implementation of Zavarovalnica Triglav’s dividend policy is subordinated to achieving the medium-term sustainable target capital adequacy of the Triglav Group, as shown in the figure below.

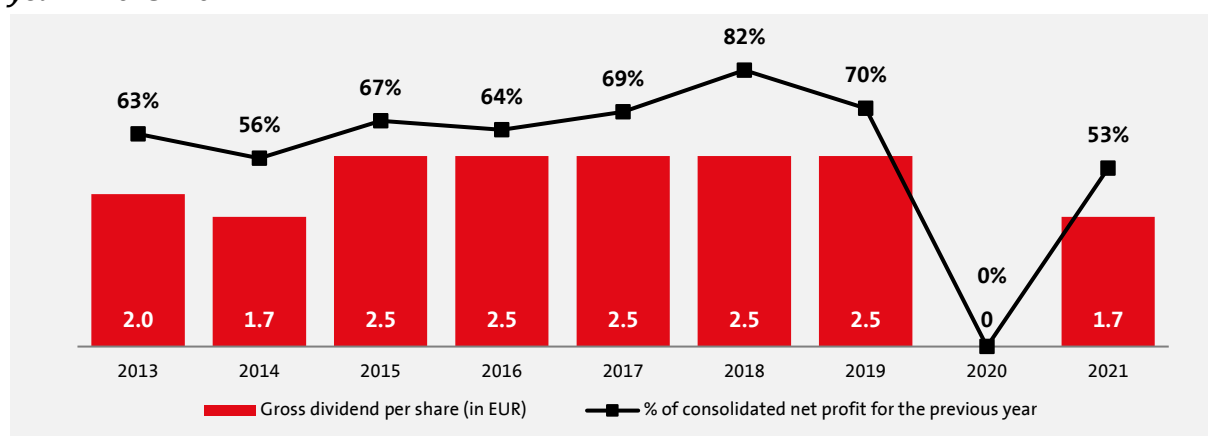
The capital management strategic objectives and the dividend policy criteria

> 250%	Surplus capital adequacy	Possibility of a more aggressive growth of business volume, assessment of potential changes in the business strategy
200–250%	Target capital adequacy	Regular performance of risk management activities
150–200%	Sub-optimum level of capital adequacy	Analyzing possible medium and long-term measures to improve capital adequacy and emphasized monitoring of risks
130–150%	Warning level of capital adequacy	Implementation of measures to improve capital adequacy
< 130%	Insufficient capital adequacy	

Zavarovalnica Triglav’s dividend policy, which was revised in March 2018, sets out as follows: “The Company pursues an attractive and sustainable dividend policy. A part of consolidated net profit of the preceding year, which is to be allocated to dividend payment, accounts for at least 50%. The Company will strive to pay out a dividend not lower than the dividend paid out in the preceding year. As thus far, the future implementation of the dividend policy will be subordinated to achieving the medium-term sustainable target capital adequacy of the Triglav Group. The proposal of the Management Board and the Supervisory Board as regards the annual distribution of accumulated profit of the Company will therefore take into account the following three objectives in a balanced manner: to ensure prudent capital management of the Triglav Group and its financial stability, to reinvest net profit in the implementation of the strategy of growth and development of the Triglav Group and to pay out attractive dividends to the shareholders.”

The Company considers its dividend policy to be a firm commitment to its shareholders and implements it as it is defined. This year and last year, it was impacted by **the COVID-19 pandemic and related positions of the Slovenian insurance sector regulator**. The Management Board and the Supervisory Board had to take this into account in their proposal for the distribution of the Company’s accumulated profit. The General Meeting of Shareholders supported their proposals in both years. See Section 2.1 *General Meeting of Shareholders* for more information about this year’s General Meeting of Shareholders.

Gross dividend per share by year (EUR) and its share of consolidated net profit for the preceding year in 2013–2021



3.6 Bonds

Zavarovalnica Triglav has one issued subordinate bond, which is included in its capital adequacy. The bond was issued in 2019 as part of the Group's regular capital management to ensure its optimal composition and cost efficiency and to replace the bond that matured on 21 March 2020. See the table below for more information.

Bond of Zavarovalnica Triglav

ISIN	XS1980276858
Type	Subordinated bond (Tier 2 pursuant to the Solvency II regulations)
Issue size in EUR	50,000,000
Currency	EUR
Coupon rate and payment	Fixed at 4.375% annually until first call date, payable annually Thereafter variable at 3-month Euribor + 4.845% (equal to the original initial credit spread + 1 percentage point), payable quarterly
First call date	22 October 2029
Maturity date	22 October 2049
Maturity in years	30.5
Regulated market	Luxembourg Stock Exchange
Issue Rating	BBB+ (S&P)

4. Operations in the period from 1 January to 30 June 2021

4.1 The macroeconomic environment and environmental impact on the Triglav Group's operations

After the historic shock caused by the COVID-19 pandemic, the global economy has begun an uneven recovery in 2021. The speed of recovery depended on the epidemic and health conditions, which dictated the pace of lifting the restrictions, and by the capacity of economies to adapt to the new situation. The US recovered rapidly in the first quarter of the year, followed by many developed countries in the second quarter. Towards the end of June, industrial production in the euro area already showed a strong expansion, judging by the climate indicators, and the situation in the hardest hit service industries, such as tourism, began to normalise. Consumer sentiment strengthened and labour market conditions improved. The emergence of supply bottlenecks and lower raw material supply pushed up producer price inflation, but analysts believe that its largely transitory impact has not yet fully manifested itself in overall inflation. According to the first estimate, overall inflation stood at 1.9% year-on-year in June. The economic situation in Slovenia was similar to that in the euro area. The normalisation of the situation both in Slovenia and abroad was confirmed by its increasingly lively international trade.

The improved economic outlook for this year was also taken into account by the European Commission in its July forecast. Compared to the forecasts made at the end of last year, the growth for the euro area and Slovenia was revised up to 4.8% and 5.7% respectively, while overall inflation was slightly revised up to 1.9% and 1.4% respectively.

The improved health and economic situation was reflected in the situation in the capital markets by the end of the half year, along with the risks already posed by the new Delta variant and the consequent increase in coronavirus cases in some countries. At the beginning of the year, the positive sentiment was reinforced by the new US administration. This, together with a rise in oil prices, raised investor expectations of a faster economic recovery and of the Federal Reserve's intervention. Required US government bond yields rose significantly in the first quarter, also affecting the rest of the world. In the second quarter, their yields fell a little, whereas euro area government bond yields continued to rise slightly. The adverse effect of rising interest rates was repeatedly highlighted by the ECB, which committed itself to accelerated bond purchase in February. Towards the end of June, in contrast to the Federal Reserve, it dismissed allegations about scaling back bond-buying on several occasions. This is one of the reasons why government bond spreads of European periphery countries started to fall again in mid-May.

The required yield on the German ten-year bond rose by 0.36 percentage point to -0.21% by the end of June, while the required yield on the Slovenian bond increased by 0.28 percentage point to 0.11%. Bonds of peripheral countries have recorded similar increases in spreads since the beginning of the year. The corporate sector maintained a high degree of optimism in the first half of the year. In the second quarter, corporate bond spreads fell slightly further, while some stock indices again recorded historic highs. This was the case with both the American S&P and the German DAX; the former grew by 14.4% and the latter by 13.2% in the reporting period. Slovenia's SBITOP index recorded a high growth of 24.9%. Its value far exceeded its growth just before the crisis, but is still far from its historic peak in 2007.

The Group's business results were impacted by major CAT events in the total estimated amount of EUR 6.1 million. In Slovenia, the April frost and storms caused EUR 4.3 million in crop damage (mainly fruit trees and vineyards), while in North Macedonia hail storms caused EUR 175 thousand in crop damage. Pozavarovalnica Triglav Re recorded claims of EUR 1.7 million due to the Filomena storm in Spain, frost in Italy and hail storms in Switzerland.

The unfavourable situation continued in the financial markets, as low interest rates resulted in lower rates of return on investment.

4.2 The insurance market and the position of the Group members in the first half of 2021

A total of 13 insurance companies, four foreign branches and two reinsurance companies are active in the Slovenian insurance market, all members of the Slovenian Insurance Association (hereinafter: the SZZ). As of 1 January 2021, SOP insurer is no longer a member of the SZZ, while AVRIO zavarovalnica obrtnikov in podjetje d.d. has become a new member.

In the first half of 2021, insurance companies collected **3.9% more** gross written insurance, co-insurance and reinsurance premiums (the calculation does not take into account internal transfers of assets for the payment of pension annuities), or EUR 1,438.6 million. **Non-life insurance premium** recorded a 3.2% growth and reached a 74.6% share. Other damage to property insurance, comprehensive car insurance and fire and natural disaster insurance contributed the most to the increase in non-life insurance premium. **Life insurance premium** rose by 5.8% due to higher unit-linked life insurance premium (21% growth). **Health insurance premium** is slightly higher than in the preceding year (index 100.4).

The Slovenian insurance market continues to be highly concentrated, with the four largest insurers holding a 76.0% market share. With a 30.4% market share (compared to 28.9% in the corresponding period last year), **Zavarovalnica Triglav** remained the market leader, followed by Zavarovalnica Sava (a 17.5% market share).

The Triglav Group's insurance subsidiaries held a 38.5% market share in the Slovenian insurance market at the end of the first half of 2021.

The Triglav Group (the parent company, Triglav, Zdravstvena zavarovalnica and Triglav, pokojninska družba) increased its market share by 1.4 percentage points to 38.5%.

The market shares of **the Triglav Group** by segment:

- non-life insurance (excluding health insurance): 45.9% (an increase of 2.1 percentage points);
- life insurance: 31.0% (an increase of 0.8 percentage point);
- health insurance: 30.2% (an increase of 0.1 percentage point).

The market shares of **Zavarovalnica Triglav** by segment:

- non-life insurance: 31.8% (an increase of 1.8 percentage points);
- life insurance: 26.4% (an increase of 0.9 percentage point).

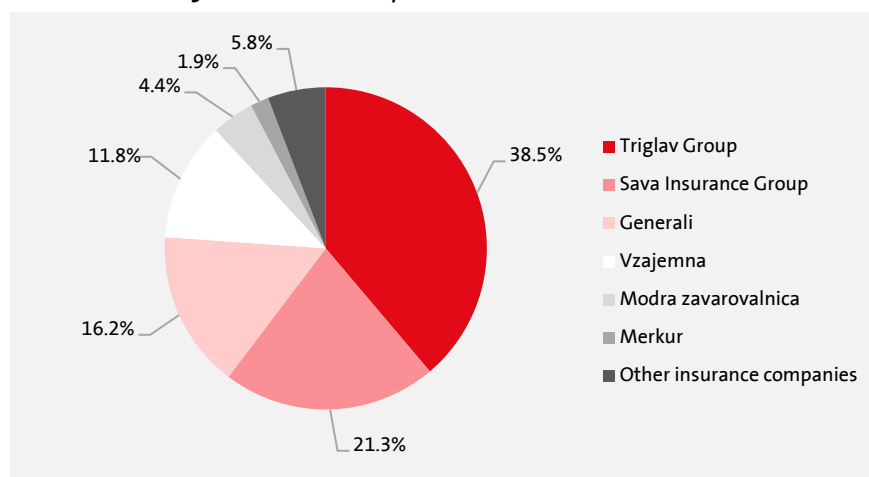
The market share of **Triglav, Zdravstvena zavarovalnica**:

- health insurance: 30.1% (an increase of 0.1 percentage point).

The market share of **Triglav, pokojninska družba**:

- supplemental voluntary pension insurance (SVPI): 19.9% (calculation based on the assessment of the company's data).

Market share of insurance companies in Slovenia in H1 2021



Source: Slovenian Insurance Association

Market share and market position of the Triglav Group insurance companies in H1 2021

Market	Market share	Market share trend	Ranked in 2021	Ranked in 2020
Slovenia	38.5%	↑ + 1.4-percentage point	1	1
Croatia	6.3%	↑ + 0.8-percentage point	7	7
Serbia*	7.7%	↑ + 0.5-percentage point	5	5
Montenegro	39.4%	↑ + 0.5-percentage point	1	1
Bosnia and Herzegovina	9.2%	↑ + 0.1-percentage point	2	3
- Federation of BiH	10.1%	↓ - 0.1-percentage point	3	3
- Republic of Srpska**	7.0%	↑ + 0.7-percentage point	4	6
North Macedonia	13.7%	↓ - 0.6-percentage point	1	1

* Data for January–March 2021

** The market shares of Triglav Osiguranje, Banja Luka and the branch of Triglav Osiguranje, Sarajevo in Banja Luka are included.

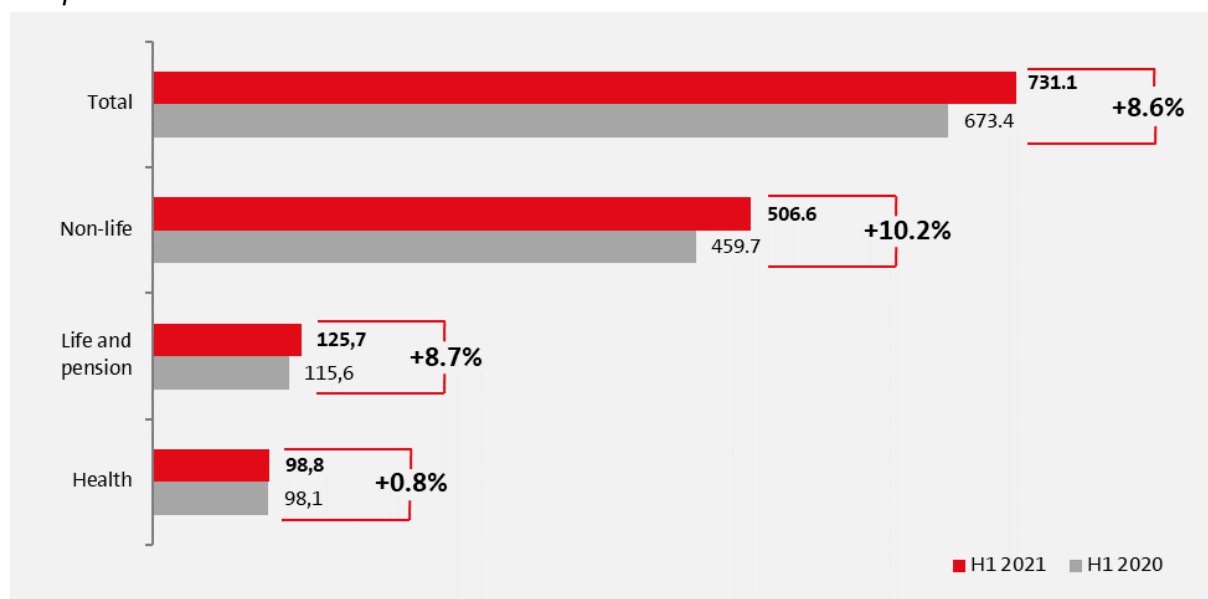
4.3 Gross written insurance, coinsurance and reinsurance premiums

The Triglav Group posted a total of EUR 731.1 million in consolidated gross written insurance, coinsurance and reinsurance premiums, an increase of 9% relative to the corresponding period last year. Total written premium increased in all insurance segments:

- **non-life insurance:** EUR 506.6 million (index 110);
- **life and pension insurance:** EUR 125.7 million (index 109);
- **health insurance:** EUR 98.8 million (index 101).

The Triglav Group recorded a 9% growth in gross written insurance, coinsurance and reinsurance premiums.

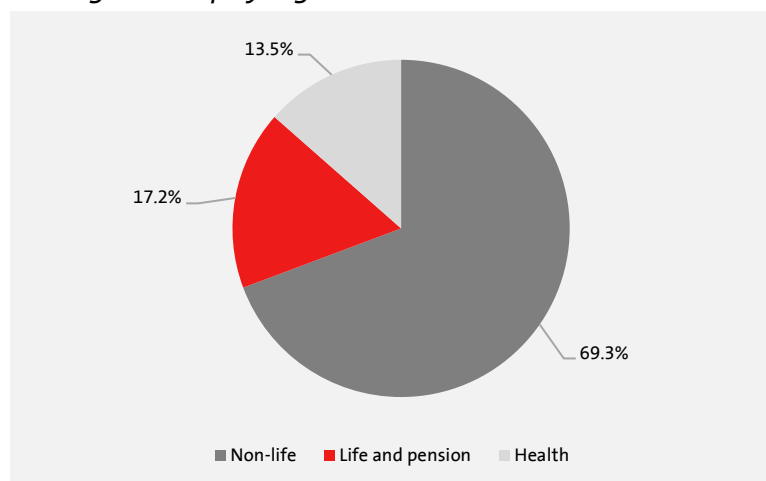
Consolidated gross written insurance, coinsurance and reinsurance premiums in H1 2021 compared to H1 2020



The proportion of non-life insurance premium in total consolidated gross written premium increased, the proportion of life and pension insurance premium remained unchanged, whereas the proportion of health insurance premium decreased:

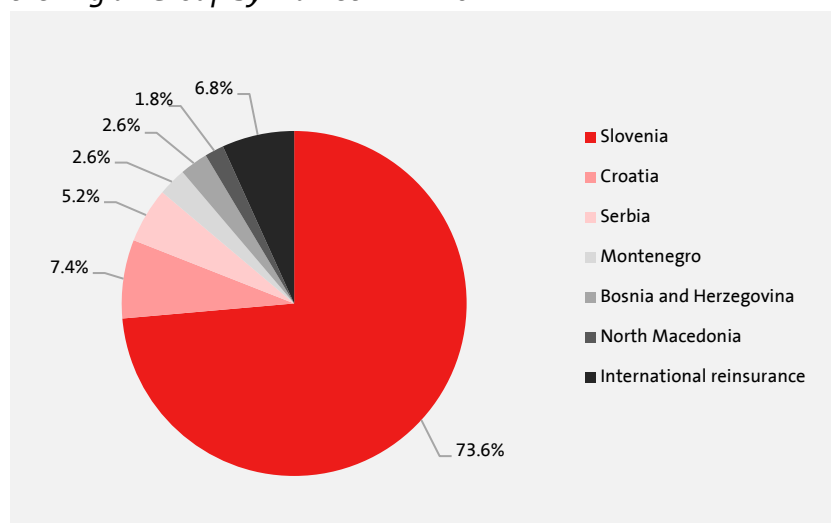
- non-life insurance: 69.3% (H1 2020: 68.3%);
- life and pension insurance: 17.2% (H1 2020: 17.2%); and
- health insurance: 13.5% (H1 2020: 14.6%).

The structure of consolidated gross written insurance, coinsurance and reinsurance premiums of the Triglav Group by segment in H1 2021



The Group continues to gradually increase **the share of insurance premium written in markets outside Slovenia**, which grew by 1.3 percentage points compared to the same period last year. A total of 73.6% of consolidated gross written premium was generated in the Slovenian insurance market, 19.6% of the premium was charged in markets outside Slovenia, while international reinsurance premium represented 6.8%.

The structure of consolidated gross written insurance, coinsurance and reinsurance premiums of the Triglav Group by market in H1 2021



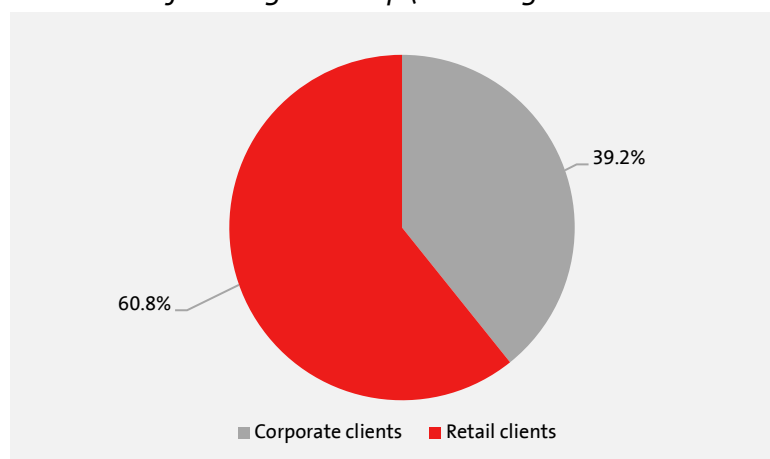
Consolidated gross written insurance, coinsurance and reinsurance premiums of the Triglav Group by market

Country	Gross written premium		Index	Share	
	H1 2021	H1 2020	H1 2021/ H1 2020	H1 2021	H1 2020
Slovenia	538,142,719	501,098,528	107	73.6%	74.4%
Croatia	53,865,447	42,017,086	128	7.4%	6.2%
Serbia	37,835,270	33,907,534	112	5.2%	5.0%
Montenegro	19,309,689	18,078,952	107	2.6%	2.7%
Bosnia and Herzegovina	19,292,845	17,444,085	111	2.6%	2.6%
North Macedonia	13,109,237	11,895,289	110	1.8%	1.8%
International reinsurance	49,543,520	48,948,828	101	6.8%	7.3%
Total	731,098,727	673,390,302	109	100.0%	100.0%

Premium growth was recorded in all insurance markets; in the Slovenian market it stood at 7%, while on markets outside Slovenia it reached 16%.

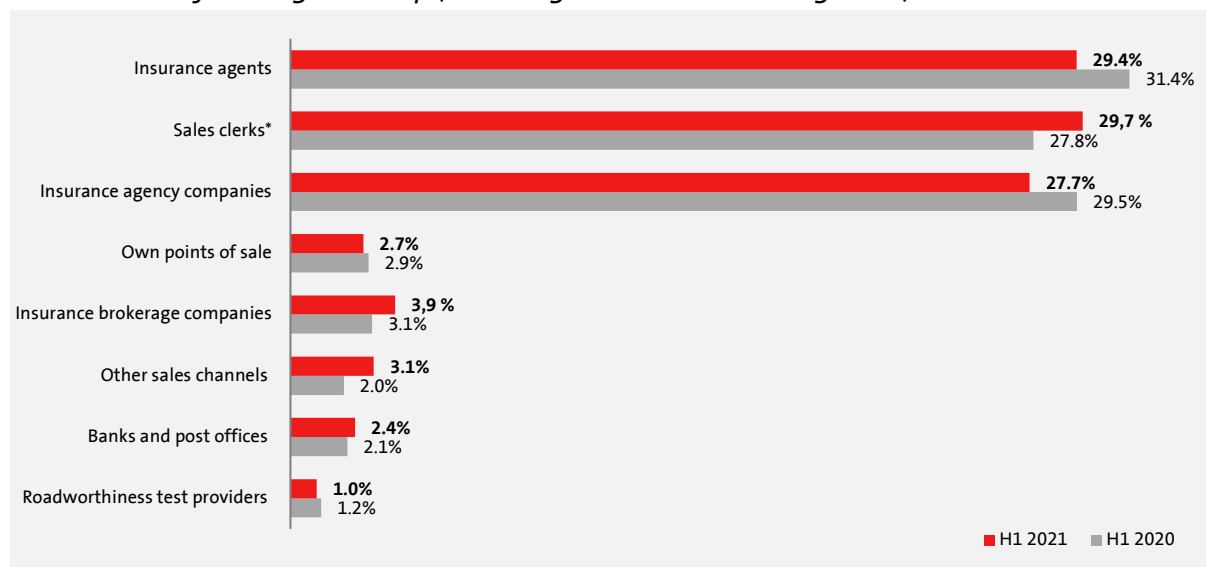
The share of non-consolidated gross insurance premium of **retail clients**, amounting to EUR 423.9 million (index 105), accounted for 60.8% of total written premium and decreased by 2.5 percentage points. The remaining EUR 273.8 million was accounted for by the premium of **corporate clients** (index 117).

The structure of non-consolidated gross written insurance, coinsurance and reinsurance premiums in H1 2021 of the Triglav Group (excluding Pozavarovalnica Triglav Re) by policyholder type



In terms of **sales channels**, the share of non-consolidated gross written premium of the Group, which was collected via own sales channels (agents, sales clerks, own points of sale, online and other own sales channels), reached 65.0% of total written premium, up by 0.8 percentage point to EUR 453.4 million. The remaining gross written premium of EUR 244.3 million was collected via the external sales channels (insurance agency and brokerage companies, banks, post offices and roadworthiness test providers).

Non-consolidated gross written insurance, coinsurance and reinsurance premiums in H1 2021 by sales channel of the Triglav Group (excluding Pozavarovalnica Triglav Re)



* Includes premium written by insurance intermediaries

The Triglav Group insurance subsidiaries (excluding Pozavarovalnica Triglav Re) booked EUR 697.7 million in non-consolidated gross written premium, up by 9% relative to the same period last year.

Pozavarovalnica Triglav Re posted a total of EUR 121.0 million in gross written reinsurance premium, up by 6% relative to 2020. Pozavarovalnica Triglav Re recorded the highest growth in fire and natural disaster insurance (transactions outside and within the Group), goods in transit insurance (transactions outside the Group) and credit and suretyship insurance (transactions within the Group). Transactions within and outside the Group experienced a 9% and 1% premium growth, respectively. The highest premium growth was recorded by Pozavarovalnica

Triglav Re in the markets of Southeast Asia (Thailand), Central Europe (Austria, Switzerland and Germany), Spain and Portugal.

Gross written insurance, coinsurance and reinsurance premiums in H1 2021 by Triglav Group insurance company

Insurance company	Gross written premium			Index			Share
	Non-life	Life and pension	Total	Non-life	Life and pension	Total	H1 2021
Zavarovalnica Triglav*	341,465,521	96,455,170	437,920,691	110	110	110	62.8%
Triglav, Zdravstvena zavarovalnica	99,351,138		99,351,138	101	0	101	14.2%
Triglav, pokojninska družba		17,003,231	17,003,231	0	105	105	2.4%
Triglav Osiguranje, Zagreb	49,762,961	4,109,551	53,872,512	131	105	128	7.7%
Triglav Osiguranje, Belgrade	34,427,980	3,407,439	37,835,419	111	114	112	5.4%
Lovćen Osiguranje, Podgorica	17,032,281		17,032,281	107	0	107	2.4%
Triglav Osiguranje, Sarajevo	9,416,813	6,804,535	16,221,348	104	124	111	2.3%
Triglav Osiguranje, Banja Luka	3,111,048		3,111,048	107	0	107	0.4%
Triglav Osiguruvanje, Skopje	11,917,484		11,917,484	104	0	104	1.7%
Lovćen životna osiguranja, Podgorica		2,277,408	2,277,408	0	108	108	0.3%
Triglav Osiguruvanje Život, Skopje		1,195,960	1,195,960	0	283	283	0.2%
Total	566,485,226	131,253,294	697,738,520	109	110	109	100.0%
Pozavarovalnica Triglav Re	120,970,458		120,970,458	106	0	106	
Consolidation eliminations	-82,099,428	-5,510,823	-87,610,251	108	153	110	
Total consolidated	605,356,256	125,742,471	731,098,727	109	109	109	

*The insurance company data already include the pre-consolidation adjustments

2.3.1 Non-life insurance

In the **non-life insurance** segment, the Triglav Group's insurance subsidiaries charged EUR 566.5 million in non-consolidated written premium, a 9% increase compared to the same period last year. Premium growth was recorded in most non-life insurance classes, with the exception of accident and motor vehicle liability insurance.

In total written premium, **motor vehicle insurance** (comprehensive car insurance and motor vehicle liability insurance) remained the largest insurance class with a 26.6% share. Its share is lower by 2.3 percentage points, while its premium increased by 1% to EUR 185.7 million. A total of EUR 96.8 million was generated by **motor vehicle liability insurance**, down by 1% relative to the preceding year. The decrease in premium was mostly a result of a 17% decline in premium written by Triglav Osiguranje, Belgrade due to the company's strategic decision to maintain the profitability of this insurance portfolio with increased risk selection. Lower premium was also written by Triglav Osiguranje, Banja Luka (a lower number of concluded insurance policies) and Zavarovalnica Triglav (a decline in international road carrier's liability insurance premium due to the COVID-19 pandemic, the withdrawal of transport companies from Serbia and Bosnia and Herzegovina and the non-renewal of a major policyholder's insurance contract). Other insurance subsidiaries saw an increase in written premium.

The Group collected EUR 88.8 million in **comprehensive car insurance** premium, an increase of 2% compared to the year before. With the exception of Lovćen Osiguranje, premium growth was recorded by all insurance subsidiaries. The strongest growth in written premium was observed in Triglav Osiguranje, Banja Luka (index 116) and Triglav Osiguranje, Belgrade (index 112), which resulted from effective sales through leasing companies, the acquisition of new policyholders and the increased scope of insurance coverage with certain existing policyholders. The parent growth achieved a 1% premium growth and represented 85% of the Group's total written premium.

Real property insurance premium (fire and natural disaster insurance and other damage to property insurance) rose by 23% to EUR 167.7 million, thereby increasing its share in total written premium to 24.0%. A 30% premium growth was recorded in other damage to property insurance and a 9% premium growth in fire and natural disaster insurance. High premium growth was seen in most insurance subsidiaries. The highest growth was achieved by Triglav Osiguranje, Zagreb (index 167), Triglav Osiguranje, Belgrade (index 147) and Zavarovalnica Triglav (index 118) by attracting new policyholders and increasing the scope of insurance coverage with existing policyholders. While the Croatian and Serbian insurers achieved high premium growth primarily in animal and crop insurance, the parent company (73% share in total written premium) achieved high growth mainly in combined non-life insurance, computer insurance and earthquake insurance.

In **health insurance**, EUR 105.1 million was collected in written premium, up by 2% relative to the corresponding period last year. The majority (EUR 99.4 million) was charged by Triglav, Zdravstvena zavarovalnica, which recorded a 1% increase in written premium. The bulk of its premium was accounted for by supplemental health insurance, in addition to being successful in the sale of additional health insurance products. High premium growth was recorded by Triglav Osiguranje, Zagreb, Triglav Osiguranje, Sarajevo, Triglav Osiguranje, Belgrade and Triglav Osiguranje, Skopje by attracting new policyholders.

In **general liability insurance**, the Group generated EUR 35.4 million in written premium, up by 10% relative to the year before. Zavarovalnica Triglav, accounting for 78% of total premium, saw a 10% growth in written premium compared to the preceding year, predominantly as a result of high premium growth in product liability insurance, directors and officers liability insurance and freight forwarder liability insurance in international traffic. A high premium growth was also seen at Triglav Osiguranje, Zagreb and Lovćen Osiguranje, Podgorica by attracting new policyholders and increasing the scope of insurance coverage with existing policyholders.

Accident insurance premium amounted to EUR 20.2 million, down by 1% (representing 2.9% of total written premium). Lower premium growth was recorded by Triglav Osiguranje, Skopje (the renewal of some policies of major policyholders at the end of 2020), Triglav Osiguranje, Sarajevo (a decline in group accident insurance premium) and the parent company (a drop in premium of accident insurance for guests and tourists due to the COVID-19 pandemic, accident insurance for consumers and subscribers due to the termination of cooperation with a major policyholder and a lower premium for the largest insurance subclasses, i.e. group accident insurance and AO-plus insurance). Other insurance subsidiaries saw an increase in written premium.

Credit insurance premium amounted to EUR 13.6 million, up by 14% (representing 1.9% of total written premium). Zavarovalnica Triglav's written premium, which accounted for 74% of total written premium, grew by 13%. The main reason for this trend is mainly the high growth of the commodity credit insurance premium (export credit insurance and domestic trade credit insurance) due to the acquisition of new policyholders and the increase in the consumer credit insurance premium. High premium growth was also achieved by the majority of the remaining insurance subsidiaries selling these insurance products.

Premium from **other non-life insurance** (representing 5.6% of total written premium) increased by 29% to EUR 38.8 million. With the exception of Lovćen Osiguranje, other insurance subsidiaries recorded premium growth, the highest of which was seen at Zavarovalnica Triglav, Triglav Osiguranje, Banja Luka and Triglav Osiguranje, Zagreb. The parent company achieved a good result in marine insurance (high growth of international comprehensive marine insurance), goods in transit insurance (fronting insurance premium growth in international transport insurance) and aircraft insurance (premium growth resulting from effective cooperation through an intermediary). In Triglav Osiguranje, Banja Luka, high premium growth

resulted from premium growth achieved in assistance insurance and goods in transit insurance (acquisition of new policyholders), while in Triglav Osiguranje, Zagreb it resulted from premium growth in marine insurance (higher sales via an agency and acquisition of a major policyholder) and aircraft insurance (drone insurance).

2.3.2 Life and pension insurance

The Triglav Group charged a total of EUR 131.3 million in non-consolidated gross written premium from **life and pension insurance**, an increase of 10% relative to the corresponding period in 2020. Life and pension insurance represented 18.8% of total non-consolidated gross written premium, up by 0.1 percentage point compared to the preceding year.

Life insurance **premium** (traditional life, annuity, pension annuity and voluntary pension insurance) grew by 10%. With EUR 59.1 million, it accounted for 45.0% of total life and pension insurance premium. Strong premium growth was seen in Triglav Osiguranje, Sarajevo (effective sales via bank sales channels), Triglav Osiguranje Život, Skopje (effective sales via the internal sales network and banks) and Triglav Osiguranje, Belgrade (effective sales via the bank sales channel). The parent company's premium was 7% higher than in the previous year, primarily due to higher premium payments in whole life insurance, voluntary pension insurance and pension annuity insurance.

Unit-linked life insurance premium (life insurance linked to the units of investment funds) rose by 10% compared to the preceding year and amounted to EUR 63.0 million. This insurance class accounted for 48.0% of total written life and pension insurance premium. Zavarovalnica Triglav achieved 12% growth with higher premium payments made through its own sales network and banks, while Triglav Osiguranje, Zagreb achieved a 19% growth due to increased sales via the agency and capitalised policies. The premium volume of Triglav, pokojninska družba increased by 5%, predominantly as a result of higher premium payments in life cycle guarantee funds.

Capital redemption insurance (supplemental voluntary pension insurance) increased by 10% relative to the same period last year and amounted to EUR 9.2 million (representing 7.0% of total life and pension insurance premium). The growth stemmed from transfers of assets from other insurance companies and higher regular payments of supplemental voluntary pension insurance premium at the parent company.

Non-consolidated gross written insurance, coinsurance and reinsurance premiums of the Triglav Group insurance companies (excluding Pozavarovalnica Triglav Re) by insurance class

Insurance class	Gross written premium		Index	Share
	H1 2021	H1 2020	H1 2021/ H1 2020	H1 2021
Accident insurance	20,198,581	20,433,225	99	2.9%
Health insurance	105,088,192	103,341,841	102	15.1%
Comprehensive car insurance	88,837,398	87,044,575	102	12.7%
Real property insurance	167,719,027	136,416,986	123	24.0%
Motor liability insurance	96,831,162	97,401,895	99	13.9%
General liability insurance	35,374,491	32,125,770	110	5.1%
Credit insurance	13,592,185	11,957,940	114	1.9%
Other non-life insurance	38,844,191	30,126,618	129	5.6%
Non-life insurance	566,485,227	518,848,850	109	81.2%
Life insurance	59,075,727	53,601,304	110	8.5%
Unit-linked life insurance*	62,981,156	57,261,060	110	9.0%
Capital redemption insurance	9,196,410	8,363,953	110	1.3%
Life and pension insurance	131,253,293	119,226,317	110	18.8%
Total	697,738,520	638,075,167	109	100.0%

*According to the definition of the Insurance Supervision Agency, premiums of Triglav, pokojninska družba are included in unit-linked life insurance.

Gross written insurance, coinsurance and reinsurance premiums of Zavarovalnica Triglav by insurance class

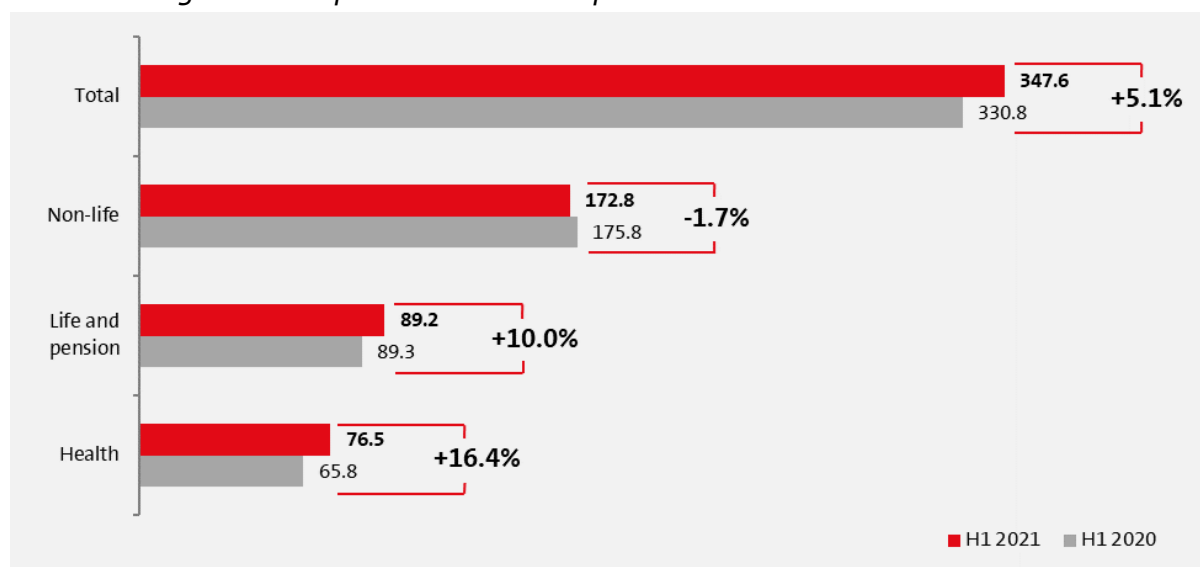
Insurance class	Gross written premium		Index	Share
	H1 2021	H1 2020	H1 2021/ H1 2020	H1 2021
Accident insurance	13,520,876	13,854,567	98	3.1%
Health insurance	479,217	624,004	77	0.1%
Comprehensive car insurance	75,206,316	74,203,092	101	17.2%
Real property insurance	123,083,948	104,739,861	118	28.1%
Motor liability insurance	63,112,467	63,546,371	99	14.4%
General liability insurance	27,630,801	25,101,207	110	6.3%
Credit insurance	9,990,442	8,856,846	113	2.3%
Other non-life insurance	28,423,888	20,850,790	136	6.5%
Non-life insurance	341,447,955	311,776,738	110	78.0%
Life insurance	43,116,565	40,221,176	107	9.8%
Unit-linked life insurance	44,142,195	39,495,908	112	10.1%
Capital redemption insurance	9,196,410	8,363,953	110	2.1%
Life and pension insurance	96,455,170	88,081,037	110	22.0%
Total	437,903,125	399,857,775	110	100.0%

4.4 Gross claims paid

Consolidated gross claims paid of the Triglav Group, which comprise claim handling expenses, income from collected subrogation receivables and gross claims paid from inward reinsurance, totalled EUR 347.6 million, an increase of 5% relative to the corresponding period last year. In the largest segment, i.e. **non-life insurance**, gross claims paid amounted to EUR 172.8 million, down by 2%. Gross claims paid increased in the **life and pension insurance segment** by 10% (EUR 98.2 million) and in the **health insurance segment** by 16% (EUR 76.5 million). The periodic plan was 93% fulfilled.

Gross claims paid were 5% higher than in the same period last year.

Consolidated gross claims paid in H1 2021 compared to H1 2020



The Triglav Group insurance subsidiaries (excluding Pozavarovalnica Triglav Re) posted a total of EUR 334.5 million in non-consolidated gross claims paid, up by 7%. High growth in gross claims paid was recorded by most insurance subsidiaries, with the highest seen in Triglav, pokojninska družba, Lovćen životna osiguranja and Triglav Osiguranje, Banja Luka. The

movement of gross claims paid in the remaining insurance subsidiaries is shown in the table below.

Gross claims paid by Pozavarovalnica Triglav Re totalled EUR 33.1 million, a decrease of 1% compared to the preceding year. A 15% growth in gross claims paid was seen in transactions within the Group, whereas a decrease of 10% in gross claims paid was recorded in transactions outside the Group. The decline in gross claims paid in transactions outside the Group was predominantly due to lower payouts of other damage to property insurance (payments of large claims related to Japanese typhoons in the first half of 2020) and marine insurance (payments of large claims in the South Korean market in 2020). The increase in gross claims paid within the Group was mainly due to settled claims in fire and natural disaster insurance and other damage to property insurance based on a contract with the parent company, which covers the annual claims aggregate.

Gross claims paid in H1 2021 by insurance company of the Triglav Group

Insurance company	Gross claims paid			Index			Share
	Non-life	Life and pension	Total	Non-life	Life and pension	Total	H1 2021
Zavarovalnica Triglav*	111,166,285	81,744,214	192,910,499	96	104	99	57.7%
Triglav, Zdravstvena zavarovalnica	76,520,250		76,520,250	116	0	116	22.9%
Triglav, pokojninska družba		10,767,176	10,767,176	0	148	148	3.2%
Triglav Osiguranje, Zagreb	17,615,801	3,829,207	21,445,008	124	154	128	6.4%
Triglav Osiguranje, Belgrade	9,972,041	2,952,101	12,924,142	99	170	110	3.9%
Lovćen Osiguranje, Podgorica	7,449,174		7,449,174	108	0	108	2.2%
Triglav Osiguranje, Sarajevo	3,271,937	2,036,847	5,308,784	104	151	118	1.6%
Triglav Osiguranje, Banja Luka	989,125		989,125	141	0	141	0.3%
Triglav Osiguruvanje, Skopje	4,234,565		4,234,565	104	0	104	1.3%
Lovćen životna osiguranja, Podgorica		1,728,258	1,728,258	0	144	144	0.5%
Triglav Osiguruvanje Život, Skopje		244,372	244,372	0	138	138	0.1%
Total	231,219,178	103,302,175	334,521,353	105	112	107	100.0%
Pozavarovalnica Triglav Re	33,125,816		33,125,816	99	0	99	
Consolidation eliminations	-14,976,582	-5,080,207	-20,056,789	118	157	126	
Total - consolidated	249,368,412	98,221,968	347,590,380	103	110	105	

* The insurance company data already include the pre-consolidation adjustments.

2.3.3 Non-life insurance

Non-consolidated gross claims paid in **non-life insurance** amounted to EUR 231.2 million, an increase of 5% relative to the preceding year. The profit level in the reporting period was also affected by some major loss events, which is described in greater detail in *Section 4.1 The macroeconomic environment and environmental impact on the operations*.

In **health insurance**, gross claims paid rose by 17% to EUR 78.9 million, representing 23.6% of total gross claims paid. The majority (EUR 76.5 million) is accounted for by gross claims paid of Triglav, Zdravstvena zavarovalnica, which increased by 16% primarily due to last year's pandemic-related shortfall in healthcare services. The majority of the remaining insurance subsidiaries selling these insurance products also recorded a high growth in gross claims paid. Equalisation scheme expenses increased by 15% to EUR 3.6 million.

Gross claims paid in **motor vehicle liability insurance** of EUR 44.1 million remained at approximately the same level as in 2020 (index 100). They represented 13.2% of the Group's total gross claims paid. A decline in gross claims paid was recorded by Triglav Osiguruvanje, Skopje, Triglav Osiguranje, Sarajevo and the parent company, predominantly due to a smaller number of reported or settled claims. Gross claims paid in **comprehensive car insurance** of EUR 42.2 million remained at approximately the same level as the year before (index 100). They

represented 12.6% of the Group's total gross claims paid. Most insurance subsidiaries recorded lower gross claims paid as a result of a lower number of reported claims. Growth was recorded only by Triglav Osiguranje, Banja Luka (index 120), Triglav Osiguranje, Zagreb (index 109) and Triglav Osiguranje, Sarajevo (index 105) as a result of the payment of some large individual claims and higher population mobility compared to the same period last year.

In **real property insurance**, gross claims paid amounted to EUR 35.8 million, up by 6% compared to the preceding year (representing 10.7% of total gross claims paid). Most insurance subsidiaries saw high growth in gross claims paid, the highest of which was recorded by Triglav Osiguranje, Zagreb (growth in claims due to earthquakes in 2020 and high payments in animal insurance), Triglav Osiguranje, Belgrade (a large increase in animal insurance claims and payment of several large claims), Triglav Osiguruvanje, Skopje (payment of two large claims) and Triglav Osiguranje, Sarajevo (payment of one large claim). Gross claims paid at the parent company were lower by 5% (representing 72% of real property insurance claims) mainly due to a lower number of reported claims in fire insurance of civil risks and contents insurance, because there were no major CAT events.

Gross claims paid from **accident insurance** increased by 21% to EUR 10.9 million. Their high growth was primarily a result of higher gross claims paid at Zavarovalnica Triglav (higher payouts in group accident insurance and accident insurance for children and pupils) and Lovćen Osiguranje (higher growth in payouts of accident insurance claims).

Gross claims paid in **general liability insurance** amounted to EUR 6.4 million, down by 31% compared to the year before. This decrease was primarily a result of a 41% decline in gross claims paid by the parent company (which accounted for 78% of gross claims paid by the Group in this insurance class) due to the payment of a large claim in directors and officers liability insurance. The decline in gross claims paid was also recorded by Triglav Osiguruvanje, Skopje, while other insurance subsidiaries recorded high growth.

Gross claims paid in **credit insurance** decreased by 42% to EUR 2.4 million. A high decline was seen at Zavarovalnica Triglav (index 62), which represents the majority of claims in this insurance class (an 80% share), Triglav Osiguranje, Zagreb (index 23) and Triglav Osiguranje, Belgrade (index 32). At the parent company, the lower payout was predominantly due to smaller payouts in export credit insurance (a large claim was paid out last year) and consumer loan insurance and credit insurance for small businesses (a lower number of reported claims mainly due to the deferred payment of borrowers' liabilities in accordance with the Act Determining the Intervention Measure of Deferred Payment of Borrowers' Liabilities).

Gross claims paid in **other non-life insurance** dropped by 1% to EUR 10.5 million. Most insurance subsidiaries recorded a high decrease in gross claims paid, the highest among them Triglav Osiguranje, Belgrade (last year's payment of large marine insurance claims and a lower number of assistance insurance claims due to the pandemic) and Lovćen Osiguranje (last year's payment of a large marine insurance claim). The parent company, which accounts for 84% of other non-life insurance claims, recorded a 13% increase in gross claims paid primarily due to the payment of one large claim from insurance for business interruption due to fire (an out-of-court settlement for the claim incurred in 2017) and suretyship insurance.

2.3.4 Life and pension insurance

Non-consolidated gross claims paid in the **life and pension insurance** segment grew by 12% to EUR 103.3 million. Their share in total non-consolidated claims paid increased by 1.3 percentage points to 30.9%.

The bulk of total claims paid was accounted for by **life insurance** (traditional life, annuity, pension annuity and voluntary pension insurance). They equalled EUR 62.0 million and remained at a level approximately equal to the preceding year (index 100). Gross claims paid by the parent company were 7% lower due to lower payouts of mathematical provisions on capitalised traditional life insurance policies and lower payouts due to surrenders and advances. Other insurance subsidiaries recorded a high growth in gross claims paid.

Gross claims paid in **unit-linked life insurance** rose by 40% to EUR 38.6 million. High growth was recorded by all three insurance subsidiaries; at Triglav, pokojninska družba (index 148), growth mainly resulted from an increase in the number of retirements and thus transfers to annuity funds and an increase in transfers of funds to other pension insurance providers; at Triglav Osiguranje, Zagreb (index 138), growth resulted from large payouts due to maturity; at the parent company (index 137), growth resulted mainly from large payouts due to surrenders.

Gross claims paid in **capital redemption insurance** (supplemental voluntary pension insurance) decreased by 7%, primarily as a result of lower payouts due to withdrawals from insurance contracts and surrenders pursuant to the Pension and Disability Insurance Act in the parent company.

Non-consolidated gross claims paid by insurance companies of the Triglav Group (excluding Pozavarovalnica Triglav Re) by insurance class

Insurance class	Gross claims paid		Index	Share
	H1 2021	H1 2020	H1 2021/ H1 2020	H1 2021
Accident insurance	10,868,872	8,947,386	121	3.2%
Health insurance	78,921,679	67,603,932	117	23.6%
Comprehensive car insurance	42,171,880	42,238,945	100	12.6%
Real property insurance	35,799,601	33,635,019	106	10.7%
Motor liability insurance	44,131,637	44,140,216	100	13.2%
General liability insurance	6,425,536	9,353,367	69	1.9%
Credit insurance	2,421,266	4,165,048	58	0.7%
Other non-life insurance	10,478,707	10,593,712	99	3.1%
Non-life insurance	231,219,178	220,677,625	105	69.1%
Life insurance	61,999,807	62,059,771	100	18.5%
Unit-linked life insurance*	38,597,463	27,541,659	140	11.5%
Capital redemption insurance	2,704,905	2,918,933	93	0.8%
Life and pension insurance	103,302,175	92,520,363	112	30.9%
Total	334,521,353	313,197,988	107	100.0%

* According to the definition of the Insurance Supervision Agency, gross claims paid by Triglav, pokojninska družba are included in unit-linked life insurance

Gross claims paid of Zavarovalnica Triglav by insurance class

Insurance class	Gross claims paid		Index	Share
	H1 2021	H1 2020	H1 2021/ H1 2020	H1 2021
Accident insurance	5,912,008	4,807,030	123	3.1%
Health insurance	-52,793	55,977	-94	0.0%
Comprehensive car insurance	34,768,009	35,010,301	99	18.0%
Real property insurance	25,750,960	27,013,418	95	13.3%
Motor liability insurance	28,986,934	29,571,750	98	15.0%
General liability insurance	5,014,084	8,439,890	59	2.6%
Credit insurance	1,940,323	3,134,665	62	1.0%
Other non-life insurance	8,846,761	7,845,455	113	4.6%
Non-life insurance	111,166,286	115,878,486	96	57.6%
Life insurance	52,056,798	55,722,822	93	27.0%
Unit-linked life insurance	26,982,510	19,646,228	137	14.0%
Capital redemption insurance	2,704,905	2,918,933	93	1.4%
Life and pension insurance	81,744,213	78,287,983	104	42.4%
Total	192,910,499	194,166,469	99	100.0%

4.5 Gross operating expenses

Total consolidated gross operating expenses of the Triglav Group amounted to EUR 163.6 million, an increase of 10% relative to the same period last year. **Insurance business expenses** grew by 11% to EUR 148.2 million. Due to the impact of the pandemic in the same period last year, high growth was recorded mainly in acquisition costs, labour costs and costs of representation, advertising and trade shows, while the changed structure of investment in information technology led to higher growth in rent and lease costs. Compared to last year, the share of insurance business operating expenses in gross written premium increased by 0.4 percentage point to 20.3%. Operating expenses by insurance segment increased by 16% in the **life and pension insurance segment** (EUR 22.7 million) and by 11% in the **non-life insurance segment** (EUR 118.3 million), whereas in the **health insurance segment** they declined by 4% (EUR 7.1 million).

The share of insurance business operating expenses in written premium was 20.3%.

Non-insurance business expenses were 4% higher and amounted to EUR 15.5 million, primarily as a result of higher costs of payment transactions and banking services at Triglav Skladi.

Acquisition costs (fees and commissions) rose by 16% to EUR 31.6 million, predominantly as a result of their increase at Zavarovalnica Triglav, Triglav Osiguranje, Belgrade, Triglav Osiguranje, Zagreb and Triglav Osiguranje, Sarajevo. Increased acquisition costs mainly resulted from the higher number of concluded insurance policies and the increased volume of written premium from insurance policies taken out via external sales channels (contracted points of sale, brokers, agencies and banks). In contrast, a large decline was recorded at Triglav, Zdravstvena zavarovalnica, mainly due to a change in the rewarding of new clients and agents.

The 6% increase in depreciation costs in the amount of EUR 10.7 million was predominantly the consequence of higher depreciation costs of intangible fixed assets at the parent company and higher depreciation growth due to investments in hardware and software at Triglav, Zdravstvena zavarovalnica.

At 49.1%, labour costs accounted for the largest portion of total expenses, and amounted to EUR 84.5 million, up by 7% compared to the year before. This increase is mainly a result of the higher number of employees at Triglav, Zdravstvena zavarovalnica, Triglav Osiguranje, Belgrade and Triglav Osiguranje, Zagreb compared with the same period last year, as well as higher labour

costs at Zavarovalnica Triglav. At the parent company, they were mainly influenced by an increase in employees' basic salaries and higher payments to insurance agents due to increased sale of insurance products (in the same period last year, the premium volume was affected by the COVID-19 pandemic). Costs of services provided by natural persons other than sole proprietors rose by 61%. With only a 0.5% share in total expenses, they amounted to EUR 847 thousand. Other operating expenses increased by 13% to EUR 44.5 million. Among them, due to the impact of the pandemic in the same period last year, the highest growth was achieved by the costs of representation, advertising and trade shows (higher costs of advertising, sponsorships and promotional products at the parent company and Triglav Osiguranje, Belgrade) and rent and lease costs (especially higher costs of leasing computer equipment and services at the parent company).

Acquisition costs represented 62.1% (the largest share) of total gross operating expenses of the insurance business broken down by functional group. Other operating expenses represented 26.8%, claim handling expenses 9.7% and asset management costs 1.5% of total gross operating expenses of the insurance business.

Gross operating expenses of the Triglav Group in H1 2021 by nature

Operating expenses by nature	Gross operating expenses		Index	Share
	H1 2021	H1 2020	H1 2021/ H1 2020	H1 2021
Acquisition costs (fees and commissions)	31,588,903	27,192,563	116	18.3%
Costs of goods sold	107,295	4,756	2.256	0.1%
Depreciation of operating assets	10,664,854	10,022,089	106	6.2%
Labour costs	84,535,361	79,224,205	107	49.1%
- wages and salaries	57,955,153	54,345,525	107	33.6%
- social securities and pension insurance costs	13,021,834	12,077,488	108	7.6%
- other labour costs	13,558,374	12,801,192	106	7.9%
Costs of services provided by natural persons other than SPs together with pertaining taxes	846,572	526,320	161	0.5%
Other operating expenses	44,528,753	39,437,246	113	25.8%
- costs of entertainment, advertising, trade shows	9,409,429	7,076,171	133	5.5%
- costs of material and energy	3,775,076	4,245,059	89	2.2%
- maintenance costs	7,471,471	7,161,882	104	4.3%
- travel expenses	1,646,454	1,668,038	99	1.0%
- costs of intellectual and personal services	2,842,101	2,371,271	120	1.6%
- non-income-related costs, excluding insurance	1,517,502	1,485,992	102	0.9%
- costs of transport and communication services	2,628,333	2,450,753	107	1.5%
- costs of insurance premiums	607,431	604,882	100	0.4%
- payment transaction costs and banking services	5,021,775	4,616,510	109	2.9%
- rents	3,319,530	2,180,050	152	1.9%
- costs of services of professional training	682,471	397,471	172	0.4%
- other costs of services	5,602,914	5,179,167	108	3.3%
- long-term employee benefits	4,266	0	0	0.0%
Total	172,271,738	156,407,179	110	100.0%
Consolidation eliminations	-8,639,242	-7,960,124	109	
Total consolidated	163,632,496	148,447,055	110	

Gross operating expenses of Zavarovalnica Triglav in H1 2021 by nature

Operating expenses by nature	Gross operating expenses		Index	Share
	H1 2021	H1 2020	H1 2021/ H1 2020	H1 2021
Acquisition cost (fees and commissions)	16,077,756	13,818,397	116	16.4%
Depreciation of operating assets	6,318,559	5,869,916	108	6.4%
Labour costs	55,556,911	52,130,932	107	56.7%
- wages and salaries	38,217,274	35,843,021	107	39.0%
- social securities and pension insurance costs	6,463,832	5,988,535	108	6.6%
- other labour costs	10,875,805	10,299,376	106	11.1%
Costs of services provided by natural persons other than SPs, including related taxes	114,249	105,678	108	0.1%
Other operating costs	19,905,157	16,809,070	118	20.3%
- costs of entertainment, advertising, trade shows	4,232,492	2,793,192	152	4.3%
- costs of material and energy	1,696,078	1,866,396	91	1.7%
- maintenance costs	4,378,678	4,197,956	104	4.5%
- reimbursement of labour-related costs	1,230,488	1,148,122	107	1.3%
- costs of intellectual and personal services	1,137,788	809,683	141	1.2%
- non-income related costs, excluding insurance	522,418	501,985	104	0.5%
- costs of transport and communication services	1,416,400	1,339,726	106	1.4%
- costs for insurance premiums	163,332	174,037	94	0.2%
- payment transaction costs and banking services	543,016	674,167	81	0.6%
- rents	2,276,086	1,377,421	165	2.3%
- costs of professional training services	510,614	244,259	209	0.5%
- other costs of services	1,797,767	1,682,126	107	1.8%
Total	97,972,632	88,733,993	110	100.0%

4.6 Reinsurance

In the first half of 2021, the Triglav Group allocated EUR 122.5 million of reinsurance and coinsurance premiums to external equalisation, up by 31% relative to the corresponding period last year. Reinsurance premium growth was mainly the result of the increased volume of non-life insurance premium, primarily through effective sales based on the principle of freedom of movement of services, and inward reinsurance. Reinsurance premium accounted for 16.7% of total gross written insurance and coinsurance premiums. The reinsurers' share in gross claims settled of EUR 20.6 million (index 130) was received from reinsurance.

In the reporting period, Zavarovalnica Triglav allocated EUR 101.8 million of reinsurance and coinsurance premiums to external equalisation, an increase of 28% compared to the same period in 2020. Reinsurance premium accounted for 23.2% of total gross written premium. The reinsurers' and coinsurers' share in gross claims settled of EUR 18.7 million (index 117) was received from reinsurance and coinsurance.

4.7 Insurance technical provisions

Gross insurance technical provisions are the basis for balanced operations and ensure the long-term safety of insured persons. As at 30 June 2021, the Triglav Group had gross insurance technical provisions of EUR 3,221.3 million, an increase of 6% relative to. The amount of gross insurance technical provisions increased in non-life insurance (index 114), health insurance (index 115), and in life and pension insurance (index 102). As at 30 June 2021, Zavarovalnica Triglav allocated EUR 2,314.6 million to gross insurance technical provisions, up by 5% compared to the 2020 year-end.

Total gross insurance technical provisions of the Triglav v Group amounted to EUR 3,221.3 million, an increase of 6%.

Provisions of the Triglav Group by type as at 30 June 2021 relative to 31 December 2020:

- **Gross unearned premium** was 32% higher and amounted to EUR 454.2 million. Unearned premium from non-life insurance increased by 32% to EUR 449.8 million, unearned premium from health insurance rose by 15% to EUR 3.9 million and unearned premium from life and pension insurance grew by 4% to EUR 476 thousand. The movement of gross unearned premium corresponds to the movement and duration of gross written premium and the nature of underwritten risks.
- **Gross claims provisions** rose by 4% to EUR 670.4 million. They are formed for covering claims incurred but not settled by the end of the accounting period. Claims provisions from non-life insurance totalled EUR 634.3 million (index 104), those from life and pension insurance equalled EUR 22.6 million (index 106), and those from health insurance amounted to EUR 13.5 million (index 92).
- **Mathematical provisions** were 2% higher and amounted to EUR 2,016.0 million. Mathematical provisions for the guarantee fund backing life insurance totalled EUR 1,438.9 million (index 99), while insurance technical provisions for unit-linked life insurance contracts amounted to EUR 577.2 million (index 113). They increased due to the growth in the price of fund units. Zavarovalnica Triglav's mathematical provisions of EUR 1,520.5 million accounted for the bulk (index 102), of which mathematical provisions for the guarantee fund backing life insurance amounted to EUR 1,017.2 million (index 98) and insurance technical provisions for unit-linked life insurance contracts equalled EUR 503.3 million (index 112).
- **Provisions for bonuses and discounts** grew by 28% to EUR 36.0 million, mainly as a result of additional insurance technical provisions created due to the COVID-19 pandemic at Triglav, Zdravstvena zavarovalnica.
- **Other insurance technical provisions** totalled EUR 44.7 million, down by 7% primarily due to their reduction at Zavarovalnica Triglav. The main reason was the decrease in provisions as a result of the liability adequacy test for life insurance.

Gross insurance technical provisions of the Triglav Group as at 30 June 2021

	Gross insurance technical provisions		Index
	30 June 2021	31 December 2020	2021/2020
Unearned premium	454,171,853	344,760,927	132
Mathematical provisions	2,016,026,040	1,967,008,673	102
Claims provisions	670,447,083	645,331,168	104
Provisions for bonuses and discounts	36,017,880	28,195,354	128
Other insurance technical provisions	44,651,794	47,917,732	93
Total	3,221,314,650	3,033,213,854	106

Gross insurance technical provisions of Zavarovalnica Triglav as at 30 June 2021

	Gross insurance technical provisions		Index
	30 June 2021	31 December 2020	2021/2020
Unearned premium	309,796,857	235,190,816	132
Mathematical provisions	1,520,475,664	1,490,283,181	102
Claims provisions	443,291,069	430,259,621	103
Provisions for bonuses and discounts	23,837,107	23,837,107	100
Other insurance technical provisions	17,160,500	19,470,754	88
Total	2,314,561,197	2,199,041,479	105

4.8 Structure of financial investments

The Triglav Group pursues a relatively conservative investment policy in order to achieve an adequate return on its investment portfolio, with an emphasis on the security and liquidity of its investments. In its investment, the Group pursues the goal of achieving a high credit rating of the entire portfolio. In the first half of the year, the portfolio structure was not significantly changed, but minor adjustments were made to some shares of individual asset classes.

The Group's financial investments including investment property and investments in associates totalled EUR 3,557.6 million as at 30 June 2021, up by 2% relative to 31 December 2020. Their share in the Group's total assets declined by 3.5 percentage points to 80.9%.

Financial investments (including investment properties and investments in associates) of the Triglav Group as at 30 June 2021 and 31 December 2020

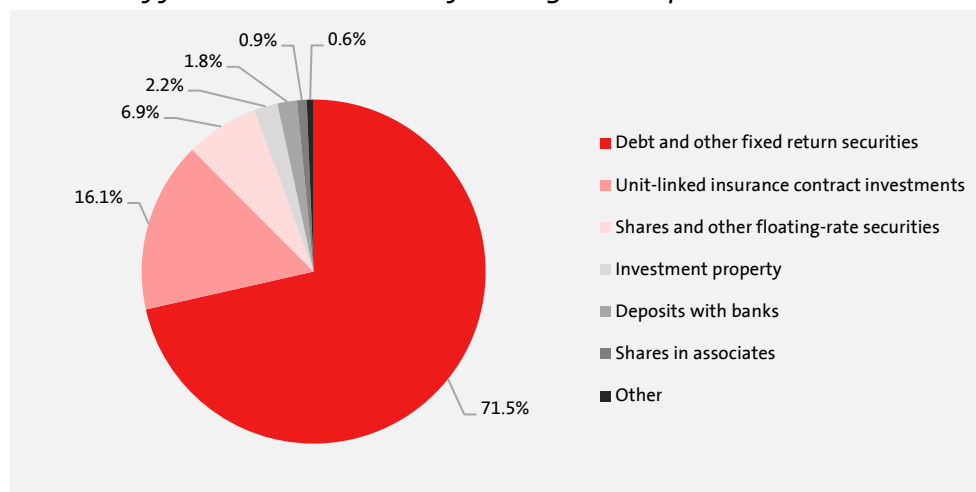
	Financial investments		Index	Share	
	30 June 2021	31 December 2020	2021/2020	30 June 2021	31 Dec. 2020
Investment property	78,612,200	78,977,800	100	2.2%	2.3%
Shares in associates	32,195,528	28,237,714	114	0.9%	0.8%
Shares and other floating-rate securities	244,623,420	220,367,991	111	6.9%	6.3%
Debt and other fixed return securities	2,542,483,366	2,572,533,950	99	71.5%	73.6%
Loans given	4,363,158	4,218,279	103	0.1%	0.1%
Deposits with banks	65,561,281	72,474,217	90	1.8%	2.1%
Other financial investments	6,666,686	6,462,139	103	0.2%	0.2%
Financial investments of reinsurance companies in reinsurance contracts with cedents	11,820,007	11,210,682	105	0.3%	0.3%
Derivatives	27,034	113,301	24	0.0%	0.0%
Unit-linked insurance contract investments	571,250,903	501,808,980	114	16.1%	14.4%
Total	3,557,603,583	3,496,405,053	102	100.0%	100.0%

The largest share of the investment portfolio, 71.5%, is represented by bonds invested in developed markets, most of which have a high credit rating. Compared to 2020 year-end, the value of the bond portfolio decreased by 1% to EUR 2,542.5 million, while its share in the total portfolio fell by 2.1 percentage points.

The growth of share prices in the first six months affected both the value of the Group's equity investments and the value of unit-linked life insurance contract investments. The volume of equity investments grew by 11% to EUR 244.6 million, and their share in the total portfolio increased by 0.6 percentage point to 6.9%. The value of unit-linked life insurance contract investments rose by 14% to EUR 571.3 million, and their share in the total portfolio grew by 1.7 percentage points to 16.1%. The majority is accounted for by assets invested in mutual funds of the policyholders' choice and mostly in funds managed by Triglav Skladi.

In other asset classes, the volume of deposits with banks decreased slightly, whereas the volume of investments in associates increased; there were no other significant changes in the reporting period.

Structure of financial investments of the Triglav Group as at 30 June 2021



The structure of debt and equity portfolios is presented in detail below.

The shares of bonds in the Group's bond portfolio did not change significantly in terms of **issuer sector** compared to the 2020 year-end. Government bonds represent the bulk (65.5%) and are followed by financial bonds accounting for 17.6% and corporate bonds accounting for 16.8%.

Debt securities of the Triglav Group by issuer sector

Issuer sector	Debt securities		Index	Share	
	30 June 2021	31 December 2020	2021/2020	30 June 2021	31 Dec. 2020
Government	1,664,681,346	1,682,830,112	99	65.5%	65.4%
Financial	448,555,044	461,605,954	97	17.6%	17.9%
Corporate	428,212,658	427,038,594	100	16.8%	16.6%
Shared	1,034,318	1,059,291	98	0%	0%
Total	2,542,483,366	2,572,533,951	99	100.0%	100.0%

Note: Unit-linked insurance contract investments data excluded.

The bond portfolio's investments are globally diversified and of high quality. A total of 90.7% of its investments have an investment grade credit rating of at least "BBB" (compared to 89.6% as at 31 December 2020) and 60.0% have at least the "A" credit rating (compared to 61.3% as at 31 December 2020).

Debt securities of the Triglav Group by credit rating

Credit rating	Debt securities		Index	Share	
	30 June 2021	31 December 2020	2021/2020	30 June 2021	31 Dec. 2020
AAA	379,299,474	463,012,284	82	14.9%	18.0%
AA	400,571,825	383,681,511	104	15.8%	14.9%
A	746,805,533	729,748,691	102	29.4%	28.4%
BBB	778,448,486	728,788,550	107	30.6%	28.3%
Below BBB	198,538,134	200,940,476	99	7.8%	7.8%
Not rated	38,819,914	66,362,438	58	1.5%	2.6%
Total	2,542,483,366	2,572,533,951	99	100.0%	100.0%

Note: Unit-linked insurance contract investments data excluded.

In terms of **issuer country**, the majority of the portfolio is accounted for by debt securities of issuers from countries with a high credit rating, which ensures the Group appropriate security and liquidity. Certain changes in exposure to individual countries are a result of price fluctuations and tactical adjustments of some positions.

Debt securities of the Triglav Group by issuer country

Country of issuer	Debt securities		Index	Share	
	30 June 2021	31 December 2020	2021/2020	30 June 2021	31 Dec. 2020
Slovenia	410,815,369	394,525,822	104	16.2%	15.3%
Germany	319,039,268	399,195,893	80	12.5%	15.5%
France	225,113,560	191,067,434	118	8.9%	7.4%
Spain	146,955,459	139,353,731	105	5.8%	5.4%
International financial institutions	139,736,581	106,856,495	131	5.5%	4.2%
USA	133,215,930	123,650,851	108	5.2%	4.8%
Italy	130,808,685	123,487,125	106	5.1%	4.8%
Croatia	105,158,732	106,124,399	99	4.1%	4.1%
Netherlands	95,495,851	117,712,265	81	3.8%	4.6%
Austria	65,021,065	85,172,491	76	2.6%	3.3%
Other	771,122,866	785,387,446	98	30.3%	30.5%
Total	2,542,483,366	2,572,533,951	99	100.0%	100.0%

Note: Unit-linked insurance contract investments data excluded.

Equity investments include shares and other variable-return securities and investments in associates. They represent 7.8% of the Group's total portfolio, up by 0.7 percentage point relative to 31 December 2020; their value increased by 11% to EUR 276.8 million predominantly due to share price growth in the first six months of 2021.

Equity investments also include the category *other funds*, which comprises mostly alternative funds, among which alternative funds managed by the associate Triglav hold a significant share. The share of *other funds* represents 25.8% of equity investments.

Equity investments of the Triglav Group by investment type

Equity investment type	Equity investments		Index	Share	
	30 June 2021	31 December 2020	2021/2020	30 June 2021	31 Dec. 2020
Shares	113,949,808	91,531,483	124	41.2%	36.8%
Equity funds	50,325,181	58,121,022	87	18.2%	23.4%
Bond funds	37,710,744	30,288,801	125	13.6%	12.2%
Money market funds	3,429,488	3,436,410	100	1.2%	1.4%
Other funds	71,403,725	65,227,991	109	25.8%	26.2%
Total	276,818,946	248,605,707	111	100.0%	100.0%

Equity investments of the Triglav Group by geographic area

Geographic area	Equity investments		Index	Share	
	30 June 2021	31 December 2020	2021/2020	30 June 2021	31 Dec. 2020
Slovenia	95,497,743	80,365,862	119	34.5%	32.3%
Developed markets	164,816,465	150,493,047	110	59.5%	60.5%
Developing markets	12,129,570	13,244,477	92	4.4%	5.3%
Balkans	4,375,168	4,502,320	97	1.6%	1.8%
Total	276,818,946	248,605,707	111	100.0%	100.0%

At Zavarovalnica Triglav, financial investments, including investment property, amounted to EUR 2,651.0 million, up by 1% compared to 31 December 2020.

Financial investments (including investment properties and investments in subsidiaries and associates) of Zavarovalnica Triglav as at 30 June 2021 and 31 December 2020

	Financial investments		Index	Share	
	30 June 2021	31 December 2020	2021/2020	30 June 2021	31 Dec. 2020
Investment property	44,101,845	44,451,276	99	1.7%	1.7%
Investments in subsidiaries and associates	167,284,894	163,675,415	102	6.3%	6.2%
Shares and other floating rate securities	129,285,096	113,586,570	114	4.9%	4.3%
Debt and other fixed return securities	1,780,288,521	1,837,372,253	97	67.2%	69.8%
Loans given	7,892,544	9,294,087	85	0.3%	0.4%
Deposits with banks	19,536,601	19,567,302	100	0.7%	0.7%
Other financial investments	3,664,058	3,654,860	100	0.1%	0.1%
Derivatives	0	113,301	0	0.0%	0.0%
Unit-linked insurance contract investments	498,966,604	442,292,488	113	18.8%	16.8%
Total	2,651,020,163	2,634,007,552	101	100.0%	100.0%

4.9 Asset management

Asset management is one of the two strategic activities of the Triglav Group. It comprises the management of the parent company's own insurance portfolios (assets backing liabilities and guarantee funds), saving of clients through the Group's life and pension insurance companies, investment management by Triglav, and the management of clients' assets in mutual funds and discretionary mandates by Triglav Skladi. The value of assets under management of the Triglav Group as at 30 June 2021 compared to 31 December 2020:

- own insurance portfolio: EUR 2,986 million (index 100),
- mutual funds and discretionary mandate assets at Triglav Skladi: EUR 1,392 million (index 120),
- investment management at Triglav: EUR 86.2 million (index 163).

Asset and investment fund management market

As at 30 June 2021, five management companies operated in **Slovenia**, which managed the net asset value of EUR 3.9 billion in **mutual funds**, which is 20% more than at the 2020 year-end. Asset growth was driven by net inflows into funds and growth in capital markets.

Triglav Skladi managed EUR 1.2 billion in **mutual funds** as at 30 June 2021, up by 18% relative to 31 December 2020. The value of net assets under management increased by EUR 69.9 million due to net inflows and by EUR 118.0 million due to the situation in capital markets. Triglav Skladi held a 32.3% market share as at the reporting date and is thus one of the leading managers of assets in investment funds in Slovenia.

A total of six companies provided **discretionary mandate services**, of which three were asset management companies. The value of discretionary mandate assets managed by said companies amounted to EUR 1.6 billion as at 30 June 2021, an increase of 24% relative to the end of 2020. Triglav Skladi increased the value of assets in this segment by 50%; net inflows amounted to EUR 34.8 million, while the effect of capital markets increased the value of net assets under management by EUR 12.9 million. The company's market share increased by 1.5 percentage points to 9.0%.

5. Financial result and financial position

5.1 Financial result

In the first six months of 2021, the Triglav Group performed well, recording a **profit before tax of EUR 56.2 million**, an increase of 39% relative to the same period last year. The higher profit is primarily a result of higher growth in net premium income in all insurance segments, lower growth in net claim incurred from non-life insurance, lower additional insurance technical provisions on account of the liability adequacy test and the reduction of the internally set maximum interest rate for life insurance compared to the same period last year. Furthermore, profit was higher due to the growth of income from the Group's non-insurance business. **Net profit** amounted to **EUR 47.0 million**, up by 40% compared to the preceding year. **Annualised net return on equity** increased by 2.6 percentage points to 11.2%

In the six months of 2021, the Triglav Group posted profit before tax of EUR 56.2 million.

Zavarovalnica Triglav posted a **profit before tax** of EUR 32.3 million, an increase of 2% relative to the corresponding period of 2020. **Net profit** amounted to EUR 26.4 million and remained at a level approximately equal to the preceding year (index 100).

The combined ratio of the Triglav Group was 89.6%, down by 2.9 percentage points compared to the preceding year. The combined ratio shows the profitability of operations in the non-life and health insurance segments. Any value of this ratio below 100 means that the non-life and health insurance portfolios as the core business (excluding return on investments) are earning a profit. The favourable trend is a result of the improved claims ratio because the growth of net premium income was higher than the growth of net claims incurred and because of a decrease in changes in other insurance technical provisions (additional provisions for unexpired risks of health insurance contracts made last year due to the pandemic).

Combined ratio in non-life insurance of the Triglav Group by insurance company

Insurance Group	H1 2021	H1 2020	Change
Zavarovalnica Triglav	84.9%	87.6%	-2.8 p.p.
Triglav, Zdravstvena zavarovalnica	95.5%	95.8%	-0.3 p.p.
Pozavarovalnica Triglav Re	88.7%	97.3%	-8.6 p.p.
Triglav Osiguranje, Zagreb	98.1%	119.8%	-21.7 p.p.
Triglav Osiguranje, Belgrade	90.2%	84.4%	5.8 p.p.
Lovćen Osiguranje, Podgorica	96.9%	90.8%	6.1 p.p.
Triglav Osiguranje, Sarajevo	94.9%	92.7%	2.2 p.p.
Triglav Osiguranje, Banja Luka	106.3%	97.9%	8.4 p.p.
Triglav Osiguruvanje, Skopje	110.2%	99.4%	10.8 p.p.
The Triglav Group	89.6%	92.4%	-2.9 p.p.

Net premium income increased by 4% to EUR 544.1 million. Net premium income from non-life insurance grew by 4%, from life and pension insurance by 8% and from health insurance by 1%. Net premium income comprises gross written premium in the amount of EUR 731.1 million (index 109), less written premium ceded to reinsurance and coinsurance in the amount of EUR 122.5 million (index 131) and adjusted by the change in net unearned premium of EUR -64.6 million (index 114).

Net claims incurred increased by 4% to EUR 351.3 million. Net claims incurred in non-life insurance fell by 2%, whereas in health insurance they grew by 12% and in life and pension

insurance by 9%. Net claims incurred are composed of gross claims paid in the amount of EUR 347.6 million (index 105), reduced by the reinsurers' and coinsurers' shares in gross claims in the amount of EUR 20.6 million (index 130), adjusted by the change in net claims provisions of EUR 20.7 million (index 103) and increased by equalisation scheme expenses for supplemental health insurance in the amount of EUR 3.6 million (index 115).

Income from investments, including income from investments in associates, increased by 83% and reached EUR 88.2 million. Income from investments in associates amounted to EUR 916 thousand, up by 155%, and income from investments totalled EUR 87.3 million, up by 83%. Interest income was down by 21% and reached EUR 17.6 million, while gains on disposal of investments dropped by 68% to EUR 5.4 million primarily as a result of lower activity in trading in financial instruments. Other income from investments increased to EUR 64.3 million (vs. EUR 8.8 million in the same period in 2020). Other income from investments comprises changes in the fair value of EUR 9.2 million (index 224), dividends of EUR 902 thousand (index 139), other financial income of EUR 3.4 million (index 124) and net unrealised gains on unit-linked life insurance assets, which totalled EUR 50.9 million (vs. EUR 1.3 million in 2020). The latter rose predominantly due to the growth of share prices, to which the majority of policyholders' investments under these insurance contracts are tied.

Expenses from investments, including expenses from investments in associates, declined to EUR 15.6 million (vs. EUR 53.4 million in the corresponding period last year). Expenses from investments in associates amounted to EUR 73 thousand (index 42), while expenses from investments totalled EUR 15.6 million (vs. EUR 53.2 million in 2020). Losses on disposals amounted to EUR 2.9 million (index 67) and other expenses from investments totalled EUR 12.7 million (vs. EUR 47.9 million in 2020). Other expenses from investments comprise net unrealised losses on unit-linked life insurance assets totalling EUR 543 thousand (vs. EUR 29.0 million in 2020), changes in the fair value of EUR 7.7 million (index 59) and other financial expenses in the amount of EUR 4.5 million (index 77).

The Group's rates of **return on investment** (excluding unit-linked insurance contract investments) totalled EUR 16.5 million, down by 31% relative to the same period last year. The main reasons for the lower rates of return on investment are primarily lower interest income due to low interest rates and lower realised capital gains.

Return on investment was lower predominantly due to lower net interest income and lower realised capital gains.

The rates of return on investment also impact the amount of insurance technical provisions and net profit of the Group. **Profit before tax from investments** is presented in the table *Structure of profit before tax*.

Change in other insurance technical provisions amounted to EUR –2.4 million and was lower than in the preceding year (EUR 25.4 million), mainly due to the decline in mathematical provisions and other insurance technical provisions for health insurance. **Change in insurance technical provisions for unit-linked insurance contracts** equalled EUR 67.5 million (vs. EUR –20.2 million in the same period last year) due to the increase in the value of investments to which the assets of these insurance contracts are tied. **Expenses for bonuses and discounts** rose by 40% to EUR 13.3 million predominantly as a result of additional provisions created for bonuses and discounts at Triglav, Zdravstvena zavarovalnica due to the impact of the COVID-19 pandemic.

Operating expenses (acquisition costs and other operating expenses) totalled EUR 131.6 million, up by 12%. Acquisition costs rose by 14% and other operating expenses by 6%. The share of operating expenses of the insurance business (all functional cost groups) in gross written premium was 20.3%, up by 0.4 percentage point relative to 2020.

Other insurance income, excluding fees and commissions, amounted to EUR 4.9 million, down by 34% mainly due to lower offset foreign exchange gains from the repayment and revaluation of operating receivables and/or liabilities of Pozavarovalnica Triglav Re, which are disclosed offset as of this year. **Other insurance expenses**, excluding fees and commissions, amounted to EUR 8.9 million. Compared to the preceding year, they were lower by 42% predominantly due to lower assets for prevention at the parent company (the purchase of protective equipment in 2020) and lower other insurance expenses at Pozavarovalnica Triglav Re (see note at other insurance income). **Net fee and commission income** amounted to EUR 4.3 million (vs. EUR 1.4 million in the same period last year) and increased mainly due to the high growth of written premium ceded to reinsurance.

Other income increased by 16%, totalling EUR 22.4 million, primarily due to the growth in management fee income at Triglav Skladi. The 12% increase in **other expenses** (EUR 21.7 million) was mainly a result of higher other expenses at the parent company.

Individual items in the consolidated income statement of the Triglav Group for H1 2021

	H1 2021	H1 2020	Index
Net premium income	544,071,791	523,073,694	104
Income from investments including income in subsidiaries and associates	88,248,435	48,194,384	183
Other income from insurance operations	25,719,206	24,944,982	103
Other income	22,359,984	19,267,365	116
Net claims incurred	351,332,873	338,251,747	104
Change in other insurance technical provisions (excluding ULI)	-2,391,105	25,425,664	
Change in insurance technical provisions for unit-linked insurance contracts	67,530,977	-20,198,745	
Expenses for bonuses and discounts	13,346,843	9,537,868	140
Operating expenses	131,593,734	117,682,546	112
Expenses from investments including expenses in subsidiaries and associates	15,637,430	53,359,503	29
Other insurance expenses	25,420,974	31,436,622	81
Other expenses	21,684,826	19,422,799	112
Profit before tax	56,242,864	40,562,421	139
Income tax expense	9,267,734	7,064,192	131
Net profit for the accounting period	46,975,130	33,498,229	140

*Structure of profit before tax of the Triglav Group**

	H1 2021				H1 2020			
	Non-life	Life and pension	Health	Total	Non-life	Life and pension	Health	Total
Profit before tax from underwriting activities	36,930,052	6,976,914	4,938,448	48,845,414	25,528,915	5,290,246	4,808,979	35,628,140
Profit before tax from investment activities	5,620,212	-1,949,420	252,895	3,923,687	8,970,636	-4,987,442	313,710	4,296,904
Profit before tax from insurance operations	42,550,264	5,027,494	5,191,343	52,769,101	34,499,551	302,804	5,122,689	39,925,044
Profit before tax from non-insurance operations				3,473,763				637,377
Total profit before tax				56,242,864				40,562,421

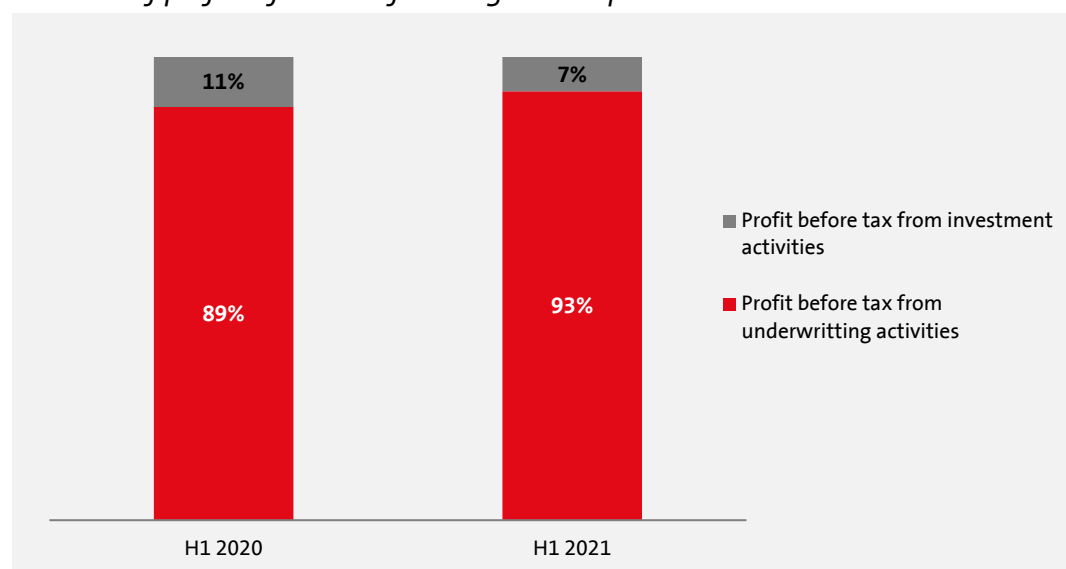
*Profit from return on investment is reduced by the return guaranteed by the Group's insurance subsidiaries to life insurance policyholders in the form of a guaranteed return determined in insurance contracts. In addition, return on investment is reduced by the increase in mathematical provisions due to the lower internally set maximum interest rate used for the valuation of life insurance liabilities.

Profit before tax of the Group's **non-life and health insurance** segments amounted to EUR 47.7 million in the first half of 2021, up by EUR 8.1 million compared to the same period in the preceding year. The improved result resulted from higher profit before tax from underwriting activities, mainly due to more favourable net claims experience and higher net premium income. Profit from investments was lower than in the same period last year due to lower interest income and lower realised capital gains.

Profit before tax of the Group's **life and pension insurance** segments amounted to EUR 5.0 million in the first half of 2021, up by EUR 4.7 million compared to the same period in 2020. In

the reporting period, the Group had a EUR 9.0 million lower result from the return on investment, but at the same time formed EUR 11.0 million less additional provisions on account of the liability adequacy test and the reduction of the internally set maximum interest rate compared to the same period last year. The return that the Group is required to provide for the mathematical provisions of traditional life insurance policies decreased by EUR 1.0 million. Compared to the same period last year, profit before tax from underwriting activities of the life and pension insurance segments improved by EUR 1.7 million primarily due to good results achieved by subsidiaries.

Structure of profit before tax of the Triglav Group in H1 2021 and H1 2020



Individual items in the income statement of Zavarovalnica Triglav for H1 2021

	H1 2021	H1 2020	Index
Net premium income	292,097,642	283,210,102	103
Income from investments including income in subsidiaries and associates	65,625,095	32,662,419	201
Other income from insurance operations	23,033,612	20,732,938	111
Other income	4,058,938	3,686,177	110
Net claims incurred	186,416,641	187,831,876	99
Change in other insurance technical provisions	-5,889,930	4,866,528	
Change in insurance technical provisions for unit-linked insurance contracts	55,073,717	-23,335,482	
Expenses for bonuses and discounts	4,690,814	8,606,232	55
Operating expenses	85,392,603	76,631,015	111
Expenses from investments including expenses in subsidiaries and associates	9,036,275	37,213,496	24
Other insurance expenses	11,841,819	13,445,292	88
Other expense	5,909,255	3,450,282	171
Profit/loss before tax	32,344,091	31,582,395	102
Income tax expense	5,948,078	5,224,635	114
Net profit/loss for the accounting period	26,396,013	26,357,760	100

5.2 Financial position

Balance sheet total of the Triglav Group as at 30 June 2021 stood at EUR 4.4 billion, an increase of 6% relative to 31 December 2020.

Total equity as at 30 June 2021 amounted to EUR 871.9 million and remained approximately at the same level as at 31 December 2020 (index 100). Total equity in total balance sheet liabilities fell by 1.2 percentage points to 19.8%. Equity attributable to the controlling company amounted to EUR 869.3 million and remained at a level approximately equal to the 2020 year-end, whereas non-controlling interests grew to EUR 2.6 million (index 102). The share capital of EUR 73.7 million remained unchanged and was divided into 22,735,148 ordinary shares. As a result of a decrease in the value of available-for-sale financial assets, **fair value reserve** declined by 8% to EUR 82.3 million. **Share premium** amounted to EUR 50.3 million and remained unchanged compared to the 2020 year-end (index 100).

As at the reporting date, total equity amounted to EUR 871.9 million.

Reserves from profit amounted to EUR 384.3 million and remained approximately at the same level as at the 2020 year-end (index 100). They comprise other reserves from profit of EUR 364.0 million, legal and statutory reserves in the amount of EUR 19.7 million and contingency reserves of EUR 640 thousand. **Accumulated profit** reached EUR 281.6 million, up by 3%. In addition to EUR 47.0 million (index 106) in net profit for the year, it includes EUR 234.6 million of net profit brought forward (index 102). Net profit brought forward increased by EUR 44.1 million due to the transfer of net profit for the previous year and decreased by EUR 38.6 million due to the payment of dividends and by EUR 205 thousand due to the transfer to reserves.

Subordinated liabilities amounted to EUR 49.4 million and were at a level approximately equal to the 2020 year-end (index 100).

Gross insurance technical provisions were 6% higher and amounted to EUR 3,211.3 million. Compared to the 2020 year-end, their share in total liabilities did not change and stood at 73.2%. Mathematical provisions rose by 2% to EUR 2,016.0 million. An increase was also seen in gross claims provisions (index 104), provisions for gross unearned premium (index 132) and other insurance technical provisions (index 106). Insurance technical provisions are discussed in greater detail in *Section 4.7*.

Other financial liabilities rose to EUR 60.7 million (compared to EUR 2.9 million in 2020) mainly due to an increase in financing liabilities from transactions after the reporting period at Zavarovalnica Triglav. Their share accounted for only 1.4% of total liabilities.

Operating liabilities grew by 23% over the 2020 year-end and amounted to EUR 86.5 million, thus representing 2.0% of balance sheet total. They increased mostly on the account of liabilities from coinsurance and reinsurance operations, which rose to EUR 61.3 million (index 125), and liabilities from direct insurance operations, which increased to EUR 22.7 million (index 135).

Lease liabilities amounted to EUR 9.4 million, a decrease of 7% relative to the 2020 year-end. Lease liabilities comprise long-term lease liabilities of EUR 9.1 million (index 95) and short-term lease liabilities of EUR 226 thousand (index 58).

Other provisions grew by 6% to EUR 21.8 million predominantly due to provisions for additional tax liabilities at Sarajevostan. Compared to 31 December 2020, **deferred tax liabilities** fell by 41% to EUR 8.6 million, primarily due to the lower fair value reserve for which deferred tax is calculated. **Other liabilities** were up by 1% to EUR 69.3 million.

Financial investments, which accounted for 65.4% of total assets, amounted to EUR 2,875.5 million and remained at a level approximately equal to the 2020 year-end (index 100). Available-for-sale financial assets, which totalled EUR 2,088.0 million, accounted for the bulk. Furthermore, EUR 541.2 million was accounted for by financial assets measured at fair value through profit or loss, EUR 154.8 million by held-to-maturity financial assets and EUR 91.6 million by deposits and loans. **Unit-linked insurance assets** amounted to EUR 571.3 million, up by 14%. The structure of financial assets is discussed in greater detail in *Section 4.8*.

The Triglav Group's financial investments in associates rose by 14% to EUR 32.2 million mainly due to the capital increase of ZTSR in the amount of EUR 3.3 million. **Investment property** amounted to EUR 78.6 million and was at a level approximately equal to the 2020 year-end (index 100).

Receivables and deferred tax assets increased by 47% to EUR 300.7 million over the 2020 year-end and accounted for 6.8% of total assets, of which receivables from direct insurance operations accounted for the bulk at EUR 168.3 million (index 160), an increase of 3% relative to 30 June 2020. Receivables from coinsurance and reinsurance operations reached EUR 95.6 million (index 132), other receivables stood at EUR 32.5 million (index 139) and current tax receivables at EUR 3.4 million (index 173). Deferred tax assets amounted to EUR 1.0 million (index 130).

Insurance technical provisions transferred to reinsurance contracts totalled EUR 165.2 million, having increased by 31%. Assets from reinsurance contracts from claims provisions were 4% higher and totalled EUR 86.5 million, while assets from unearned premium rose by 83% to EUR 74.7 million.

Property, plant and equipment totalled EUR 110.7 million, a decrease of 2% relative to 31 December 2020. **Intangible assets** amounted to EUR 110.1 million, up by 9%, primarily due to the growth of long-term deferred acquisition costs.

Non-current assets held for sale of EUR 0.7 million declined by 23% primarily due to the sale of real property of Triglav, Upravljanje nepremičnin.

Right-of-use assets amounted to EUR 9.4 million, down by 4% relative to the 2020 year-end. They comprise the right to use land and buildings of EUR 7.3 million (index 90), the right to use vehicles of EUR 2.0 million (index 123) and the right to use other assets of EUR 89 thousand (index 98).

Cash and cash equivalents amounted to EUR 135.5 million (index 165), whilst **other assets** totalled EUR 8.9 million (index 141).

Individual items in the consolidated balance sheet of the Triglav Group as at 30 June 2021

	30 June 2021	31 December 2020	Index	Share 2021	Share 2020
ASSETS	4,398,760,087	4,139,441,072	106	100.0%	100.0%
Intangible assets	110,121,723	100,975,475	109	2.5%	2.4%
Property, plant and equipment	110,713,775	113,291,036	98	2.5%	2.7%
Non-current assets held for sale	703,288	915,851	77	0.0%	0.0%
Investment property	78,612,200	78,977,800	100	1.8%	1.9%
Right-of-use assets	9,392,199	9,821,211	96	0.2%	0.2%
Investments in associates	32,195,526	28,237,714	114	0.7%	0.7%
Financial investments	2,875,544,952	2,887,380,559	100	65.4%	69.8%
Unit-linked insurance assets	571,250,903	501,808,980	114	13.0%	12.1%
Reinsurers' share of insurance technical provisions	165,153,580	125,873,637	131	3.8%	3.0%
Receivables and deferred tax assets	300,728,726	203,962,440	147	6.8%	4.9%
Other assets	8,891,277	6,296,705	141	0.2%	0.2%
Cash and cash equivalents	135,451,938	81,899,664	165	3.1%	2.0%
EQUITY AND LIABILITIES	4,398,760,087	4,139,441,072	106	100.0%	100.0%
Equity	871,850,159	870,151,947	100	19.8%	21.0%
Subordinated liabilities	49,444,335	49,423,693	100	1.1%	1.2%
Insurance technical provisions	2,644,146,453	2,523,229,144	105	60.1%	61.0%
Insurance technical provisions for unit-linked insurance contracts	577,168,197	509,984,710	113	13.1%	12.3%
Other provisions	21,780,068	20,590,254	106	0.5%	0.5%
Deferred tax liabilities	8,556,860	14,539,515	59	0.2%	0.4%
Other financial liabilities	60,656,092	2,895,834	2.095	1.4%	0.1%
Operating liabilities	86,500,891	70,313,038	123	2.0%	1.7%
Lease liabilities	9,368,421	10,025,532	93	0.2%	0.2%
Other liabilities	69,288,611	68,287,405	101	1.6%	1.6%

Individual items in the balance sheet of Zavarovalnica Triglav as at 30 June 2021

	30 June 2021	31 December 2020	Index	Share 2021	Share 2020
ASSETS	3,142,271,794	2,995,518,165	105	100.0%	100.0%
Intangible assets	67,624,098	62,397,579	108	2.2%	2.1%
Property, plant and equipment	66,054,420	67,775,451	97	2.1%	2.3%
Investment property	44,101,845	44,451,276	99	1.4%	1.5%
Right-of-use assets	3,643,745	3,587,916	102	0.1%	0.1%
Investments in subsidiaries and associates	167,284,894	163,675,415	102	5.3%	5.5%
Financial investments	1,940,666,820	1,983,588,373	98	61.8%	66.2%
Unit-linked insurance assets	498,966,604	442,292,488	113	15.9%	14.8%
Reinsurers' share of insurance technical provisions	130,844,445	105,903,438	124	4.2%	3.5%
Receivables and deferred tax assets	158,116,124	95,800,206	165	5.0%	3.2%
Other assets	4,829,963	3,741,799	129	0.2%	0.1%
Cash and cash equivalents	60,138,835	22,304,222	270	1.9%	0.7%
EQUITY AND LIABILITIES	3,142,271,794	2,995,518,165	105	100.0%	100.0%
Equity	624,425,304	644,003,173	97	19.9%	21.5%
Subordinated liabilities	49,444,335	49,423,693	100	1.6%	1.6%
Insurance technical provisions	1,811,302,641	1,750,315,382	103	57.6%	58.4%
Insurance technical provisions for unit-linked insurance contracts	503,258,556	448,726,097	112	16.0%	15.0%
Other provisions	14,001,467	13,843,321	101	0.4%	0.5%
Deferred tax liabilities	3,098,398	9,531,162	33	0.1%	0.3%
Other financial liabilities	52,372,685	1,633,896	3.205	1.7%	0.1%
Operating liabilities	38,186,816	33,977,772	112	1.2%	1.1%
Lease liabilities	3,785,359	3,675,805	103	0.1%	0.1%
Other liabilities	42,396,232	40,387,864	105	1.3%	1.3%

6. Risk management

6.1 Risk Management

The Triglav Group has maintained a good capital position within the target level of 200–250% in 2021. The Group's overall risk assessment increased slightly in the second quarter due to year-on-year dynamics of operations, growth in the volume of operations and developments in the debt and stock markets.

The higher risk assessment was primarily a result of the increase in market risks and additionally due to the increase in underwriting risks in line with the growth in the volume of non-life insurance business. The Company continued to pursue the investment policy adjusted to the obligations, which is reflected in the lower assessment of interest rate risk. Significant growth in stock markets was also observed in the reporting period, which on the one hand increased exposure to equity investments and, on the other, increased the risk of losses from these investments.

Credit risks decreased due to the improved average credit quality of banks with which the Group members collaborate.

6.2 Internal audit

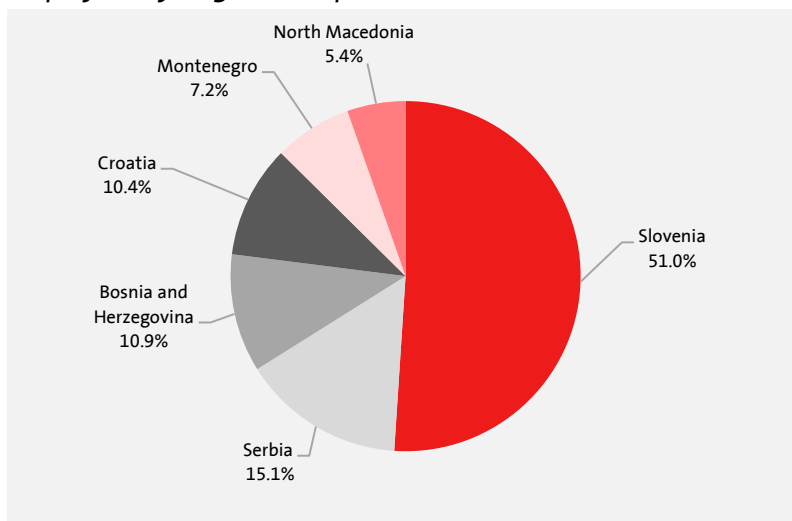
In the first half of 2021, the Internal Audit Department complied with its annual work plan. It conducted internal audits of various areas in Zavarovalnica Triglav and audits in some subsidiaries. The findings were reported to both the management of the audited areas and the Management Board.

In addition, the Internal Audit Department monitored the implementation of recommendations made by internal and external auditors, provided advisory services and performed other internal audit tasks. The Internal Audit Department reported on its work to the Management Board, the Audit Committee and the Supervisory Board.

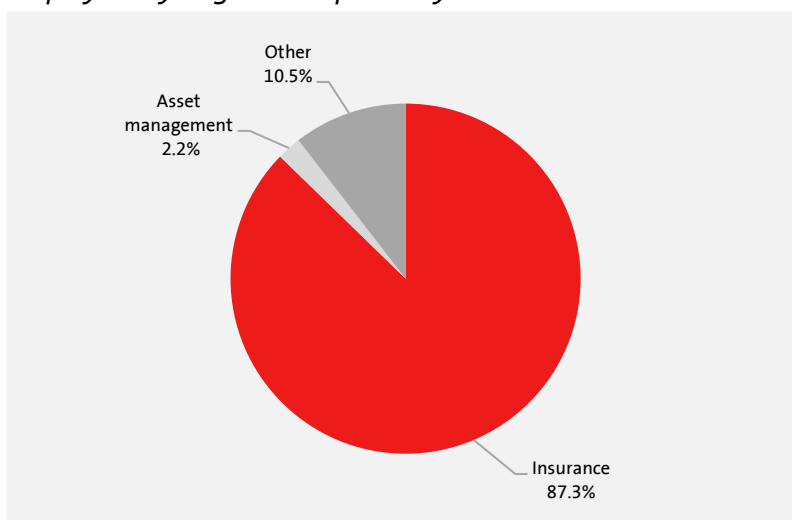
7. Employees of the Triglav Group

The Triglav Group had 5,322 employees as at 30 June 2021, up by six employees relative to 31 December 2020. The number of employees increased the most at Triglav, Zdravstvena zavarovalnica and Triglav Osiguranje, Sarajevo, and decreased the most at Triglav Osiguranje, Belgrade as a result of the decrease in the number of fixed-term employees due to the COVID-19 pandemic.

Employees by Triglav Group market as at 30 June 2021



Employees by Triglav Group activity as at 30 June 2021



Accounting Report

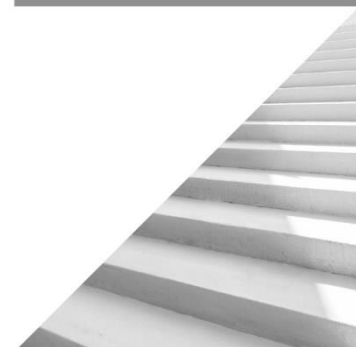




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Statement of management's responsibility

The Management Board herewith confirms the financial statements for the period from 1 January 2021 to 30 June 2021 as well as the applied accounting policies and notes to the financial statements.

The Management Board is responsible for preparing the Interim Report so as to give a true and fair view of the assets and liabilities, the financial position and the profit or loss of the Triglav Group and Zavarovalnica Triglav, d.d. for the period from 1 January 2021 to 30 June 2021 in accordance with IAS 34 – Interim reporting.

The Management Board confirms that the appropriate accounting policies were consistently used and that the accounting estimates were prepared according to the principles of prudence and sound management. The Management Board further confirms that the financial statements and the notes thereto were prepared on a going concern basis for the Triglav Group and Zavarovalnica Triglav, d.d. and in line with the applicable legislation and International Financial Reporting Standards, as adopted by the EU.

The Management Board confirms that the Interim Management Report of the Triglav Group and Zavarovalnica Triglav, d.d. for the period from 1 January 2021 to 30 June 2021 includes a fair review of their business developments, results and financial positions, including a description of the major risks to which Zavarovalnica Triglav, d.d. as the parent company and its consolidated subsidiaries are exposed to as the Group.

The Management Board is also responsible for appropriate accounting practices, the adoption of appropriate measures for the safeguarding of assets, and for the prevention and detection of fraud and other irregularities or illegal acts.

Andrej Slapar
President of the Management
Board

Barbara Smolnikar
Member of the Management
Board

Uroš Ivanc
Member of the Management
Board

David Benedek
Member of the Management
Board

Tadej Čoroli
Member of the Management
Board

Marica Makoter
Member of the Management
Board

Ljubljana, 10 August 2021

1. Financial statements

STATEMENT OF FINANCIAL POSITION	in EUR			
	Triglav Group		Zavarovalnica Triglav	
	30 June 2021	31 December 2020	30 June 2021	31 December 2020
ASSETS	4,398,760,087	4,139,441,072	3,142,271,794	2,995,518,165
Intangible assets	110,121,723	100,975,475	67,624,098	62,397,579
Property, plant and equipment	110,713,775	113,291,036	66,054,420	67,775,451
Non-current assets held for sale	703,288	915,851	0	0
Deferred tax assets	1,011,410	778,589	0	0
Investment property	78,612,200	78,977,800	44,101,845	44,451,276
Right of use assets	9,392,199	9,821,211	3,643,745	3,587,916
Investments in subsidiaries	0	0	132,400,966	132,337,466
Investments in associates	32,195,526	28,237,714	34,883,929	31,337,951
- accounted for using the equity method	32,195,526	28,237,714	0	0
- measured at fair value	0	0	34,883,929	31,337,951
Financial investments	2,875,544,952	2,887,380,559	1,940,666,820	1,983,588,373
- loans and deposits	91,570,322	97,971,079	35,108,494	36,951,085
- held to maturity	154,791,939	162,824,686	138,151,594	143,908,512
- available for sale	2,088,028,549	2,101,914,068	1,559,557,893	1,595,002,429
- recognised at fair value through profit and loss	541,154,142	524,670,726	207,848,839	207,726,347
Unit-linked insurance assets	571,250,903	501,808,980	498,966,604	442,292,488
Reinsurers' share of technical provisions	165,153,580	125,873,637	130,844,445	105,903,438
Receivables	299,717,316	203,183,851	158,116,124	95,800,206
- receivables from direct insurance operations	168,261,669	105,484,939	108,272,535	67,632,214
- receivables from reinsurance and co-insurance operations	95,550,959	72,355,133	34,186,786	19,797,094
- current tax receivables	3,368,125	1,950,631	0	0
- other receivables	32,536,563	23,393,148	15,656,803	8,370,898
Other assets	8,891,277	6,296,705	4,829,963	3,741,799
Cash and cash equivalents	135,451,938	81,899,664	60,138,835	22,304,222
EQUITY AND LIABILITIES	4,398,760,087	4,139,441,072	3,142,271,794	2,995,518,165
Equity	871,850,159	870,151,947	624,425,304	644,003,173
Controlling interests	869,286,858	867,648,574	624,425,304	644,003,173
- share capital	73,701,392	73,701,392	73,701,392	73,701,392
- share premium	50,271,311	50,271,107	53,412,884	53,412,884
- reserves from profit	384,311,513	384,106,692	367,862,643	367,862,643
- treasury share reserves	364,680	364,680	0	0
- treasury shares	-364,680	-364,680	0	0
- fair value reserve	82,304,422	89,293,484	52,077,948	59,402,079
- net profit brought forward	234,619,011	229,284,048	50,974,424	60,526,536
- net profit for the year	46,968,593	44,131,955	26,396,013	29,097,639
- currency translation differences	-2,889,384	-3,140,104	0	0
Non-controlling interests	2,563,301	2,503,373	0	0
Subordinated liabilities	49,444,335	49,423,693	49,444,335	49,423,693
Insurance technical provisions	2,644,146,453	2,523,229,144	1,811,302,641	1,750,315,382
- unearned premiums	454,171,853	344,760,927	309,796,857	235,190,816
- mathematical provisions	1,438,857,843	1,457,023,963	1,017,217,108	1,041,557,084
- claims provisions	670,447,083	645,331,168	443,291,069	430,259,621
- other insurance technical provisions	80,669,674	76,113,086	40,997,607	43,307,861
Insurance technical provisions for unit-linked insurance contracts	577,168,197	509,984,710	503,258,556	448,726,097
Employee benefits	17,837,940	17,781,153	13,157,721	13,073,364
Other provisions	3,942,128	2,809,101	843,747	769,957
Deferred tax liabilities	8,556,860	14,539,515	3,098,398	9,531,162
Other financial liabilities	60,656,092	2,895,834	52,372,685	1,633,896
Operating liabilities	86,500,891	70,313,038	38,186,816	33,977,772
- liabilities from direct insurance operations	22,671,051	16,801,856	15,425,600	10,636,904
- liabilities from reinsurance and co-insurance operations	61,267,028	48,940,738	22,238,651	19,824,185
- current tax liabilities	2,562,812	4,570,444	522,565	3,516,683
Lease liabilities	9,368,421	10,025,532	3,785,359	3,675,805
Other liabilities	69,288,611	68,287,405	42,396,232	40,387,864

in EUR

INCOME STATEMENT	Triglav Group		Zavarovalnica Triglav	
	H1 2021	H1 2020	H1 2021	H1 2020
NET PREMIUM INCOME	544,071,791	523,073,694	292,097,642	283,210,102
- gross written premium	731,098,727	673,390,302	437,903,125	399,857,776
- ceded written premium	-122,453,232	-93,650,435	-101,769,544	-79,351,935
- change in unearned premium reserve	-64,573,704	-56,666,173	-44,035,939	-37,295,739
INCOME FROM INVESTMENTS IN SUBSIDIARIES AND ASSOCIATES	916,009	359,749	119,640	154,339
- profit on equity investments accounted for using the equity method	916,009	359,749	0	0
- other income from investments in subsidiaries and associates	0	0	119,640	154,339
INCOME FROM INVESTMENTS	87,332,426	47,834,635	65,505,453	32,508,079
- interest income calculated using the effective interest method	17,578,785	22,293,271	10,070,877	14,114,641
- gains on disposals	5,404,506	16,725,011	4,826,260	14,717,169
- other income from investments	64,349,135	8,816,353	50,608,316	3,676,269
OTHER INCOME FROM INSURANCE OPERATIONS	25,719,206	24,944,982	23,033,612	20,732,938
- fees and commission income	20,858,976	17,560,087	19,336,432	16,872,789
- other income from insurance operations	4,860,230	7,384,895	3,697,180	3,860,149
OTHER INCOME	22,359,984	19,267,365	4,058,938	3,686,177
NET CLAIMS INCURRED	351,332,873	338,251,747	186,416,641	187,831,876
- gross claims settled	347,590,380	330,803,253	192,910,498	194,166,468
- reinsurers' share	-20,585,376	-15,816,939	-18,710,199	-16,043,195
- changes in claims provisions	20,701,254	20,116,706	12,216,342	9,708,603
- equalisation scheme expenses for supplementary health insurance	3,626,615	3,148,727	0	0
CHANGE IN OTHER INSURANCE TECHNICAL PROVISIONS (excluding ULI)	-2,391,105	25,425,664	-5,889,930	4,866,528
CHANGE IN INSURANCE TECHNICAL PROVISIONS FOR UNIT-LINKED INSURANCE CONTRACTS	67,530,977	-20,198,745	55,073,717	-23,335,482
EXPENSES FOR BONUSES AND DISCOUNTS	13,346,843	9,537,868	4,690,814	8,606,232
OPERATING EXPENSES	131,593,734	117,682,546	85,392,603	76,631,015
- acquisition costs	91,950,966	80,419,621	62,388,353	56,161,298
- other operating costs	39,642,768	37,262,925	23,004,250	20,469,717
EXPENSES FROM INVESTMENTS IN SUBSIDIARIES AND ASSOCIATES	73,256	174,747	2,938	7,002
- loss on investments accounted for using the equity method	73,256	174,747	0	0
- other expenses from financial assets and liabilities	0	0	2,938	7,002
EXPENSES FROM INVESTMENTS	15,564,174	53,184,756	9,033,337	37,206,495
- loss on impairment of investments	0	972,868	0	972,868
- loss on disposal of investments	2,866,581	4,294,708	2,755,661	3,362,817
- other expenses from investments	12,697,593	47,917,180	6,277,676	32,870,810
OTHER INSURANCE EXPENSES	25,420,974	31,436,622	11,841,819	13,445,292
OTHER EXPENSES	21,684,826	19,422,799	5,909,255	3,450,282
- expenses from financing	1,306,461	1,564,115	1,133,029	1,413,509
- other expenses	20,378,365	17,858,684	4,776,226	2,036,773
PROFIT BEFORE TAX	56,242,864	40,562,421	32,344,091	31,582,395
Income tax expense	9,267,734	7,064,192	5,948,078	5,224,635
NET PROFIT FOR THE PERIOD	46,975,130	33,498,229	26,396,013	26,357,760
Earning per share	2.07	1.47	-	-
Net profit/loss attributable to the controlling company	46,968,593	33,351,336	-	-
Net profit/loss attributable to the non-controlling interest holders	6,537	146,893	-	-

in EUR

STATEMENT OF OTHER COMPREHENSIVE INCOME	Triglav Group		Zavarovalnica Triglav	
	H1 2021	H1 2020	H1 2021	H1 2020
Net profit for the period after tax	46,975,130	33,498,229	26,396,013	26,357,760
Other comprehensive income after tax	-6,635,618	-10,721,670	-7,324,131	-1,592,415
Items which will not be transferred in P&L in future periods	-28,045	0	-28,045	0
Actuarial gains/losses for pension plans	-28,045	0	-28,045	0
Items which could be transferred into P&L in future periods	-6,607,573	-10,721,670	-7,296,086	-1,592,415
Fair value gains/losses on available-for-sale financial assets	-33,917,424	-10,485,160	-34,668,505	-1,237,423
– net gains/losses recognized directly in fair value reserve	-24,311,874	-2,182,058	-25,490,841	5,900,677
– transfers from fair value reserve to income statement	-9,605,550	-8,303,102	-9,177,664	-7,138,100
Liabilities from insurance contracts with DPF	21,192,283	-509,962	21,192,283	-509,961
Currency translation differences	250,485	-789,130	0	0
Tax on other comprehensive income	5,867,083	1,062,582	6,180,136	154,969
COMPREHENSIVE INCOME FOR THE PERIOD AFTER TAX	40,339,512	22,776,559	19,071,882	24,765,345
Controlling interest	40,246,502	22,718,202	-	-
Non-controlling interest	93,010	58,357	-	-

in EUR

Triglav Group	Share capital	Share premium	Reserves from profit					Fair value reserve	Net profit/loss brought forward	Net profit/loss	Translation differences	Total equity attributable to the controlling company	Equity attributable to non-controlling interest holders	TOTAL
			Contingency reserves	Legal and statutory reserves	Treasury share reserves	Treasury shares (deductible item)	Other reserves form 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 period from 1 January 2021 to 30 June 2021	0	0	0	0	0	0	0	-6,989,062	16,251	46,968,593	250,720	40,246,502	93,010	40,339,512
a) Net profit	0	0	0	0	0	0	0	0	0	46,968,593	0	46,968,593	6,537	46,975,130
b) Other comprehensive income	0	0	0	0	0	0	0	-6,989,062	16,251	0	250,720	-6,722,091	86,473	-6,635,618
Dividend payment	0	0	0	0	0	0	0	0	-38,608,422	0	0	-38,608,422	0	-38,608,422
Transfer to retained earnings	0	0	0	0	0	0	0	0	44,131,955	-44,131,955	0	0	0	0
Allocation of reserves from profit	0	0	0	-579,902	0	0	784,723	0	-204,821	0	0	0	0	0
Changes in consolidation area	0	204	0	0	0	0	0	0	0	0	0	204	-33,082	-32,878
As at 30 June 2021	73,701,392	50,271,311	640,340	19,686,450	364,680	-364,680	363,984,723	82,304,422	234,619,011	46,968,593	-2,889,384	869,286,858	2,563,301	871,850,159
As at 1 January 2020	73,701,392	50,276,637	640,340	19,793,935	364,680	-364,680	334,300,000	84,099,924	165,896,170	63,404,824	-2,587,098	789,526,123	2,425,665	791,951,788
Comprehensive income for the period from 1 January 2020 to 30 June 2020	0	0	0	0	0	0	0	-9,852,883	0	33,351,336	-780,251	22,718,202	58,357	22,776,559
a) Net profit	0	0	0	0	0	0	0	0	0	33,351,336	0	33,351,336	146,893	33,498,229
b) Other comprehensive income	0	0	0	0	0	0	0	-9,852,883	0	0	-780,251	-10,633,134	-88,536	-10,721,670
Transfer to retained earnings	0	0	0	0	0	0	0	0	63,404,824	-63,404,824	0	0	0	0
Changes in consolidation area	0	204	0	0	0	0	0	0	0	0	0	204	-32,935	-32,731
As at 30 June 2020	73,701,392	50,276,841	640,340	19,793,935	364,680	-364,680	334,300,000	74,247,041	229,300,995	33,351,336	-3,367,349	812,244,530	2,451,087	814,695,617

in EUR

Zavarovalnica Triglav	Share capital	Share premium	Reserves form profit		Fair value reserve	Net profit/loss brought forward	Net profit/loss	TOTAL EQUITY
			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	60,526,537	29,097,639	644,003,174
Comprehensive income for the period from 1 January 2021 to 30 June 2021	0	0	0	0	-7,324,131	0	26,396,013	19,071,882
a) Net profit	0	0	0	0	0	0	26,396,013	26,396,013
b) Other comprehensive income	0	0	0	0	-7,324,131	0	0	-7,324,131
Transfer to retained earnings	0	0	0	0	0	29,097,639	-29,097,639	0
Payment of dividends	0	0	0	0	0	-38,649,752	0	-38,649,752
As at 30 June 2021	73,701,392	53,412,884	4,662,643	363,200,000	52,077,948	50,974,424	26,396,013	624,425,304
As at 1 January 2020	73,701,392	53,412,884	4,662,643	334,300,000	53,859,881	9,929,059	50,614,416	580,480,275
Comprehensive income for the period from 1 January 2020 to 30 June 2020	0	0	0	0	-1,592,415	0	26,357,760	24,765,345
a) Net profit	0	0	0	0	0	0	26,357,760	26,357,760
b) Other comprehensive income	0	0	0	0	-1,592,415	0	0	-1,592,415
Transfer to retained earnings	0	0	0	0	0	50,614,416	-50,614,416	0
As at 30 June 2020	73,701,392	53,412,884	4,662,643	334,300,000	52,267,466	60,543,475	26,357,760	605,245,620

CASH FLOW STATEMENT		Triglav Group		Zavarovalnica Triglav	
		H1 2021	H1 2020	H1 2021	H1 2020
in EUR					
A.	OPERATING CASH FLOW				
	Income statement items	154,420,926	133,670,180	79,533,947	69,108,896
	Net written premium for the period	642,367,573	607,612,010	336,133,581	320,505,842
	Investment income (excluding financial income)	11,324,115	13,480,056	4,639,550	4,969,891
	Other operating income (excluding revaluation and provisions reductions) operating revenues and financial income from operating receivables	19,213,280	16,326,806	5,512,314	4,806,947
	Net claims paid	-334,942,074	-326,533,100	-174,200,299	-178,123,273
	Bonuses and rebates paid	-5,561,374	-5,328,246	-4,690,814	-4,456,148
	Net operating expenses excluding depreciation charge and changes in the accrued acquisition expenses	-137,355,766	-125,164,787	-68,459,915	-61,255,479
	Investment expenses (excluding depreciation charge and financial expenses)	-8,081,309	-10,236,672	-3,182,098	-3,895,782
	Other operating expenses excluding depreciation charge (except for revaluations and without increasing provisions)	-20,650,110	-26,711,909	-7,023,548	-5,461,792
	Corporate income tax and other taxes excluded from operating expenses	-11,893,409	-9,773,978	-9,194,824	-7,981,310
	Changes in net current assets-operating balance sheet items	-78,426,805	-83,532,892	-48,375,428	-61,129,150
	Movements in receivables from direct insurance operations	-63,865,571	-54,938,578	-40,785,975	-43,047,963
	Movements in receivables from reinsurance operations	-30,266,700	-33,437,237	-14,389,692	-7,503,153
	Movements in other receivables from (re)insurance operations	-11,683,665	-16,775,021	-666,717	-1,923,085
	Movements in other receivables and assets	-3,419,431	-3,051,447	-1,263,513	-531,263
	Movements in deferred tax assets	-1,125,146	-1,044,427	0	0
	Movements in inventories	95,535	-41,384	-4,424	-50,408
	Movements in debts from direct insurance operations	5,022,747	-112,291	4,788,696	-852,174
	Movements in debts from reinsurance operations	17,254,783	17,521,743	2,414,466	2,080,487
	Movements in operating debts	-3,949,540	-787,335	-201,055	-291,538
	Movements in other liabilities (excluding unearned premiums)	13,217,788	10,998,264	1,732,785	-9,010,053
	Movements in deferred tax liabilities	292,395	-1,865,179	0	0
	Net cash from/ (used in) operating activities	75,994,121	50,137,288	31,158,518	7,979,746
B.	CASH FLOWS FROM INVESTING ACTIVITIES				
	Cash inflows from investing activities	670,693,028	857,619,693	584,154,416	720,781,353
	Cash inflows from interest from investing activities	22,391,667	25,447,484	14,083,450	17,532,127
	Cash inflows from dividends received and profit sharing	687,511	1,161,024	284,366	324,365
	Cash inflows from the disposal of intangible assets	0	0	0	0
	Cash inflows from the disposal of property, plant and equipment	889,677	261,231	229,837	171,626
	Cash inflows from the disposal of financial investments	646,724,173	830,749,954	569,556,763	702,753,235
	- Cash inflows from the disposal of investments in subsidiaries and associates	0	0	0	0
	- Other cash inflows from disposal of financial investments	646,724,173	830,749,954	569,556,763	702,753,235
	Cash outflows from investing activities	-652,530,636	-858,916,760	-538,279,967	-699,541,857
	Cash outflows for the purchase of intangible assets	-2,722,388	-4,553,545	-2,235,946	-3,299,111
	Cash outflows for the purchase of property, plant and equipment	-3,240,832	-3,184,013	-1,702,267	-1,507,185
	Cash outflows for the purchase of financial investments	-646,567,416	-851,179,202	-534,341,753	-694,735,561
	- Cash outflows for the purchase of investments in subsidiaries and associates	-3,332,883	-13,532,729	-3,363,500	-13,500,000
	- Other cash outflows to acquire financial investments	-643,234,533	-837,646,473	-530,978,253	-681,235,561
	Net cash from/ (used in) investing activities	18,162,392	-1,297,067	45,874,450	21,239,496
C.	CASH FLOWS FROM FINANCING ACTIVITIES				
	Cash inflows from financing activities	0	0	0	0
	Cash outflows from financing activities	-40,624,312	-23,655,269	-39,198,355	-22,383,028
	Cash outflows for paid interest	-246,319	-1,468,409	-29,909	-1,259,532
	Cash outflows for payments of long-term financial liabilities	0	-20,628,000	0	-20,628,000
	Cash outflows for payments of short-term financial liabilities	-1,728,241	-1,558,860	-518,694	-495,496
	Cash outflows from dividends paid and profit sharing	-38,649,752	0	-38,649,752	0
	Net cash from/ (used in) financing activities	-40,624,312	-23,655,269	-39,198,355	-22,383,028
D.	Closing balance of cash and cash equivalents	135,451,938	100,989,051	60,138,835	32,948,326
E1.	Net cash flow for the period	53,532,201	25,184,952	37,834,613	6,836,214
E2.	Foreign exchange differences	20,073	-65,676	0	0
F.	Opening balance of cash and cash equivalents	81,899,664	75,869,775	22,304,222	26,112,112

2. Selected notes to the financial statements

2.1 Statement of compliance

The Company's separate and consolidated financial statements have been prepared based on the requirements of domestic legislation in accordance with International Financial Reporting Standards as adopted by the European Union (hereinafter: IFRS). Subsidiaries in which the Company holds, directly or indirectly, more than one half of the voting rights are fully consolidated. The financial report for the period from 1 January to 30 June 2021 has been prepared in accordance with IAS 34 – Interim Financial Reporting.

In order to obtain correct information on the financial position and results of the entire Triglav Group, it is necessary to consider the separate financial statements of Zavarovalnica Triglav together with the consolidated financial statements.

The financial statements for the period from 1 January to 30 June 2021 have not been audited.

2.2 Significant accounting policies and going concern assumptions

The same accounting policies and calculation methods as for the preparation of the annual financial statements for 2020 were used for the preparation of the financial statements for the period from 1 January to 30 June 2021. With respect to the calculation of tax expenses, the adequacy of the effective tax rate of the preceding year was verified. As there were no significant deviations, the same rate was used in the reporting period.

Due to the changes in the economic and financial markets caused by the COVID-19 pandemic, the Group regularly monitors current and potential risks and reliably manages them. The risk profile at the Group level does not deviate significantly compared to the year-end. Adequate liquidity of the parent company is ensured, and the capital adequacy of the Group is assessed as solid. Based on regular monitoring of operations, the going concern assumption can be confirmed.

2.3 Seasonal operations

Operations of Zavarovalnica Triglav are not of a seasonal character. In the first months of the year, gross written premium in non-life insurance was somewhat higher than in the remaining part of the year, as insurance to corporate clients is sold at the beginning of the year (as policies expire at the beginning of the financial year).

2.4 Segmental analysis of the Triglav Group operations

The management monitors the operations of Triglav Group based on the business segments (non-life insurance, life insurance, health insurance, non-insurance operations) and on the geographical segments (separately for Slovenia and other countries). The management uses various indicators to monitor the operations of individual segments, while the common measure of business performance for an individual operating segment is profit before taxes. The consolidated statement of financial position and the consolidated income statement by business segment and geographical area are given below.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION BY SEGMENT

30 June 2021

	Non-life	Life	Health	Other	TOTAL NON-CONSOLIDATED	Eliminations	TOTAL CONSOLIDATED
ASSETS	2,219,582,056	2,269,551,085	105,680,293	208,430,460	4,803,243,894	-404,483,807	4,398,760,087
Intangible assets	85,580,012	5,285,652	849,481	18,406,578	110,121,723	0	110,121,723
Property, plant and equipment	92,676,169	10,201,364	1,930,903	5,905,339	110,713,775	0	110,713,775
Non-current assets held for sale	0	0	0	703,288	703,288	0	703,288
Deferred tax assets	12,515,683	326,875	201,345	436,886	13,480,789	-12,469,379	1,011,410
Investment property	46,620,138	1,785,748	0	26,183,299	74,589,185	4,023,015	78,612,200
Right of use assets	9,031,824	640,116	620,977	2,418,272	12,711,189	-3,318,990	9,392,199
Investments in subsidiaries	126,866,503	13,438,187	0	71,477,093	211,781,783	-211,781,783	0
Investments in associates	31,758,340	437,186	0	0	32,195,526	0	32,195,526
Financial investments	1,157,016,217	1,590,411,688	91,532,010	42,040,798	2,881,000,713	-5,455,761	2,875,544,952
- loans and deposits	68,032,489	26,581,069	0	2,412,525	97,026,083	-5,455,761	91,570,322
- held to maturity	0	154,791,939	0	0	154,791,939	0	154,791,939
- available for sale	1,077,513,635	879,354,631	91,532,010	39,628,273	2,088,028,549	0	2,088,028,549
- recognised at fair value through profit and loss	11,470,093	529,684,049	0	0	541,154,142	0	541,154,142
Unit-linked insurance assets	0	571,250,903	0	0	571,250,903	0	571,250,903
Reinsurers' share of technical provisions	269,372,908	3,977,954	1,921,028	0	275,271,890	-110,118,310	165,153,580
Receivables	342,320,274	4,668,224	6,301,680	11,672,043	364,962,221	-65,244,905	299,717,316
- receivables from direct insurance operations	161,648,950	1,402,095	5,353,393	58,402	168,462,840	-201,171	168,261,669
- receivables from reinsurance and co-insurance operations	155,132,755	170,124	302,879	0	155,605,758	-60,054,799	95,550,959
- current tax receivables	296,294	15,359	0	3,056,472	3,368,125	0	3,368,125
- other receivables	25,242,275	3,080,646	645,408	8,557,169	37,525,498	-4,988,935	32,536,563
Other assets	6,804,998	989,004	495,529	719,440	9,008,971	-117,694	8,891,277
Cash and cash equivalents	39,018,990	66,138,184	1,827,340	28,467,424	135,451,938	0	135,451,938
EQUITY AND LIABILITIES	2,219,582,056	2,269,551,085	105,680,293	208,430,460	4,803,243,894	-404,483,807	4,398,760,087
Equity	697,228,195	157,472,613	43,788,341	188,648,788	1,087,137,937	-215,287,777	871,850,159
Controlling interests	697,228,195	157,472,613	43,788,341	188,648,788	1,087,137,937	-217,851,078	869,286,858
- share capital	115,741,097	48,491,866	25,822,144	103,364,272	293,419,379	-219,717,987	73,701,392
- share premium	43,511,476	13,658,829	0	20,659,988	77,830,293	-27,558,982	50,271,311
- reserves from profit	333,487,943	47,223,257	1,231,991	1,598,175	383,541,366	770,147	384,311,513
- 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	55,510,465	8,710,565	1,603,611	17,714,870	83,539,511	-1,235,089	82,304,422
- net profit brought forward	115,190,969	36,681,649	11,403,821	41,863,755	205,140,194	29,478,818	234,619,011
- net profit for the year	35,776,298	3,525,173	3,726,774	3,143,890	46,172,135	796,458	46,968,593
- currency translation differences	-1,990,053	-818,726	0	-60,842	-2,869,621	-19,763	-2,889,384
Non-controlling interests	0	0	0	0	0	2,563,301	2,563,301
Subordinated liabilities	49,444,335	0	1,500,000	0	50,944,335	-1,500,000	49,444,335
Insurance technical provisions	1,226,528,155	1,470,432,464	50,291,286	0	2,747,251,905	-103,105,452	2,644,146,453
- unearned premiums	489,844,472	475,993	4,043,116	0	494,363,581	-40,191,728	454,171,853
- mathematical provisions	0	1,430,150,307	0	0	1,430,150,307	8,707,536	1,438,857,843
- claims provisions	704,413,531	22,572,368	13,533,865	0	740,519,764	-70,072,681	670,447,083
- other insurance technical provisions	32,270,152	17,233,796	32,714,305	0	82,218,253	-1,548,579	80,669,674
Insurance technical provisions for unit-linked insurance contracts	0	577,168,196	0	0	577,168,196	0	577,168,196
Employee benefits	13,839,715	2,486,038	742,072	770,115	17,837,940	0	17,837,940
Other provisions	1,459,560	134,378	91,527	2,256,663	3,942,128	0	3,942,128
Deferred tax liabilities	13,116,736	2,856,500	0	5,064,777	21,038,013	-12,481,153	8,556,860
Other financial liabilities	23,403,703	39,372,131	0	1,097,549	63,873,383	-3,217,291	60,656,092
Operating liabilities	131,237,125	9,600,920	4,478,992	10,372	145,327,409	-58,826,518	86,500,891
- liabilities from direct insurance operations	10,652,265	9,076,795	3,333,889	0	23,062,949	-391,898	22,671,051
- liabilities from reinsurance and co-insurance operations	118,922,004	508,723	270,921	0	119,701,648	-58,434,620	61,267,028
- current tax liabilities	1,662,856	15,402	874,182	10,372	2,562,812	0	2,562,812
Lease liabilities	9,054,983	583,933	630,624	2,607,022	12,876,562	-3,508,141	9,368,421
Other liabilities	54,269,549	9,443,912	4,157,451	7,975,174	75,846,086	-6,557,475	69,288,611

CONSOLIDATED STATEMENT OF FINANCIAL POSITION BY SEGMENT
31 December 2020

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

STATEMENT OF FINANCIAL POSITION BY GEOGRAPHICAL AREA

			30 June 2021		
	Slovenia	Other	TOTAL NON-CONSOLIDATED	Eliminations	TOTAL CONSOLIDATED
ASSETS	4,266,095,133	537,148,761	4,803,243,894	-404,483,807	4,398,760,087
Intangible assets	88,258,267	21,863,456	110,121,723	0	110,121,723
Property, plant and equipment	71,319,536	39,394,239	110,713,775	0	110,713,775
Non-current assets held for sale	653,613	49,675	703,288	0	703,288
Deferred tax assets	13,093,834	386,955	13,480,789	-12,469,379	1,011,410
Investment property	68,990,037	5,599,148	74,589,185	4,023,015	78,612,200
Right of use assets	5,667,903	7,043,286	12,711,189	-3,318,990	9,392,199
Investments in subsidiaries	205,650,150	6,131,633	211,781,783	-211,781,783	0
Investments in associates	32,195,526	0	32,195,526	0	32,195,526
Financial investments	2,625,123,041	255,877,672	2,881,000,713	-5,455,761	2,875,544,952
- loans and deposits	51,435,514	45,590,569	97,026,083	-5,455,761	91,570,322
- held to maturity	146,438,185	8,353,754	154,791,939	0	154,791,939
- available for sale	1,898,944,597	189,083,952	2,088,028,549	0	2,088,028,549
- recognised at fair value through profit and loss	528,304,745	12,849,397	541,154,142	0	541,154,142
Unit-linked insurance assets	545,977,865	25,273,038	571,250,903	0	571,250,903
Reinsurers' share of technical provisions	208,858,112	66,413,778	275,271,890	-110,118,310	165,153,580
Receivables	288,769,519	76,192,702	364,962,221	-65,244,905	299,717,316
- receivables from direct insurance operations	113,626,174	54,836,666	168,462,840	-201,171	168,261,669
- receivables from reinsurance and co-insurance operations	145,662,037	9,943,721	155,605,758	-60,054,799	95,550,959
- current tax receivables	3,014,808	353,317	3,368,125	0	3,368,125
- other receivables	26,466,500	11,058,998	37,525,498	-4,988,935	32,536,563
Other assets	5,881,996	3,126,975	9,008,971	-117,694	8,891,277
Cash and cash equivalents	105,655,734	29,796,204	135,451,938	0	135,451,938
EQUITY AND LIABILITIES	4,266,095,133	537,148,761	4,803,243,894	-404,483,807	4,398,760,087
Equity	958,087,688	129,050,248	1,087,137,936	-215,287,777	871,850,159
Controlling interests	958,087,688	129,050,248	1,087,137,936	-217,851,078	869,286,858
- share capital	192,452,158	100,967,221	293,419,379	-219,717,987	73,701,392
- share premium	75,810,498	2,019,795	77,830,293	-27,558,982	50,271,311
- reserves from profit	372,764,877	10,776,489	383,541,366	770,147	384,311,513
- treasury share reserves	364,680	0	364,680	0	364,680
- treasury shares	0	0	0	-364,680	-364,680
- fair value reserve	74,781,265	8,758,246	83,539,511	-1,235,089	82,304,422
- net profit brought forward	200,594,940	4,545,253	205,140,193	29,478,818	234,619,011
- net profit for the year	41,319,270	4,852,865	46,172,135	796,458	46,968,593
- currency translation differences	0	-2,869,621	-2,869,621	-19,763	-2,889,384
Non-controlling interests	0	0	0	2,563,301	2,563,301
Subordinated liabilities	50,944,335	0	50,944,335	-1,500,000	49,444,335
Insurance technical provisions	2,433,981,985	313,269,920	2,747,251,905	-103,105,452	2,644,146,453
- unearned premiums	381,565,386	112,798,195	494,363,581	-40,191,728	454,171,853
- mathematical provisions	1,348,268,534	81,881,773	1,430,150,307	8,707,536	1,438,857,843
- claims provisions	625,719,011	114,800,753	740,519,764	-70,072,681	670,447,083
- other insurance technical provisions	78,429,054	3,789,199	82,218,253	-1,548,579	80,669,674
Insurance technical provisions for unit-linked insurance contracts	552,086,621	25,081,576	577,168,197	0	577,168,197
Employee benefits	14,821,480	3,016,460	17,837,940	0	17,837,940
Other provisions	1,771,486	2,170,642	3,942,128	0	3,942,128
Deferred tax liabilities	19,395,532	1,642,481	21,038,013	-12,481,153	8,556,860
Other financial liabilities	60,618,034	3,255,349	63,873,383	-3,217,291	60,656,092
Operating liabilities	109,783,201	35,544,208	145,327,409	-58,826,518	86,500,891
- liabilities from direct insurance operations	19,599,944	3,463,005	23,062,949	-391,898	22,671,051
- liabilities from reinsurance and co-insurance operations	87,658,928	32,042,720	119,701,648	-58,434,620	61,267,028
- current tax liabilities	2,524,329	38,483	2,562,812	0	2,562,812
Lease liabilities	5,873,645	7,002,917	12,876,562	-3,508,141	9,368,421
Other liabilities	58,731,126	17,114,960	75,846,086	-6,557,475	69,288,611

STATEMENT OF FINANCIAL POSITION BY GEOGRAPHICAL AREA

31 December 2020

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

CONSOLIDATED INCOME STATEMENT BY SEGMENT

	H1 2021				
	Non-life	Life	Health	Other	TOTAL
NET PREMIUM INCOME	322,672,281	123,131,277	98,268,233	0	544,071,791
- gross written premium	506,554,952	125,742,471	98,801,304	0	731,098,727
- ceded written premium	-119,860,277	-2,592,955	0	0	-122,453,232
- change in unearned premium reserve	-64,022,394	-18,239	-533,071	0	-64,573,704
INCOME FROM INVESTMENTS IN SUBSIDIARIES AND ASSOCIATES	731,068	0	0	184,941	916,009
- profit on equity investments accounted for using the equity method	731,068	0	0	184,941	916,009
- other income from investments in subsidiaries and associates	0	0	0	0	0
INCOME FROM INVESTMENTS	8,112,098	78,905,029	290,373	24,926	87,332,426
- interest income calculated using the effective interest method	5,370,176	11,896,283	289,304	23,022	17,578,785
- gains on disposals	1,270,440	4,133,934	0	132	5,404,506
- other income from investments	1,471,482	62,874,812	1,069	1,772	64,349,135
OTHER INCOME FROM INSURANCE OPERATIONS	24,816,362	870,821	32,023	0	25,719,206
- fees and commission income	20,001,995	856,981	0	0	20,858,976
- other income from insurance operations	4,814,367	13,840	32,023	0	4,860,230
OTHER INCOME	3,229,741	56,081	31,373	19,042,789	22,359,984
NET CLAIMS INCURRED	173,867,785	98,431,360	79,033,728	0	351,332,873
- gross claims settled	172,838,847	98,221,968	76,529,565	0	347,590,380
- reinsurers' share	-19,467,050	-1,117,667	-659	0	-20,585,376
- changes in claims provisions	20,495,988	1,327,059	-1,121,793	0	20,701,254
- equalisation scheme expenses for supplementary health insurance	0	0	3,626,615	0	3,626,615
CHANGE IN OTHER INSURANCE TECHNICAL PROVISIONS (excluding ULI)	783,924	-2,296,338	-878,691	0	-2,391,105
CHANGE IN INSURANCE TECHNICAL PROVISIONS FOR UNIT-LINKED INSURANCE CONTRACTS	0	67,530,977	0	0	67,530,977
EXPENSES FOR BONUSES AND DISCOUNTS	5,227,465	5,888	8,113,490	0	13,346,843
OPERATING EXPENSES	103,736,093	20,985,632	6,872,009	0	131,593,734
- acquisition costs	77,302,446	13,406,251	1,242,269	0	91,950,966
- other operating costs	26,433,647	7,579,381	5,629,740	0	39,642,768
EXPENSES FROM INVESTMENTS IN SUBSIDIARIES AND ASSOCIATES	60,292	12,964	0	0	73,256
- loss on investments accounted for using the equity method	60,292	12,964	0	0	73,256
- other expenses from financial assets and liabilities	0	0	0	0	0
EXPENSES FROM INVESTMENTS	3,162,662	12,354,236	37,478	9,798	15,564,174
- loss on impairment of investments	0	0	0	0	0
- loss on disposal of investments	629,300	2,237,281	0	0	2,866,581
- other expenses from investments	2,533,362	10,116,955	37,478	9,798	12,697,593
OTHER INSURANCE EXPENSES	24,819,102	354,301	247,571	0	25,420,974
OTHER EXPENSES	5,353,963	556,694	5,074	15,769,095	21,684,826
- expenses from financing	1,172,633	22,611	0	111,217	1,306,461
- other expenses	4,181,330	534,083	5,074	15,657,878	20,378,365
PROFIT BEFORE TAX	42,550,264	5,027,494	5,191,343	3,473,763	56,242,864
Income tax expense	6,855,502	601,545	874,182	936,505	9,267,734
NET PROFIT FOR THE PERIOD	35,694,762	4,425,949	4,317,161	2,537,258	46,975,130
Net profit/loss attributable to the controlling company	35,723,317	4,425,874	4,317,161	2,502,241	46,968,593
Net profit/loss attributable to the non-controlling interest holders	-28,555	75	0	35,017	6,537

CONSOLIDATED INCOME STATEMENT BY SEGMENT

	H1 2020				
	Non-life	Life	Health	Other	TOTAL
NET PREMIUM INCOME	311,532,094	113,995,363	97,546,237	0	523,073,694
- gross written premium	459,704,134	115,635,569	98,050,599	0	673,390,302
- ceded written premium	-92,055,506	-1,594,929	0	0	-93,650,435
- change in unearned premium reserve	-56,116,534	-45,277	-504,362	0	-56,666,173
INCOME FROM INVESTMENTS IN SUBSIDIARIES AND ASSOCIATES	329,871	0	0	29,878	359,749
- profit on equity investments accounted for using the equity method	329,871	0	0	29,878	359,749
- other income from investments in subsidiaries and associates	0	0	0	0	0
INCOME FROM INVESTMENTS	14,106,731	33,346,357	345,027	36,520	47,834,635
- interest income calculated using the effective interest method	7,198,336	14,787,787	307,010	138	22,293,271
- gains on disposals	5,819,371	10,867,623	38,017	0	16,725,011
- other income from investments	1,089,024	7,690,947	0	36,382	8,816,353
OTHER INCOME FROM INSURANCE OPERATIONS	24,382,433	535,728	26,821	0	24,944,982
- fees and commission income	17,054,523	505,564	0	0	17,560,087
- other income from insurance operations	7,327,910	30,164	26,821	0	7,384,895
OTHER INCOME	3,272,810	30,081	74,266	15,890,208	19,267,365
NET CLAIMS INCURRED	177,533,022	90,242,663	70,476,062	0	338,251,747
- gross claims settled	175,770,292	89,274,757	65,758,204	0	330,803,253
- reinsurers' share	-15,500,684	-316,514	259	0	-15,816,939
- changes in claims provisions	17,263,414	1,284,420	1,568,872	0	20,116,706
- equalisation scheme expenses for supplementary health insurance	0	0	3,148,727	0	3,148,727
CHANGE IN OTHER INSURANCE TECHNICAL PROVISIONS (excluding ULI)	132,229	10,564,271	14,729,164	0	25,425,664
CHANGE IN INSURANCE TECHNICAL PROVISIONS FOR UNIT-LINKED INSURANCE CONTRACTS	0	-20,198,745	0	0	-20,198,745
EXPENSES FOR BONUSES AND DISCOUNTS	9,533,841	4,027	0	0	9,537,868
OPERATING EXPENSES	92,762,268	17,814,577	7,105,701	0	117,682,546
- acquisition costs	67,683,471	10,727,362	2,008,788	0	80,419,621
- other operating costs	25,078,797	7,087,215	5,096,913	0	37,262,925
EXPENSES FROM INVESTMENTS IN SUBSIDIARIES AND ASSOCIATES	129,633	45,114	0	0	174,747
- loss on investments accounted for using the equity method	129,633	45,114	0	0	174,747
- other expenses from financial assets and liabilities	0	0	0	0	0
EXPENSES FROM INVESTMENTS	5,336,333	47,812,691	31,317	4,415	53,184,756
- loss on impairment of investments	902,644	70,224	0	0	972,868
- loss on disposal of investments	812,940	3,481,768	0	0	4,294,708
- other expenses from investments	3,620,749	44,260,699	31,317	4,415	47,917,180
OTHER INSURANCE EXPENSES	29,806,432	1,130,325	499,865	0	31,436,622
OTHER EXPENSES	3,890,630	189,802	27,553	15,314,814	19,422,799
- expenses from financing	1,335,129	138,633	0	90,353	1,564,115
- other expenses	2,555,501	51,169	27,553	15,224,461	17,858,684
PROFIT BEFORE TAX	34,499,551	302,804	5,122,689	637,377	40,562,421
Income tax expense	5,557,283	144,257	807,685	554,967	7,064,192
NET PROFIT FOR THE PERIOD	28,942,268	158,547	4,315,004	82,410	33,498,229
Net profit/loss attributable to the controlling company	28,791,806	152,887	4,315,004	91,639	33,351,336
Net profit/loss attributable to the non-controlling interest holders	150,462	5,660	0	-9,229	146,893

		in EUR	
CONSOLIDATED INCOME STATEMENT BY GEOGRAPHICAL AREA			
	H1 2021		
	Slovenia	Other	TOTAL
NET PREMIUM INCOME	436,994,177	107,077,614	544,071,791
- gross written premium	587,686,239	143,412,488	731,098,727
- ceded written premium	-99,260,759	-23,192,473	-122,453,232
- change in unearned premium reserve	-51,431,303	-13,142,401	-64,573,704
INCOME FROM INVESTMENTS IN SUBSIDIARIES AND ASSOCIATES	916,009	0	916,009
- profit on equity investments accounted for using the equity method	916,009	0	916,009
- other income from investments in subsidiaries and associates	0	0	0
INCOME FROM INVESTMENTS	81,653,665	5,678,761	87,332,426
- interest income calculated using the effective interest method	14,426,920	3,151,865	17,578,785
- gains on disposals	5,336,607	67,899	5,404,506
- other income from investments	61,890,138	2,458,997	64,349,135
OTHER INCOME FROM INSURANCE OPERATIONS	21,251,228	4,467,978	25,719,206
- fees and commission income	17,731,978	3,126,998	20,858,976
- other income from insurance operations	3,519,250	1,340,980	4,860,230
OTHER INCOME	18,492,450	3,867,534	22,359,984
NET CLAIMS INCURRED	293,653,982	57,678,891	351,332,873
- gross claims settled	293,302,566	54,287,814	347,590,380
- reinsurers' share	-17,101,291	-3,484,085	-20,585,376
- changes in claims provisions	13,826,092	6,875,162	20,701,254
- equalisation scheme expenses for supplementary health insurance	3,626,615	0	3,626,615
CHANGE IN OTHER INSURANCE TECHNICAL PROVISIONS (excluding ULI)	-4,783,018	2,391,913	-2,391,105
CHANGE IN INSURANCE TECHNICAL PROVISIONS FOR UNIT-LINKED INSURANCE CONTRACTS	65,241,486	2,289,491	67,530,977
EXPENSES FOR BONUSES AND DISCOUNTS	12,804,288	542,555	13,346,843
OPERATING EXPENSES	92,437,632	39,156,102	131,593,734
- acquisition costs	62,259,673	29,691,293	91,950,966
- other operating costs	30,177,959	9,464,809	39,642,768
EXPENSES FROM INVESTMENTS IN SUBSIDIARIES AND ASSOCIATES	73,256	0	73,256
- loss on investments accounted for using the equity method	73,256	0	73,256
- other expenses from financial assets and liabilities	0	0	0
EXPENSES FROM INVESTMENTS	14,816,650	747,524	15,564,174
- loss on impairment of investments	0	0	0
- loss on disposal of investments	2,866,581	0	2,866,581
- other expenses from investments	11,950,069	747,524	12,697,593
OTHER INSURANCE EXPENSES	21,836,728	3,584,246	25,420,974
OTHER EXPENSES	16,899,949	4,784,877	21,684,826
- expenses from financing	1,150,582	155,879	1,306,461
- other expenses	15,749,367	4,628,998	20,378,365
PROFIT BEFORE TAX	46,326,576	9,916,288	56,242,864
Income tax expense	9,145,503	122,231	9,267,734
NET PROFIT FOR THE PERIOD	37,181,073	9,794,057	46,975,130
Net profit/loss attributable to the controlling company	37,181,073	9,787,520	46,968,593
Net profit/loss attributable to the non-controlling interest holders	0	6,537	6,537

		in EUR	
CONSOLIDATED INCOME STATEMENT BY GEOGRAPHICAL AREA		H1 2020	
	Slovenia	Other	TOTAL
NET PREMIUM INCOME	426,436,544	96,637,150	523,073,694
- gross written premium	550,047,356	123,342,946	673,390,302
- ceded written premium	-75,326,621	-18,323,814	-93,650,435
- change in unearned premium reserve	-48,284,191	-8,381,982	-56,666,173
INCOME FROM INVESTMENTS IN SUBSIDIARIES AND ASSOCIATES	359,749	0	359,749
- profit on equity investments accounted for using the equity method	359,749	0	359,749
- other income from investments in subsidiaries and associates	0	0	0
INCOME FROM INVESTMENTS	42,860,922	4,973,713	47,834,635
- interest income calculated using the effective interest method	19,040,168	3,253,103	22,293,271
- gains on disposals	16,543,817	181,194	16,725,011
- other income from investments	7,276,937	1,539,416	8,816,353
OTHER INCOME FROM INSURANCE OPERATIONS	20,274,380	4,670,602	24,944,982
- fees and commission income	14,432,604	3,127,483	17,560,087
- other income from insurance operations	5,841,776	1,543,119	7,384,895
OTHER INCOME	15,799,911	3,467,454	19,267,365
NET CLAIMS INCURRED	281,912,238	56,339,509	338,251,747
- gross claims settled	284,843,387	45,959,866	330,803,253
- reinsurers' share	-12,750,654	-3,066,285	-15,816,939
- changes in claims provisions	6,670,778	13,445,928	20,116,706
- equalisation scheme expenses for supplementary health insurance	3,148,727	0	3,148,727
CHANGE IN OTHER INSURANCE TECHNICAL PROVISIONS (excluding ULI)	21,338,907	4,086,757	25,425,664
CHANGE IN INSURANCE TECHNICAL PROVISIONS FOR UNIT-LINKED INSURANCE CONTRACTS	-19,155,177	-1,043,568	-20,198,745
EXPENSES FOR BONUSES AND DISCOUNTS	8,610,004	927,864	9,537,868
OPERATING EXPENSES	83,508,897	34,173,649	117,682,546
- acquisition costs	56,604,165	23,815,456	80,419,621
- other operating costs	26,904,732	10,358,193	37,262,925
EXPENSES FROM INVESTMENTS IN SUBSIDIARIES AND ASSOCIATES	174,747	0	174,747
- loss on investments accounted for using the equity method	174,747	0	174,747
- other expenses from financial assets and liabilities	0	0	0
EXPENSES FROM INVESTMENTS	50,978,575	2,206,181	53,184,756
- loss on impairment of investments	972,868	0	972,868
- loss on disposal of investments	4,275,721	18,987	4,294,708
- other expenses from investments	45,729,986	2,187,194	47,917,180
OTHER INSURANCE EXPENSES	27,219,720	4,216,902	31,436,622
OTHER EXPENSES	14,527,407	4,895,392	19,422,799
- expenses from financing	1,372,029	192,086	1,564,115
- other expenses	13,155,378	4,703,306	17,858,684
PROFIT BEFORE TAX	36,616,188	3,946,233	40,562,421
Income tax expense	6,847,192	217,000	7,064,192
NET PROFIT FOR THE PERIOD	29,768,996	3,729,233	33,498,229
Net profit/loss attributable to the controlling company	29,768,996	3,582,340	33,351,336
Net profit/loss attributable to the non-controlling interest holders	0	146,893	146,893

2.5 Segmental analysis of Zavarovalnica Triglav's operations

As Zavarovalnica Triglav operates mainly in the territory of the Republic of Slovenia, the management does not review a geographical analysis of operations. The management monitors the operations of Zavarovalnica Triglav according to its business segments, i. e. life and non-life insurance. The management uses various indicators to monitor the operations of individual segments, while the common measure of business performance for an individual operating segment is profit before taxes. The statement of financial position and the income statement by business segment are given below.

STATEMENT OF FINANCIAL POSITION	30 June 2021			31 December 2020		
	Non-life	Life	TOTAL	Non-life	Life	TOTAL
ASSETS	1,455,856,804	1,702,907,975	3,158,764,779	1,349,958,827	1,663,255,332	3,013,214,159
Intangible assets	62,484,353	5,139,745	67,624,098	57,234,354	5,163,225	62,397,579
Property, plant and equipment	57,972,745	8,081,675	66,054,420	59,618,441	8,157,010	67,775,451
Deferred tax assets	12,222,880	246,499	12,469,379	11,970,197	246,554	12,216,751
Investment property	43,281,826	820,019	44,101,845	43,614,546	836,730	44,451,276
Right of use assets	3,643,745	0	3,643,745	3,587,916	0	3,587,916
Investments in subsidiaries	120,920,955	11,480,011	132,400,966	120,857,455	11,480,011	132,337,466
Investments in associates	34,883,929	0	34,883,929	31,337,951	0	31,337,951
Financial investments	804,197,080	1,136,469,740	1,940,666,820	800,423,050	1,183,165,323	1,983,588,373
- loans and deposits	28,176,394	6,932,100	35,108,494	30,245,946	6,705,139	36,951,085
- held to maturity	0	138,151,594	138,151,594	0	143,908,512	143,908,512
- available for sale	776,020,686	783,537,207	1,559,557,893	770,063,803	824,938,626	1,595,002,429
- recognised at fair value through profit and loss	0	207,848,839	207,848,839	113,301	207,613,046	207,726,347
Unit-linked insurance assets	0	498,966,604	498,966,604	0	442,292,488	442,292,488
Reinsurers' share of technical provisions	130,773,686	70,759	130,844,445	105,862,172	41,266	105,903,438
Receivables	159,316,338	2,823,392	162,139,730	99,841,079	1,438,370	101,279,449
- receivables from direct insurance operations	107,409,576	862,959	108,272,535	67,453,193	179,021	67,632,214
- receivables from reinsurance and co-insurance operations	34,184,234	2,552	34,186,786	19,797,094	0	19,797,094
- current tax receivables	0	0	0	0	0	0
- other receivables	17,722,528	1,957,881	19,680,409	12,590,792	1,259,349	13,850,141
Other assets	4,696,143	133,820	4,829,963	3,695,106	46,693	3,741,799
Cash and cash equivalents	21,463,124	38,675,711	60,138,835	11,916,560	10,387,662	22,304,222
EQUITY AND LIABILITIES	1,455,856,804	1,702,907,975	3,158,764,779	1,349,958,827	1,663,255,332	3,013,214,159
Equity	529,356,388	95,068,916	624,425,304	533,692,011	110,311,163	644,003,173
Controlling interests	529,356,388	95,068,920	624,425,308	533,692,009	110,311,163	644,003,171
- share capital	51,340,540	22,360,852	73,701,392	51,340,540	22,360,852	73,701,392
- share premium	40,344,977	13,067,907	53,412,884	40,344,978	13,067,907	53,412,884
- reserves from profit	322,348,752	45,513,891	367,862,643	322,348,752	45,513,891	367,862,643
- fair value reserve	48,067,420	4,010,528	52,077,948	49,399,362	10,002,717	59,402,079
- net profit brought forward	43,334,885	7,639,539	50,974,424	46,207,250	14,319,286	60,526,536
- net profit for the year	23,919,814	2,476,199	26,396,013	24,051,129	5,046,510	29,097,639
Subordinated liabilities	49,444,335	0	49,444,335	49,423,693	0	49,423,693
Insurance technical provisions	758,014,769	1,053,287,872	1,811,302,641	671,257,573	1,079,057,809	1,750,315,382
- unearned premiums	309,375,343	421,514	309,796,857	234,785,484	405,332	235,190,816
- mathematical provisions	0	1,017,217,108	1,017,217,108	0	1,041,557,084	1,041,557,084
- claims provisions	422,358,998	20,932,071	443,291,069	410,567,439	19,692,182	430,259,621
- other insurance technical provisions	26,280,428	14,717,179	40,997,607	25,904,650	17,403,211	43,307,861
Insurance technical provisions for unit-linked insurance contracts	0	503,258,556	503,258,556	0	448,726,097	448,726,097
Employee benefits	10,891,063	2,266,658	13,157,721	10,820,648	2,252,716	13,073,364
Other provisions	732,047	111,700	843,747	658,257	111,700	769,957
Deferred tax liabilities	11,526,681	4,041,095	15,567,776	11,833,573	9,914,340	21,747,913
Liabilities from investment contracts	0	0	0	0	0	0
Other financial liabilities	19,401,926	32,970,759	52,372,685	1,633,896	0	1,633,896
Operating liabilities	30,714,564	7,472,252	38,186,816	26,962,627	7,015,144	33,977,772
- liabilities from direct insurance operations	7,959,568	7,466,032	15,425,600	3,633,281	7,003,623	10,636,904
- liabilities from reinsurance and co-insurance operations	22,232,431	6,220	22,238,651	19,812,663	11,521	19,824,185
- current tax liabilities	522,565	0	522,565	3,516,683	0	3,516,683
Lease liabilities	3,785,359	0	3,785,359	3,675,805	0	3,675,805
Other liabilities	41,989,672	4,430,167	46,419,839	40,000,744	5,866,363	45,867,107

INCOME STATEMENT	H1 2021			H1 2020		
	Non-life	Life	TOTAL	Non-life	Life	TOTAL
NET PREMIUM INCOME	196,085,695	96,011,947	292,097,642	195,627,927	87,582,175	283,210,102
- gross written premium	341,447,955	96,455,170	437,903,125	311,776,739	88,081,037	399,857,776
- ceded written premium	-101,342,691	-426,853	-101,769,544	-78,906,188	-445,747	-79,351,935
- change in unearned premium reserve	-44,019,569	-16,370	-44,035,939	-37,242,624	-53,115	-37,295,739
INCOME FROM INVESTMENTS IN SUBSIDIARIES AND ASSOCIATES	119,640	0	119,640	154,339	0	154,339
- profit on equity investments accounted for using the equity method	0	0	0	0	0	0
- other income from investments in subsidiaries and associates	119,640	0	119,640	154,339	0	154,339
INCOME FROM INVESTMENTS	3,904,652	61,600,801	65,505,453	10,115,392	22,392,687	32,508,079
- interest income calculated using the effective interest method	2,364,527	7,706,350	10,070,877	3,984,974	10,129,667	14,114,641
- gains on disposals	909,270	3,916,990	4,826,260	5,395,664	9,321,505	14,717,169
- other income from investments	630,855	49,977,461	50,608,316	734,754	2,941,515	3,676,269
OTHER INCOME FROM INSURANCE OPERATIONS	20,769,366	2,264,246	23,033,612	18,972,149	1,760,789	20,732,938
- fees and commission income	17,072,251	2,264,181	19,336,432	15,112,558	1,760,231	16,872,789
- other income from insurance operations	3,697,115	65	3,697,180	3,859,591	558	3,860,149
OTHER INCOME	3,654,041	404,897	4,058,938	3,461,083	225,094	3,686,177
NET CLAIMS INCURRED	103,555,958	82,860,683	186,416,641	108,561,965	79,269,911	187,831,876
- gross claims settled	111,166,285	81,744,213	192,910,498	115,878,484	78,287,984	194,166,468
- reinsurers' share	-18,616,462	-93,737	-18,710,199	-15,945,534	-97,661	-16,043,195
- changes in claims provisions	11,006,135	1,210,207	12,216,342	8,629,015	1,079,588	9,708,603
CHANGE IN OTHER INSURANCE TECHNICAL PROVISIONS (excluding ULI)	375,778	-6,265,708	-5,889,930	21,639	4,844,889	4,866,528
CHANGE IN INSURANCE TECHNICAL PROVISIONS FOR UNIT-LINKED INSURANCE CONTRACTS	0	55,073,717	55,073,717	0	-23,335,482	-23,335,482
EXPENSES FOR BONUSES AND DISCOUNTS	4,690,814	0	4,690,814	8,606,232	0	8,606,232
OPERATING EXPENSES	67,217,942	18,174,661	85,392,603	60,867,498	15,763,517	76,631,015
- acquisition costs	49,564,015	12,824,338	62,388,353	45,201,762	10,959,536	56,161,298
- other operating costs	17,653,927	5,350,323	23,004,250	15,665,736	4,803,981	20,469,717
EXPENSES FROM INVESTMENTS IN SUBSIDIARIES AND ASSOCIATES	2,938	0	2,938	7,002	0	7,002
- loss on investments accounted for using the equity method	0	0	0	0	0	0
- other expenses from financial assets and liabilities	2,938	0	2,938	7,002	0	7,002
EXPENSES FROM INVESTMENTS	2,635,142	6,398,195	9,033,337	3,766,316	33,440,179	37,206,495
- loss on impairment of investments	0	0	0	902,644	70,224	972,868
- loss on disposal of investments	625,205	2,130,456	2,755,661	695,244	2,667,573	3,362,817
- other expenses from investments	2,009,937	4,267,739	6,277,676	2,168,428	30,702,382	32,870,810
OTHER INSURANCE EXPENSES	11,370,673	471,146	11,841,819	12,365,715	1,079,577	13,445,292
OTHER EXPENSES	5,403,632	505,623	5,909,255	3,298,750	151,532	3,450,282
- expenses from financing	1,133,026	3	1,133,029	1,283,712	129,797	1,413,509
- other expenses	4,270,606	505,620	4,776,226	2,015,038	21,735	2,036,773
PROFIT BEFORE TAX	29,280,517	3,063,574	32,344,091	30,835,773	746,622	31,582,395
Income tax expense	5,360,704	587,374	5,948,078	5,115,264	109,371	5,224,635
NET PROFIT FOR THE PERIOD	23,919,813	2,476,200	26,396,013	25,720,509	637,251	26,357,760

2.6 Significant items of the statement of financial position

Intangible assets

In the reporting period, the book value of intangible assets of the Triglav Group increased by EUR 9.1 million. Long-term deferred acquisition costs have increased by EUR 11.4 million, while new purchases of licences and software equalled EUR 2.5 million. In the first half year of 2021 amortisation reached EUR 4.7 million.

In the reporting period, the book value of intangible assets of Zavarovalnica Triglav increased by EUR 5.2 million. In the separate financial statements, the change mainly refers to the increase in long-term deferred acquisition costs. These have increased by EUR 6.4 million. New purchases of other intangible assets in the amount of EUR 2 million primarily relate to the purchase of licences and software. In the first half year of 2021 amortisation of intangible assets of Zavarovalnica Triglav amounted to EUR 3.2 million.

Property, plant and equipment

In the first half year of 2021 the book value of property, plant and equipment of the Triglav Group decreased by EUR 2.6 million. In the first half year of 2021 Triglav Group acquired new property, plant and equipment worth EUR 2.1 million and sold it in the carrying amount of EUR 130 thousand. In the reporting period, depreciation of property, plant and equipment amounted to EUR 4.4 million.

In the reporting period, the book value of property, plant and equipment of Zavarovalnica Triglav decreased by EUR 1.7 million. In the first half year of 2021 Zavarovalnica Triglav acquired new property, plant and equipment worth EUR 873 thousand. In the reporting period, depreciation of property, plant and equipment amounted to EUR 2.6 million.

Investment property

The book value of investment property of the Group decreased by EUR 366 thousand. In the reporting period, the Group purchased investment property in the amount of EUR 491 thousand and sold it in the carrying amount of EUR 695 thousand. In the first half year of 2021, depreciation of investment property of the Group amounted to EUR 694 thousand.

In the first half year of 2021 the book value of investment property of Zavarovalnica Triglav decreased by EUR 350 thousand. Zavarovalnica Triglav purchased new investment property worth EUR 243 thousand and sold it in the carrying amount of EUR 111 thousand. In the reporting period, depreciation of investment property amounted to EUR 482 thousand.

Real property recognised as non-current assets held for sale decreased by EUR 213 thousand as a result of the sale.

Financial investments

The tables below show the carrying and fair values of financial assets, excluding unit-linked insurance assets.

Triglav Group	in EUR			
	Carrying amount		Fair value	
	30 June 2021	31 December 2020	30 June 2021	31 December 2020
Loans and deposits	91,570,322	97,971,079	95,426,950	104,492,900
Held to maturity	154,791,939	162,824,686	193,572,625	206,893,874
Available for sale	2,088,028,549	2,101,914,068	2,088,028,549	2,101,914,068
Investments recognised at fair value	541,154,142	524,670,726	541,154,142	524,670,726
TOTAL	2,875,544,952	2,887,380,559	2,918,182,266	2,937,971,568

Zavarovalnica Triglav	in EUR			
	Carrying amount		Fair value	
	30 June 2021	31 December 2020	30 June 2021	31 December 2020
Loans and deposits	35,108,494	36,951,085	34,017,444	36,322,025
Held to maturity	138,151,594	143,908,512	175,288,268	186,083,461
Available for sale	1,559,557,893	1,595,002,429	1,559,557,893	1,595,002,429
Investments recognised at fair value	207,848,839	207,726,347	207,848,839	207,726,347
TOTAL	1,940,666,820	1,983,588,373	1,976,712,444	2,025,134,262

Tables below show financial investments of Zavarovalnica Triglav and Triglav Group by different groups of financial assets.

Triglav Group

Values as at 30 June 2021	in EUR				
	L&R	HTM	AFS	FVTPL	Total
Equity instruments	0	0	169,991,952	74,631,471	244,623,423
Debt instruments	5,990,825	154,791,939	1,915,231,996	466,495,637	2,542,510,397
Derivative financial instruments	0	0	0	27,034	27,034
Loans	85,579,497	0	2,804,601	0	88,384,098
Total	91,570,322	154,791,939	2,088,028,549	541,154,142	2,875,544,952

Values as at 31 December 2020	in EUR				
	L&R	HTM	AFS	FVTPL	Total
Equity instruments	0	0	150,713,700	69,654,294	220,367,994
Debt instruments	6,401,170	162,824,686	1,948,404,958	454,903,131	2,572,533,945
Derivative financial instruments	0	0	0	113,301	113,301
Loans	91,569,909	0	2,795,410	0	94,365,319
Total	97,971,079	162,824,686	2,101,914,068	524,670,726	2,887,380,559

Zavarovalnica Triglav

Values as at 30 June 2021	in EUR				
	L&R	HTM	AFS	FVTPL	Total
Equity instruments	0	0	126,822,262	2,462,834	129,285,096
Debt instruments	5,990,825	138,151,594	1,430,760,096	205,386,005	1,780,288,520
Derivative financial instruments	0	0	0	0	0
Loans	29,117,669	0	1,975,535	0	31,093,204
Total	35,108,494	138,151,594	1,559,557,893	207,848,839	1,940,666,820

Values as at 31 December 2020	in EUR				
	L&R	HTM	AFS	FVTPL	Total
Equity instruments	0	0	111,723,131	1,863,439	113,586,570
Debt instruments	6,401,173	143,908,512	1,481,312,962	205,749,607	1,837,372,254
Derivative financial instruments	0	0	0	113,301	113,301
Loans	30,549,912	0	1,966,336	0	32,516,248
Total	36,951,085	143,908,512	1,595,002,429	207,726,347	1,983,588,373

Legend:

- L&R: Loans and receivables
- HTM: Held to maturity
- AFS: Available for sale
- FVTPL: Fair value through profit or loss

Unit – linked financial assets

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

	in EUR			
	Triglav Group		Zavarovalnica Triglav	
	30 June 2021	31 December 2020	30 June 2021	31 December 2020
Equity instruments	552,161,075	443,699,150	494,407,576	396,272,477
Debt instruments	19,089,828	58,109,830	4,559,028	46,020,011
TOTAL	571,250,903	501,808,980	498,966,604	442,292,488

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.

Fair value measurement and presentation by valuation level

Financial assets measured at fair value are classified by valuation level in the tables below:

- Level 1: value measurement based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date (stock exchange quotations and listings provided by third parties), which are entirely based on observable market data (the share of binding listings has to be minimum 90% and there have to be at least three binding listings not older than one day);
- Level 2: value measurement less than entirely based on quoted prices for the asset or liability. Fair value measurements may be based on indirectly observable inputs, i.e. data derived from prices of comparable financial instruments, but only up to a strictly limited percentage;
- Level 3: value measurement based on prices that do not meet the standards for Level 1 or Level 2. The percentage of unobservable inputs used in value measurement models is considerable.

The following is shown separately for the Triglav Group:

- financial assets (i.e. available-for-sale financial assets and financial assets at fair value through profit and loss) and
- unit-linked insurance assets.

Capital investments in associates and joint ventures are additionally shown for Zavarovalnica Triglav because they are measured at fair value in stand-alone financial statements. Investments in associates and joint ventures are accounted for using the equity method in the consolidated financial statements and are therefore not included in the presentation of valuation of financial assets at fair value.

Triglav Group

As at 30 June 2021	in EUR			
	Level 1	Level 2	Level 3	Total
Equity securities	167,725,445	0	79,702,579	247,428,024
Debt securities	722,208,810	1,659,518,823	0	2,381,727,633
Derivative financial instruments	0	0	27,034	27,034
Unit-linked financial assets	556,778,872	14,413,254	58,777	571,250,903
Total	1,446,713,127	1,673,932,077	79,788,390	3,200,433,594

As at 31 December 2020	in EUR			
	Level 1	Level 2	Level 3	Total
Equity securities	151,243,025	0	71,920,377	223,163,402
Debt securities	1,506,407,355	896,900,735	0	2,403,308,090
Derivative financial instruments	0	113,301	0	113,301
Unit-linked financial assets	449,327,642	52,461,780	19,558	501,808,980
Total	2,106,978,022	949,475,816	71,939,935	3,128,393,773

Zavarovalnica Triglav

As at 30 June 2021	in EUR			
	Level 1	Level 2	Level 3	Total
Equity securities	57,725,173	0	73,535,457	131,260,630
Debt securities	535,861,431	1,100,284,671	0	1,636,146,102
Derivative financial instruments	0	0	0	0
Unit-linked financial assets	495,654,767	3,311,837	0	498,966,604
Investments in associates	0	0	34,883,929	34,883,929
Total	1,089,241,371	1,103,596,508	108,419,385	2,301,257,264

As at 31 December 2020	in EUR			
	Level 1	Level 2	Level 3	Total
Equity securities	49,571,408	0	65,981,498	115,552,906
Debt securities	1,226,158,197	460,904,372	0	1,687,062,569
Derivative financial instruments	0	113,301	0	113,301
Unit-linked financial assets	397,371,769	44,920,719	0	442,292,488
Investments in associates	0	0	31,337,951	31,337,951
Total	1,673,101,374	505,938,392	97,319,449	2,276,359,215

Value assessment techniques and inputs used for measurement purposes

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 0.69%	Level 2
Debt securities - companies and financial institutions	Cash flow discounting according to amortisation schedule	Republic of Slovenia interest rate yield curve, issuer credit spreads	yield curve issued by Republic of Slovenia (Bloomberg ID: I259 Currency); credit spread between 0.91% and 4.49%	Level 2
Equity securities	Cash flow discounting	g (growth rate during constant growth period)	2.0%	Level 3
		EBIT margin (constant growth period)	1% - 35.9%	
		Discount rate	10.98% - 12.77% for start ups	
		Lack of marketability discount	6.5% - 23%	
	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, analysis of the most economical use of development land	Capitalisation rate, market prices of comparable real property	7.5% - 15% depending on risk/location	Level 3
Investment property			Market values based on information available	

Changes of Level 3 financial assets

	Triglav Group		Zavarovalnica Triglav		in EUR
	2021	2020	2021	2020	
Opening balance as at 1 January	71,939,935	61,061,888	97,319,449	73,739,171	
Purchases	13,450,743	6,365,634	16,391,506	19,194,093	
Disposals	-7,481,018	-1,078,129	-7,430,883	-1,055,403	
Revaluations through income statement	-157,551	-177,155	106,403	0	
Revaluations through Equity	2,032,973	207,149	2,032,910	207,149	
Exchange rate difference	3,308	-7,189	0	0	
Closing balance as at 30 June	79,788,390	66,372,198	108,419,385	92,085,010	

The value of the Triglav Group's financial assets classified into Level 3 increased in the first six months of 2021 as a result of the payments into venture capital funds. Disposals relate entirely to payouts from these funds. Even revaluation is the result of changes in the value of venture capital funds.

In addition to payments into venture capital funds, the capital increase of ZTSR d.o.o. was recognised under Zavarovalnica Triglav's acquisitions, which is described in more detail below.

Subordinated debt instruments

Zavarovalnica Triglav has one issued subordinate bond, which is included in its capital adequacy. The bond was issued in 2019 as part of the Group's regular capital management to ensure its optimal composition and cost efficiency and to replace the bond that matured on 21 March 2020. The Company did not issue any new debt securities in the period from 1 January to 30 June 2021. The same applies to other Group members.

Contingent liabilities

No contingent liabilities in the form of a guarantee given were recognised in the first six months of 2021 by the Company. In the reporting period, no contingent liabilities for the guarantees given were created by any Group member.

Distribution of accumulated profits

On 25 May 2021, the General Meeting of Shareholders of Zavarovalnica Triglav decided on the distribution of accumulated profit, totalling EUR 89,624,175 as at 31 December 2020. A part of the accumulated profit in the amount of EUR 38,649,752 was allocated to dividend payments, amounting to EUR 1.70 gross per share. The dividends were paid on 10 June 2021. The distribution of the remaining part of accumulated profit shall be decided on in the following years.

2.7 Changes in equity stakes in subsidiaries and business combinations

Capital increase of ZTSR d.o.o.

Through in cash contribution of EUR 3.3 million, Zavarovalnica Triglav increased the capital of jointly controlled ZTSR d.o.o. in the first quarter of 2021, thereby maintaining its 50% participating interest in said company. After the balance sheet date, i.e. 13 July 2021, ZTSR d.o.o. was merged with its subsidiary Diagnostični center Vila Bogatin d.o.o. With the aforementioned transaction, ZTSR d.o.o. was stricken off the Companies Register, and Zavarovalnica Triglav consequently acquired a 50% participating interest in Diagnostični center Vila Bogatin d.o.o. The

change in ownership will be recorded in the business records in the third quarter, and the business combination will not have an impact on the Triglav Group's consolidated financial statements.

Acquisition of Kirurški sanatorij d.o.o.

The ZTSR Group increased its strategic investment portfolio in the first quarter of 2021 by acquiring a 100% participating interest in Kirurški sanatorij d.o.o. From the point of view of the Triglav Group, this investment is part of regular activities of managing its extensive investment portfolio and has no significant impact on its composition. Kirurški sanatorij d.o.o. will be treated within the Triglav Group as a jointly controlled company and valued using the equity method.

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

In the first quarter of 2021, Zavarovalnica Triglav made a subsequent capital increase of its subsidiary Triglav Avtoservis d.o.o. in the amount of EUR 63 thousand, thus maintaining its 100% participating interest in said company. The capital increase had no effect on the consolidated financial statements of the Triglav Group.

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

In the first quarter of 2021, Triglav Svetovanje d.o.o. and Triglav Osiguranje a.d.o., Belgrade increased the capital of their subsidiary Triglav Savetovanje d.o.o., Belgrade proportional to their participating interests. The capital increase was raised by in cash contributions of RSD 7.9 million or EUR 67 thousand. As a result, both companies maintained their participating interests in said company, 51% and 49% respectively.

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

In the first quarter of 2021, Triglav Svetovanje d.o.o. and Triglav Osiguranje d.d., Zagreb increased the capital of their subsidiary Triglav Savjetovanje d.o.o., Zagreb proportional to their participating interests. The capital increase was raised by in cash contributions of HRK 1.1 million or EUR 145 thousand. As a result, both companies maintained their participating interests in said company, 51% and 49% respectively.

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

In the first half of 2021, Triglav INT d.d., Ljubljana acquired a 0.30% participating interest in Triglav Osiguranje a.d., Skopje from non-controlling interest holders, thereby becoming its 81.13% owner. The consideration totalled MAK 2,026,036 or EUR 82,883. The acquisition of the non-controlling interest was recognised in the consolidated financial statements as an increase in share premium of EUR 205.

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

Lovćen Osiguranje a.d., Podgorica increased the capital of its subsidiary Lovćen Auto d.o.o., Podgorica through in cash contribution of EUR 400,000 in the first six months of 2021. The ownership structure of Lovćen Auto was not changed with said capital increase, as Lovćen Osiguranje a.d. remained its 100% owner. The capital increase had no impact on the consolidated financial statements of the Triglav Group.

2.8 Related party transactions

Revenues of the Management and Supervisory Board

In the first half year of 2021 the Management Board members were paid the following amounts as compensation for their work:

								in EUR
Name and surname	Fixed salaries (gross)	Other additional payments*	Bonuses	Net pay received	Insurance premiums**	Other benefits***	Reimbursements	
Andrej Slapar	97,279	2,252	53,634	53,350	31,487	5,734	751	
Uroš Ivanc	92,415	2,941	50,953	54,009	22,220	562	906	
Tadej Čoroli	92,415	2,941	50,953	53,244	22,187	2,836	643	
Barbara Smolnikar	92,381	2,252	47,095	51,161	21,953	2,835	649	
David Benedek	92,415	2,252	26,652	43,563	21,648	3,692	753	
Marica Makoter	92,415	2,252	50,953	51,963	22,189	2,811	636	
Benjamin Jošar****	0	0	3,857	2,254	0	0	0	
TOTAL	559,320	14,890	284,097	309,544	141,684	18,470	4,338	

* Other additional payments include holiday pay and other cost reimbursements.

** Insurance premiums include premiums for supplementary pension insurance, accident insurance, liability insurance and other types of insurance.

*** Other benefits include company cars.

**** Benjamin Jošar was Management Board member until 2 November 2017.

In the reporting period members of the Management Board did not receive any payments for their work in subsidiaries.

As at 30 June 2021 Zavarovalnica Triglav, d.d. had the following receivables from and liabilities to the Management Board members:

			in EUR
Name and surname	Receivables as at 30 June 2021	Liabilities as at 30 June 2021	
Andrej Slapar	0	76,679	
Uroš Ivanc	6	72,855	
Tadej Čoroli	30	72,867	
Barbara Smolnikar	7	72,837	
David Benedek	0	50,806	
Marica Makoter	16	72,892	
TOTAL	59	418,936	

In the first half year of 2021 the Supervisory Board members and members of Committees were paid the following amounts as compensation for their work:

Name and surname	Compensation	Attendance fee	Reimbursements	Total gross pay	in EUR
					Total net pay
Andrej Andoljšek	10,938	1,320	278	12,536	9,117
Igor Stebernak	9,375	5,720	0	15,095	10,979
Milan Tomažević	9,219	1,320	278	10,817	7,867
Žiga Škerjanec	9,375	5,280	278	14,933	10,861
Mario Gobbo	8,594	1,760	0	10,354	6,821
Peter Celar	9,315	5,060	580	14,955	10,876
Branko Gorjan	7,813	1,320	0	9,133	6,642
Igor Zupan	7,813	1,760	278	9,851	7,165
Simon Kolenc*	3,125	825	0	3,950	2,873
Boštjan Koler*	1,504	2,200	0	3,704	2,694
TOTAL	77,071	26,565	1,692	105,328	75,895

* External members sitting on committees and the Supervisory Board.

As at 30 June 2021 Zavarovalnica Triglav, d.d. had the following liabilities to the Supervisory Board members and members of Committees:

Name and surname	in EUR
	Liabilities as at 30 June 2021
Andrej Andoljšek	2,558
Branko Bračko	1,348
Tomaž Benčina	1,266
Peter Kavčič	1,509
Igor Stebernak	2,151
Jure Valjavec	1,119
Milan Tomažević	1,019
Žiga Škerjanec	1,033
Mario Gobbo	965
Peter Celar	2,053
Branko Gorjan	2,016
Igor Zupan	2,016
Simon Kolenc*	271
TOTAL	19,324

* External members sitting on committees and the Supervisory Board.

Transactions with subsidiaries

In daily business operations, many insurance transactions are carried out with subsidiaries of Zavarovalnica Triglav. These transactions are performed at arm's length and at market prices. Their volume is shown below.

	in EUR	
	30 June 2021	31 December 2020
ASSETS		
Right of use Asset	765,599	827,255
Shares	132,400,966	132,337,466
Debt securities and loans	4,983,341	6,610,381
Receivables from insurers	35,517	15,620
Premium receivable from re-insurance	10,105,506	6,778,184
Receivables from co-insurers' share in claim	1,274	197
Receivables from re-insurers' share in claim	10,769,034	5,221,704
Other short-term receivables from insurance operation	30,705	82,267
Short term receivables from financing	37,514	46,152
Other short-term receivables	801,724	730,317
Deferred short-term expenses of insurance contract acquisition	0	61,969
LIABILITIES		
Liabilities to agents and brokers	368,454	368,827
Liabilities for co-insurance premiums	36,346	22,377
Liabilities for re-insurance premiums	11,254,527	9,594,905
Liabilities for re-insurers' share in claims	-1,525,640	4,510,857
Other liabilities from co-insurance and re-insurance	31,100	0
Other short-term liabilities	105,151	153,503
Lease liabilities	794,397	851,981

	in EUR	
	H1 2021	H1 2020
INCOME AND EXPENSES		
Gross written premium and active reinsurance premium	19,995,513	16,795,513
Outward re-/co-insurance premium (-)	-47,771,945	-45,051,229
Net premium income	-27,776,432	-28,255,716
Reinsurance commission income	9,801,675	9,041,522
Other income from insurance operations	721,320	537,935
Interest income	118,945	153,583
Other insurance income	516,174	592,147
Fees and commission income	2,045,780	1,649,287
Income from land and buildings	355,739	330,802
Other income	287,630	201,050
Other income from financial assets	696	757
TOTAL INCOME	-13,928,473	-15,748,633
Gross claims settled	-980,071	-1,287,231
Re-/co-insurers' share in gross claim	-14,760,369	-13,592,809
Net claims	-15,740,440	-14,880,040
Expenses for reinsurance premiums	1,879,295	1,866,105
Other financial expenses	2,938	7,002
Interest expenses	10,437	11,598
Depreciation of right of use assets	61,656	67,673
TOTAL EXPENSES	-13,786,114	-12,927,662

Transactions with associates

In daily business operations, many insurance transactions are carried out with associated companies of Zavarovalnica Triglav. These transactions are performed at arm's length and at market prices. Their volume is shown below, separately for Zavarovalnica Triglav and for the Triglav Group.

	Triglav Group		Zavarovalnica Triglav		in EUR
	30 June 2021	31 December 2020	30 June 2021	31 December 2020	
ASSETS					
Shares	32,195,526	28,237,714	34,883,929	31,337,951	
Receivables from insurers	21,782	5,096	21,618	4,932	
Other short-term receivables	20,000	0	20,000	0	
LIABILITIES					
Liabilities to policy holders	0	27	0	0	
Liabilities to agents and brokers	143	7,319	0	7,176	
Other short - term liabilities	0	312	0	0	
Accrued expenses	688	450	0	0	

	Triglav Group		Zavarovalnica Triglav		in EUR
	H1 2021	H1 2020	H1 2021	H1 2020	
Gross written premium	69,217	54,347	68,235	53,039	
TOTAL INCOME	69,217	54,347	68,235	53,039	
Gross claims settled	5,029	0	5,029	0	
Acquisition costs	862	1,648	0	0	
TOTAL EXPENSES	5,891	1,648	5,029	0	

Transactions with shareholders and shareholder-related companies

The largest shareholders of Zavarovalnica Triglav are the Institute of Pension and Disability Insurance of Slovenia (Zavod za pokojninsko in invalidsko zavarovanje Slovenije – ZPIZ) and Slovenian Sovereign Holding (Slovenski državni holding – SDH), which hold a 34.47% and a 28.09% stake, respectively.

The shareholder-related companies are those in which SDH and the Republic of Slovenia together directly hold at least a 20% stake. The list is published on the SDH website (<http://sdh.si/sl-si/upravljanje-nalozb/seznam-nalozb>).

Business with the two largest shareholders and the state-related parties is limited to regular business cooperation. There were no material individual transactions with the abovementioned companies in the reporting period. The total value of transactions is shown in the table below.

	Triglav Group		Zavarovalnica Triglav	
	30 June 2021	31 December 2020	30 June 2021	31 December 2020
in EUR				
ASSETS				
Stakes and shares	19,978,743	15,885,929	19,795,407	15,750,155
Debt securities	87,762,465	106,249,828	62,201,976	76,143,968
Operating receivables	7,826	691	7,826	671
Re-insurance receivables	2,929	14,622	2,929	14,622
Other assets	10,610,382	7,407,070	0	0
LIABILITIES				
Operating liabilities	1,020,675	770,856	865,555	580,942
Re-insurance liabilities	2,665	7,887	2,665	7,887
	H1 2021	H1 2020	H1 2021	H1 2020
INCOME				
Gross written premium	10,100,910	8,727,027	10,247,514	8,996,304
Financial income	754,230	1,076,160	424,035	731,730
Other income	29,063	2,295	20,316	19,863
EXPENSES				
Gross claims settled	1,595,729	5,587,467	1,600,430	5,762,568
Financial expenses	103,532	247,637	58,042	205,879
Other expenses	4,294,345	4,225,152	3,187,458	2,887,402

2.9 Significant events after the reporting date

During the period between the end of the reporting period and the date of approval of the financial statements, there were no other adjusting or non-adjusting events that would affect the compiled financial statements for the period from 1 January to 30 June 2021.

In July 2021, the jointly controlled ZTSR d.o.o. was merged with its subsidiary Diagnostični center Vila Bogatin d.o.o. With the aforementioned transaction, ZTSR d.o.o. was stricken off the Companies Register, and Zavarovalnica Triglav consequently acquired a 50% participating interest in Diagnostični center Vila Bogatin d.o.o. The change in ownership will be recorded in the business records in the third quarter, and the business combination will not have an impact on the Triglav Group's consolidated financial statements.