



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

**triglav**

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# Unaudited Annual Report for 2013 of the Triglav Group and Zavarovalnica Triglav d.d.

(Unaudited financial statements)



Ljubljana, 27 February 2014

# 1. SUMMARY OF THE PERFORMANCE OF THE TRIGLAV GROUP AND ZAVAROVALNICA TRIGLAV D.D. IN 2013

## 1.1 Financial highlights of the Triglav Group

	EUR thousand			Index	
	2013 plan	2013	2012	2013 real./ plan	2013/2012
Gross written premium from insurance and co-insurance contracts	941,111	900,893	936,263	96	96
Net premium earned	862,177	837,643	884,368	97	95
Gross claims settled	648,170	627,508	613,765	97	102
Net claims incurred	630,407	571,663	578,938	91	99
Insurance business gross operating costs	233,913	230,304	230,251	98	100
Profit/loss before tax	68,947	83,641	89,671	121	93
Net profit/loss	55,186	69,851	73,181	127	95
Insurance technical provisions as at 31 December	2,268,039	2,261,433	2,305,260	100	98
Equity as at 31 December	611,930	590,537	574,564	97	103
Return on equity	9.3 %	12.0 %	13.8 %	130	87
Combined ratio	94.7 %	91.0 %	89.6 %	96	102
Number of employees as at 31 December	5,348	5,351	5,379	100	99

## 1.2 Financial highlights of Zavarovalnica Triglav d.d.

	EUR thousand			Index	
	2013 plan	2013	2012	2013 real./ plan	2013/2012
Gross written premium from insurance and co-insurance contracts	628,751	605,758	647,592	96	94
Net premium earned	565,027	548,622	596,819	97	92
Gross claims settled	462,553	419,398	416,701	91	101
Net claims incurred	417,285	370,655	376,580	89	98
Gross operating costs	164,649	161,265	160,943	98	100
Profit/loss before tax	52,381	59,594	65,637	114	91
Net profit/loss	41,884	48,290	50,392	115	96
Insurance technical provisions as at 31 December	1,946,226	1,959,272	1,990,151	101	98
Equity as at 31 December	541,111	499,790	507,657	92	98
Return on equity	8.0 %	9.6 %	10.7 %	120	90
Combined ratio	92,4 %	85,3 %	81,4 %	92	105
Number of employees as at 31 December	2,352	2,373	2,405	101	99
Book value per share (in EUR)	23.80	21.98	22.33	92	98
Net earnings/loss per share (in EUR)	1.84	2.12	2.22	115	96

### 1.3 Financial result in 2013

In 2013, the Triglav Group continued to implement its strategy, placing focus on the core insurance business, profitability and safety of operations, which offset unfavourable business conditions and maintained a high level of profitability and financial stability. This was confirmed by credit rating agencies Standard & Poor's and A.M. Best, which both raised Zavarovalnica Triglav's and Pozavarovalnica Triglav Re's credit ratings to »A-«. These ratings were assigned a stable medium-term outlook and reflect their supportive risk-adjusted capitalisation, good operating performance and strong competitive position of the Triglav Group within the Slovene market.

Despite difficult economic and financial conditions, the Triglav Group and Zavarovalnica Triglav d.d. performed well and ended the 2013 financial year with a higher profit as planned. The disclosed profit before tax of the Triglav Group amounted to EUR 83.6 million or 7% less than in the same period of 2012 and as much as 21% above the budgeted level. Net profit of the Triglav Group amounted to EUR 69.9 million, having decreased by 5% compared to the respective period of 2012, but as much as 27% higher as planned. Profit before tax of Zavarovalnica Triglav d.d. amounted to EUR 59.6 million and its net profit equalled EUR 48.3 million. Return on equity of the Triglav Group and of Zavarovalnica Triglav d.d. in 2013 was 12.0% and 9.6% respectively.

Total written premium of the Triglav Group decreased by 4% compared to 2012, amounting to EUR 900.9 million, which can be ascribed to the persisting economic crisis. The Triglav Group and Zavarovalnica Triglav have responded to the deteriorated market situation and lower demand by different sales measures as well as by launching new products and redesigning the existing ones. However, this still falls short of completely offsetting the drop in premium due to the reduced economic activity of economic entities, new corporate bankruptcies, falling purchasing power of households, higher unemployment rate and extremely aggressive competition. A drop in total written premium can also be attributed to a redefined marketing and sales policy, the purpose of which was to maintain and sustain the portfolio as well as the result of measures to improve insurance technical results in individual non-life insurance classes. Intensive management of the non-life insurance portfolio led to a favourable combined ratio. Therefore, the combined ratio of the Triglav Group – a measure of profitability in core insurance operations – reached 91.0%, better than planned by 3.7 percentage points.

Consolidated net premium income of the Triglav Group amounted to EUR 837.6 million or 5% less than in 2012. Net premium income from health insurance grew by 13%, whilst non-life and life net premium income decreased by 8% and 6% respectively. Consolidated net claims incurred stood at EUR 571.7 million, having decreased by 1% in comparison with the previous year. Net claims incurred from non-life insurance decreased by 7%, from life insurance increased by 5% and from health insurance rose by 10%.

Consolidated insurance business gross operating cost amounting to EUR 230.3 million were at approximately the same level as in 2012 (index 100). Operating expenses of insurance business accounted for 25.6% of consolidated gross written premiums.

Business results of the Triglav Group are strongly influenced by the situation on capital markets, as diverse financial investments represent the majority of the Company's total assets. Despite the relatively conservative investment policy of Zavarovalnica Triglav, the global financial crisis and the situation on capital markets had a negative impact on the value of certain investments. The lower value of portfolio was reflected foremost in decreased net

profit. Financial assets were permanently impaired by EUR 28.1 million. As conditions in capital markets remain volatile, the Company paid particular attention to monitoring their effects on the assets and liabilities structure, adapting investment policies of individual long-term business funds and assets backing liabilities when needed. In doing so, the Company employed results of different capital adequacy models as well as stress testing results. Financial investment return of the Triglav Group (the difference between income of EUR 184.7 million and expenses from financial assets of EUR 114.4 million) in 2013 amounted to EUR 70.3 million.

Consolidated change in other insurance technical provisions amounted to EUR 2.7 million, change in insurance technical provisions for unit-linked insurance contracts equalled EUR 17.9 million and expenses for bonuses and discounts reached EUR 6.5 million (index 76).

Other income from insurance operations of the Triglav Group totalled EUR 7.9 million, which was 62% less than the year before, and other insurance expenses amounted to EUR 23.7 million (index 55). Other income totalled EUR 76.6 million (index 101), whereas other expenses amounted to EUR 87.0 million (index 104).

#### **1.4 Financial position in 2013**

Total balance sheet assets of the Triglav Group as at 31 December 2013 stood at EUR 3,077.1 million (index 99) and those of Zavarovalnica Triglav d.d. at EUR 2,551.4 million, which was 2% less than as at the 2012 year-end.

The total value of equity of the Triglav Group as at 31 December 2013 stood at EUR 590.5 million, which was 3% higher over the preceding year. The portion of equity in the balance sheet total was 19.2%. As at the reporting date, controlling interests equalled EUR 584.3 million and non-controlling interest holders had EUR 6.2 million. The share capital of EUR 73.7 million was divided into 22,735,148 ordinary shares. Share premium amounted to EUR 56.9 million and reserves from profit totalled EUR 276.7 million. As a result of decreased value of available-for-sale financial assets, revaluation surplus stood at EUR 44.6 million, having decreased by 14% compared to the 2012 year-end.

Accumulated profit for the year was EUR 136.3 million (index 101), including net profit for the year and net profit brought forward of EUR 90.1 million (index 104). Net profit brought forward decreased by EUR 45.4 million due to the payment of dividends and increased by EUR 48.8 million as a result of transferring the net profit of the preceding year. Net profit for the year disclosed in the balance sheet totalled EUR 46.2 million, which was EUR 23.2 million less than net profit disclosed in the income statement, as the Company used part of the net profit to form other reserves from profit. According to the Companies Act, the Management Board of Zavarovalnica Triglav may allocate net profit for the current year to other profit reserves, however only up to one half of the net profit remaining after statutory allocations.

As at 31 December 2013, subordinated liabilities totalled EUR 28.2 million, having decreased by 24% over the 2012 year-end, since the bonds bearing the ZT01 ticker fell due. They accounted for 0.9% of the balance sheet total.

On the liabilities side, gross insurance technical provisions of the Triglav Group decreased by 2% by the end of 2013 or EUR 2,261.4 million in nominal terms. In the balance sheet total, their share decreased by 0.3 percentage point over 2012, from 73.8% to 73.5%. Among insurance technical provisions, mathematical provisions and insurance technical provisions for unit-linked insurance contracts increased by 1%. Provisions for gross unearned premiums dropped by 4%, claims provisions by 7%; and other insurance technical provisions by 13%.

Operating liabilities as at the 2013 year-end amounted to EUR 56.3 million and were 3% below the figure reported one year earlier. They accounted for 1.8% of the balance sheet total. Liabilities from direct insurance operations dropped by 3% or nominally EUR 20.2 million. Liabilities from co-insurance and reinsurance operations decreased by 4% and reached EUR 35.3 million, whereas current tax liabilities increased by 24% to EUR 0.7 million.

The Group's financial liabilities dropped by 12% or EUR 34.8 million nominally. They accounted for 1.1% of the balance sheet total.

As at 31 December 2013, financial assets of the Group stood at EUR 2,432.2 million, representing a 1% decrease over the preceding year. The percentage of financial assets in total assets reached 79.0% and was 0.7 percentage point higher than as at the 2012 year-end. In total financial assets, unit-linked insurance assets amounted to EUR 437.7 million and financial investments totalled EUR 1,994.5 million. In total financial investments, EUR 199.3 million is accounted for by deposits and loans, EUR 224.9 million by investments held to maturity, EUR 1,431.0 million by investments available for sale and EUR 139.3 million by investments recognised at fair value through profit/loss.

The Triglav Group's financial investments in associates fell by 29%, totalling EUR 10.2 million and accounting for 0.3% of total assets.

Investments in property totalled EUR 97.2 million. Their value decreased by 3% and represented 3.2% of total assets.

As at the 2013 year-end, receivables amounted to EUR 196.3 million and were 1% above the figure reported one year earlier. They represented 6.4% of total assets. Receivables from direct insurance operations amounted to EUR 96.0 million (index 92), receivables from co-insurance and reinsurance operations totalled EUR 43.3 million (index 101), current tax receivables equalled EUR 14.7 million and other receivables stood at EUR 42.3 million (index 109).

As at 31 December 2013, insurance technical provisions transferred to reinsurance contracts amounted to EUR 64.7 million, which was 23% less than one year earlier.

Property, plant and equipment amounted to EUR 122.9 million, accounting for 4.0% of total assets. Intangible assets stood at EUR 71.7 million and represented 2.3% of total assets.

## 2. THE UNAUDITED FINANCIAL STATEMENTS OF ZAVAROVALNICA TRIGLAV D.D. AND THE TRIGLAV GROUP FOR THE YEAR ENDED 31 DECEMBER 2013

### STATEMENT OF FINANCIAL POSITION OF ZAVAROVALNICA TRIGLAV, D.D.

	in EUR		
	31 December 2013	31 December 2012	Index
<b>ASSETS</b>	<b>2,551,395,325</b>	<b>2,603,060,213</b>	<b>98</b>
Intangible assets	52,638,444	53,298,272	99
Property, plant and equipment	64,302,130	66,300,323	97
Deferred tax receivables	5,051,465	14,638,478	35
Investment property	18,067,610	19,344,982	93
Investments in subsidiaries	159,778,726	185,617,295	86
Investments in associates	9,637,324	12,766,962	75
Financial assets	2,064,530,031	2,072,924,001	100
Financial investments	1,641,680,661	1,666,421,213	99
- loans and deposits	173,477,782	222,777,533	78
- held to maturity	197,096,116	199,277,500	99
- available for sale	1,135,406,507	1,144,343,784	99
- investments recognised at fair value	135,700,257	100,022,396	136
Unit-linked insurance assets	422,849,370	406,502,788	104
Reinsurers' share of insurance technical provisions	68,643,350	75,391,557	91
Receivables	102,006,043	98,274,364	104
- receivables from direct insurance operations	63,302,197	70,291,060	90
- receivables from reinsurance and co-insurance operations	9,140,990	8,243,477	111
- current tax receivables	12,912,838	7,403,575	174
- other receivables	16,650,018	12,336,252	135
Other assets	1,740,121	2,225,894	78
Cash and cash equivalents	5,000,081	2,278,084	219
<b>EQUITY AND LIABILITIES</b>	<b>2,551,395,325</b>	<b>2,603,060,213</b>	<b>98</b>
Equity	499,790,208	507,657,101	98
- share capital	73,701,392	73,701,392	100
- share premium	53,412,884	53,412,884	100
- reserves from profit	259,486,919	236,286,919	110
- fair value reserve	35,362,843	46,049,906	77
- net profit brought forward	52,735,703	72,813,826	72
- net profit for the year	25,090,466	25,392,174	99
Subordinated liabilities	29,956,713	38,721,260	77
Insurance technical provisions	1,538,939,112	1,585,250,868	97
- unearned premiums	188,286,777	200,453,389	94
- mathematical provisions	823,783,519	826,665,165	100
- claims provisions	510,090,992	538,904,153	95
- other insurance technical provisions	16,777,825	19,228,161	87
Insurance technical provisions for unit-linked insurance contracts	420,333,091	404,899,884	104
Employee benefits	8,459,095	7,994,891	106
Other provisions	570,449	934,334	61
Other financial liabilities	1,337,704	962,561	139
Operating liabilities	22,779,490	26,135,315	87
- liabilities from direct insurance operations	11,643,628	12,519,990	93
- liabilities from reinsurance and co-insurance operations	11,135,863	13,615,325	82
Other liabilities	29,229,462	30,503,998	96

## INCOME STATEMENT OF ZAVAROVALNICA TRIGLAV, D.D.

in EUR

	2013	2012	Index
<b>NET PREMIUM INCOME</b>	<b>548,622,311</b>	<b>596,818,667</b>	<b>92</b>
- gross written premium	605,758,390	647,591,877	94
- ceded written premium	-66,332,481	-69,169,119	96
- change in unearned premiums	9,196,402	18,395,908	50
<b>TOTAL INCOME FROM FINANCIAL ASSETS</b>	<b>167,336,928</b>	<b>143,980,876</b>	<b>116</b>
INCOME FROM FINANCIAL ASSETS IN ASSOCIATES	7,344,545	2,540,584	289
- interest income	2,183,420	1,773,249	123
- dividends	4,525,425	750,904	603
- fair value gains	0	0	
- realised gains on disposals	632,059	0	
- other financial income	3,642	16,431	22
INCOME FROM OTHER FINANCIAL ASSETS	112,611,938	113,159,477	100
- interest income	61,366,943	66,976,057	92
- dividends	2,009,605	1,749,633	115
- fair value gains	21,743,072	16,903,685	129
- realised gains on disposals	26,518,051	26,203,738	101
- other financial income	974,267	1,326,365	73
NET UNREALISED GAINS ON UNIT-LINKED LIFE INSURANCE ASSETS	47,380,445	28,280,816	168
<b>OTHER INCOME FROM INSURANCE OPERATIONS</b>	<b>15,252,351</b>	<b>29,457,651</b>	<b>52</b>
- fees and commission income	11,038,252	24,208,197	46
- other income from insurance operations	4,214,099	5,249,454	80
<b>OTHER INCOME</b>	<b>7,589,359</b>	<b>6,535,404</b>	<b>116</b>
<b>NET CLAIMS INCURRED</b>	<b>370,654,940</b>	<b>376,579,593</b>	<b>98</b>
- gross claims settled	419,397,804	416,700,797	101
- reinsurers' and co-insurers' share	-24,791,992	-20,054,072	124
- changes in claims provisions	-23,950,871	-20,067,131	119
<b>CHANGE IN OTHER INSURANCE TECHNICAL PROVISIONS (excluding unit-linked)</b>	<b>-555,109</b>	<b>-6,736,775</b>	<b>8</b>
<b>CHANGE IN INSURANCE TECHNICAL PROVISIONS FOR UNIT-LINKED INSURANCE CONTRACTS</b>	<b>15,433,207</b>	<b>49,999,757</b>	<b>31</b>
<b>EXPENSES FOR BONUSES AND DISCOUNTS</b>	<b>5,386,018</b>	<b>7,605,842</b>	<b>71</b>
<b>OPERATING EXPENSES</b>	<b>138,326,564</b>	<b>136,837,206</b>	<b>101</b>
- acquisition costs	95,983,106	96,740,329	99
- other operating costs	42,343,458	40,096,877	106
<b>TOTAL EXPENSES FROM FINANCIAL ASSETS AND LIABILITIES</b>	<b>128,000,114</b>	<b>103,907,826</b>	<b>123</b>
EXPENSES FROM FINANCIAL ASSETS AND LIABILITIES IN ASSOCIATES	26,631,747	14,046,803	190
- interest expense	0	0	
- fair value losses	0	0	
- realised loss on disposals	0	0	
- permanent impairment	26,624,575	14,017,150	190
- other expenses from financial assets and liabilities	7,172	29,653	24
EXPENSES FROM OTHER FINANCIAL ASSETS AND LIABILITIES	67,579,264	89,486,907	76
- interest expense	2,224,646	2,625,596	85
- fair value losses	20,256,152	17,640,835	115
- realised loss on disposals	14,405,172	22,249,251	65
- permanent impairment of financial assets	25,088,856	42,448,404	59
- other expenses from financial assets and liabilities	5,604,438	4,522,821	124
NET UNREALISED LOSSES ON UNIT-LINKED LIFE INSURANCE ASSETS	33,789,102	374,116	
<b>OTHER INSURANCE EXPENSES</b>	<b>13,349,557</b>	<b>31,985,406</b>	<b>42</b>
<b>OTHER EXPENSES</b>	<b>8,611,250</b>	<b>10,976,575</b>	<b>78</b>
<b>PROFIT BEFORE TAX</b>	<b>59,594,408</b>	<b>65,637,168</b>	<b>91</b>
Income tax expense	-11,303,942	-15,244,994	74
<b>NET PROFIT FOR THE ACCOUNTING PERIOD</b>	<b>48,290,466</b>	<b>50,392,174</b>	<b>96</b>
Earnings per share (basic and diluted)	2.12	2.22	96

## STATEMENT OF COMPREHENSIVE INCOME OF ZAVAROVALNICA TRIGLAV, D.D.

	In EUR		
	2013	2012	Index
NET PROFIT FOR THE YEAR AFTER TAX	48.290.466	50.392.174	96
OTHER COMPREHENSIVE INCOME AFTER TAX	-10.687.063	40.080.721	
Actuarial gains or losses for pension plans	-77.386	0	
Net gains/losses from the remeasurement of available-for-sale financial assets	-14.530.766	71.255.682	
- gains/losses recognised in fair value reserve	-13.666.161	44.044.534	
- transfer from fair value reserve to profit/loss	-864.605	27.211.148	
Liabilities from insurance contracts with a discretionary participating feature (shadow)	2.853.742	-23.745.609	
Tax on other comprehensive income	1.067.347	-7.429.351	
<b>COMPREHENSIVE INCOME / LOSS FOR THE YEAR AFTER TAX</b>	<b>37.603.404</b>	<b>90.472.895</b>	<b>42</b>



## STATEMENT OF CHANGES IN EQUITY OF ZAVAROVALNICA TRIGLAV, D.D.

FOR THE YEAR 2013	Share capital	Share premium	Reserves from profit			Fair value reserve	Net profit brought forward	Net profit	TOTAL EQUITY
			Legal and statutory reserves	Credit risk reserves	Other reserves from profit				
<b>OPENING BALANCE FOR THE PERIOD</b>	<b>73,701,392</b>	<b>53,412,884</b>	<b>4,662,643</b>	<b>30,624,276</b>	<b>201,000,000</b>	<b>46,049,906</b>	<b>72,813,826</b>	<b>25,392,174</b>	<b>507,657,101</b>
Comprehensive income for the period after tax	0	0	0	0	0	-10,687,063	0	48,290,467	37,603,404
Dividend payment	0	0	0	0	0	0	-45,470,297	0	-45,470,297
Allocation of net profit to other reserves	0	0	0	0	23,200,000	0	0	-23,200,000	0
Allocation of net profit to retained earnings	0	0	0	0	0	0	25,392,174	-25,392,174	0
<b>CLOSING BALANCE FOR THE PERIOD</b>	<b>73,701,392</b>	<b>53,412,884</b>	<b>4,662,643</b>	<b>30,624,276</b>	<b>224,200,000</b>	<b>35,362,843</b>	<b>52,735,703</b>	<b>25,090,466</b>	<b>499,790,208</b>
<b>Distributable profit for the period</b>							<b>52,735,703</b>	<b>25,090,466</b>	<b>77,826,169</b>

in EUR

FOR THE YEAR 2012	Share capital	Share premium	Reserves from profit			Fair value reserve	Net profit brought forward	Net profit	TOTAL EQUITY
			Legal and statutory reserves	Credit risk reserves	Other reserves from profit				
<b>OPENING BALANCE FOR THE PERIOD</b>	<b>73,701,392</b>	<b>53,412,884</b>	<b>4,662,643</b>	<b>30,624,276</b>	<b>176,000,000</b>	<b>5,969,185</b>	<b>49,539,512</b>	<b>43,782,559</b>	<b>437,692,451</b>
Comprehensive income for the period after tax	0	0	0	0	0	40,080,721	0	50,392,174	90,472,895
Dividend payment	0	0	0	0	0	0	-15,914,604	0	-15,914,604
Allocation of net profit to other reserves	0	0	0	0	25,000,000	0	0	-25,000,000	0
Allocation of net profit to retained earnings	0	0	0	0	0	0	43,782,559	-43,782,559	0
Other	0	0	0	0	0	0	-4,593,641	0	-4,593,641
<b>CLOSING BALANCE FOR THE PERIOD</b>	<b>73,701,392</b>	<b>53,412,884</b>	<b>4,662,643</b>	<b>30,624,276</b>	<b>201,000,000</b>	<b>46,049,906</b>	<b>72,813,826</b>	<b>25,392,174</b>	<b>507,657,101</b>
<b>Distributable profit for the period</b>							<b>72,813,826</b>	<b>25,392,174</b>	<b>98,206,000</b>

v EUR

## CASH FLOW STATEMENT OF ZAVAROVALNICA TRIGLAV, D.D.

	in EUR		
	2013	2012	Index
<b>A. OPERATING CASH FLOW</b>			
<b>Income statement items</b>	<b>22,942,093</b>	<b>38,334,466</b>	<b>60</b>
Net written premium for the period	539,425,909	578,422,759	93
Investment income (excluding financial income) arising from:	9,057,782	8,901,582	102
- insurance technical provisions	4,071,653	6,574,433	62
- other sources	4,986,129	2,327,148	214
Other operating income (excluding revaluation and changes in provisions) and financial income from receivables from operations	10,067,153	22,583,384	45
Net settled claims	-394,605,811	-396,646,725	99
Expenses for bonuses and discounts	-7,304,400	-7,044,576	104
Net operating expenses excluding depreciation and changes in deferred acquisition costs:	-116,633,867	-116,284,945	100
Investment expenses (excluding financial expenses) arising from:	-5,633,775	-8,879,542	63
- insurance technical provisions	-3,562,941	-4,599,866	77
- other sources	-2,070,833	-4,279,676	48
Other operating expenses excluding depreciation (except from valuation and without changes in provisions)	-10,781,316	-31,234,890	35
Corporate tax and other taxes not included in expenses	-649,582	-11,482,581	6
<b>Changes in net current assets – operating balance sheet items</b>	<b>-25,759,059</b>	<b>-1,652,238</b>	
Changes in receivables from insurance operations	-375,379	818,352	
Changes in receivables from reinsurance operations	-897,513	-56,294	
Changes in other receivables from (re)insurance operations	368,692	3,531,777	10
Changes in other receivables and assets	-10,629,977	919,470	
Changes in inventories	-8,071	41,684	
Changes in liabilities from direct insurance operations	-876,362	-969,325	90
Changes in liabilities from reinsurance operations	-2,479,463	-1,138,518	218
Changes in other operating liabilities	-9,826,346	-2,216,018	443
Changes in other liabilities (excluding unearned premium)	32,706	-10,012,713	
Changes in deferred tax liabilities	-1,067,347	7,429,348	
<b>Total operating cash flow</b>	<b>-2,816,966</b>	<b>36,682,228</b>	
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>			
<b>Cash inflows from investing activities</b>	<b>2,283,760,286</b>	<b>2,297,616,438</b>	<b>99</b>
Cash inflows from interest from investing activities arising from:	71,279,498	63,745,893	112
- insurance technical provisions	62,978,225	60,413,640	104
- other sources	8,301,273	3,332,253	249
Cash inflows from dividends received and profit sharing, arising from:	6,193,105	1,674,883	370
- insurance technical provisions	2,738,566	1,518,612	180
- other sources	3,454,539	156,271	
Cash inflows from the disposal of intangible assets financed from:	182,536	-90,512	
- insurance technical provisions	0	0	
- other sources	182,536	-90,512	
Cash inflows from the disposal of property, plant and equipment financed from:	576,892	3,302,207	17
- insurance technical provisions	0	0	
- other sources	576,892	3,302,207	17
Cash inflows from the disposal of non-current investments financed from:	1,062,276,765	1,142,679,479	93
- insurance technical provisions	983,989,015	1,001,373,463	98
- other sources	78,287,750	141,306,015	55

	2013	2012	Index
Cash inflows from the disposal of current investments financed from:	1,142,618,457	1,086,304,488	105
- insurance technical provisions	1,066,841,282	1,012,037,565	105
- other sources	75,777,175	74,266,923	102
Cash inflows from the disposal of subsidiaries and associates financed from:	633,034	0	
- insurance technical provisions	0	0	
- other sources	633,034	0	
<b>Cash outflows from investing activities</b>	<b>-2,231,578,416</b>	<b>-2,318,408,592</b>	<b>96</b>
Cash outflows for the purchase of intangible assets	-4,738,785	-7,498,501	63
Cash outflows for the purchase of property, plant and equipment financed from:	-5,842,522	-2,752,063	212
- insurance technical provisions	-332,366	-409,143	81
- other sources	-5,510,156	-2,342,921	235
Cash outflows for the purchase of non-current investments financed from:	-1,066,424,661	-1,228,749,022	87
- insurance technical provisions	-950,631,839	-1,108,149,318	86
- other sources	-115,792,822	-120,599,704	96
Cash outflows for the purchase of current investments financed from:	-1,153,786,442	-1,049,950,273	110
- insurance technical provisions	-1,093,164,465	-968,295,002	113
- other sources	-60,621,977	-81,655,271	74
Cash outflows for the purchase of subsidiaries and associates financed from:	-786,006	-29,458,733	3
- insurance technical provisions	-686,006	-17,641,493	4
- other sources	-100,000	-11,817,240	1
<b>Total cash flow from investing activities</b>	<b>52,181,870</b>	<b>-20,792,154</b>	
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>			
<b>Cash inflows from financing activities</b>	<b>0</b>	<b>0</b>	
Cash inflows from paid-in capital	0	0	
Cash inflows from long-term loans recieved	0	0	
Cash inflows from short-term loans recieved	0	0	
<b>Cash outflows from financing activities</b>	<b>-46,642,908</b>	<b>-17,828,844</b>	<b>262</b>
Cash outflows for interests paid	-2,234,411	-2,236,755	100
Cash outflows for repayments of principal	0	0	
Cash outflows for payments of long-term financial liabilities	0	0	
Cash outflows for payments of short-term financial liabilities	0	0	
Cash outflows for dividends paid and profit sharing	-44,408,497	-15,592,089	285
<b>Total cash flow from financing activities</b>	<b>-46,642,908</b>	<b>-17,828,844</b>	<b>262</b>
<b>D. Opening balance of cash and cash equivalents</b>	<b>2,278,084</b>	<b>4,216,855</b>	<b>54</b>
<b>E. Net cash flow for the period</b>	<b>2,721,995</b>	<b>-1,938,770</b>	
<b>F. Closing balance of cash and cash equivalents</b>	<b>5,000,080</b>	<b>2,278,085</b>	<b>219</b>

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION OF THE TRIGLAV GROUP

in EUR

	31 December 2013	31 December 2012	Index
<b>ASSETS</b>	<b>3,077,107,344</b>	<b>3,123,808,393</b>	<b>99</b>
Intangible assets	71,724,243	66,878,286	107
Property, plant and equipment	122,850,884	130,350,482	94
Deferred tax receivables	23,696,799	34,434,717	69
Investment property	97,245,384	100,186,863	97
Investments in associates	10,204,674	14,384,184	71
Financial assets	2,432,183,379	2,445,878,652	99
Financial investments:	1,994,515,763	2,026,996,736	98
- loans and deposits	199,264,326	273,278,022	73
- held to maturity	224,880,951	228,416,165	98
- available for sale	1,431,023,178	1,417,564,782	101
- investments recognised at fair value	139,347,308	107,737,767	129
Unit-linked insurance assets	437,667,616	418,881,916	104
Reinsurers' share of insurance technical provisions	64,707,528	83,575,712	77
Receivables	196,328,781	194,850,052	101
- receivables from direct insurance operations	95,959,929	103,865,001	92
- receivables from reinsurance and co-insurance operations	43,322,539	42,942,784	101
- current tax receivables	14,724,095	9,331,709	158
- other receivables	42,322,218	38,710,558	109
Other assets	26,973,765	33,680,408	80
Cash and cash equivalents	29,068,558	17,251,420	168
Noncurrent assets for sale	2,123,349	2,337,617	91
<b>EQUITY AND LIABILITIES</b>	<b>3,077,107,344</b>	<b>3,123,808,393</b>	<b>99</b>
Equity	590,537,457	574,563,757	103
Controlling interests	584,314,877	567,863,820	103
- share capital	73,701,392	73,701,392	100
- share premium	56,866,194	56,710,713	100
- reserves from profit	276,678,464	253,233,080	109
- fair value reserve	44,605,435	51,819,054	86
- net profit brought forward	90,083,115	86,769,095	104
- net profit for the year	46,213,507	48,809,667	95
- currency translation differences	-3,833,230	-3,179,181	121
Non-controlling interests	6,222,580	6,699,937	93
Subordinated liabilities	28,244,484	37,025,550	76
Insurance technical provisions	1,826,231,310	1,887,920,781	97
- unearned premiums	258,066,669	268,424,573	96
- mathematical provisions	870,733,006	869,949,936	100
- claims provisions	674,436,244	723,176,114	93
- other insurance technical provisions	22,995,391	26,370,158	87
Insurance technical provisions for unit-linked insurance contracts	435,201,724	417,338,984	104
Employee benefits	11,401,382	10,573,673	108
Other provisions	16,218,730	19,621,552	83
Deferred tax liabilities	18,465,042	21,351,998	86
Other financial liabilities	34,790,998	39,380,566	88
Operating liabilities	56,325,533	58,150,107	97
- liabilities from direct insurance operations	20,247,893	20,811,717	97
- liabilities from reinsurance and co-insurance operations	35,338,592	36,744,115	96
- current tax liabilities	739,048	594,275	124
Other liabilities	59,690,684	57,881,425	103

## CONSOLIDATED INCOME STATEMENT OF THE TRIGLAV GROUP

			in EUR
	2013	2012	Index
<b>NET PREMIUM INCOME</b>	<b>837,642,667</b>	<b>884,367,872</b>	<b>95</b>
- gross written premium	900,892,580	936,263,023	96
- ceded written premium	-70,920,674	-74,983,245	95
- change in unearned premiums	7,670,761	23,088,094	33
<b>INCOME FROM FINANCIAL ASSETS</b>	<b>184,692,544</b>	<b>173,651,547</b>	<b>106</b>
INCOME FROM FINANCIAL ASSETS IN ASSOCIATES	63,423	5,754,725	1
- profit on equity investments accounted for using the equity method	39,532	1,720,451	2
- interest income	0	0	
- fair value gains	0	0	
- realised gains on disposals	23,891	0	
- other financial income	0	4,034,274	
INCOME FROM OTHER FINANCIAL ASSETS	136,153,098	138,074,118	99
- interest income	76,142,863	82,502,711	92
- dividends	2,856,987	3,120,364	92
- fair value gains	22,249,328	17,616,160	126
- realised gains on disposals	28,643,036	29,270,460	98
- other financial income	6,260,884	5,564,423	113
NET UNREALISED GAINS ON UNIT-LINKED LIFE INSURANCE ASSETS	48,476,023	29,822,704	163
<b>OTHER INCOME FROM INSURANCE OPERATIONS</b>	<b>7,910,551</b>	<b>20,702,957</b>	<b>38</b>
- fees and commission income	2,493,159	13,741,969	18
- other income from insurance operations	5,417,392	6,960,988	78
<b>OTHER INCOME</b>	<b>76,614,124</b>	<b>76,039,900</b>	<b>101</b>
<b>NET CLAIMS INCURRED</b>	<b>571,663,099</b>	<b>578,938,271</b>	<b>99</b>
- gross claims settled	627,508,334	613,765,178	102
- reinsurers' and co-insurers' share	-35,840,696	-22,515,985	159
- changes in claims provisions	-27,985,203	-19,720,565	142
- equalisation scheme expenses for supplementary health insurance	7,980,664	7,409,643	108
<b>CHANGE IN OTHER INSURANCE TECHNICAL PROVISIONS</b>	<b>2,651,409</b>	<b>-1,446,818</b>	
<b>CHANGE IN INSURANCE TECHNICAL PROVISIONS FOR UNIT-LINKED INSURANCE CONTRACTS</b>	<b>17,906,261</b>	<b>52,882,779</b>	<b>34</b>
<b>EXPENSES FOR BONUSES AND DISCOUNTS</b>	<b>6,539,195</b>	<b>8,647,771</b>	<b>76</b>
<b>OPERATING EXPENSES</b>	<b>199,362,100</b>	<b>198,477,965</b>	<b>100</b>
- acquisition costs	128,032,778	127,960,690	100
- other operating costs	71,329,322	70,517,275	101
<b>EXPENSES FROM FINANCIAL ASSETS AND LIABILITIES</b>	<b>114,386,924</b>	<b>100,957,942</b>	<b>113</b>
EXPENSES FROM FINANCIAL ASSETS AND LIABILITIES IN ASSOCIATES	1,417,909	2,104,247	67
- loss on investments accounted for using the equity method	986,250	2,104,247	47
- interest expense	0	0	
- fair value losses	0	0	
- realised loss on disposals	418,604	0	
- permanent impairment of financial assets	1	0	
- other expenses from financial assets and liabilities	13,054	0	
EXPENSES FROM OTHER FINANCIAL ASSETS AND LIABILITIES	79,179,913	98,177,882	81
- interest expense	3,394,926	3,576,326	95
- fair value losses	23,209,947	18,768,643	124
- realised loss on disposals	15,744,740	24,081,742	65
- permanent impairment of financial assets	28,144,000	43,652,275	64
- other expenses from financial assets and liabilities	8,686,300	8,098,896	107
NET UNREALISED LOSSES ON UNIT-LINKED LIFE INSURANCE ASSETS	33,789,102	675,813	
<b>OTHER INSURANCE EXPENSES</b>	<b>23,683,481</b>	<b>42,829,908</b>	<b>55</b>
<b>OTHER EXPENSES</b>	<b>87,026,356</b>	<b>83,803,046</b>	<b>104</b>
<b>PROFIT BEFORE TAX</b>	<b>83,641,061</b>	<b>89,671,412</b>	<b>93</b>
Income tax expense	-13,790,058	-16,490,349	84
<b>NET PROFIT FOR THE ACCOUNTING PERIOD</b>	<b>69,851,003</b>	<b>73,181,063</b>	<b>95</b>
Net profit attributable to the controlling company	69,541,096	72,512,985	96
Net profit attributable to non-controlling interest holders	309,906	668,078	46

## CONSOLIDATED COMPREHENSIVE INCOME OF THE TRIGLAV GROUP

	in EUR		
	2013	2012	Index
NET PROFIT FOR THE YEAR AFTER TAX	69,851,003	73,181,063	95
OTHER COMPREHENSIVE INCOME AFTER TAX	-7,833,344	48,810,646	
Actuarial gains or losses for pension plans	-24,175	0	
Net gains/losses from the remeasurement of available-for-sale financial assets	-11,408,076	85,240,369	
- Gains/losses recognised in fair value reserve	-10,021,604	56,130,261	
- Transfer from fair value reserve to profit/loss	-1,386,472	29,110,108	
Net profit / loss from non-current assets held for sale	0	0	
Gains recognised in fair value reserve and net profit/loss brought forward arising from equity in associates and jointly controlled entities recognised using the equity method	333,003	246,560	135
Liabilities from insurance contracts with a discretionary participating feature (shadow accounting)	2,853,742	-23,745,609	
Translation differences	-663,640	-638,532	104
Tax on other comprehensive income	1,075,802	-12,292,142	
<b>COMPREHENSIVE INCOME / LOSS FOR THE YEAR AFTER TAX</b>	<b>62,017,659</b>	<b>121,991,709</b>	<b>51</b>
Controlling interests	61,699,594	120,972,431	51
Non-controlling interests	318,065	1,019,278	31

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY OF THE TRIGLAV GROUP

FOR THE YEAR 2013	Reserves from profit											Equity attributable to non-controlling interest holders		TOTAL	
	Share capital	Share premium	Contingency reserves	Treasury share reserves	Legal and statutory reserves	Credit risk reserves	Other reserves from profit	Fair value reserve	Net profit brought forward	Net profit for the period	Trasury shares (deductible item)	Translation differences	Total equity attributable to the controlling company		Equity attributable to non-controlling interest holders
<b>OPENING BALANCE FOR THE PERIOD</b>	<b>73,701,392</b>	<b>56,710,713</b>	<b>529,798</b>	<b>364,680</b>	<b>19,517,390</b>	<b>32,185,892</b>	<b>201,000,001</b>	<b>51,819,054</b>	<b>86,769,095</b>	<b>48,809,667</b>	<b>-364,680</b>	<b>-3,179,181</b>	<b>567,863,820</b>	<b>6,699,937</b>	<b>574,563,757</b>
Comprehensive income after tax	0	-1	0	0	0	0	0	-7,213,619	26,173	69,541,096	0	-654,056	61,699,593	318,063	62,017,656
Allocation of net profit to retained earnings	0	0	0	0	0	0	0	0	48,809,660	-48,809,660	0	0	0	0	0
Dividend payment	0	0	0	0	0	0	0	0	-45,404,032	0	0	0	-45,404,032	0	-45,404,032
Allocation of net profit to credit risk reserve	0	0	0	0	0	127,591	0	0	0	-127,591	0	0	0	0	0
Allocation of net profit to other reserves	0	0	4,568	0	113,225	0	23,200,000	0	-117,782	-23,200,000	0	0	11	-11	0
Recognition of reserves resulting from intragroup transactions	0	118,328	0	0	0	0	0	0	0	0	0	0	118,328	-804,335	-686,007
Other	0	37,155	0	88,200	0	0	0	0	0	0	-88,200	0	37,156	8,925	46,081
<b>CLOSING BALANCE FOR THE PERIOD</b>	<b>73,701,392</b>	<b>56,866,195</b>	<b>534,366</b>	<b>452,880</b>	<b>19,630,611</b>	<b>32,313,485</b>	<b>224,200,001</b>	<b>44,605,435</b>	<b>90,083,114</b>	<b>46,213,505</b>	<b>-452,880</b>	<b>-3,833,230</b>	<b>584,314,877</b>	<b>6,222,580</b>	<b>590,537,457</b>

FOR THE YEAR 2012	Reserves from profit											Equity attributable to non-controlling interest holders		TOTAL	
	Share capital	Share premium	Contingency reserves	Treasury share reserves	Legal and statutory reserves	Credit risk reserves	Other reserves from profit	Fair value reserve	Net profit brought forward	Net profit for the period	Trasury shares (deductible item)	Translation differences	Total equity attributable to the controlling company		Equity attributable to non-controlling interest holders
<b>OPENING BALANCE FOR THE PERIOD</b>	<b>73,701,392</b>	<b>53,204,076</b>	<b>529,798</b>	<b>364,680</b>	<b>19,430,985</b>	<b>34,866,038</b>	<b>176,000,000</b>	<b>2,786,975</b>	<b>61,135,220</b>	<b>46,175,732</b>	<b>-364,680</b>	<b>-2,565,265</b>	<b>465,264,951</b>	<b>24,204,905</b>	<b>489,469,857</b>
Comprehensive income after tax	0	0	0	0	0	0	0	49,073,336	0	72,512,985	0	-613,890	120,972,431	1,019,278	121,991,709
Dividend payment	0	0	0	0	0	0	0	0	-15,904,095	0	0	0	-15,904,095	6,511	-15,897,584
Allocation of net profit to other reserves	0	0	0	0	86,405	0	25,000,000	0	-86,405	-25,000,000	0	0	0	0	0
Allocation of credit risk reserves	0	0	0	0	0	-2,680,146	0	0	0	1,296,682	0	0	-1,383,464	75,613	-1,307,851
Allocation of net profit to retained earnings	0	0	0	0	0	0	0	0	46,175,732	-46,175,732	0	0	0	0	0
Recognition of reserves resulting from intragroup transactions	0	3,506,637	0	0	0	0	0	0	0	0	0	0	3,506,637	-18,606,370	-15,099,733
Other	0	0	0	0	0	0	0	-41,257	-4,551,357	0	0	0	-4,592,614	0	-4,592,614
<b>CLOSING BALANCE FOR THE PERIOD</b>	<b>73,701,392</b>	<b>56,710,713</b>	<b>529,798</b>	<b>364,680</b>	<b>19,517,390</b>	<b>32,185,892</b>	<b>201,000,000</b>	<b>51,819,054</b>	<b>86,769,095</b>	<b>48,809,667</b>	<b>-364,680</b>	<b>-3,179,181</b>	<b>567,863,820</b>	<b>6,699,937</b>	<b>574,563,757</b>

## CONSOLIDATED CASH FLOW STATEMENT OF THE TRIGLAV GROUP

in EUR

	2013	2012	Index
<b>A. OPERATING CASH FLOW</b>			
<b>Income statement items</b>	<b>36,421,523</b>	<b>45,877,945</b>	<b>79</b>
Net written premium for the period	848,792,792	870,023,930	98
Investment income (excluding financial income) arising from:	23,175,868	23,934,772	97
- insurance technical provisions	17,226,999	20,759,650	83
- other sources	5,948,869	3,175,122	187
Other operating income (excluding revaluation and changes in provisions) and financial income from receivables from operations	83,429,712	107,126,416	78
Net settled claims	-601,205,876	-600,003,778	100
Expenses for bonuses and discounts	-8,468,746	-8,083,904	105
Net operating expenses excluding depreciation and changes in deferred acquisition costs:	-194,022,280	-198,650,682	98
Investment expenses (excluding financial expenses) arising from:	-9,738,949	-48,570,963	20
- insurance technical provisions	-7,297,281	-10,064,141	73
- other sources	-2,441,668	-38,506,822	6
Other operating expenses excluding depreciation (except from valuation and without changes in provisions)	-102,481,272	-85,565,697	120
Corporate tax and other taxes not included in expenses	-3,059,726	-14,332,149	21
<b>Changes in net current assets – operating balance sheet items</b>	<b>-23,685,222</b>	<b>-9,804,340</b>	<b>242</b>
Changes in receivables from insurance operations	914,247	-6,846,251	
Changes in receivables from reinsurance operations	-1,897,625	181,594	
Changes in other receivables from (re)insurance operations	6,729,455	-5,890,243	
Changes in other receivables and assets	-7,058,274	3,101,504	
Changes in deferred tax assets	63,331	2,337,454	3
Changes in inventories	722,094	1,879,031	38
Changes in liabilities from direct insurance operations	-1,944,453	11,410,478	
Changes in liabilities from reinsurance operations	-3,191,418	-1,505,423	212
Changes in other operating liabilities	-16,353,867	-16,822,070	97
Changes in other liabilities (excluding unearned premium)	-760,469	-4,600,737	17
Changes in deferred tax liabilities	-908,243	6,950,323	
<b>Total operating cash flow</b>	<b>12,736,301</b>	<b>36,073,605</b>	<b>35</b>
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>			
<b>Cash inflows from investing activities</b>	<b>2,738,674,286</b>	<b>2,712,442,552</b>	<b>101</b>
Cash inflows from interest from investing activities arising from:	84,623,552	79,822,024	106
- insurance technical provisions	74,654,387	74,795,607	100
- other sources	9,969,165	5,026,417	198
Cash inflows from dividends received and profit sharing, arising from:	8,515,902	9,601,940	89
- insurance technical provisions	2,812,918	1,612,124	174
- other sources	5,702,984	7,989,816	71
Cash inflows from the disposal of intangible assets financed from:	182,536	232,862	78
- insurance technical provisions	0	317,636	
- other sources	182,536	-84,774	
Cash inflows from the disposal of property, plant and equipment financed from:	979,728	6,104,632	16
- insurance technical provisions	47,741	2,479,264	2
- other sources	931,987	3,625,368	26
Cash inflows from the disposal of non-current investments financed from:	1,187,092,559	1,246,931,676	95
- insurance technical provisions	1,095,182,263	1,103,905,564	99
- other sources	91,910,296	143,026,112	64
Cash inflows from the disposal of current investments financed from:	1,456,444,249	1,369,749,418	106
- insurance technical provisions	1,284,593,660	1,195,426,053	107
- other sources	171,850,589	174,323,365	99
Cash inflows from the disposal of subsidiaries and associates financed from:	835,760	0	
- insurance technical provisions	0	0	
- other sources	835,760	0	
<b>Cash outflows from investing activities</b>	<b>-2,683,771,800</b>	<b>-2,727,253,065</b>	<b>98</b>
Cash outflows for the purchase of intangible assets	-10,000,862	-8,515,221	117
Cash outflows for the purchase of property, plant and equipment financed from:	-10,925,815	-7,452,052	147
- insurance technical provisions	-1,156,461	-851,175	136
- other sources	-9,769,354	-6,600,877	148



		in EUR		
		2013	2012	Index
	Cash outflows for the purchase of non-current investments financed from:	-1,204,050,533	-1,385,444,793	87
	- insurance technical provisions	-1,079,503,888	-1,251,414,012	86
	- other sources	-124,546,645	-134,030,781	93
	Cash outflows for the purchase of current investments financed from:	-1,458,108,584	-1,325,840,999	110
	- insurance technical provisions	-1,302,947,035	-1,146,279,066	114
	- other sources	-155,161,549	-179,561,933	86
	Cash outflows for the purchase of subsidiaries and associates financed from:	-686,006	0	
	- insurance technical provisions	-686,006	0	
	- other sources	0	0	
	<b>Total cash flow from investing activities</b>	<b>54,902,486</b>	<b>-14,810,513</b>	
<b>C.</b>	<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
	<b>Cash inflows from financing activities</b>	<b>39,263,813</b>	<b>33,413,521</b>	<b>118</b>
	Cash inflows from paid-in capital	0	0	
	Cash inflows from long-term loans received	7,751,222	5,735,970	135
	Cash inflows from short-term loans received	31,512,591	27,677,551	114
	<b>Cash outflows from financing activities</b>	<b>-95,034,085</b>	<b>-59,716,158</b>	<b>159</b>
	Cash outflows for interests paid	-2,790,308	-2,822,301	99
	Cash outflows for repayments of principal	0	0	
	Cash outflows for payments of long-term financial liabilities	-11,860,759	-3,390,936	350
	Cash outflows for payments of short-term financial liabilities	-34,978,986	-37,604,980	93
	Cash outflows for dividends paid and profit sharing	-45,404,032	-15,897,941	286
	<b>Total cash flow from financing activities</b>	<b>-55,770,272</b>	<b>-26,302,637</b>	<b>212</b>
<b>D.</b>	<b>Opening balance of cash and cash equivalents</b>	<b>17,251,420</b>	<b>22,771,666</b>	<b>76</b>
<b>E1.</b>	<b>Net cash flow for the period</b>	<b>11,868,515</b>	<b>-5,039,545</b>	
<b>E2.</b>	<b>Foreign exchange differences</b>	<b>-51,377</b>	<b>-480,702</b>	<b>11</b>
<b>F.</b>	<b>Closing balance of cash and cash equivalents</b>	<b>29,068,558</b>	<b>17,251,419</b>	<b>168</b>