



Zavarovalnica Triglav, d.d.
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triglav

www.triglav.eu
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Unaudited Interim Report of the Triglav Group and Zavarovalnica Triglav d.d. for the period from 1 January 2015 to 30 September 2015



MANAGEMENT BOARD:

President: Andrej Slapar

Members: Benjamin Jošar

Uroš Ivanc

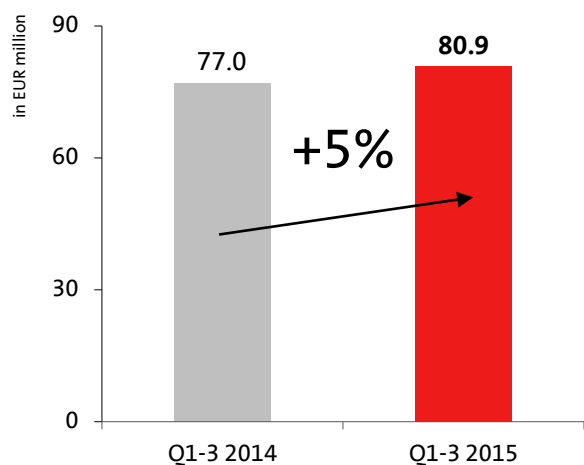
Tadej Čoroli

Marica Makoter

Ljubljana, November 2015

PERFORMANCE OF THE TRIGLAV GROUP IN THE FIRST NINE MONTHS OF 2015

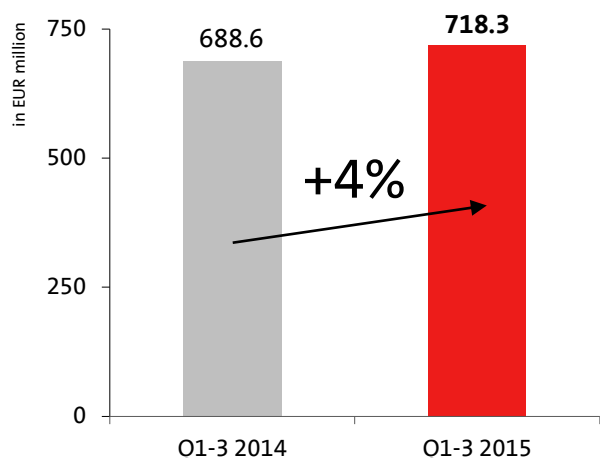
Net profit



Consistent implementation of strategic guidelines is reflected in higher profit.

For additional information see page 47.

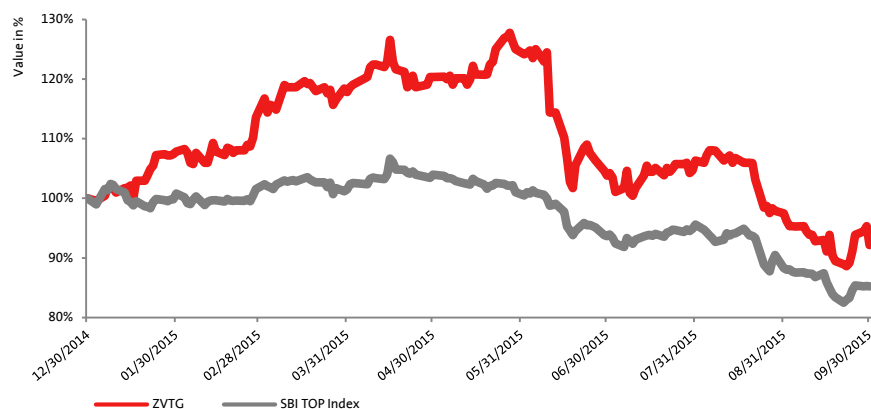
Gross written premium from insurance and co-insurance contracts



Growth in written premium resulted from the acquisition of Skupna pokojninska družba and increase in premium of insurance subsidiaries.

For additional information see page 21.

The relative stock price change of the ZVTG share and the value of the SBI TOP Index in the first nine months 2015 compared to 31 December 2014



The ZVTG share price went down by 8%.

For additional information see page 16.



Dear shareholders, business partner and colleagues,

The Triglav Group is the leading insurance/financial group in Slovenia and the broader Adria region, which extends over seven markets in six countries. Our growth and development are outlined in the Strategy of the Triglav Group up to 2017, focusing on the core insurance business. Our attention is paid on the clients, providing them with competitive high-quality services. We see strategic growth potential in other markets outside Slovenia as well as on the Slovene health and pension insurance market.

We are pleased that the Group's performance results in the first nine months of 2015 confirm that we are on the right track with our strategic objectives and their consistent implementation despite the challenging conditions in the markets where the Group operates. **The Group's combined ratio**, showing the profitability of the core insurance operations, improved compared to the corresponding period of the preceding year, i.e. decreased by 3.7 percentage points, reaching 91.7%. In contrast to the same period of 2014, major loss events had no impact on the Group's performance in the reporting period.

Compared to the respective period of 2014, **gross written premium of the Triglav Group** grew by 4%, mainly as a result of the performance of the newly acquired Skupna pokojninska družba and premium growth of the Group's insurance subsidiaries. The written premium booked by the parent company Zavarovalnica Triglav remained at approximately the same level as in the preceding year, whilst that of Triglav, Zdravstvena zavarovalnica rose by 1% compared to the respective period of 2014. Compared to the corresponding period of 2014, the Triglav Group recorded premium growth on all the markets outside Slovenia where it is present. The highest premium growth of 30% was recorded in the Serbian market, premium in the Macedonian market was 14% higher, while premium in Montenegro (Lovćen Osiguranje) and Croatia climbed by 9% and 7% respectively. In Bosnia and Herzegovina, a 9% growth in premium was recorded by the insurer in Sarajevo, whilst the Banja Luka insurance company recorded an 8% increase in premium.

The Group's performance is significantly affected by the return on financial investments. In 2014, the situation on capital markets enabled an extremely high return on investments. This year, however, the situation is different. The return on the Group's financial investments was 28% lower primarily due to higher general interest rates and consequently lower prices of debt securities. With consistent implementation of its business policy measures and an adequate portfolio management investment policy, the Triglav Group ended the first nine months of 2015 with a **net profit** of EUR 80.9 million, which is 5% more compared to the respective period of the preceding year. **Profit before tax** amounted to EUR 94.9 million or 6% more than in 2014.

In 2015, the Triglav Group has remained financially strong and stable, as confirmed by the **»A«** credit ratings from Standard & Poor's and A.M. Best with a positive medium-term outlook. As at

the reporting date, the high level of financial stability of the Triglav Group was reflected in **insurance technical provisions** of EUR 2,606.8 million and **total equity capital** amounting to EUR 690.0 million. Both indicators represent a guarantee and basis for balanced operations and long-term safety of our policyholders.

This year, Zavarovalnica Triglav allocated as much as 67% of the net profit of the Triglav Group (owners of the controlling company) for the 2014 dividend payments. Thus, the dividend amount deviates from the existing dividend policy of Zavarovalnica Triglav, which otherwise remains unchanged. The dividend in the amount of EUR 2.5 gross per share consisted of a dividend which was in line with the dividend policy (EUR 1.25 gross per share) and an additional extraordinary dividend arising from the available capital of the Group (EUR 1.25 gross per share).

The ZVTG share decreased by 8%, following the movement of the Slovene Blue-Chip Index, which went down by as much as 15% in the reporting period.

We expect that until the end of 2015 the conditions in the insurance markets will remain challenging, while the Company's operations will be additionally affected by regulatory and other changes, such as liberalisation of the motor liability insurance market in Croatia. Moreover, we do not expect exceptional investment returns on capital markets. In our insurance business, the business pillar of the Triglav Group, we will continue to pursue our aggressive marketing approach with increasingly client-oriented sales activities and an emphasis on the development and greater efficiency of the sales network. In line with its strategic guideline, the Group will continue with prudent subsidiary ownership consolidation within the Group. Furthermore, we plan to further streamline the Group's asset management and continue to disinvest its equity stakes in companies whose business is incompatible with the Group's Strategy. By the end of 2015, the Group's risk management will be fully aligned with the regulatory requirements of Solvency II.

Our focus remains on our clients, while we will make every effort to realise the set strategic objectives of the Group.

Andrej Slapar

President of the Management Board of Zavarovalnica Triglav



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1. FINANCIAL HIGHLIGHTS OF THE TRIGLAV GROUP IN THE FIRST NINE MONTHS OF 2015

1.1 Performance of the Triglav Group

	in EUR million		
	Q1-3 2015	Q1-3 2014	Index 2015/2014
Gross written premium from insurance and co-insurance contracts	718.3	688.6	104
Net premium income	629.6	611.7	103
Gross claims paid	435.1	440.8	99
Net claims incurred	427.4	438.3	98
Gross operating costs*	170.8	167.5	102
Profit before tax	94.9	89.7	106
Net profit	80.9	77.0	105
Net profit attributable to the controlling company	80.2	76.6	105
	30 September 2015	31 December 2014	Index 2015/2014
Insurance technical provisions as at	2,606.8	2,333.7	112
Equity as at	690.0	688.1	100
Equity attributable to the controlling company as at	678.6	681.4	100
Number of employees as at	5,373	5,406	99

*Insurance business gross operating costs

Key performance indicators of the Triglav Group

	Q1-3 2015	Q1-3 2014
ROE annualised	16.0%	16.5%
Claims ratio	62.5%	66.7%
Expense ratio	29.2%	28.7%
Combined ratio	91.7%	95.4%
Ratio between gross operating costs and gross written premium	23.8%	24.3%

1.2 Performance of Zavarovalnica Triglav d.d. (hereinafter: Zavarovalnica Triglav)

	in EUR million		
	Q1-3 2015	Q1-3 2014	Index 2015/2014
Gross written premium from insurance and co-insurance contracts	463.2	463.7	100
Net premium income	389.4	395.6	98
Gross claims paid	283.5	296.3	96
Net claims incurred	264.3	289.3	91
Gross operating costs	119.3	119.1	100
Profit before tax	65.9	65.9	100
Net profit	53.8	56.1	96
	30 September 2015	31 December 2014	Index 2015/2014
Insurance technical provisions as at	2,068.8	2,060.0	100
Equity as at	523.4	544.0	96
Number of employees as at	2,352	2,365	99

Key performance indicators of the Zavarovalnica Triglav

	Q1-3 2015	Q1-3 2014
ROE annualised	13.7%	14.4%
Claims ratio	56.6%	64.7%
Expense ratio	29.1%	29.6%
Combined ratio	85.7%	94.3%
Ratio between gross operating costs and gross written premium	25.7%	25.7%

1.3 Activities and position of the Triglav Group

The Triglav Group is the leading insurance/financial group in Slovenia and in the Adria region and one of the leading groups in South-East Europe. The Group operates on eight markets in six countries.

The Group's key business pillars:



The Triglav Group's core business, accounting for the bulk of its operations, is **insurance**, including non-life, life, supplemental voluntary pension, health insurance and reinsurance.

The insurance-oriented part of the Group encompasses:

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

Asset management involves investments in securities, real property and other; and is performed by the following companies, members of the Triglav Group: Triglav Skladi d.o.o., Upravljanje nepremičnin d.d., Slovenijales d.d. and Pista d.o.o.

Table: Subsidiaries of the Triglav Group directly involved in or supporting the Group's core 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. ▪ Skupna pokojninska družba d.d. 	<ul style="list-style-type: none"> ▪ Triglav Skladi d.o.o. ▪ Triglav, Upravljanje nepremičnin d.d. ▪ Slovenijales d.d. 	<ul style="list-style-type: none"> ▪ Triglav INT d.d. ▪ Triglav Svetovanje d.o.o. ▪ Triglav Avtoservis d.o.o. ▪ TriglavKo d.o.o.
Croatia	<ul style="list-style-type: none"> ▪ Triglav Osiguranje d.d., Zagreb 		<ul style="list-style-type: none"> ▪ TRI-LIFE 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. 	<ul style="list-style-type: none"> ▪ TRI-PRO BH d.o.o. ▪ Triglav Auto d.o.o. ▪ Autocentar BH d.o.o. ▪ Unis automobili i dijelovi d.o.o.
Serbia	<ul style="list-style-type: none"> ▪ Triglav Osiguranje a.d.o., Belgrade 	<ul style="list-style-type: none"> ▪ Pista 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 a.d.
Macedonia	<ul style="list-style-type: none"> ▪ Triglav Osiguruvanje a.d., Skopje 		

1.4 Composition and markets of the Triglav Group



The Triglav Group as at 30 September 2015:

Controlling company:

- Zavarovalnica Triglav d.d.

Subsidiaries of the Triglav Group:

- Pozavarovalnica Triglav Re d.d.
- Triglav, Zdravstvena zavarovalnica d.d.
 - Zdravstveni center Morje d.o.o.
- Triglav INT, holdinška družba d.d.
 - Triglav Osiguranje d.d., Zagreb
 - Triglav Osiguranje d.d., Sarajevo
 - Autocentar BH d.o.o.
 - Unis automobili i dijelovi d.o.o.
 - Sarajevostan d.d.
 - Lovćen Osiguranje a.d., Podgorica
 - Lovćen životna osiguranja a.d.
 - Lovćen Auto a.d.
 - Triglav Osiguranje a.d.o., Belgrade
 - Triglav Osiguranje a.d., Banja Luka
 - Triglav Auto d.o.o.
 - Triglav Osigurivanje a.d., Skopje
 - Pista d.o.o.
- Skupna pokojninska družba d.d.
- Triglav Skladi, družba za upravljanje d.o.o.
 - PROF-IN d.o.o.
- Avrigo, družba za avtobusni promet in turizem d.d.
 - Integral Notranjska d.o.o.
 - Alptours d.o.o.
 - Integral Zagorje d.o.o.
 - Integral Stojna Kočevje d.o.o.
- Salnal d.o.o.
- Triglav Svetovanje, zavarovalno zastopanje d.o.o.
 - TRI-PRO BH d.o.o.
 - TRI-LIFE d.o.o.
- Triglav Avtoservis, družba za storitve in trgovino d.o.o.
- Triglav, Upravljanje nepremičnin d.d.
 - Golf Arboretum d.o.o.
- Slovenijales d.d.
 - Slovenijales trgovina d.o.o.
 - Slovenijales trgovina nepremičnine d.o.o.
- Hotel Grad Podvin d.d.
- Everything Will Be Alright – Institute of Zavarovalnica Triglav for corporate social responsibility (Vse bo v redu, Zavod Zavarovalnice Triglav za družbeno odgovorne aktivnosti)

Associated companies of the Triglav Group:

- TriglavKo, zavarovalno zastopniška družba d.o.o.
- Nama trgovsko podjetje d.d.
- Izletnik Celje d.d.
- Goriške opekarne d.d.
- IF Prof Plus

Changes in the Triglav Group in the first nine months of 2015:

- With the acquisition of a 36.51% equity stake in Skupna pokojninska družba d.d. Zavarovalnica Triglav holds a majority shareholding in the said company. The acquisition took place on 9 January 2015. After the acquisition date, Zavarovalnica Triglav acquired also a 5.2% equity stake from non-controlling interest holders. As at the reporting date, Zavarovalnica Triglav was a 71.87% owner of the company. Gradual acquisition is discussed in greater detail in Section 2.8 of the Accounting Report.
- In the nine months of 2015, Zavarovalnica Triglav provided two tranches of additional capital to Triglav INT d.d. The first capital increase was made by an in-cash contribution of EUR 1,000,000. The second capital increase was financed through a debt to equity swap transaction of EUR 19,733,017 by the parent company and an equity stake as an in-kind contribution in subsidiary Pista d.o.o., Belgrade, amounting to EUR 3,266,983. For this capital raise, Triglav INT issued 24,000,000 new shares with a nominal value of EUR 1 each – increasing its share capital by EUR 24 million. Zavarovalnica Triglav remains a 100% owner of Triglav INT.
- In the first quarter of 2015, Zavarovalnica Triglav raised additional capital in Triglav, Upravljanje nepremičnin d.d. by paying EUR 6,195,010 for 95,602 issued shares. As a result of this capital increase, the share capital of the company rose by EUR 398,938, whilst share premium grew by EUR 5,796,072. The equity stake of the parent company increased by 14.32 percentage points and reached 71.27% at the end of the Q1 2015, whilst the Group's stake went up by 4.77 percentage points to 90.43%. In the second quarter of 2015, Zavarovalnica Triglav also acquired a 9.57% equity stake from non-controlling interest holders of Triglav, Upravljanje nepremičnin, thereby becoming an 80.84% owner of the company. Following this acquisition, the Triglav Group became a 100% owner of the said company. The purchase price equalled EUR 1,835,507.
- By paying in CZK 22,000,000 or EUR 797,015, Triglav INT d.d. increased the share capital of Triglav Pojišť'ovna, Brno. The capital was increased through the issue of 220 shares with a nominal value of CZK 100,000, whereby Triglav INT d.d. remained the 100% shareholder.
- In February 2015, Avriigo purchased shares of Izletnik Celje d.d. and thus became a 49.49% owner of the company.
- Triglav Osiguranje d.d., Sarajevo acquired a 4.82% equity stake in Unis automobili i dijelovi d.o.o., Sarajevo from non-controlling interest holders at the acquisition price of BAM 117,980, thereby becoming a 100% owner of the company.
- Triglav INT d.d. completed the sale of the Czech subsidiary Triglav pojišť'ovna a.s., Brno on 4 June 2015. After meeting the regulatory and other terms and conditions set in the agreement on the sale of shares concluded on 19 December 2014 with the buyer VIGO Finance a.s., Prague, part of the VIGO Investments Group, the sale of the Czech insurance subsidiary was completed. The sale of the company is discussed in greater detail in Section 2.8 of the Accounting Report.
- On 30 July 2015, Triglav Naložbe d.d. concluded an agreement to sell and transfer its 25.0527% stake in ELAN, proizvodnja športnih izdelkov, d.o.o. with the buyers Merrill Lynch International and Wiltan Enterprises Limited.
- Zavarovalnica Triglav and Triglav Naložbe d.d. entered into a Merger by Acquisition Agreement on 13 May 2015. The Supervisory Boards of both companies approved the merger. On 27 August 2015, the merger of Triglav Naložbe d.d. to the parent company was entered into the Companies Register of the District Court of Ljubljana and Triglav Naložbe d.d. was stricken off from the Companies Register. The merger by acquisition was carried out in line with the consolidation of the Triglav Group and further asset management optimisation as strategic guidelines.

- On 11 September 2015, the Merger by Acquisition Agreement between Slovenijales d.d. and Triglav, Upravljanje nepremičnin d.d. was concluded. The General Meeting of Shareholders of both companies approved the merger on 23 September 2015. On 5 October 2015, the merger of Slovenijales to Triglav, Upravljanje nepremičnin was entered into the Companies Register of the District Court of Ljubljana and Slovenijales was stricken off from the Companies Register. The merger by acquisition was carried out in line with the consolidation of the Triglav Group and further asset management optimisation as strategic guidelines. Zavarovalnica Triglav was the sole shareholder of both companies; the merger by acquisition was economically neutral for the Company.
- In Q3 2015, Triglav Naložbe provided additional capital to Triglav, Upravljanje nepremičnin, amounting to EUR 3,130,782. As a result of this capital increase, the share capital of the company rose by EUR 195,576, whilst share premium grew by EUR 2,935,206. With the capital increase performed, the Triglav Group remains a 100% owner of Triglav, Upravljanje nepremičnin.

1.5 Significant events in the reporting period

Significant events in the reporting period were the following:

- On 4 March 2015, the Management Board of Zavarovalnica Triglav as the sole owner of Hotel Grad Podvin d.d. decided to increase the share capital of the said company. The capital is to be increased with in-kind contribution, i.e. a debt to equity swap amounting to EUR 2.4 million arising from loans.
- Triglav, Upravljanje nepremičnin d.d., a subsidiary of Zavarovalnica Triglav, and IKEA Slovenija, trgovina na drobno d.o.o. entered into a preliminary agreement on the sale of a land plot on the BTC site in Ljubljana. The preliminary agreement includes several suspensive conditions that have to be fulfilled before a sale agreement can take effect. The most important suspensive condition is an appropriate amendment of the municipal spatial plan with regard to the plot in question. Thus, just over 60% of the land plot on the BTC site in Ljubljana is to be sold to IKEA Slovenija, whilst the remaining part of the land plot is to be put up for sale to other potential buyers.
- At its meeting held on 8 April 2015, the Works Council of Zavarovalnica Triglav appointed new employee representatives serving as members of the Supervisory Board, which is discussed in greater detail in Section 2.4 *The Supervisory Board*.
- On 6 May 2015, Zavarovalnica Triglav was served a decision of the Higher Court of Ljubljana in the civil case of Zavarovalnica Triglav against Nadežda Klemenčič and Milan Marolt. Zavarovalnica Triglav filed the civil claim against defendants for allegedly causing damage to property as required by the resolution of the General Meeting of Shareholders adopted on 19 July 2004.
- On 6 May 2015, Zavarovalnica Triglav was served a decision of the District Court of Ljubljana changing the decision by the Securities Market Agency to terminate the proceedings. The decision of the Securities Market Agency states that the alleged infringement relates to a publication of the amount of dividend proposed by the Management Board of Zavarovalnica Triglav to the General Meeting of Shareholders in April 2013 and to Matjaž Rakovec, person in charge.
- The 40th General Meeting of Shareholders of Zavarovalnica Triglav was held on 9 June 2015. At the meeting, the shareholders:
 - adopted a resolution on the distribution of accumulated profits;
 - granted a discharge for the business year 2014 to both the Management and the Supervisory Boards of Zavarovalnica Triglav;

- appointed the auditing company ERNST & YOUNG Revizija, poslovno svetovanje d.o.o. as auditors;
- were informed about the new appointments of employee representatives to the Supervisory Board.

See Section 2.2.1 *General Meetings of Shareholders in 2015* for more details.

- In 2014, the Insurance Supervision Agency (hereinafter: ISA) performed a review of operations in order to inspect, whether the Company's operations were in compliance with the Insurance Act and the pertaining secondary legislation, regulating its operations and accounting activities. Based on the said review, on 10 June 2015 the ISA issued the Order to eliminate the violations pertaining to the evaluation of certain investments and to the amendment and testing of the business continuity plan (hereinafter: the Order). In line with the issued Order, Zavarovalnica Triglav is required to implement the additional measures imposed by the Order: to revise the internal documents which define the values of such investments and to take them into account in the future when evaluating and/or categorising investments, as well as to amend and test the business continuity plan. On 22 June 2015, Zavarovalnica Triglav lodged an appeal against this Order, stating that the said violations were not mentioned in the Order. The Insurance Supervision Agency rejected the Company's appeal and established that the Company eliminated the violations pertaining to the evaluation of certain investments in due time. On 7 August 2015, Zavarovalnica Triglav brought legal proceedings before the Administrative Court of the Republic of Slovenia, challenging the validity of the ISA Order and stating that the said violations were not mentioned in the issued Order.

2. GOVERNANCE OF THE TRIGLAV GROUP

2.1 Governance of Zavarovalnica Triglav d.d.

Zavarovalnica Triglav is managed and governed according to a two-tier system. The management bodies, i.e. the General Meeting of Shareholders, the Management Board and the Supervisory Board, operate in compliance with primary and secondary legislation, the Articles of Association and their own rules of procedure. The Articles of Association are available at www.triglav.eu.

2.2 General Meeting of Shareholders

Shareholders of Zavarovalnica Triglav exercise their rights in respect of matters concerning the Company through the General Meeting of Shareholders, which is convened at least once a year, by the end of August at the latest. The General Meeting of Shareholders may also be convened in other circumstances set out by law and by the Articles of Association, and when it is in the interest of the Company.

The competences and operation of the General Meeting of Shareholders are set out in the Companies Act and the Articles of Association. The Articles of Association do not set out any specific provisions regarding their amendments and supplements.

2.2.1 General meeting of shareholders in 2015

The shareholders of Zavarovalnica Triglav had one general meeting in 2015 in the first nine months of 2015. The 40th General Meeting of Shareholders was held on 9 June 2015. The total number of shares and voting rights represented at the General Meeting of Shareholders was 3,724,899 or 44.37% of all shares to which voting rights are attached.

The General Meeting of Shareholders:

- took note of the Annual Reports of Zavarovalnica Triglav d.d. and the Triglav Group for 2014, including the opinions given by the audit firms, the Annual Internal Audit Report for 2014, and the Report of the Supervisory Board of Zavarovalnica Triglav d.d. on the Verification of the Annual Report of Zavarovalnica Triglav d.d. and the Triglav Group for 2014;
- voted in favour of the following distribution of the accumulated profit of EUR 61,687,036.62 as at 31 December 2014:
 - a part of accumulated profit in the amount of EUR 56,837,870.00 shall be allocated for dividend payments amounting to EUR 2.50 gross per share payable to the shareholders appearing in the Share Register two days following the date of the General Meeting of Shareholders. The dividends shall be paid within 30 days of the date this resolution is passed.
 - The distribution of the remaining accumulated profit of EUR 4,849,166.62 shall be decided in the next few years.
- passed a resolution granting a discharge to the Management Board and the Supervisory Board for the 2014 business year;
- appointed the audit company ERNST & YOUNG Revizija, poslovno svetovanje d.o.o. as the auditors of Zavarovalnica Triglav for the 2015 business year;

The General Meeting of Shareholders was informed about the new appointments of employee representatives to the Supervisory Board. At the General Meeting of Shareholders no action of voidness was announced.

2.3 Management Board

Any person fulfilling the requirements stipulated by the Insurance Act and the Companies Act may be appointed to the Management Board as its President or member. The Management Board of Zavarovalnica Triglav manages the Company independently and at its own responsibility, and presents and represents the Company without limitations. In legal transactions, the Company is always jointly presented and represented by two members of the Management Board, one of whom must be its President.

According to the Articles of Association, the Management Board has no less than three and no more than six members, of whom one is the President. The Management Board is appointed by the Supervisory Board. The number of the Management Board members, their competences, the manner of representation and presentation and the transfer of the Management Board's authorities are determined by the Supervisory Board in the Management Board Rules. The term of office of an individual Management Board member is up to five years, with the possibility of reappointing its members. In Zavarovalnica Triglav, the employee representative is a member of the Management Board.

The appointment or recall of all members or an individual member is proposed to the Supervisory Board by the President of the Management Board. The Supervisory Board may recall a member of the Management Board or its President if it establishes that they have been in serious breach of their obligations stipulated by primary and secondary legislation and in other circumstances set out by law.

2.3.1 Introducing the Management Board

As at 30 September 2015 the Management Board of Zavarovalnica Triglav was composed of:

- Andrej Slapar, President,
- Benjamin Jošar, Member,
- Uroš Ivanc, Member,
- Tadej Čoroli, Member,
- Marica Makoter, Member and Employee representative.

2.4 Supervisory Board

The Supervisory Board, composed of six representatives of the shareholders and three representatives of employees, supervises with full responsibility the conducting of the Company's business.

The former are elected by the General Meeting of Shareholders and the latter by the Works Council. Their appointment and recall are made in accordance with the law and the Articles of Association. The Chairman and Vice-Chairman of the Supervisory Board are elected from among its members representing shareholders. Members of the Supervisory Board are given a four-year mandate and may be re-elected without limitation.

The General Meeting of Shareholders may recall a Supervisory Board member before the end of their term of office. To substitute for the member deprived of their office, the General Meeting of Shareholders elects a new member with a term of office lasting until the end of the term of office of the Supervisory Board.

2.4.1 Composition of the Supervisory Board

To replace its members, Branko Gorjan, Peter Celar and Miran Krštinc, whose term of office ended on 30 May 2015, the Works Council of Zavarovalnica Triglav elected Boštjan Molan, Ivan Sotošek and re-elected Peter Celar as the new members of the Supervisory Board-employee representatives on 8 April 2015. The four-year term of office of the newly elected Supervisory Board members commenced on 31 May 2015.

Composition of the Supervisory Board as at 30 September 2015:

- Shareholder representatives:
 - Matej Runjak, Chairman,
 - Gregor Kastelic, Vice Chairman,
 - Rajko Stanković, Member,
 - Mario Gobbo, Member,
 - Dubravko Štimac, Member,
 - Matija Blažič, Member,
- Employee representatives:
 - Boštjan Molan, Member,
 - Ivan Sotošek, Member,
 - Peter Celar, Member.

3. THE SHARE AND SHAREHOLDERS OF ZAVAROVALNICA TRIGLAV

3.1 Equity

As at 30 September 2015, the share capital of Zavarovalnica Triglav amounted to EUR 73,701,391.79. It was divided into 22,735,148 ordinary registered no-par value shares bearing the ZVTG ticker symbol and the ISIN code SI0021111651. All the shares of Zavarovalnica Triglav are freely transferable and issued in a dematerialised form. Each represents the same stake and a corresponding amount in the share capital. All have been fully paid in. Each share of Zavarovalnica Triglav gives its holder the right to one vote at the General Meeting of Shareholders, proportional dividends from the profit intended for the payment of dividends and a proportional share of the remaining bankruptcy or liquidation mass after the payoff of priority shareholders in the case of bankruptcy or liquidation.

3.2 The share of Zavarovalnica Triglav

Since 9 September 2008, the shares of Zavarovalnica Triglav have been listed on the Ljubljana Stock Exchange, and since 5 December 2011 on the Ljubljana Stock Exchange Prime Market. Thereby, the Company is committed to the highest standards of business and reporting in both the domestic and international markets.

Table: Key figures for the shares of Zavarovalnica Triglav

Items	30 September 2015	31 December 2014
Number of shares	22,735,148	22,735,148
Book value per share* (in EUR)	23.02	23.93
Net earnings per share** (in EUR)	2.37	2.01
Share market value (in EUR) - closing price	21.75	23.60
Market capitalisation (in EUR) - closing price	494,489,469	536,549,493
Traded on	Ljubljana Stock Exchange - LSE	
Ticker symbol	ZVTG	
ISIN	SI0021111651	
Credit rating	<ul style="list-style-type: none">Standard & Poor's; »A-«, positive medium-term outlookAM Best; »A-«, positive medium-term outlook	
Bloomberg	ZVTG SV	
Reuters	ZVTG.LJ	

*In calculating the book value per share, equity of the parent company and the number of shares as at the reporting date were taken into account.

**In calculating net earnings per share, net profit of Zavarovalnica Triglav and the weighted average number of shares were taken into account.

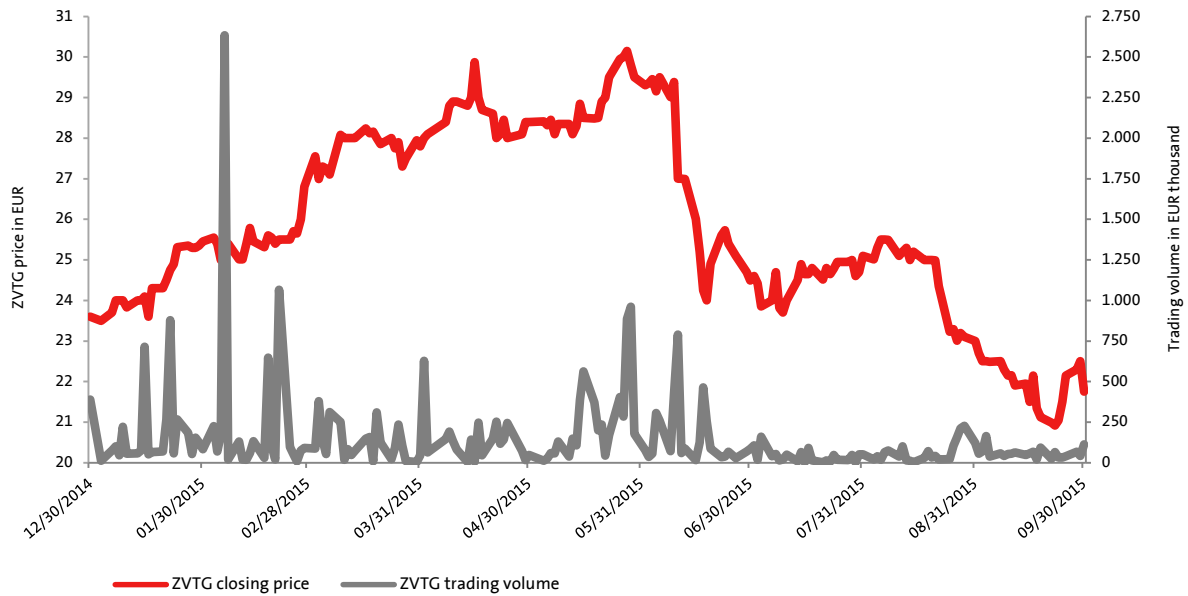
3.2.1 Trading on the Ljubljana Stock Exchange – LSE

Starting at EUR 23.60 on the first trading day, the share peaked to its highest price of EUR 30.15 on 27 May 2015. The cut-off date for dividend payment of EUR 2.50 per share was 11 June 2015. After that date, the price of the ZVTG share dropped. As at the reporting date, the closing price was EUR 21.75, having decreased by 8%. In Q3 2015, the Slovene Blue-Chip SBI TOP Index also fell by 15% compared to the first trading day.

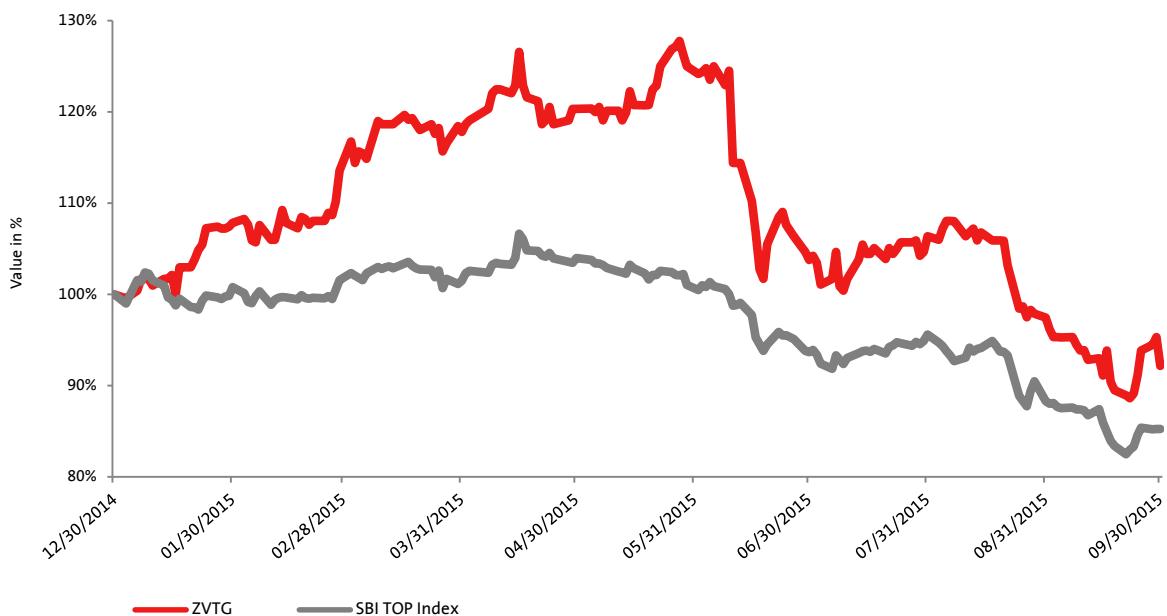
Along the price drop, the Ljubljana Stock Exchange experienced reduced liquidity and lower trading volume. The average daily trading volume of ZVTG shares was EUR 143,301, which was

lower than the 2014 average (EUR 168,611). Thus, the ZVTG share was the fifth most traded share on the Ljubljana Stock Exchange.

Graph: Movements in the closing price (left axis) and trading volume in EUR (right axis) of the ZVTG



Graph: Comparison of movements in the ZVTG share price and movements in the value of the SBI TOP Index in the first nine months of 2015 as compared to 31 December 2014



3.2.2 Shareholder structure

As at 30 September 2015, Zavarovalnica Triglav had 28,056 shareholders, 470 shareholders or 2% less compared to the 2014 year-end.

In the first nine months, the domestic shareholders accounted for 98.3% of the total number of shareholders. They increased their shareholdings by 0.3 percentage point to 82.71%. As at the reporting date, international shareholders accounted for 1.7% of all shareholders, holding 17.3% of all shares of Zavarovalnica Triglav.

The ratio between natural persons and legal entities in the shareholder structure remained at the level similar to the 2014 year-end level. As at the reporting date, natural persons continue to prevail, accounting for 27,412 shareholders or 97.7% of all shareholders. An increase of 0.2 percentage point was recorded in the share of natural shareholdings, accounting for 9.1% of the total as at the reporting date.

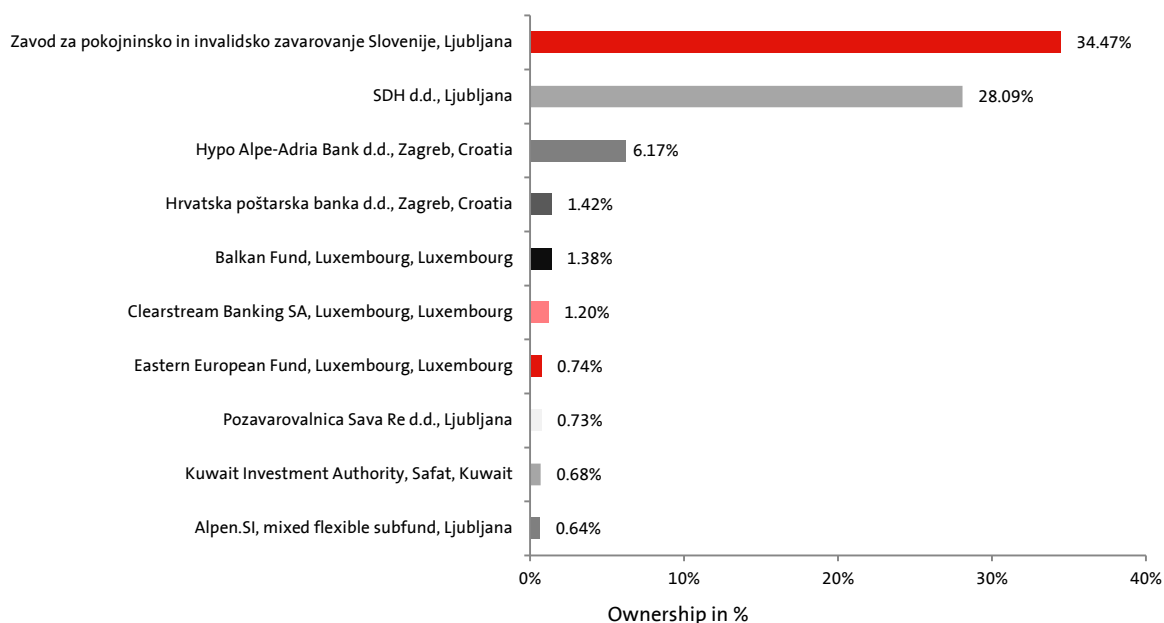
Table: Shareholder structure of Zavarovalnica Triglav as at 30 September 2015

	Total	Domestic	Foreign	Legal entities	Natural persons
Number of shares	22,735,148	18,805,322	3,929,826	20,657,496	2,077,652
Number of shareholders	28,056	27,574	482	644	27,412
Number of shares - percentage	100.00%	82.71%	17.29%	90.86%	9.14%
Number of shareholders - percentage	100.00%	98.28%	1.72%	2.30%	97.70%

The number of shares held by the Management and Supervisory Boards equalled 480 as at 30 September 2015. Due to the changes in the composition of the Supervisory Board members, their number went down by 1,204 shares compared to the 2014 year-end.

Ownership concentration measured by equity stakes of the top ten shareholders declined by 1.4 percentage points. As at the end of reporting period, ten companies held 75.5% of shares of Zavarovalnica Triglav. In Q3 2015, there were a few changes among the largest shareholders. They included three new shareholders: Balkan Fund, Luxembourg, Clearstream Banking SA, Luxembourg and Kuwait Investment Authority. The largest and unchanged equity stake was maintained by ZPIZ and SDH d.d. Minor changes in the stakes were recorded in four shareholders: Hypo Alpe-Adria Bank slightly increased its equity stake, whereas Eastern European Fund, Luxembourg, Hrvatska poštarska banka and Alpen.SI, mešani fleksibilni podsklad (mixed flexible subfund) slightly reduced their equity stakes.

Graph: Top ten shareholders of Zavarovalnica Triglav as at 30 September 2015



3.3 Credit rating

With the confirmed »A–« credit rating, the Triglav Group met one of its key strategic objectives, thus consolidating its financial strength, solid performance and efficient strategy implementation.

In July 2015, the Standard & Poor's Ratings Services (hereinafter: S&P) affirmed the »A–« (excellent) long-term credit rating and the »A–« (excellent) financial strength rating of Zavarovalnica Triglav together with its subsidiary Pozavarovalnica Triglav Re d.d., and thereby the Triglav Group. Moreover, the Agency revised its medium-term outlook for both companies from "stable" to "positive".

The latest outstanding S&P credit rating only confirms the leading market position of the Triglav Group in both Slovenia and the Adria region, its highly visible brand and its extensive sales network. Furthermore, the credit rating takes into account the high profitability of the Group's operations, its solid capital adequacy and a high level of liquidity.

According to the Standard & Poor's rating agency, the insurance market in Slovenia, especially health and pension insurance markets, will benefit from the improved economic conditions in the country. Based on the Group's leading market position, a good business outlook, the quality of the existing portfolio and robust risk management, S&P assigned the Triglav Group a positive medium-term outlook. This outlook also raises a possibility for the Group that S&P will improve the credit rating within the next two years, if additional progress is observed in the Slovene insurance market.

Following its regular revision in 2015, the A.M. Best credit rating agency reaffirmed the financial strength rating of »A–« (excellent) and the issuer credit rating of »A–« (excellent) of Zavarovalnica Triglav. Credit ratings reflect solid risk-adjusted capitalisation, lasting good business results and leading competitive position of the Triglav Group in the Slovene market and the Adria region. The medium-term outlook of Zavarovalnica Triglav d.d. is "positive" as the credit rating agency assessed that the Company's performance over the past five years was excellent and its business outlook is promising. Despite challenging conditions in the insurance markets of South-East Europe, the Group, in accordance with its strategic objectives, continues to improve its business results and carry out planned activities aimed at further growth. Moreover, the outlook reflects a solid capital adequacy and appropriate risk management of the Company.

Furthermore, the A.M. Best reaffirmed the two credit ratings of Triglav's subsidiary Pozavarovalnica Triglav Re d.d., thereby confirming its key role and important contribution to the implementation of the Triglav Group's strategic objectives. Both credit ratings have a stable medium-term outlook.

4. PERFORMANCE IN THE PERIOD FROM 1 JANUARY TO 30 SEPTEMBER 2015

4.1 Environmental impact on the performance of Zavarovalnica Triglav and the Triglav Group

Despite the signs of economic recovery, the conditions in most insurance markets where the Triglav Group operates remain challenging. The insurance industry is directly linked to the condition and development stage of a given economy; however its recovery affects the insurance business with a certain delay. The long-lasting economic and financial crisis affected the consumer behaviour of policyholders and curtailed the economic activity, which has reflected in reduced demand for insurance products and lower insurance density. Gross insurance premium was also affected by fierce competition among insurers. Zavarovalnica Triglav and the Triglav Group responded to the demanding market conditions by adapting the marketing and sales policies, launching new products and redesigning the existing ones, and taking various measures to improve the insurance technical result in non-life insurance.

The Group's business results were influenced by the changed situation on capital markets, which no longer resulted in exceptional investment returns as in 2014. In the first nine months of 2015, there were no major loss events that would affect the operating results of the Group.

With consistent implementation of its business policy measures and an adequate portfolio management investment policy, the Triglav Group ended the third quarter of 2015 with a net profit of EUR 80.9 million (index 105), whilst Zavarovalnica Triglav generated a profit of EUR 53.8 million EUR (index 96).

4.2 The insurance market and the position of the Group members in the first nine months of 2015

There were 14 insurance companies, 4 foreign branch offices and 2 reinsurance companies active in the Slovene insurance market, all members of the Slovenian Insurance Association. In the first nine months of 2015, they earned together a gross written premium of EUR 1,517.3 million, representing an increase of 1.2% compared to the same period of 2014.

Traditional insurance companies (17) booked a total of EUR 1,514.4 million in premiums, of which 72.6% stemmed from non-life insurance and the remainder from life insurance. Life insurance premium grew by 5.0%, while non-life insurance premium went down by 0.2%.

The Slovene insurance market is characterised by a high degree of concentration. The four major insurers controlled 72.1% of the traditional insurance market (2014: 72.7%). **Zavarovalnica Triglav** remained the market leader by holding a 30.6% market share, which decreased by 0.3 percentage point compared to the previous year. The second largest market share was held by Adriatic Slovenica, a company 2.1 times smaller in terms of written premium. As at the reporting date, **Zavarovalnica Triglav and Triglav, Zdravstvena zavarovalnica** had a **combined** market share of 36.0%, which was 0.3 percentage point less than in 2014.

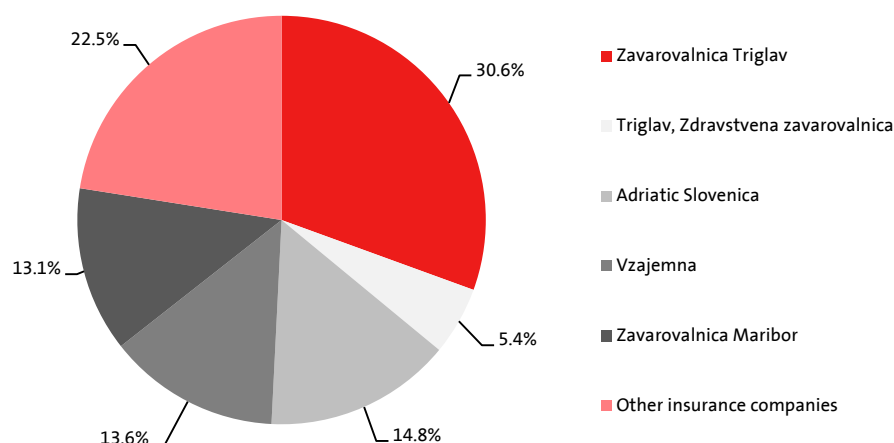
With a 36.0% market share, the Triglav Group maintained the leading position in the Slovene insurance market.

The Company held 30.0% of the non-life insurance market, which is 0.4 percentage point less compared to the previous year, whilst its share on the life insurance market stood at 31.9%, having decreased by 0.4 percentage point compared to the corresponding period of 2014.

A 0.3% premium decrease was recorded in health insurance, which is a part of the non-life insurance premium. **Triglav, Zdravstvena zavarovalnica** increased its market share to 22.6% (compared to 22.3% in the same period of 2014) and recorded a 1.4% premium growth.

Maintaining a leading position remains challenging, as the price competition has become even more aggressive. In a market characterised by a high concentration, the competition targets the existing policyholders. Therefore, maintaining its market position will greatly depend on the Company's speed of responses to market changes.

Graph: The market share of traditional insurance companies in Slovenia as at 30 September 2015



Source: Slovenian Insurance Association

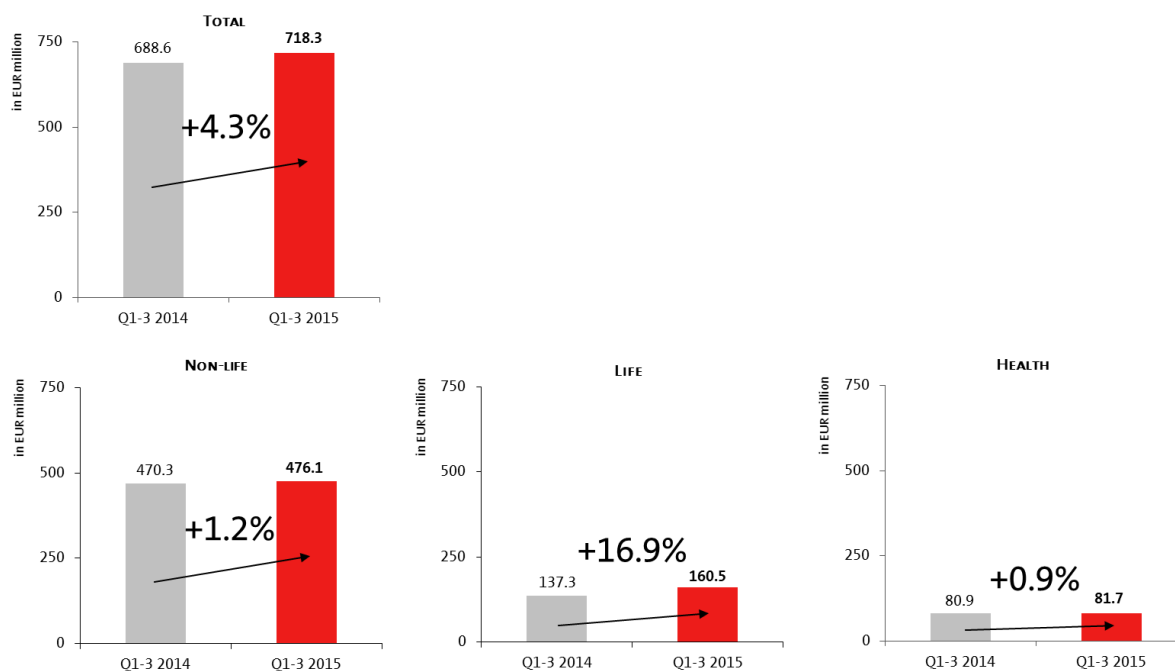
4.3 Performance of the Triglav Group

4.3.1 Gross written premiums from insurance and co-insurance contracts

In the reporting period, the Triglav Group posted a total of EUR 718.3 million in consolidated gross insurance and co-insurance premiums or 4% more than in the respective period of 2014. **Non-life insurance** total was EUR 476.1 million (index 101), **life insurance** reached EUR 160.5 million (index 117) and **health insurance** EUR 81.7 million (index 101).

In the first nine months 2015, the Triglav Group posted a total of EUR 718.3 million in gross insurance and co-insurance premiums or 4% more than in the respective period of 2014.

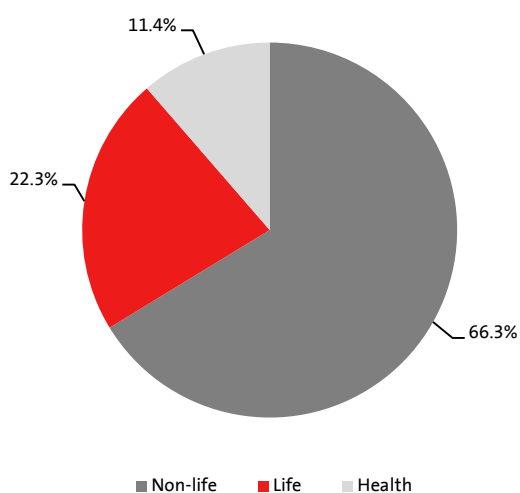
Graph: Gross written premium from insurance and co-insurance contracts of the Triglav Group in Q1-3 2015 compared to Q1-3 2014



Consolidated written premium had the following structure:

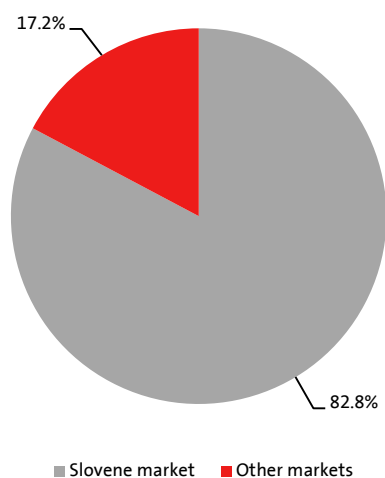
- non-life insurance accounted for 66.3% (Q1-3 2014: 68.3%);
- life insurance accounted for 22.3% (Q1-3 2014: 19.9%) and
- health insurance for 11.4% (Q1-3 2014: 11.8%).

Graph: Gross written premium from insurance and co-insurance contracts of the Triglav Group by segment



A total of 82.8% of consolidated gross written premium was charged in the Slovene insurance market, which was 0.1 percentage point more than in the respective period of 2014.

Graph: Gross written premium from insurance and co-insurance contracts of the Triglav Group by market



The Triglav Group insurance companies (excluding Pozavarovalnica Triglav Re) booked EUR 689.9 million in non-consolidated gross insurance and co-insurance premiums, which was 4% more than in the same period last year. Trends varied depending on subsidiary and market. In Slovenia, written premium of Zavarovalnica Triglav remained at approximately the same level as in the previous year (index 100), whilst that of Triglav, Zdravstvena zavarovalnica climbed by 1%. Skupna pokojninska družba, a new insurance subsidiary of the Triglav Group, charged a total of EUR 20.7 million in premium written. Triglav Osiguranje, Belgrade recorded a high premium growth of 30%. Written premiums were higher in Triglav Osiguruvanje, Skopje (14%), Triglav Osiguranje, Sarajevo (9%) and Lovćen Osiguranje (9%), Triglav Osiguranje, Banja Luka (8%) and Triglav Osiguranje, Zagreb (7%). A lower premium of 1% was recorded by Lovćen životna osiguranja, whereas Triglav Pojišt'ovna recorded a premium decrease of 45%, where premiums in the period from 1 January 2015 to the date the insurer was sold were taken into account.

Pozavarovalnica Triglav Re booked a total of EUR 92.4 million in gross reinsurance premium or 12% more than in the same period of 2014. Premium from optional business outside the Triglav Group experienced a high growth of 20%, whilst reinsurance premium earned with the Triglav Group grew by 9%. The highest growth was recorded by Pozavarovalnica Triglav Re in the largest insurance classes, other damage to property insurance and in fire and natural disaster insurance, primarily due to newly concluded contracts.

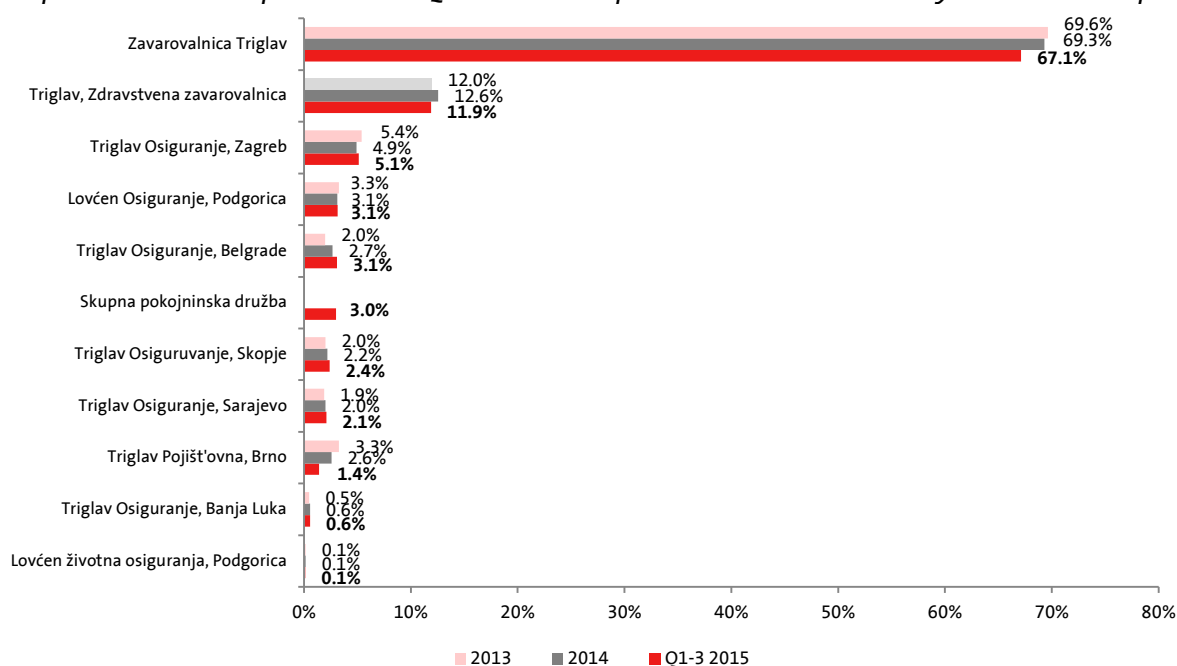
Table: Gross written premiums from insurance and co-insurance contracts in Q1-3 2015 by the Triglav Group insurance company

Insurance company	Gross written premium			Index			Structure
	Non-life	Life	Total	Non-life	Life	Total	Q1-3 2015
Zavarovalnica Triglav	330,810,930	132,391,463	463,202,393	98	104	100	67.1%
Triglav, Zdravstvena zavarovalnica	82,055,436		82,055,436	101	0	101	11.9%
Skupna pokojninska družba		20,746,070	20,746,070	0	0	0	3.0%
Triglav Osiguranje, Zagreb	29,646,839	5,767,034	35,413,873	110	96	107	5.1%
Triglav Osiguranje, Sarajevo	11,481,721	2,981,674	14,463,395	107	119	109	2.1%
Triglav Pojišt'ovna, Brno*	9,636,056		9,636,056	55	0	55	1.4%
Lovćen Osiguranje, Podgorica	21,628,233		21,628,233	109	0	109	3.1%
Triglav Osiguranje, Belgrade	20,857,153	478,475	21,335,628	131	109	130	3.1%
Triglav Osiguranje, Banja Luka	3,936,278		3,936,278	108	0	108	0.6%
Triglav Osiguruvanje, Skopje	16,605,067		16,605,067	114	0	114	2.4%
Lovćen životna osiguranja, Podgorica		881,933	881,933	0	99	99	0.1%
Total	526,657,713	163,246,649	689,904,362	100	119	104	100.0%
Pozavarovalnica Triglav Re	92,414,659		92,414,659	112	0	112	
Consolidation eliminations	-61,302,513	-2,727,835	-64,030,348	108	729	112	
Total consolidated	557,769,859	160,518,814	718,288,673	101	117	104	

Note: * Gross written premium in the period from 1 January 2015 to the date the insurer was sold were taken into account.

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

Graph: Gross written premiums in Q1-3 2015 compared to 2013 and 2014 by insurance company



4.3.1.1 Non-life insurance

In total, Triglav Group insurance companies charged EUR 526.7 million of non-consolidated insurance and co-insurance premiums from non-life insurance contracts, which remained approximately at the 2014 level (index 100).

Motor vehicle insurance remains the largest insurance class, accounting for 30.8% of total written premiums. In **comprehensive car insurance**, insurance companies of the Group collected EUR 90.0 million in written premium, or

Motor vehicle insurance remained the most important segment, accounting for 30.8% of total premium earned.

1% less compared to the same period in 2014. Premium growth was recorded by most insurance companies, the largest by Triglav Osiguranje, Zagreb (index 144) and Triglav Osiguranje, Belgrade (index 138). The parent company, accounting for almost 84% of the Group's total premiums, saw a 2% decline in written premiums. The Group collected EUR 122.4 million in **motor liability insurance** premiums, which was 4% less than in Q1-3 2014. The decrease in premium was seen in the parent company (index 95), whose share in total premium from motor vehicle liability insurance represents 59%, and Triglav Osiguranje, Zagreb (index 97). Other insurance subsidiaries recorded growth in premium; the highest of 24% was posted by Triglav Osiguranje, Belgrade.

In the Slovene insurance market, the main reasons for a decrease in motor vehicle insurance premium were the aggressive price competition among insurance companies, lower premiums due to sales promotion activities, the introduction of additional discounts (Triglav komplet bonus programme), non-renewal and cancellation of insurance policies (fewer and older cars owned by households) and lower insurance density (for more information see *Section 4.4.1*). In Triglav Osiguranje, Zagreb, the decline in motor vehicle liability insurance premium was caused by aggressive price competition (liberalisation of the motor vehicle liability insurance market), because the premium of the Group's Croatian insurance subsidiary fell despite a 19% increase in the number of concluded policies.

In the **real property insurance** class (fire and natural disaster insurance and other damage to property insurance) a premium of EUR 125.5 million was booked, having increased by 2%. The strongest increase in written premium was observed in Triglav Osiguranje, Belgrade (index 146), Lovćen Osiguranje (index 126), Triglav Osiguranje, Zagreb (index 114), Triglav Osiguruvanje, Skopje (index 113), and Triglav Osiguranje, Banja Luka (index 109) as a result of attracting new policyholders and increased scope of insurance coverage of some large policyholders. The premiums by Triglav Osiguranje, Sarajevo and the parent company remained approximately at the same level as the year before (index 100). For greater detail on the premium in the real property insurance booked by the parent company, accounting for 79% of the Group's total premium, see *Section 4.4.1*.

A growth of 1% was recorded in **health insurance**, where the Triglav Group wrote EUR 82.4 million in premiums. Triglav, Zdravstvena zavarovalnica generated the largest portion of the premium amounting to EUR 82.1 million, which represented a growth of 1%. The increase in written premium was seen in Lovćen Osiguranje, whereas premium decrease was recorded by Triglav Osiguranje, Zagreb and Triglav Osiguranje, Belgrade.

Accident insurance represented 4.7% of total written premium or EUR 32.6 million in nominal terms, which was 1% less than in the previous year. A decrease in premium was posted by Zavarovalnica Triglav and Triglav Osiguranje, Sarajevo, whose combined share in total premium from accident insurance represented 74%. The reasons for the drop in premium of Zavarovalnica Triglav are discussed in greater detail in *Section 4.1.1*. Premium drop was experienced by Triglav Osiguranje, Sarajevo, owing mostly to the lower group accident insurance premium resulting from non-renewal of insurance policies of some major policyholders and fierce competition among insurers (failure to observe tariff rates, mainly in public tenders). Premium growth was recorded by most insurance companies, the largest by Triglav Osiguranje, Belgrade (index 149) and Triglav Osiguruvanje, Skopje (index 122).

In **general liability insurance**, the Triglav Group recorded EUR 31.0 million, which was 3% more over the same period in 2014, representing 4.5% of total premiums. Most of insurance companies, excluding Triglav Pojiš'ovna, recorded premium growth by winning over new clients and increasing insurance density. The strongest growth was recorded by Triglav Osiguranje, Sarajevo (index 150) and Triglav Osiguranje, Belgrade (index 143). Zavarovalnica

Triglav, accounting for almost 82% of total premium, booked 2% more written premium than in the preceding year.

Credit insurance totalled EUR 18.2 million and accounted for 2.6% of total premium, which was 5% higher than the year before. Zavarovalnica Triglav (accounting for 99.8% of total premium) experienced a 5% growth in written premium. The parent company achieved good sales results in most insurance subclasses, primarily in insurance in the event of unemployment, disability and death, financial gap insurance and trade receivables insurance (for more information see *Section 4.4.1*). Apart from the parent company, credit insurance is also sold by Triglav Osiguranje, Sarajevo where the premiums decreased by 46% due to a reduced scope of business operations with one of the banks.

Premium from **other non-life insurance** (accounting for 3.6% of total premium) increased by 7% to EUR 24.5 million. Most of the Group's insurance companies recorded growth, the highest rates in Triglav Osiguranje, Banja Luka, Lovćen Osiguranje, Podgorica, Triglav Osigurivanje, Skopje and Triglav Osiguranje, Belgrade due to acquiring new policyholders and increasing the scope of policies of certain existing clients. Zavarovalnica Triglav, accounting for 72% of total premium, recorded a 3% increase in written premium compared to the preceding year (for more information see *Section 4.4.1*). On contrast, in Triglav Osiguranje, Sarajevo, the main reason for the premium drop was the non-renewal of miscellaneous financial loss insurance contract (fronting) of a major policyholder. Among insurance sub-classes, premium growth was seen in aircraft insurance, railway insurance, suretyship insurance and goods in transit insurance.

A premium growth of 7% was achieved in other non-life insurance.

4.3.1.2 Life insurance

In total, the Triglav Group insurance subsidiaries charged EUR 163.2 million in non-consolidated gross written premium from **life insurance** contracts or 19% more than in the first nine months of 2014. This accounted for 23.7% of total gross written premium, which was 2.9 percentage points more than in the corresponding period of 2014. Such a good result was primarily achieved due to successful marketing of the parent company and Triglav Osiguranje, Sarajevo and premium generated by the new insurance subsidiary Skupna pokojninska družba.

A premium growth of 19% was recorded in life insurance.

Premiums from **life insurance** (traditional life insurance, annuity insurance, annuity pension insurance, voluntary pension insurance and tontine) amounted to EUR 73.4 million or 45.0% of the life insurance class total. Total life insurance premium recorded by the Group increased by 4% compared to 2014. Significant growth in premium was achieved by Triglav Osiguranje, Sarajevo as a result of good sales via agencies and banking sales channels and Triglav Osiguranje, Belgrade. The premium posted by parent company went up by 4%, while that of Triglav Osiguranje, Zagreb and Lovćen životna osiguranja recorded a decrease.

The premiums generated by **unit-linked life insurance** totalled EUR 58.8 million or 36.0% of gross written premiums in the life insurance class. The premium was 3% higher than in the previous year. Unit-linked life insurance policies are available from Zavarovalnica Triglav and Triglav Osiguranje, Zagreb which booked EUR 56.7 million (index 104) and EUR 2.1 million (index 91) in written premium respectively. The premium growth of the parent company primarily resulted from the transfers of assets from other insurance policies at maturity into the TZD2 and TZD4 guaranteed return fund.

Supplemental voluntary pension insurance (capital redemption insurance) generated EUR 31.1 million or 19.0% of total life insurance premiums. Compared to the respective period of 2014, premium grew by 205%. Supplemental voluntary pension insurance is sold by Skupna pokojninska družba and Zavarovalnica Triglav (index 101).

Table: Gross written premium from insurance and co-insurance contracts of the Triglav Group (excluding Pozavarovalnica Triglav Re) by insurance class

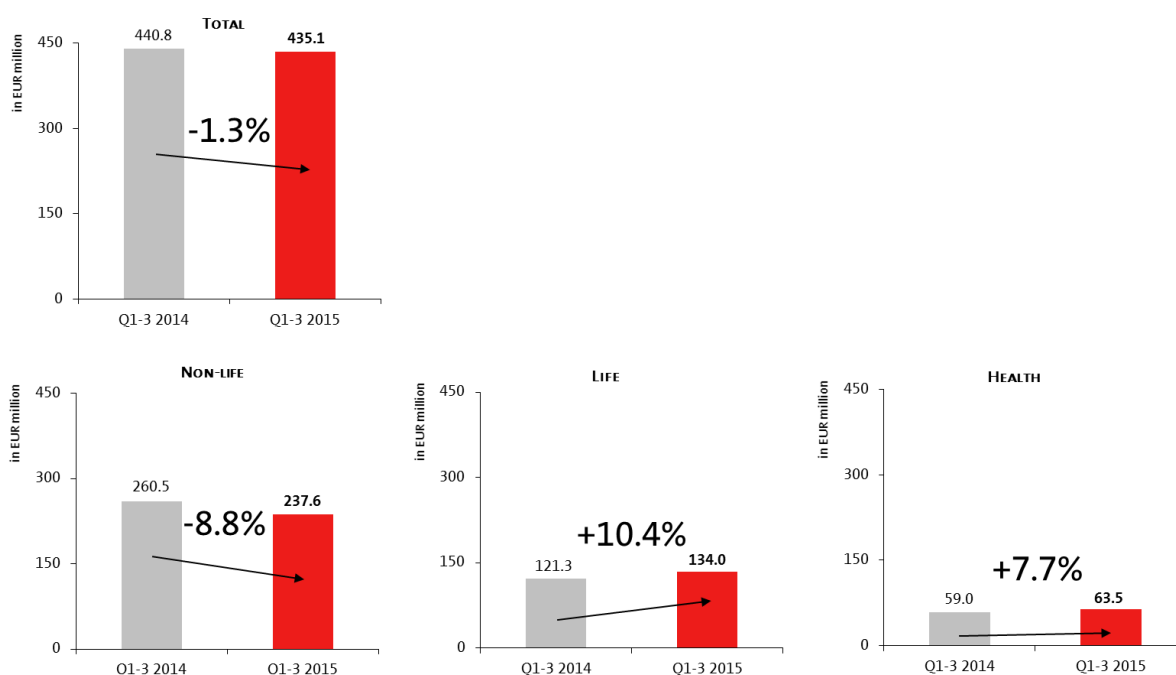
Insurance class	Gross written premium		Index	Structure
	Q1-3 2015	Q1-3 2014	Q1-3 2015/ Q1-3 2014	Q1-3 2015
Accident insurance	32,603,807	33,043,949	99	4.7%
Health insurance	82,409,256	81,339,182	101	11.9%
Comprehensive car insurance	89,958,584	91,074,694	99	13.0%
Real property insurance	125,524,449	123,124,245	102	18.2%
Motor liability insurance	122,418,414	127,210,901	96	17.7%
General liability insurance	31,028,100	30,006,382	103	4.5%
Credit insurance	18,185,549	17,286,783	105	2.6%
Other non-life insurance	24,529,553	22,941,269	107	3.6%
Non-life insurance	526,657,712	526,027,405	100	76.3%
Life insurance	73,385,732	70,696,058	104	10.6%
Unit-linked life insurance	58,767,744	56,798,424	103	8.5%
Capital redemption insurance	31,093,174	10,200,114	305	4.5%
Life insurance	163,246,650	137,694,596	119	23.7%
Total	689,904,362	663,722,001	104	100.0%

4.3.2 Gross claims paid

In the reporting period, the Triglav Group posted a total of EUR 435.1 million in consolidated gross claims (including claim handling costs and subrogation receivables), or 1% less than in the same period of the previous year. Gross claims paid in **non-life insurance** equalled EUR 237.6 million (index 91), in the **life-insurance** segment they amounted to EUR 134.0 million (index 110) and in **health insurance** they totalled EUR 63.5 million (index 108).

Gross claims paid decreased by 1% than in 2014.

Graph: Gross claims paid in Q1-3 2015 compared to Q1-3 2014



Excluding Pozavarovalnica Triglav Re, the insurance subsidiaries of the Triglav Group posted EUR 414.9 million in non-consolidated gross claims, which was 2% less than in the preceding year. Growth rates in gross claims paid were observed in Triglav Osiguranje, Belgrade (index 113), Triglav, Zdravstvena zavarovalnica (index 108) and Triglav Osiguruvanje, Skopje (index 104). A decrease in gross claims paid was recorded by Triglav Osiguranje, Banja Luka (index 67), Lovćen životna osiguranja (index 77), Lovćen Osiguranje (index 88), Triglav Osiguranje, Zagreb (index 92), Triglav Osiguranje, Sarajevo (index 93) and Zavarovalnica Triglav (index 96). Triglav Pojišt'ovna incurred EUR 6.4 million (index 46) and Skupna pokojninska družba EUR 10.8 million of gross claims.

Gross claims paid from reinsurance contracts by Pozavarovalnica Triglav Re totalled EUR 38.8 million, or 2% less compared to the previous year. This decrease was primarily a result of a decline in operations within the Triglav Group (index 82) due to a decrease in fire insurance and natural disaster insurance, marine insurance and other damage to property insurance. Gross claims paid in business outside the Triglav Group increased by 17% which was primarily a result of higher claims from other damage to property insurance and accident insurance.

Table: Gross claims paid in Q1-3 2015 by Triglav Group insurance companies

Insurance company	Gross claims paid			Index			Structure
	Non-life	Life	Total	Non-life	Life	Total	Q1-3 2015
Zavarovalnica Triglav	163,733,790	119,738,739	283,472,529	91	103	96	68.3%
Triglav, Zdravstvena zavarovalnica	63,515,730		63,515,730	108	0	108	15.3%
Skupna pokojninska družba		10,782,650	10,782,650	0	0	0	2.6%
Triglav Osiguranje, Zagreb	14,229,008	3,244,371	17,473,379	91	97	92	4.2%
Triglav Osiguranje, Sarajevo	6,035,838	1,513,080	7,548,918	85	157	93	1.8%
Triglav Pojišt'ovna, Brno*	6,425,395		6,425,395	46	0	46	1.5%
Lovćen Osiguranje, Podgorica	10,013,827		10,013,827	88	0	88	2.4%
Triglav Osiguranje, Belgrade	6,961,372	129,543	7,090,915	115	63	113	1.7%
Triglav Osiguranje, Banja Luka	1,072,031		1,072,031	67	0	67	0.3%
Triglav Osiguruvanje, Skopje	6,662,656		6,662,656	104	0	104	1.6%
Lovćen životna osiguranja, Podgorica		827,962	827,962	0	77	77	0.2%
Total	278,649,647	136,236,345	414,885,992	92	112	98	100.0%
Pozavarovalnica Triglav Re	38,791,618		38,791,618	98	0	98	
Consolidation eliminations	-16,348,624	-2,273,919	-18,622,543	75	421,096	85	
Total - consolidated	301,092,641	133,962,426	435,055,067	94	110	99	

Note: * Gross claims paid in the period from 1 January 2015 to the date the insurer was sold were taken into account.

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

4.3.2.1 Non-life insurance

Non-consolidated gross claims in **non-life insurance** amounted to EUR 278.6 million or 8% less than in the respective period of 2014.

Gross claims paid in non-life insurance decreased by 8% compared to the year before.

Claims related to **comprehensive car insurance** represented 14.7% of total gross claims settled by the insurance companies Triglav Group. Total claims paid amounted to EUR 61.1 million, which was 5% less than in the same period of 2014. Lower gross claims paid were recorded in most of the insurance companies of the Group, the highest in Triglav Osiguranje, Banja Luka (index 58). In the parent company, which accounted for over 85% of total gross claims paid in comprehensive car insurance, gross claims settled in this insurance class experienced a 3% decrease. An increase in gross written claims was recorded by Triglav Osiguranje, Sarajevo and Triglav Osiguranje, Belgrade due to higher number of reported claims.

A decrease of 7% in gross claims paid was recorded in the **motor liability insurance** class. Gross claims paid amounted to EUR 60.4 million, which was 14.6% of all claims settled. In Zavarovalnica Triglav, which accounted for 66% of the total, gross claims settled experienced a 2% decrease mostly due to fewer reported claims. Decreases in claims were posted by Lovćen Osiguranje and Triglav Osiguranje, Banja Luka. Growth in gross claims by Triglav Osiguranje, Zagreb, Triglav Osiguranje, Belgrade and Triglav Osiguranje, Sarajevo resulted from a higher number of reported claims due to a larger portfolio, whereas gross claims by Triglav Osiguruvanje, Skopje increased as a result of larger claim payment, occurred in 2010.

In **health insurance**, gross claims increased by 7% to EUR 63.8 million, accounting for 15.4% of total gross claims. The increase was mainly the result of insurance portfolio growth in Triglav, Zdravstvena zavarovalnica. Equalisation scheme expenses decreased by 5% or EUR 276 thousand, reaching EUR 5.4 million.

In **real property insurance**, total claims paid amounted to EUR 51.3 million or 25% less than the year before, accounting for 12.4% of total gross claims paid. In fire and natural disaster insurance, a 39% decrease in gross claims was achieved, along with a 16% drop in other damage to property insurance. A significant drop in claims was recorded by most insurance companies,

the highest by Triglav Osiguranje, Banja Luka, Lovćen Osiguranje and Triglav Osiguranje, Sarajevo, mostly due to substantial individual claims paid in the respective period of 2014. An increase in claims was recorded only in Triglav Osiguranje, Skopje primarily due to a result of payment of three substantial claims. Zavarovalnica Triglav, holding a 78% share in this insurance class, experienced a 23% decrease in claims (for more information see *Section 4.4.2*).

Claims from **accident insurance** decreased by 2%, amounting to EUR 16.5 million. The decrease in claims in this insurance class was mostly due to the drop in gross claims paid in Triglav Osiguranje, Sarajevo (which in 2014 experienced large payments of claims in group accident insurance), Lovćen Osiguranje and the parent company. In Zavarovalnica Triglav (representing almost a 59% share of the Group's total claims from accident insurance) a 4% decrease in gross claims paid was mainly a result of a decrease in gross claims paid in the largest insurance subclass of group accident insurance, and the driver's bodily injury insurance or AO-plus. In contrast, high growth in gross claims was posted by Triglav Osiguranje, Belgrade, Triglav Osiguranje, Skopje and Triglav Osiguranje, Zagreb. A high growth in Triglav Osiguranje, Belgrade was the result of high claims paid arising from accident insurance for pensioners, while those in Triglav Osiguranje, Skopje resulted from collective insurance for managers and increased claim payment due to traffic injuries.

Gross claims paid in **general liability insurance** were higher by 2%. A high 108% growth in gross claims recorded by Triglav Osiguranje, Zagreb is primarily a result of hunting club liability insurance. Growth in gross claims was also recorded by Lovćen Osiguranje, Triglav Osiguranje, Sarajevo and Triglav Osiguranje, Skopje. The parent company, accounting for 85% of the Group's total claims in accident insurance, saw a 1% decrease in claims.

Gross claims paid in **credit insurance** decreased by 18%, amounting to EUR 2.4 million. Gross claims paid by the parent company, accounting for the majority of total claims in this insurance class, went down by 11%. This drop was mainly caused by decreased claims in the largest insurance subclass – consumer loan insurance. A significant decrease in gross claims paid was also recorded in Triglav Osiguranje, Sarajevo.

Gross claims paid in **other non-life insurance** decreased by 19% compared to 2014 and totalled EUR 10.7 million. A high drop was primarily a consequence of as much as an 68% decrease in gross claims paid by Triglav Osiguranje, Zagreb (because a large payment of a marine insurance claim and higher number of payments in suretyship insurance was made in the respective period last year) and a 15% decrease in claims paid by Zavarovalnica Triglav (accounting for 84% of total claims in this insurance class). A decrease in claims paid was registered in most of non-life insurance classes, the highest in marine insurance, suretyship insurance, miscellaneous financial loss insurance and railway insurance.

4.3.2.2 Life insurance

Gross claims paid in **life insurance** equalled EUR 136.2 million and were 12% higher compared to the previous year. Their share in the total rose by 4.2 percentage points to 32.8%.

The bulk of all claims settled is accounted for by the **life insurance** class (traditional life, pension, annuity pension and voluntary pension insurance), which totalled EUR 67.9 million or 2% less compared to the previous year, mostly due to decreased number of surrenders in Zavarovalnica Triglav. Due to an increase in sums paid out on the maturity in the parent company the gross claims paid in **unit-linked life insurance** rose by 15% to EUR 50.5 million (index 116). Gross claims paid in **supplemental voluntary pension insurance** increased by 122% as a result of the acquisition of Skupna pokojninska družba (EUR 10.8 million of claims charged). Zavarovalnica

Triglav recorded a 13% decrease primarily due to reduced payments arising from the withdrawals from insurance contracts.

Table: Gross claims paid by the insurance companies of the Triglav Group (excluding Pozavarovalnica Triglav Re) by insurance class

	Gross claims paid		Index	Structure
	Q1-3 2015	Q1-3 2014	Q1-3 2015/ Q1-3 2014	Q1-3 2015
Accident insurance	16,531,359	16,857,128	98	4.0%
Health insurance	63,757,862	59,381,975	107	15.4%
Comprehensive car insurance	61,067,817	64,128,611	95	14.7%
Real property insurance	51,266,785	68,205,842	75	12.4%
Motor liability insurance	60,430,030	64,917,480	93	14.6%
General liability insurance	12,467,443	12,260,140	102	3.0%
Credit insurance	2,441,434	2,990,922	82	0.6%
Other non-life insurance	10,686,918	13,160,456	81	2.6%
Non-life insurance	278,649,648	301,902,554	92	67.2%
Life insurance	67,949,007	69,297,057	98	16.4%
Unit-linked life insurance	50,529,279	43,998,072	115	12.2%
Capital redemption insurance	17,758,058	7,998,312	222	4.3%
Life insurance	136,236,344	121,293,441	112	32.8%
Total	414,885,992	423,195,995	98	100.0%

4.3.3 Gross operating expenses

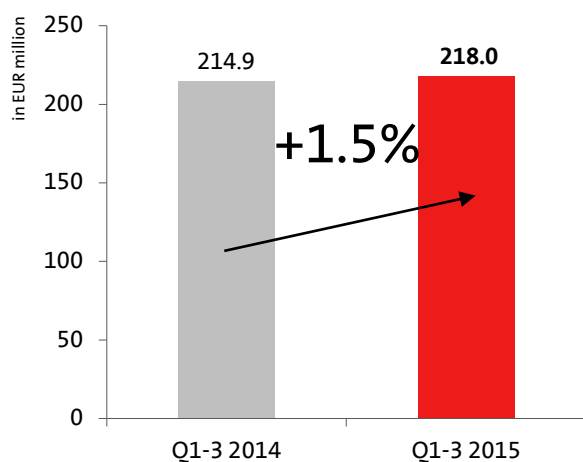
Total consolidated gross operating expenses of the Triglav Group totalled EUR 218.0 million, which was 1% more over the preceding year. **Insurance business costs** totalled EUR 170.8 million and were 2% higher compared to the previous year.

Gross operating expenses increased by 1% compared to 2014.

Costs of non-insurance business remained approximately at the same level as the year before (index 100), amounting to EUR 47.3 million.

Operating expenses of insurance business accounted for 23.8% of gross written premiums, which was 0.5 percentage points less than in the respective period one year earlier. Gross operating expenses in **non-life insurance** equalled EUR 137.7 million (index 102), in the **life-insurance** segment they stood at EUR 26.0 million (index 100) and in **health insurance** they amounted to EUR 7.1 million (index 115).

Graph: Gross operating expenses in Q1-3 2015 compared to the same period of 2014



Acquisition costs (fees and commissions) climbed by 5% mostly as a result of sales campaigns and acquisition costs, totalling EUR 30.2 million. The costs of the acquisition of goods sold decreased by 7% to EUR 13.0 million. Depreciation expenses equalled EUR 11.8 million or 6% less than in 2014. With 46.0%, labour costs accounted for the largest portion of total expenses, equalling EUR 106.5 million. Labour costs were higher by 2% mainly due to the acquisition of Skupna pokojninska družba, increased costs in Triglav INT due to taking over the corporate governance of insurance subsidiaries outside Slovenia, and strengthening of the sales network in Triglav Osiguranje, Belgrade. Costs of services provided by natural persons other than sole proprietors totalled EUR 1.8 million, which went up by 2%. Other operating expenses increased by 4%, reaching EUR 67.9 million. Among other operating expenses, the highest increase was seen in costs of insurance premiums, payment transaction costs and banking services, costs of intellectual and personal services and costs of entertainment, advertising and trade shows.

In total gross operating expenses broken down by functional group, costs of insurance contract acquisition accounted for 58.8%, representing a decrease of 0.8 percentage points, whilst shares of claim handling costs and asset management costs also went down. Claim handling costs accounted for 11.3% (vs. 2014: 12.0%) and asset management costs for 1.6% (vs. 2014: 1.8%). Other operating expenses represented 28.3%, having increased by 1.7 percentage points.

Table: Gross operating expenses by nature in Q1-3 2015

	Gross operating expenses		Index	Structure
	Q1-3 2015	Q1-3 2014	Q1-3 2015/ Q1-3 2014	Q1-3 2015
Operating expenses by nature				
Acquisition costs (fees and commissions)	30,199,930	28,827,079	105	13.1%
Costs of goods sold	13,028,551	13,939,681	93	5.6%
Depreciation of operating assets	11,844,531	12,651,707	94	5.1%
Labour costs	106,485,564	103,918,611	102	46.0%
- wages and salaries	75,861,831	74,562,550	102	32.8%
- social securities and pension insurance costs	16,936,360	16,542,152	102	7.3%
- other labour costs	13,687,373	12,813,909	107	5.9%
Costs of services provided by natural persons other than SPs together with pertaining taxes	1,840,457	1,807,871	102	0.8%
Other operating expenses	67,925,216	65,237,198	104	29.4%
- costs of entertainment, advertising, trade shows	11,160,774	9,977,291	112	4.8%
- costs of material and energy	9,251,236	10,186,798	91	4.0%
- maintenance costs	9,229,123	8,452,539	109	4.0%
- travel expenses	4,123,947	3,960,163	104	1.8%
- costs of intellectual and personal services	4,372,550	3,646,790	120	1.9%
- non-income-related costs, excluding insurance	2,810,422	2,688,461	105	1.2%
- costs of transport and communication services	4,927,399	4,854,276	102	2.1%
- costs of insurance premiums	1,953,489	1,381,842	141	0.8%
- payment transaction costs and banking services	5,474,779	4,818,132	114	2.4%
- rents	5,436,121	5,779,791	94	2.4%
- costs of services of professional training	499,330	611,394	82	0.2%
- other costs of services	8,469,086	8,879,721	95	3.7%
- long-term employee benefits	216,960	0	0	0.1%
Total	231,324,249	226,382,147	102	100.0%
Consolidation eliminations	-13,275,343	-11,520,680	115	
Total consolidated	218.048.906	214.861.467	101	

4.3.4 Reinsurance

In the first nine months of 2015, the Triglav Group allocated EUR 62.5 million of reinsurance and coinsurance premiums to external equalisation, representing an increase of 9% over the respective period of 2014. Reinsurance premiums accounted for 8.7% of total gross written

insurance and coinsurance premiums. A reinsurers' share of gross claims settled of EUR 13.1 million (index 79) was received from reinsurance.

4.3.5 Insurance technical provisions

Gross insurance technical provisions are the basis for balanced operations and ensure the long-term safety of insured parties. As at the reporting date, the Group allocated EUR 2,606.8 million to gross insurance technical provisions, which in total represented an increase of 12% compared to the 31 December 2014. The main reason of high growth lies mainly in the acquisition of Skupna pokojninska družba. In non-life insurance and health insurance, the amount of gross insurance technical provisions increased by 6% respectively, whereas in life insurance it went up by 16%.

The total amount of gross insurance technical provisions went up by 12%.

Provisions by type as at 30 September 2015 compared to the 2014 year-end:

- **Gross provisions for unearned premiums** rose by 16% and reached EUR 286.4 million. Unearned premium from non-life insurance amounted to EUR 283.8 million (index 117), unearned premium from life insurance totalled EUR 408 thousand (index 93) and unearned premium from health insurance reached EUR 2.2 million (index 109).
- **Gross claims provisions** were up by 1%, totalling EUR 657.6 million. Claims provisions from non-life insurance totalled EUR 628.6 million (index 101), those from the life-insurance segment stood at EUR 20.4 million (index 101) and those from health insurance amounted to EUR 8.6 million (index 104).
- **Mathematical provisions** amounted to EUR 1,636.5 million, which was 16% more compared to the 2014 year-end, mainly as a result of the acquisition of Skupna pokojninska družba. Of the total amount of mathematical provisions, EUR 1,197.4 million originated from the guarantee fund backing life insurance (index 125) and EUR 439.2 million from the guarantee fund backing unit-linked life insurance (index 96).
- **Provisions for bonuses and discounts** climbed by 3% and amounted to EUR 16.4 million in nominal terms.
- **Other insurance technical provisions** were 2% lower than at the 2014 year-end, reaching EUR 9.8 million.

Table: Gross insurance technical provisions as at 30 September 2015

	Gross insurance technical provisions		Index
	30 September 2015	31 December 2014	2015/2014
Unearned premiums	286,426,021	245,995,733	116
Mathematical provisions	1,636,536,466	1,412,972,099	116
Claims provisions	657,585,453	648,827,459	101
Provisions for bonuses and discounts	16,394,057	15,845,556	103
Other insurance technical provisions	9,834,512	10,014,327	98
Total	2,606,776,509	2,333,655,174	112

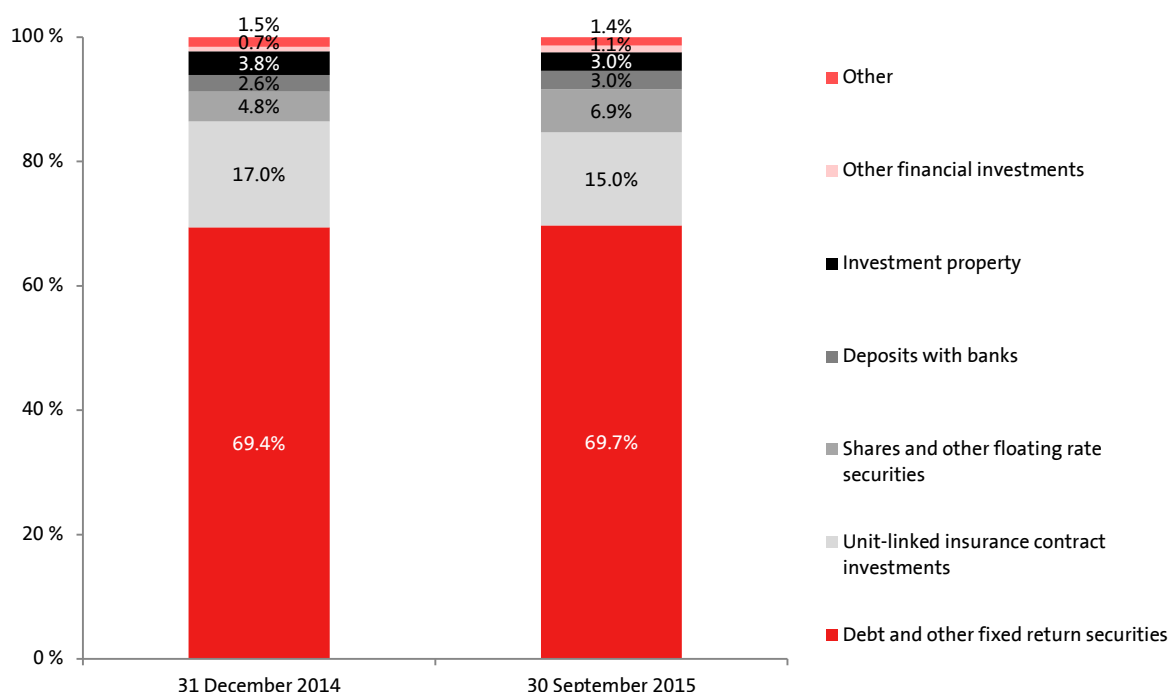
4.3.6 Structure of financial investments

As at 30 September 2015, financial assets, investments in associates and investment property amounted to EUR 2,949.1 million or 8% more than at the 2014 year-end, mostly as a result of the acquisition of Skupna pokojninska družba and consolidation of its investments. The share of financial investments in total assets was 83.9%, which is 0.4 percentage points more than as at the 2014 year-end.

Table: Financial investments of the Triglav Group as at 30 September 2015

	Financial investments		Index	Structure
	30 September 2015	31 December 2014	2015/2014	30 September 2015
Investment property	87,233,717	104,861,479	83	3.0%
Shares in associates	9,560,723	10,371,335	92	0.3%
Shares and other floating rate securities	202,870,683	131,163,508	155	6.9%
Debt and other fixed return securities	2,055,252,410	1,898,363,632	108	69.7%
Loans given	27,770,311	28,870,695	96	0.9%
Deposits with banks	89,441,226	72,150,085	124	3.0%
Other financial investments	31,647,589	19,358,617	163	1.1%
Financial investments of reinsurance companies in reinsurance contracts with cedents	3,210,648	3,682,053	87	0.1%
Unit-linked insurance contract investments	442,095,438	465,787,739	95	15.0%
Total	2,949,082,745	2,734,609,143	108	100.0%

Graph: Structure of financial investments of the Triglav Group as at 30 September 2015 and 31 December 2014



In the reporting period, the shares of some investment grades were changed, as the Group implemented its strategy of maintaining a high overall credit rating. The largest, 69.7% share of total financial assets of the Group was maintained by **debt and other fixed-return securities**, which grew by 0.3 percentage points. As at 30 September 2015, they totalled EUR 2,055.3 million, which represented an 8% increase compared to the 2014 year-end due to the acquisition of Skupna pokojninska družba and consolidation of its debt securities.

Unit-linked insurance contract investments were 5% lower, amounting to EUR 442.1 million at the reporting date and accounting for 15.0% of total financial assets.

Investments in shares and other floating rate securities rose by 55% to EUR 202.9 million in nominal terms, mainly due to the acquisition of Skupna pokojninska družba and consolidation of its equity investments. Their share in total financial assets climbed by 2.1 percentage points to 6.9%.

Deposits with banks increased by 24%, primarily as a result of the acquisition of Skupna pokojninska družba and consolidation of its deposits. Reaching EUR 89.4 million, they accounted for a 3.0% share in total financial assets.

Investment property in the amount of EUR 87.2 million decreased by 17% compared to the 2014 year-end, mainly due to disclosing several real properties as short-term assets available for sale. They accounted for 3.0% of total financial assets.

Other financial investments stood at EUR 31.6 million (index 163), representing a 1.1% share of total financial assets.

Compared to the 2014 year-end, **loans given** went down by 4% to EUR 27.8 million. In total financial assets, their share accounted for 0.9%. **Financial investments in associates** were 8% lower than at the 2014 year-end, amounting to EUR 9.6 million (a 0.3% share of total financial investments). **Financial investments of reinsurance companies in reinsurance contracts with cedents** decreased by 13%, equalling EUR 3.2 million and accounting for only 0.1% of total financial assets.

By issuer sector, government bonds representing 59.4% continued to account for the bulk of total debt securities (65.5% as at the 2014 year-end). Compared to the 2014 year-end, they experienced a 2% drop, while their share in total financial assets decreased by 6.1 percentage points. Structured bonds decreased by 1.0 percentage point as did their value (index 57). In contrast, the shares of corporate bonds (21.3%) and financial bonds (18.2%) in total debt securities grew mainly as a result of a lower exposure to government bonds.

Table: Debt securities of the Triglav Group by issuer sector

Issuer sector	Debt securities		Index	Structure	
	30 September 2015	31 December 2014	2015/2014	30 Sept. 2015	31 Dec. 2014
Corporate	437,209,359	298,591,083	146	21.3%	15.7%
Financial	373,817,861	313,411,226	119	18.2%	16.5%
Government	1,219,919,176	1,243,675,381	98	59.4%	65.5%
Structured	24,306,014	42,685,942	57	1.2%	2.2%
Total	2,055,252,410	1,898,363,632	108	100.0%	100.0%

Note: Unit-linked insurance contract investments data excluded.

In total debt securities **by issuer credit rating**, a lower exposure to bonds with the highest credit rating continued through the third quarter of 2015. The share of AAA-rated bonds decreased foremost due to a revised credit rating of the Dutch Local Government Funding Agency. In debt securities, the share of bonds in credit rating grades below the BBB-rating saw the highest growth (by 9.3 percentage points) as a result of additional purchases as well as the acquisition of Skupna pokojninska družba and consolidation of its investments. A higher share of bonds in credit rating grades with no agency credit rating assigned (accounting for 4.5%) was also mainly affected by the acquisition of Skupna pokojninska družba and consolidation of its investments.

Table: Debt securities of the Triglav Group by issuer credit rating

Credit rating	Debt securities		Index	Structure	
	30 September 2015	31 December 2014	2015/2014	30 Sept. 2015	31 Dec. 2014
AAA	274,068,830	318,412,989	86	13.3%	16.8%
AA	99,365,188	79,671,514	125	4.8%	4.2%
A	255,399,409	261,010,489	98	12.4%	13.7%
BBB	899,167,277	970,935,626	93	43.7%	51.1%
Below BBB	435,034,842	226,806,796	192	21.2%	11.9%
Not rated	92,216,865	41,526,219	222	4.5%	2.2%
Total	2,055,252,410	1,898,363,632	108	100.0%	100.0%

Note: Unit-linked insurance contract investments data excluded.

Changes in the exposure of **debt securities to individual countries** are a result of price fluctuations and active trading. In the first nine months of 2015, most purchases were made in investments of Dutch issuers (index 125). The increase in the positions of these securities can be attributed to price changes and net purchases, as the exposure to some positions were increased. A lower exposure to issuer countries with the highest credit ratings resulted from reservations to invest in securities with a relatively low return under the current conditions of record-low interest rates. The increase in the proportion of Slovene shares resulted from the acquisition of Skupna pokojninska družba and consolidation of its investments.

Table: Debt securities of the Triglav Group by issuer's country

Country of issuer	Debt securities		Index	Structure	
	30 September 2015	31 December 2014	2015/2014	30 Sept. 2015	31 Dec. 2014
Slovenia	625,236,274	550,739,434	114	30.4%	29.0%
Germany	180,709,593	203,189,067	89	8.8%	10.7%
Netherlands	140,527,024	112,597,790	125	6.8%	5.9%
Spain	111,377,444	119,063,904	94	5.4%	6.3%
France	102,853,946	113,461,521	91	5.0%	6.0%
Italy	96,090,548	95,968,528	100	4.7%	5.1%
Other	798,457,582	703,343,389	114	38.8%	37.0%
Total	2,055,252,410	1,898,363,632	108	100.0%	100.0%

Note: Unit-linked insurance contract investments data excluded.

The proportion of shares in total financial assets rose by 53%, mainly due to purchases, the acquisition of Skupna pokojninska družba and consolidation of its equity investments. Exposure to shares of developing markets (index 456), to shares of developed markets (index 193) and to shares in the Balkans (index 115) increased partly as a result of the above-mentioned acquisition and partly due to purchases and price growth.

Table: Equity investments of the Triglav Group by geographic area

Geographic area	Equity investments		Index	Structure	
	30 September 2015	31 December 2014	2015/2014	30 Sept. 2015	31 Dec. 2014
Slovenia	66,237,983	67,086,998	99	30.5%	47.4%
Developed markets	113,622,338	58,821,494	193	52.3%	41.6%
Developing markets	25,849,895	5,662,800	456	11.9%	4.0%
Balkans	11,449,180	9,963,550	115	5.3%	7.0%
Total	217,159,397	141,534,843	153	100.0%	100.0%

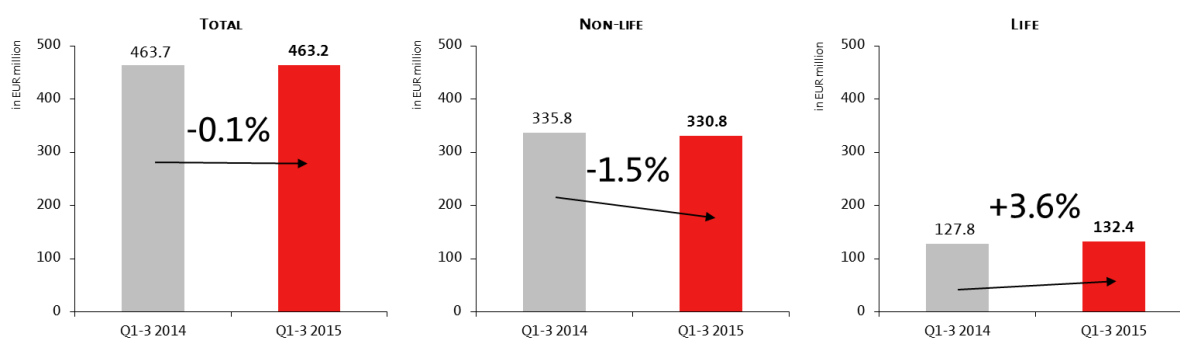
4.4 Performance of Zavarovalnica Triglav

4.4.1 Gross written premiums from insurance and co-insurance contracts

In the reporting period, Zavarovalnica Triglav booked a total of EUR 463.2 million of gross written premiums from insurance and co-insurance contracts, which is approximately the same as in the respective period of 2014 (index 100).

A total of EUR 463.2 million of gross written premiums from insurance and co-insurance contracts remained at approximately the same level as in the preceding year (index 100).

Graph: Gross written premium from insurance and co-insurance contracts in Q1-3 2015 compared to the same period in 2014



The gross written premium in non-life insurance totalled EUR 330.8 million, having decreased by 1% compared to the preceding year, whilst that of life insurance increased by 4% or EUR 132.4 million in nominal terms.

In total written premium, non-life insurance accounted for 71.4% and life insurance for 28.6%. The share of life insurance premium in total gross written premium increased by 1.0 percentage point compared to the same period of the previous year.

Table: Gross written premium from insurance and co-insurance contracts for Zavarovalnica Triglav in Q1-3 2015 by insurance class

Insurance class	Gross written premium		Index	Structure
	Q1-3 2015	Q1-3 2014	Q1-3 2015/ Q1-3 2014	Q1-3 2015
Accident insurance	22,963,670	23,927,109	96	5.0%
Health insurance	0	0	0	0.0%
Comprehensive car insurance	75,378,577	77,197,728	98	16.3%
Real property insurance	99,581,025	99,734,574	100	21.5%
Motor liability insurance	71,701,723	75,815,849	95	15.5%
General liability insurance	25,298,714	24,774,828	102	5.5%
Credit insurance	18,154,065	17,228,993	105	3.9%
Other non-life insurance	17,747,555	17,167,838	103	3.8%
Non-life insurance	330,825,327	335,846,919	99	71.4%
Life insurance	65,384,558	63,161,331	104	14.1%
Unit-linked life insurance	56,655,881	54,476,526	104	12.2%
Capital redemption insurance	10,347,104	10,200,114	101	2.2%
Life insurance	132,387,543	127,837,972	104	28.6%
Total	463,212,871	463,684,890	100	100.0%

In **credit insurance** as a part of **non-life insurance**, written premium amounted to EUR 18.2 million, representing the highest premium increase of 5%. Good sales results were achieved in most insurance subclasses, primarily in insurance in the event of unemployment, disability and death (marketed by banks as an additional product taken out simultaneously with consumer and housing loans), financial gap insurance and trade receivables insurance (export credit and domestic trade receivables insurance). A 4% growth was recorded in consumer loan insurance, the largest insurance subclass of credit insurance (a 64% share), as banks more frequently decided to take out credit insurance.

A 3% premium growth was seen in **other non-life insurance**. This rise was primarily generated by railway insurance (an increased scope of insurance coverage and a new large policyholder) and assistance insurance (car assistance). Good sales results were achieved in goods in transit insurance, suretyship insurance and aircraft insurance. The largest drop was recorded in miscellaneous financial loss insurance (different premium charging dynamics in business

interruption insurance as a part of fire insurance and machinery breakdown insurance) and marine insurance (as the policyholders were returning the vessels funded through leasing or sold them as a result of harsh economic conditions).

In **general liability insurance**, written premium amounted to EUR 25.3 million, represented a growth of 2%. A high increase in premium of 22% was recorded in product liability insurance due to acquiring new policyholders and increasing the scope of policies of certain existing clients. Premium growth was seen in liability of management and supervisory board insurance, physician liability insurance and auditor and appraiser liability insurance. In contrast, general liability insurance, accounting for 73% of total premium of this insurance class, decreased by 1%.

In the **real property insurance** class (fire and natural disaster insurance and other damage to property insurance), a premium of EUR 99.6 million was booked, remaining approximately at the 2014 level (index 100) and accounting for 21.5% of total premium. On the other hand, construction insurance, fire insurance in the power industry, combined non-life insurance and car warranty insurance experienced a high increase in premium. The largest premium decline was recorded in the following insurance subclasses:

- crop and fruit insurance (index 77) due to an amendment to the Decree on co-financing of insurance premium for primary agricultural production and fisheries, which reduced the Government's co-financing of insurance premium from 40% to 20%, imposition of taxes on co-financed agricultural insurance premium, aggressive competition and reduced purchasing power of farmers and their companies (a constant decrease in wholesale prices of agricultural products);
- machinery breakdown insurance (index 93), which resulted from a general reduction in the extent of insurance or cancellation of this insurance by some major policyholders;
- travel insurance due to fewer renewals of insurance taken out during the spring 2014 sales campaign.

In **motor vehicle insurance**, which accounts for the largest share (31.8%) in the portfolio, EUR 147.1 million in premium was recorded, i.e. 4% less than in 2014. Motor liability insurance premium and comprehensive car insurance premium decreased by 5% and 2% respectively. The main reasons for this decrease were:

- a persisting aggressive price competition among insurance companies (sales campaigns, integration and/or collaboration of insurance companies, additional commercial discounts);
- lower premium due to sales promotion campaigns (Get a Vignette at the Best Price with Zavarovalnica Triglav and Mercator, Free Time) as well as continued inclusion of policyholders in the "Triglav komplet" bonus programme and the pressure from policyholders to receive a higher discount;
- non-renewal and cancellation of insurance due to fewer and older vehicles owned by households and a reduced scope of comprehensive car insurance.

The drop in **accident insurance** premium (index 96) was a result of the situation in the motor vehicle insurance market, as almost a half of premium in this insurance class arises from two insurance subclasses taken out simultaneously with car insurance (driver's bodily injury insurance or AO-plus insurance and driver and passenger accident insurance). A decrease in group accident insurance premium (index 96) as the largest insurance subclass of accident insurance class (39%) was primarily the consequence of an increasing number of corporate bankruptcies and reduced operating expenses of companies.

A 4% premium growth was seen in **life insurance** class. Premium generated from **life insurance** (traditional life, pension, annuity pension and voluntary pension insurance) was 4% higher than

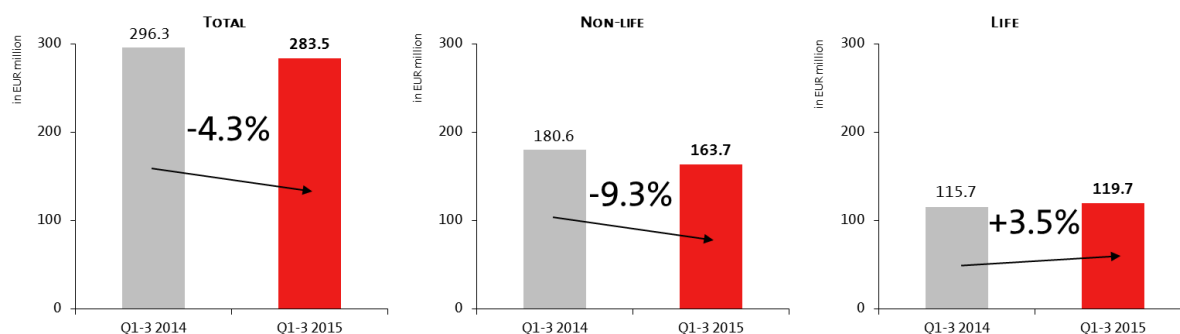
in 2014 and accounted for 49% of total life insurance premium. The premium generated by **unit-linked life insurance** (life insurance linked to investment fund units) experienced a 4% growth, accounting for almost 43% of written premium in the life insurance class. A high growth primarily resulted from the transfers of assets from other insurance policies at maturity into the TZD2 and TZD4 guaranteed return funds. **Supplemental voluntary pension insurance** (capital redemption insurance) generated 1% more premium than a year before.

4.4.2 Gross claims paid

In the reporting period, gross claims paid (including claim handling costs and subrogated receivables) went down by 4% to EUR 283.5 million in nominal terms compared to the year before. The reporting period saw two mass loss events totalling around EUR 4.5 million. In February, a stormy wind in western Slovenia caused approximately EUR 2 million of damage, and in July a hail storm in northern Slovenia resulted in some EUR 2.5 million of damage.

Gross claims paid went down by 4% compared to the respective period in the year before.

Graph: Gross claims paid in Q1-3 2015 compared to the same period of 2014



Gross claims paid in **non-life insurance** dropped by 9% compared to 2014, equalling EUR 163.7 million. Life insurance premium growth was higher by 8 index points than the growth of gross claims.

Non-life insurance premium growth was higher by 8 index points over the growth of gross claims.

Gross claims paid in all non-life insurance classes decreased compared to the respective period of the previous year. The highest decrease was recorded in the **real property insurance class** (index 77) because in the corresponding period of 2014 frost caused considerable damage to the electrical grid and telecommunication networks. At the same time, in combined non-life insurance and fire insurance in industry some substantial individual claims were paid, while larger claim payments were seen in crop and fruit insurance (due to damage to fruit production caused by hail, hops affected by storms and individual flood events in horticulture).

The **other non-life insurance class** recorded a 15% drop in gross claims paid, since in the same period last year high gross claims were paid in railway insurance, goods in transit insurance and business interruption insurance due to fire or machine breakage. In **credit insurance**, gross claims fell by 11%, which was mainly a result of decreased claims in the largest insurance subclass – consumer loan insurance (a 56% share in credit insurance).

In the largest non-life insurance class, i.e. **comprehensive car insurance**, representing 18.3% of total gross claims paid, gross claims decreased by 3%, mainly due to fewer reported claims. In **motor liability insurance**, which accounts for 14.1% of total claims, a 2% decrease in claims was experienced and fewer reported claims were recorded than in the corresponding period of 2014.

Gross claims paid in the **accident insurance** and in **general liability insurance** decreased by 4% and by 1% respectively.

Gross claims paid in **life insurance** totalled EUR 119.7 million and were 3% higher compared to the respective period last year. Claims in the life insurance group accounted for 42.2% of total claims paid or 3.2 percentage points more than a year earlier. Due to an increase in sums paid out on the maturity the gross claims in **unit-linked life insurance** represented a high growth of 16%. The bulk of all claims settled was accounted for by **life insurance** (traditional life insurance, pension insurance, annuity pension insurance and voluntary pension insurance), totalling EUR 63.0 million. Compared to the previous year, they fell by 3% due to a lower number of surrenders. Gross claims paid in **supplemental voluntary pension insurance** fell to 13% mainly due to reduced payments arising from the withdrawals from insurance contracts.

Gross claims paid in life insurance increased by 3% compared to the corresponding period last year.

Table: Gross claims paid by Zavarovalnica Triglav in Q1-3 2015 by insurance class

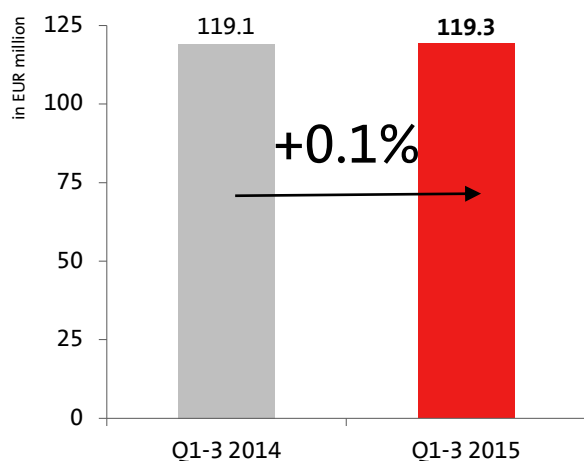
Insurance class	Gross claims paid		Index	Structure
	Q1-3 2015	Q1-3 2014	Q1-3 2015/ Q1-3 2014	Q1-3 2015
Accident insurance	9,709,952	10,167,368	96	3.4%
Health insurance	0	0	0	0.0%
Comprehensive car insurance	51,983,515	53,556,812	97	18.3%
Real property insurance	39,987,607	52,063,486	77	14.1%
Motor liability insurance	39,896,461	40,723,676	98	14.1%
General liability insurance	10,621,868	10,708,103	99	3.7%
Credit insurance	2,504,029	2,799,611	89	0.9%
Other non-life insurance	9,030,358	10,567,935	85	3.2%
Non-life insurance	163,733,790	180,586,990	91	57.8%
Life insurance	62,966,333	64,745,366	97	22.2%
Unit-linked life insurance	49,796,997	42,963,350	116	17.6%
Capital redemption insurance	6,975,408	7,998,312	87	2.5%
Life insurance	119,738,739	115,707,027	103	42.2%
Total	283,472,529	296,294,017	96	100.0%

4.4.3 Gross operating expenses

Gross operating expenses amounted to EUR 119.3 million and remained at a level approximately equal to the previous year (index 100).

Gross operating expenses remained at approximately the same level as the year before (index 100).

Graph: Gross operating expenses in Q1-3 2015 compared to the corresponding period of 2014



Operating expenses accounted for 25.7% of gross written premium, which was the same as the year before.

Acquisition costs (fees and commissions) grew by 1%, reaching EUR 16.5 million. They rose mainly as a result of higher fees and commissions of insurance brokers and fronting operations due to increased sales volume through these sales channels. Depreciation costs dropped by 18% to EUR 6.1 million, primarily due to lower investment in equipment for insurance operations (the purchase of computer and other equipment). Labour costs, accounting for the bulk of total expenses (56.4%), were approximately at the same level as the year before (index 100) and totalled EUR 67.3 million. Costs of services provided by natural persons other than sole proprietors were up by 3%, amounting to EUR 1.3 million. Other operating expenses stood at EUR 28.1 million, which was 5% more. Among the latter, the highest increase was seen in costs of entertainment, advertising and trade shows, maintenance costs and costs of insurance premiums.

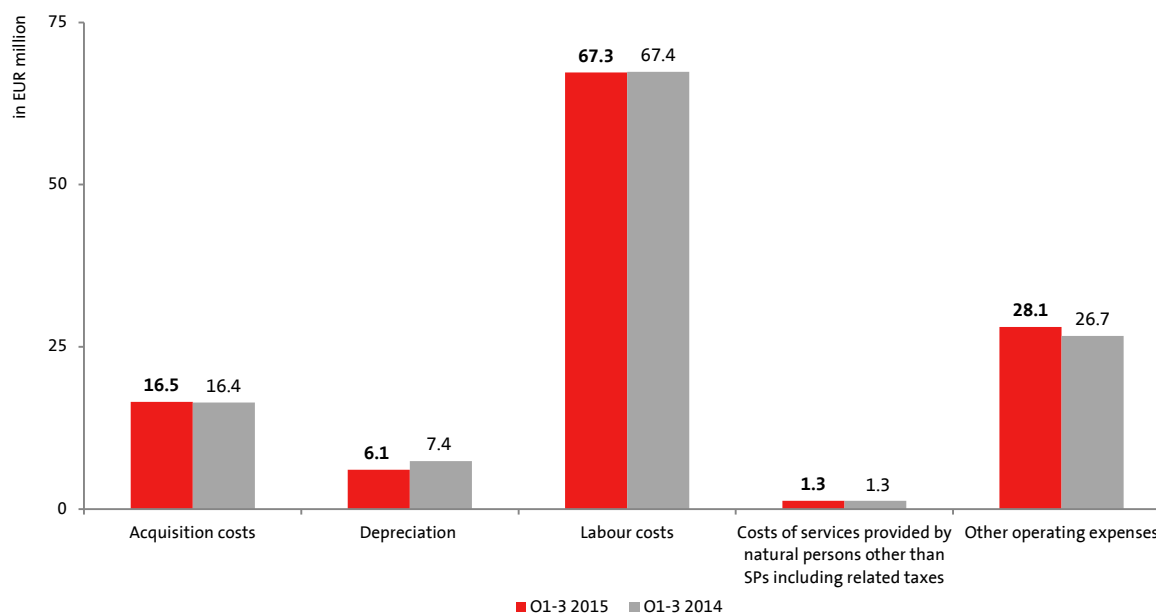
Gross operating expenses in non-life insurance increased by 1% to EUR 95.1 million. This accounted for 28.7% of total gross written premium, which was 0.8 percentage point more than the year before. Operating expenses in life insurance declined by 4% and totalled EUR 24.2 million. This accounted for 18.2% of total gross written premium, which was 1.5 percentage points less than in the corresponding period of 2014.

In total gross operating expenses broken down by functional group, acquisition costs accounted for 61.9%, representing an increase of 0.1 percentage point. The share of other operating expenses increased to 23.7% compared to 2014 (23.4%), whilst shares of claim handling costs and asset management costs decreased. Claim handling costs accounted for 12.5% (12.7% in 2014) and asset management costs for 1.9% (2.2% in Q1-3 2014).

Table: Gross operating expenses in Q1-3 2015 by nature

Operating costs by nature	Gross operating costs		Index	Structure
	Q1-3 2015	Q1-3 2014	Q1-3 2015/ Q1-3 2014	Q1-3 2015
Acquisition costs (fees and charges)	16,525,698	16,404,420	101	13.9%
Depreciation of operating assets	6,072,812	7,387,048	82	5.1%
Labour costs	67,308,153	67,388,429	100	56.4%
- wages and salaries	49,356,408	49,892,493	99	41.4%
- social security and pension insurance costs	8,132,221	8,125,074	100	6.8%
- other labour costs	9,819,525	9,370,862	105	8.2%
Costs of services provided by natural persons other than SPs including related taxes	1,296,870	1,255,357	103	1.1%
Other operating expenses	28,053,124	26,685,709	105	23.5%
- costs of entertainment, advertising, trade shows	6,326,147	5,195,344	122	5.3%
- costs of material and energy	2,654,990	3,199,761	83	2.2%
- maintenance costs	5,929,783	5,125,977	116	5.0%
- reimbursement of labour-related costs	2,381,864	2,612,089	91	2.0%
- costs of intellectual and personal services	1,621,516	1,435,765	113	1.4%
- non-income-related costs, excluding insurance	1,357,523	1,205,502	113	1.1%
- costs of transport and communication services	2,176,133	2,156,153	101	1.8%
- costs for insurance premiums	943,856	517,941	182	0.8%
- payment transaction costs and banking services	1,319,718	1,371,554	96	1.1%
- rents	1,754,300	2,174,573	81	1.5%
- costs of professional training services	270,770	296,989	91	0.2%
- other costs of services	1,316,524	1,394,060	94	1.1%
Total	119,256,657	119,120,964	100	100.0%

Graph: Gross operating expenses in Q1-3 2015 compared to Q1-3 2014



4.4.4 Reinsurance

In the first nine months of 2015, Zavarovalnica Triglav allocated EUR 58.5 million to external equalisation, which was 10% more than in the respective period of 2014. Reinsurance premiums accounted for 12.6% of total gross written premium. The change in gross unearned premiums related to reinsurance amounted to EUR 8.0 million, which was 53% more than the previous

year. In the reporting period, a reinsurers' and co-insurers' share of gross claims settled of EUR 15.0 million was received from reinsurance and coinsurance (index for the period: 92). The change in gross claims provisions for the reinsurance portion equalled EUR 1.0 million (EUR –4.3 million in 2014). The Company also received EUR 10.1 million in reinsurance commissions, representing a growth of 1% over the previous year.

4.4.5 Insurance technical provisions

Gross insurance technical provisions are the basis for balanced operations and ensure the long-term safety of insured parties. As at the reporting date, Zavarovalnica Triglav allocated EUR 2,068.8 million to gross insurance technical provisions, which was approximately the same as at the 2014 year-end. In non-life insurance, the amount of gross insurance technical provisions increased by 3%, whereas in life insurance it was 1% lower.

Gross insurance technical provisions remained approximately at the same level as at the 2014 year-end.

Provisions by type as at 30 September 2015 compared to the 2014 year-end:

- **Gross provisions for unearned premiums** increased by 15% and reached EUR 209.8 million. Unearned premiums from non-life insurance totalled EUR 209.4 million (index 115) and from life insurance EUR 377 thousand (index 91).
- **Gross claims provisions** decreased by 1%, amounting to EUR 503.8 million. Claims provisions from non-life insurance totalled EUR 484.3 million (index 99) and those from life insurance EUR 19.5 million (index 102).
- **Mathematical provisions** amounted to EUR 1,334.2 million, a decrease of 1% compared the preceding year. Of the total amount of mathematical provisions, EUR 704.1 million originated from the guarantee fund backing life insurance, EUR 421.9 million from the guarantee fund backing unit-linked life insurance, EUR 179.6 million from the guarantee fund backing SVPI, and EUR 28.6 million from the guarantee fund backing SVPI during the annuity payout period.
- Compared to 31 December 2014, **provisions for bonuses and discounts** remained at the same level (index 100) and equalled EUR 15.4 million.
- **Other insurance technical provisions** increased by 14% or EUR 5.7 million in nominal terms, primarily due to higher provisions for unexpired risks (index 118), the value of which reached EUR 4.8 million. Other insurance technical provisions also included provisions for cancellations, which went down by 3% to EUR 892 thousand compared to the 2014 year-end.

Table: Gross insurance technical provisions as at 30 September 2015

	Gross insurance technical provisions		Index
	30 September 2015	31 December 2014	2015/2014
Unearned premiums	209,761,974	182,902,536	115
Mathematical provisions	1,334,183,138	1,347,810,649	99
Claims provisions	503,799,024	508,999,132	99
Provisions for bonuses and discounts	15,380,257	15,380,257	100
Other insurance technical provisions	5,656,800	4,950,270	114
Total	2,068,781,192	2,060,042,843	100

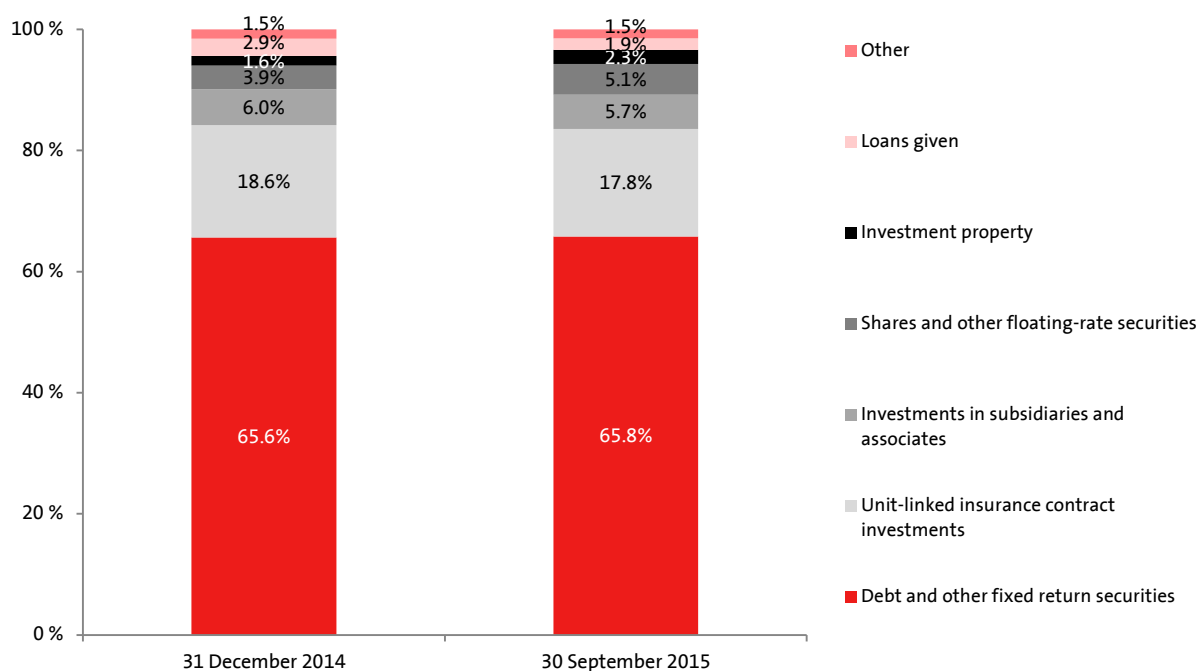
4.4.6 Structure of financial investments

As at 30 September 2015, financial assets, investments in subsidiaries and associates, and investment property amounted to EUR 2,390.8 million or 1% less than at the 2014 year-end. Their share in total assets decreased by 1.4 percentage points, reaching 87.7%.

Table: Financial investments of Zavarovalnica Triglav as at 30 September 2015

	Financial investments		Index	Structure
	30 September 2015	31 December 2014	2015/2014	30 Sep. 2015
Investment property	55,644,157	37,972,457	147	2.3%
Investments in subsidiaries and associates	135,129,005	144,226,398	94	5.7%
Shares and other floating-rate securities	121,636,532	94,055,462	129	5.1%
Debt and other fixed return securities	1,573,375,735	1,589,817,995	99	65.8%
Loans given	44,740,310	69,228,331	65	1.9%
Deposits with banks	31,668,743	33,708,868	94	1.3%
Other financial investments	2,776,297	3,072,247	90	0.1%
Derivative financial instruments	1,086,851	698,620	156	0%
Unit-linked insurance contract investments	424,733,542	449,802,771	94	17.8%
Total	2,390,791,174	2,422,583,150	99	100.0%

Graph: Structure of financial investments of Zavarovalnica Triglav as at 30 September 2015 and 31 December 2014



The tables show certain changes in investment grade structure of financial assets that occurred at the end of the reporting date, as the Company implemented its strategy of maintaining a high credit rating. The largest, 65.8% share of total financial assets of the Company was maintained by **debt and other fixed-return securities**. As at the reporting date, they totalled EUR 1,573.4 million, which represented a 1% decrease compared to the 2014 year-end.

Unit-linked insurance contract investments declined by 6%. They amounted to EUR 424.7 million as at the reporting date, accounting for 17.8% of total financial assets.

Financial investments in subsidiaries and associates amounted to EUR 135.1 million, accounting for a 5.7% share of total financial assets. As corporate actions were carried out within the Triglav

Group, as at the reporting date they were in total 6% lower than as at the 2014 year-end (see Section 5.2.2 for more details).

Investments in shares and other floating rate securities grew by 29% to EUR 121.6 million nominally. Their share in total financial assets rose by 1.2 percentage points to 5.1%.

Investment property stood at EUR 55.6 million and increased by 47% predominantly due to the dividend payment of Slovenijales in the form of the Slovenijales commercial building. They accounted for 2.3% of total financial assets.

Loans given decreased by 35% compared to the 2014 year-end and totalled EUR 44.7 million, accounting for 1.9% of total financial assets. The decrease is a result of debt to equity swap of Triglav INT.

Deposits with banks decreased by 6% to EUR 31.7 million, accounting for 1.3% of total financial assets (vs. 2014 year-end: 1.4%).

Other financial investments stood at EUR 2.8 million (index 90), representing a 0.1% share of total financial assets. **Derivatives** experienced a 56% growth, amounting to EUR 1.1 million and accounting for only 0.05% of total financial assets.

By issuer sector, government bonds, representing 58.4%, continued to account for the bulk of total debt securities (vs. 2014 year-end: 63.5%). Compared to 31 December 2014, they decreased by 9%, while their share in total financial assets went down by 5.1 percentage points. Structured bonds decreased by 1.2 percentage points as did their value (index 57). In contrast, the shares of corporate bonds (20.0%) and financial bonds (20.1%) in total debt securities grew, mainly as a result of a lower exposure to government bonds.

Table: Debt securities of Zavarovalnica Triglav by issuer sector

Issuer sector	Debt securities		Index	Structure	
	30 September 2015	31 December 2014	2015/2014	30 Sept. 2015	31 Dec. 2014
Corporate	313,939,886	260,010,200	121	20.0%	16.4%
Financial	315,730,999	278,178,360	113	20.1%	17.5%
Government	919,393,511	1,008,943,897	91	58.4%	63.5%
Structured	24,311,339	42,685,539	57	1.5%	2.7%
Total	1,573,375,735	1,589,817,995	99	100.0%	100.0%

Note: Unit-linked insurance contract investments data excluded.

In total debt securities **by issuer credit rating**, a lower exposure to bonds with the highest credit rating continued in the first nine months of 2015. The share of AAA-rated bonds decreased foremost resulted in a revised credit rating of Dutch Local Government Funding Agency. In debt securities, the share of bonds in credit rating grades below the BBB-rating experienced the highest growth (by 4.3 percentage points), which mainly resulted from the additional purchases. A high growth was also recorded in bonds in credit rating grades with no agency credit rating assigned (index 175), which was a result of both new purchases made and a continued growth in the prices of bonds in this credit rating grade. Moreover, the share of bonds with the AA credit rating increased (by 0.6 percentage point), and their value (index 112).

Table: Debt securities of Zavarovalnica Triglav by issuer credit rating

Credit rating	Debt securities		Index	Structure	
	30 September 2015	31 December 2014	2015/2014	30 Sept. 2015	31 Dec. 2014
AAA	240,039,522	280,322,943	86	15.3%	17.6%
AA	85,326,246	76,472,078	112	5.4%	4.8%
A	238,675,948	241,018,389	99	15.2%	15.2%
BBB	794,252,072	865,975,039	92	50.5%	54.5%
Below BBB	163,984,670	96,896,476	169	10.4%	6.1%
Not rated	51,097,277	29,133,071	175	3.2%	1.8%
Total	1,573,375,735	1,589,817,995	99	100.0%	100.0%

Note: Unit-linked insurance contract investments data excluded.

Changes in the exposure of **debt securities to individual countries** are a result of price fluctuations and active trading. In first nine months of 2015, most purchases were made in investments of Dutch issuers (index 116). The increase in the positions of these securities can be attributed to price changes and net purchases, as the exposure to some positions were increased. A lower exposure to issuer countries with the highest credit ratings resulted from reservations to invest in securities with a relatively low return under the current conditions of record-low interest rates.

Table: Debt securities of Zavarovalnica Triglav by issuer country

Country of issuer	Debt securities		Index	Structure	
	30 September 2015	31 December 2014	2015/2014	30 Sept. 2015	31 Dec. 2014
Slovenia	453,571,547	477,325,016	95	28.8%	30.0%
Germany	155,691,408	184,163,008	85	9.9%	11.6%
Netherlands	109,838,089	94,387,310	116	7.0%	5.9%
Spain	104,152,909	112,276,088	93	6.6%	7.1%
France	88,242,790	103,611,978	85	5.6%	6.5%
Italy	84,881,488	93,946,562	90	5.4%	5.9%
Other	576,997,505	524,108,034	110	36.7%	33.0%
Total	1,573,375,735	1,589,817,995	99	100.0%	100.0%

Note: Unit-linked insurance contract investments data excluded.

The proportion of **shares** in total financial assets rose by 8%, primarily due to the purchases of shares in developing and developed markets, where exposure to those shares increased.

Table: Equity investments of Zavarovalnica Triglav by geographic area

Geographic area	Equity investments		Index	Structure	
	30 September 2015	31 December 2014	2015/2014	30 Sept. 2015	31 Dec. 2014
Slovenia	191,664,672	195,723,206	98	74.6%	82.1%
Developed markets	51,091,055	33,973,340	150	19.9%	14.3%
Developing markets	10,620,115	3,653,911	291	4.1%	1.5%
Balkans	3,389,696	4,931,403	69	1.3%	2.1%
Total	256,765,538	238,281,861	108	100.0%	100.0%

5. FINANCIAL RESULT AND FINANCIAL STANDING

5.1 The Triglav Group

5.1.1 Financial result

Despite demanding conditions on the insurance markets, the Triglav Group performed well in the first nine months of 2015 and posted a **net profit of EUR 80.9 million** or 5% more than in the same period last year. Net profit attributable to the shareholders of controlling company amounted to EUR 80.2 million (index 105), whereas net profit attributable to minority shareholders totalled EUR 652 thousand (index 162). The Group achieved solid operating results by consistently implementing its strategic guidelines focused on its core insurance business, by implementing a clear risk management policy, adequate risk underwriting and reinsurance policies. **Profit before tax** amounted to EUR 94.9 million or 6% more than in 2014.

Despite the challenging market conditions, the Triglav Group ended the first nine months of 2015 with a net profit of 80.9 million or 5% more than in the same period last year.

The combined ratio in non-life insurance, which shows profitability of operations, was **91.7%**. Any value of this ratio below 100 means that the non-life insurance portfolio as the core business (excluding return on investments) is earning a profit. Compared to the respective period of 2014, it improved by 3.7 percentage points, as extraordinary loss events were recorded in the same period of 2014.

Net premium earned (calculated on the basis of gross written insurance and co-insurance premium, reduced by the reinsurers' share and adjusted by the change in gross unearned premium taking into account the reinsurers' share in unearned premium) amounted to EUR 629.6 million and was 3% higher than in the respective period of 2014. Net life premium earned increased by 17%, primarily due to the acquisition of Skupna pokojninska družba. Net premiums earned from health insurance increased by 1%, whilst net non-life and life premiums declined by 2%. Ceded written premium amounted to EUR 62.5 million and was 9% higher over the preceding year. Gross unearned premium grew by EUR 26.2 million and was 33% higher compared to the respective period of 2014.

Net claims incurred (gross claims increased by claim handling costs, reduced by the reinsurers' and co-insurers' shares and subrogation receivables, adjusted by the change in gross claims provisions taking into account the reinsurers' and co-insurers' shares in these provisions) decreased by 2% to EUR 427.4 million nominally compared to 2014. Net claims incurred from non-life insurance decreased by 11%, whereas those from life insurance grew by 10% (mainly due to the acquisition of Skupna pokojninska družba) and those from health insurance by 8%. The reinsurers' and co-insurers' shares in gross claims went down by 21% and totalled EUR 13.1 million. The change in net claims provisions was EUR 32 thousand (EUR 8.5 million in the same period of 2014). Equalisation scheme expenses for supplemental health insurance fell by 5% and totalled EUR 5.4 million.

Income from financial assets rose by 13% and totalled EUR 199.4 million, Income from financial assets in associates increased substantially, amounting to EUR 5.9 million (vs. 2014: EUR 573 thousand), predominantly as a result of the acquisition of Skupna pokojninska družba. Income from other financial assets of EUR 134.6 million was higher by 5%, mainly due to the acquisition of Skupna pokojninska družba and consolidation of returns on its investments. High growth was also recorded in net unrealised gains on unit-linked life insurance assets, which amounted to EUR 58.9 million (index 123). **Financial expenses** equalled EUR 131.1 million, having increased

by 257% over 2014. Expenses from financial assets in associates totalled EUR 1.1 million (index 135), expenses from other financial assets were up by 177% to EUR 64.6 million and net unrealised losses on unit-linked life insurance assets reached EUR 65.4 thousand (index 518). Permanent impairments accounted for EUR 2.5 million, compared to EUR 123 thousand in the first nine months of 2014.

Return on investment (excluding unit-linked insurance contract investments) represents the difference between income and expenses from financial assets. It reached EUR 74.9 million and was 28% lower than in the preceding year mainly due to higher general interest rates, resulting in a lower price of long-term debt securities and a correction of the changed market price.

Return on financial investments was 28% lower mainly due to higher general interest rates and consequently lower prices of debt securities.

Primarily due to reduced mathematical provisions, **changes in other insurance technical provisions** summed up to EUR 34.6 million (index 82). **Change in insurance technical provisions for unit-linked insurance contracts** equalled EUR -19.7 thousand (vs. 2014: EUR 28.6 million) due to a decrease in price of fund units. **Expenses for bonuses and discounts** amounted to EUR 4.6 million, which was 19% less than in the same period last year.

Operating expenses (acquisition costs and other operating expenses) amounted to EUR 148.8 million and were 3% higher than in the respective period in 2014. Acquisition costs totalled EUR 100.4 million (index 101), whereas other operating expenses amounted to EUR 48.3 million (index 108).

Other income from insurance operations of the Group increased by 9% and reached EUR 7.5 million. **Other income** reached EUR 56.6 million and remained at approximately the same level as the year before (index 100). **Other insurance expenses** totalled EUR 12.6 million (index 76), whereas **other expenses** amounted to EUR 59.0 million (index 118).

Table: Individual items in the consolidated income statement of the Triglav Group for Q1-3 2015

	in EUR		
	Q1-3 2015	Q1-3 2014	Index
Net premium income	629,572,413	611,673,457	103
Income from financial assets	199,436,845	176,694,133	113
Other income from insurance operations	7,519,757	6,892,496	109
Other income	56,600,498	56,764,277	100
Net claims incurred	427,420,595	438,270,474	98
Change in other insurance technical provisions	34,582,515	41,977,925	82
Change in insurance technical provisions for unit-linked insurance contracts	-19,743,203	28,562,767	-69
Expenses for bonuses and discounts	4,591,431	5,643,451	81
Operating expenses	148,751,081	144,428,843	103
Expenses from financial assets and liabilities	131,056,296	36,729,659	357
Other insurance expenses	12,553,610	16,581,808	76
Other expenses	59,007,212	50,131,244	118
Profit/loss before tax	94,909,976	89,698,190	106
Income tax expense	14,054,567	12,744,474	110
Net profit/loss for the accounting period	80,855,407	76,953,716	105

5.1.2 Financial standing

The **total balance sheet** of the Triglav Group as at 30 September 2015 stood at EUR 3,514.1 million or 7% more compared to the 2014 year-end.

Total equity capital stood at EUR 690.0 million and remained approximately at the 2014 level (index 100). The share of equity in total liabilities decreased by 1.4 percentage points, from 21.0% to 19.6%. Equity attributable to the controlling company amounted to EUR 678.6 million, while non-controlling interest holders had EUR 11.4 million. Share capital, divided into 22,735,148 ordinary shares, remained unchanged and totalled EUR 73.7 million. Share premium amounted to EUR 54.9 million, having decreased by 4% as a result of the purchase of the non-controlling interest in Triglav, Upravljanje nepremičnin, whilst reserves from profit totalled EUR 300.1 million and remained at a level approximately equal to 2014 (index 100). As a result of a decrease in the value of available-for-sale financial assets, revaluation surplus decreased by 26% and totalled EUR 70.5 million. As at the reporting date, accumulated profit for the period was EUR 183.9 million (index 115), including net profit for the period of EUR 80.1 million (index 128) and net profit brought forward of EUR 103.8 million (index 107).

As at the reporting date, total equity capital reached EUR 690.0 million.

Subordinated liabilities amounted to EUR 28.0 million and remained at a level approximately equal to the 2014 year-end (index 100). Subordinated liabilities accounted for 0.8% of the balance sheet total.

Gross insurance technical provisions grew by 12% and amounted to EUR 2,606.8 million. Their share in total liabilities increased by 2.9 percentage points, from 71.2% as at the 2014 year-end to 74.2%. As at the reporting date, mathematical provisions amounted to EUR 1,636.5 million, which was 16% higher than as at the end of the previous year, whilst provisions for gross unearned premium rose by 16%. Gross claims provisions and other insurance technical provisions rose by 1% over the 2014 year-end. Insurance technical provisions are discussed in greater detail in *Section 4.3.5*.

Compared to 31 December 2014, **financial liabilities** experienced a high growth of 121%, amounting to EUR 33.3 million foremost as a result of transactions which will be settled after the end of the reporting period. They accounted for a 0.9% share of total balance sheet liabilities.

Operating liabilities as at the reporting date totalled EUR 49.5 million, which was 15% less than as at the 2014 year-end. They accounted for 1.4% of total balance sheet liabilities, a 0.4 percentage point decrease over the 2014 year-end. Liabilities from direct insurance operations went down by 2% to EUR 15.3 million nominally. Liabilities from co-insurance and reinsurance amounted to EUR 32.9 million having decreased by 10%, whereas current tax liabilities stood at EUR 1.3 million (index 19).

Other provisions amounted to EUR 18.8 million and were up by 16% over the 2014 year-end (a 0.5% share in total liabilities). **Deferred tax liabilities** amounted to EUR 23.0 million, which was 25% less than at the 2014 year-end, and accounted for 0.7% of the balance sheet total. **Other liabilities** went down by 1% to EUR 64.7 million nominally and accounted for 1.8% of total liabilities.

As at 30 September 2015, **financial assets** equalled EUR 2,852.3 million, which represented a 9% increase compared to the 2014 year-end. Their share in total assets grew by 1.2 percentage point and reached 81.2%. Unit-linked insurance assets amounted to EUR 442.1 million (index 95) and financial investments to EUR 2,410.2 million (index 112). In total financial investments, EUR 146.7 million (index 113) was accounted for by deposits and loans, EUR 257.7 million by held-

to-maturity investments (index 122), EUR 1,655.6 million by available-for-sale financial assets (index 103) and EUR 350.2 million by assets recognised at a fair value through profit or loss (index 171). The structure of financial assets is discussed in greater detail in *Section 4.3.6*.

Financial investments in associates amounted to EUR 9.6 million, having decreased by 8% (a 0.3% share in total assets).

Investment property stood at EUR 87.2 million, which dropped by 17% compared to 31 December 2014 and represented 2.5% of total assets. Investment property is discussed in greater detail in *Section 4.3.6*.

Receivables and deferred tax assets remained approximately at the 2014 level (index 100) reaching EUR 201.7 million (a 5.7% share), of which receivables from direct insurance operations accounted for the bulk, totalling EUR 106.3 million (index 123). Receivables from co-insurance and reinsurance operations reached EUR 39.3 million (index 95), other receivables stood at EUR 43.4 million (index 83) and current tax receivables at EUR 164 thousand (vs. 2014 year-end: EUR 1.8 million). Deferred tax assets amounted to EUR 12.6 million (index 61).

Insurance technical provisions transferred to reinsurance contracts stood at EUR 82.1 million, having increased by 15% compared to the 2014 year-end. Assets from reinsurance contracts from claims provisions totalled EUR 57.6 million, while unearned premium equalled EUR 24.6 million.

Property, plant and equipment amounted to EUR 130.6 million and accounted for 3.7% of total assets, having increased by 6% over the 2014 year-end. **Intangible assets** increased by 5% to EUR 75.3 million, accounting for 2.1% of total assets.

Cash and cash equivalents equalled EUR 56.6 million (index 248), whilst **other assets** totalled EUR 10.0 million (index 118).

Non-current assets available for sale went down by 79% to EUR 8.7 million compared to the 2014 year-end mainly due to the sale of Triglav Pojišt'ovna.

Table: Individual items in the consolidated balance sheet of the Triglav Group as at 30 September 2015

	in EUR		
	30 September 2015	31 December 2014	Index
Assets			
Intangible assets	75,311,203	71,770,468	105
Property, plant and equipment	130,605,487	123,668,545	106
Investment property	87,233,717	104,861,479	83
Investments in associates	9,560,723	10,371,335	92
Financial assets	2,852,288,306	2,619,376,329	109
Reinsurers' share of insurance technical provisions	82,138,778	71,147,717	115
Assets from financial contracts	0	0	
Receivables and deferred tax receivables	201,739,746	202,282,704	100
Other assets	9,983,751	8,469,465	118
Cash and cash equivalents	56,583,615	22,858,388	248
Non-current assets held for sale	8,669,333	40,621,574	21
Total assets	3,514,114,659	3,275,428,004	107
Equity and liabilities			
Equity	689,984,785	688,140,771	100
Subordinated liabilities	27,992,057	28,065,416	100
Insurance technical provisions	2,167,598,182	1,874,756,014	116
Insurance technical provisions for unit-linked insurance contracts	439,178,327	458,899,160	96
Other provisions	18,848,401	16,212,456	116
Deferred tax liabilities	22,999,684	30,752,195	75
Liabilities from investment contracts	0	0	
Other financial liabilities	33,307,450	15,084,019	221
Operating liabilities	49,461,522	58,533,223	85
Other liabilities	64,744,251	65,641,718	99
Liabilities arising from long-term assets held for sale	0	39,343,031	0
Total equity and liabilities	3,514,114,659	3,275,428,004	107

5.2 Zavarovalnica Triglav

5.2.1 Financial result

In the first nine months of 2015, Zavarovalnica Triglav posted a net profit of EUR 53.8 million or 4% less than in the respective period last year. Profit before tax amounted to EUR 65.9 million and remained approximately at the level of the previous year (index 100).

Triglav Group generated a net profit of EUR 53.8 million.

Net premiums earned decreased by 2% to EUR 389.4 million compared to the preceding year. Net premium earned from non-life insurance went down by 4%, whilst those earned from life insurance increased by 4%. Gross written premiums from reinsurance and co-insurance operations amounted to EUR 58.5 million, which was 10% more than in the preceding year. Gross unearned premiums amounted to EUR 15.3 million, representing an increase of 5% over the previous year.

In the reporting period, net claims incurred were disclosed at EUR 264.3 million, which decreased by 9% compared to the preceding year. Net claims incurred from non-life insurance decreased by 16%, but increased by 3% from life insurance. The reinsurers' and co-insurers' shares in gross claims decreased by 8%, totalling EUR 15.0 million. In the first nine months of 2015, net claims

provisions were down by EUR 4.2 million, whereas in the respective period of the preceding year they climbed by EUR 9.4 million.

Operating expenses (acquisition costs and other operating expenses) amounted to EUR 102.0 million and were 1% higher than in the respective period of the previous year. Acquisition costs totalled EUR 73.8 million (index 100), whereas other operating expenses amounted to EUR 28.3 million (index 101).

Income from financial assets went up by 15% to EUR 180.5 million, of which non-life insurance accounted for EUR 51.0 million (index 144) and life insurance for EUR 129.6 million (index 107). Income from financial assets in associates recorded a high growth (index 944) due to a dividend of a subsidiary - Slovenijales and reached EUR 21.3 million (vs. 2014: EUR 2.3 million). Income from other financial assets fell by 4% to EUR 103.3 million, whilst net unrealised gains on unit-linked life insurance assets experienced a high growth (index 119), amounting to EUR 55.9 million. **Financial expenses** stood at EUR 141.6 million and were 351% higher than in the preceding year. Expenses from financial assets in associates grew to EUR 31.2 million (vs. 2014: EUR 10 thousand) mainly as a result of permanent impairments in two subsidiaries. Expenses from other financial assets increased by 143% to EUR 47.6 million, whereas net unrealised gains on unit-linked life insurance assets grew by 435% to EUR 62.8 million.

Return on investment (excluding unit-linked insurance contract investments) represents the difference between income and expenses from financial assets. It amounted to EUR 45.9 million and was 49% lower than in the preceding year, which was primarily a result of interim valuation of subsidiaries and with them associated permanent impairments of financial investments totalling EUR 30.3 million. Excluding the effect of permanent impairments, investment return would be 16% lower than in the previous year mainly due to higher general interest rates, resulting in a lower price of long-term securities and a correction of the changed market price.

Return on financial investments went down by 49% compared to the previous year, mainly as a result of interim permanent impairments of subsidiaries, a lower interest income and a negative effect of changes in the fair value of financial instruments.

Changes in other insurance technical provisions totalled EUR 23.8 million (index 59). Change in mathematical provisions amounted to EUR 22.9 million (index 57), while change in other provisions stood at EUR 833 thousand (index 406). **Change in insurance technical provisions for unit-linked insurance contracts** reached EUR -21.1 million (vs. 2014: EUR 27.5 million) due to an increase in the price of fund units. **Expenses for bonuses and discounts** totalled EUR 3.1 million (index 65).

Other income from insurance operations were 6% higher and amounted to EUR 13.9 million, of which fee and commission income accounted for EUR 10.3 million (index 103). **Other insurance income** of EUR 6.5 million also climbed by 22%. **Other insurance expenses** equalled EUR 5.6 million (index 62), whereas **other expenses** reached EUR 5.1 million (index 419).

Table: Individual items in the income statement of Zavarovalnica Triglav for Q1-3 2015

	in EUR		
	Q1-3 2015	Q1-3 2014	Index
Net premium income	389,374,792	395,648,855	98
Income from financial assets	180,510,489	156,731,940	115
Other income from insurance operations	13,889,713	13,057,454	106
Other income	6,470,646	5,325,268	122
Net claims incurred	264,269,873	289,347,473	91
Change in other insurance technical provisions	23,757,098	40,210,065	59
Change in insurance technical provisions for unit-linked insurance contracts	-21,060,813	27,512,871	-77
Expenses for bonuses and discounts	3,107,198	4,809,276	65
Operating expenses	102,047,734	101,406,717	101
Expenses from financial assets and liabilities	141,569,707	31,359,942	451
Other insurance expenses	5,557,160	8,955,206	62
Other expenses	5,092,916	1,214,619	419
Profit/loss before tax	65,904,767	65,947,350	100
Income tax expense	12,111,167	9,837,294	123
Net profit/loss for the accounting period	53,793,600	56,110,056	96

5.2.2 Financial standing

The total **balance sheet** of Zavarovalnica Triglav as at 30 September 2015 stood at EUR 2,713.8 million and remained approximately at the same level as at the 2014 year-end.

The **total equity capital** as at the reporting date dropped by 4% to EUR 523.4 million compared to the 2014 year-end. The share of equity in total liabilities decreased by 0.7 percentage points to 19.3%. The share capital of EUR 73.7 million remained unchanged and was divided into 22,735,148 ordinary shares. Share premium amounted to EUR 53.4 million and reserves from profit to EUR 282.0 million, which meant no change compared to the 2014 year-end. As a result of a decrease in the value of available-for-sale financial assets, revaluation surplus decreased by 27% and totalled EUR 53.3 million. Net profit brought forward amounted to EUR 7.2 million, which was 81% less due to dividend payments compared to 31 December 2014. Net profit for the period stood at EUR 53.8 million, which grew by 133% over the 2014 year-end.

Compared to the 2014 year-end, the total equity capital fell by 4%.

Subordinated liabilities amounted to EUR 30.0 million and remained at a level approximately equal to the 2014 year-end (index 100).

On the liabilities side, **gross insurance technical provisions** reached EUR 2,068.8 million and remained approximately at the same level as at the 2014 year-end (index 100). In the balance sheet total, their share went up by 0.5 percentage point, from 75.7 as at the 2014 year-end to 76.2% as at the reporting date. Gross insurance technical provisions are discussed in greater detail in *Section 4.4.5*.

Compared to 31 December 2014, **financial liabilities** experienced a high growth (index 1,026) amounting to EUR 17.4 million foremost as a result of transactions which will be settled after the end of the reporting period. They accounted for a 0.6% share of total balance sheet liabilities.

Operating liabilities as at the reporting date totalled EUR 20.8 million, which decreased by 20% compared to the 2014 year-end. They accounted for 0.8% of total balance sheet liabilities (vs. 2014 year-end: 0.9%). Liabilities from direct insurance operations went up by 5% and amounted to EUR 11.2 million. Liabilities from co-insurance and reinsurance operations totalled EUR 8.8 million, having decreased by 16%. Current tax liabilities equalled EUR 0.8 million (index 16).

Other provisions reached EUR 10.2 million, which was 3% more than as at 31 December 2014. **Deferred tax liabilities** amounted to EUR 11.5 million (index 89). **Other liabilities** dropped by 14% to EUR 31.9 million nominally and accounted for 1.2% of total liabilities.

As at the reporting date, **financial assets** equalled EUR 2,200.0 million, which represents a decrease of 2% compared to the 2014 year-end. Their share in total assets went down by 1.3 percentage points and reached 81.1%. Unit-linked insurance assets amounted to EUR 424.7 million and financial investments to EUR 1,775.3 million. In total financial investments, EUR 78.1 million was accounted for by deposits and loans, EUR 184.0 million by held-to-maturity financial investments, EUR 1,321.1 million by available-for-sale financial investments and EUR 192.1 million by financial investments recognised at fair value through profit or loss. The structure of financial assets is discussed in greater detail in *Section 4.4.6*.

Financial investments in subsidiaries and associates decreased by 6%, amounting to EUR 135.1 million. They accounted for 5.0% of total assets. Financial investments in subsidiaries dropped by 4% to EUR 127.9 million, whilst financial investments in associates amounted to EUR 7.3 million, having decreased by 30%. Financial investments in subsidiaries and associates saw a decrease resulting from performed corporate actions, primarily from the merger of the Triglav Naložbe with the parent company, acquisition of Skupna pokojninska družba and adequate valuation of the Group's subsidiaries.

Investment properties increased by 47% to EUR 55.6 million. They accounted for 2.1% of total assets. Investment property is discussed in greater detail in *Section 4.4.6*.

Receivables increased by 4%, amounting to EUR 98.8 million (a 3.6% share), of which receivables from direct insurance operations accounted for the bulk, totalling EUR 75.2 million (index 122). Receivables from reinsurance and co-insurance operations reached EUR 7.0 million (index 105), whereas other receivables equalled EUR 16.6 million (index 63).

Insurance technical provisions transferred to reinsurance contracts stood at EUR 82.3 million, having increased by 9% compared to the 2014 year-end. Assets from reinsurance contracts from claims provisions totalled EUR 60.2 million (index 98), while those from unearned premiums equalled EUR 22.0 million (index 157).

Property, plant and equipment amounted to EUR 64.5 million (index 99), accounting for a 2.4% share of total assets. **Intangible assets** equalled EUR 57.7 million (index 106), accounting for 2.1% of total assets.

Cash and cash equivalents equalled EUR 17.1 million (index 303), whilst **other assets** totalled EUR 2.6 million (index 75).

Table: Individual items in the balance sheet of Zavarovalnica Triglav as at 30 September 2015

	in EUR		
	30 September 2015	31 December 2014	Index
Assets			
Intangible assets	57,716,209	54,373,723	106
Property, plant and equipment	64,488,697	65,143,015	99
Investment property	55,644,157	37,972,457	147
Investments in subsidiaries and associates	135,129,005	144,226,399	94
Financial assets	2,200,018,012	2,240,384,295	98
Reinsurers' share of insurance technical provisions	82,258,317	75,325,350	109
Receivables and deferred tax receivables	98,848,084	94,732,452	104
Other assets	2,594,627	3,458,593	75
Cash and cash equivalents	17,147,400	5,650,669	303
Total assets	2,713,844,508	2,721,266,953	100
Equity and liabilities			
Equity	523,444,746	544,000,467	96
Subordinated liabilities	29,964,469	29,958,540	100
Insurance technical provisions	1,646,889,556	1,617,090,395	102
Insurance technical provisions for unit-linked insurance contracts	421,891,636	442,952,449	95
Other provisions	10,150,414	9,807,734	103
Deferred tax liabilities	11,497,752	12,973,041	89
Other financial liabilities	17,372,920	1,693,912	1.026
Operating liabilities	20,766,225	25,833,367	80
Other liabilities	31,866,790	36,957,048	86
Total equity and liabilities	2,713,844,508	2,721,266,953	100

6. RISK MANAGEMENT

6.1 Risk management in the nine months of 2015

The first nine months of 2015 saw a strongly changing environment. Switzerland lifted the minimum exchange rate for its currency, a strong growth in stock prices of developing countries was followed by a dramatic decline, which affected all global indexes, strong fluctuation was seen in raw material prices, after several months of negotiations Greece reached an agreement on new reforms and received new aid, the situation in the Middle East has grievously deteriorated, whereas the monetary policy of the Fed has not yet changed. All these events indirectly impacted the Slovene capital market and the economy. Due to the persisting poor economic growth in the euro area countries still unable to recover from the debt crisis, the European Central Bank (hereinafter: the ECB) extended its financial assistance programme to the economy and launched quantitative easing or bond buying.

The main sources of investment risk are low interest rates, macroeconomic and fiscal imbalances.

Along the low demand, the financial markets and economies across the globe are currently most affected by the policies of central banks, trying to stimulate a higher economic growth. With its very extensive financial assistance programme, the ECB is among the most active ones. In this period, the fourth tranche of the TLTRO programme was made available to banks, offering loans worth several billion euros at very favourable interest rates. Moreover, the ECB currently pursues a negative interest rate policy in order to further encourage banks to lend and in this way make them pay interest on their deposits held with the ECB. Through the quantitative easing programme the ECB buys around EUR 60 billion of securities on a monthly basis, and intends to continue its purchase until September 2016 to reach approximately EUR 1,100 billion in total. The ECB also published future guidelines, announcing its activities in the near future, with a view to reduce uncertainty in the markets and boost economic growth. As confirmed by the ECB, the first signs of how effective its entire range of assistance is are already showing. After several years the volume of bank lending in the euro area started to grow and the inflation rate again turned slightly positive.

Furthermore, the reporting period was primarily clouded by geopolitical risks. After installing a new government, Greece started negotiations with the creditors to secure additional assistance, which lasted several months. In the end, it agreed to new reforms in order to acquire further assistance. In the reporting period, Slovenia continued to carry out reforms, the privatisation process and fiscal consolidation.

At the end of 2014 and in 2015, the leading credit rating agencies retained the rating of Slovenia. Slovenia was re-assigned an »A« credit rating with a positive outlook by S&P. Moody's upgraded Slovenia's credit rating from »Ba1« to »Baa3« and assigned it a stable outlook. It additionally commented that the political environment in Slovenia stabilised, which increased the likelihood of implementing future economic and fiscal reforms. Fitch Ratings maintained the credit rating »BBB+« and changed a stable outlook to positive. The Triglav Group's credit rating is discussed in greater detail in Section 3.3 *Credit Rating*.

Being a major investor in the Slovene government debt market, the Triglav Group and Zavarovalnica Triglav in particular are considerably exposed to the financial risks of the Slovene economy. Therefore, the main focus remains on credit risk exposure and on maintaining an adequately diversified asset and liability structure. In the first half of 2015, exposure to Slovene government bonds showed a positive impact on the return of Triglav's portfolios, which was a result of lower required return on all EU government bonds and quantitative easing by the ECB.

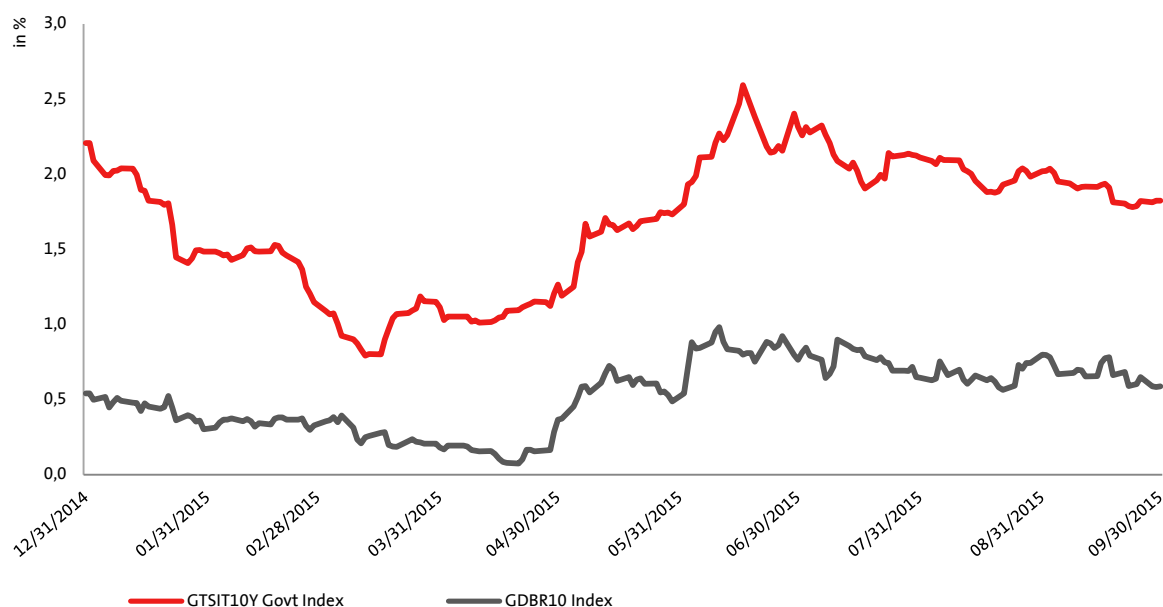
In Q3 2015, the credit spread of both the Slovene government bonds and those of all the other euro area members started to increase as a result of the difficulties related to Greece and the slow growth of all global economies. Nevertheless, in 2015 the Company has continued to carefully monitor the exposure to debt securities of the euro area countries. Despite the positive conditions on the markets, the Company continues to monitor their effects on the balanced asset and liability structure, adapting investment policies of individual guarantee funds and asset backing liabilities when needed. In doing so, the Company employs the results of different capital adequacy models and of the stress tests.

Zavarovalnica Triglav and the Triglav Group manage the risks based on a defined risk appetite, setting the limits of exposure to significant risks. For the purposes of risk management and reporting, in 2014 the relevant software was already installed for risk monitoring and reporting in compliance with the Solvency II Directive requirements. Other information detailed in the risk management section of the 2014 Annual Report remains accurate.

6.2 Significant risk types in the first nine months of 2015 and the near future

In early 2015, the trend from the 2014 year-end continued, when the required returns on government bonds issued in the EU states started to decrease. The required return on Slovene bonds also dropped. The reasons laid in an effective implementation of reforms in Slovenia, improved economic indicators throughout the entire euro area and the ECB's monetary policy. The graph below shows how later in the year negotiations with Greece and the slowdown in economic growth of developing markets brought uncertainty to the financial markets, which resulted in higher required returns on bonds of many countries.

Graph: Generic indexes of required returns on ten-year Slovene bonds (GTSIT) and German bonds (GDBR) in the first nine months of 2015

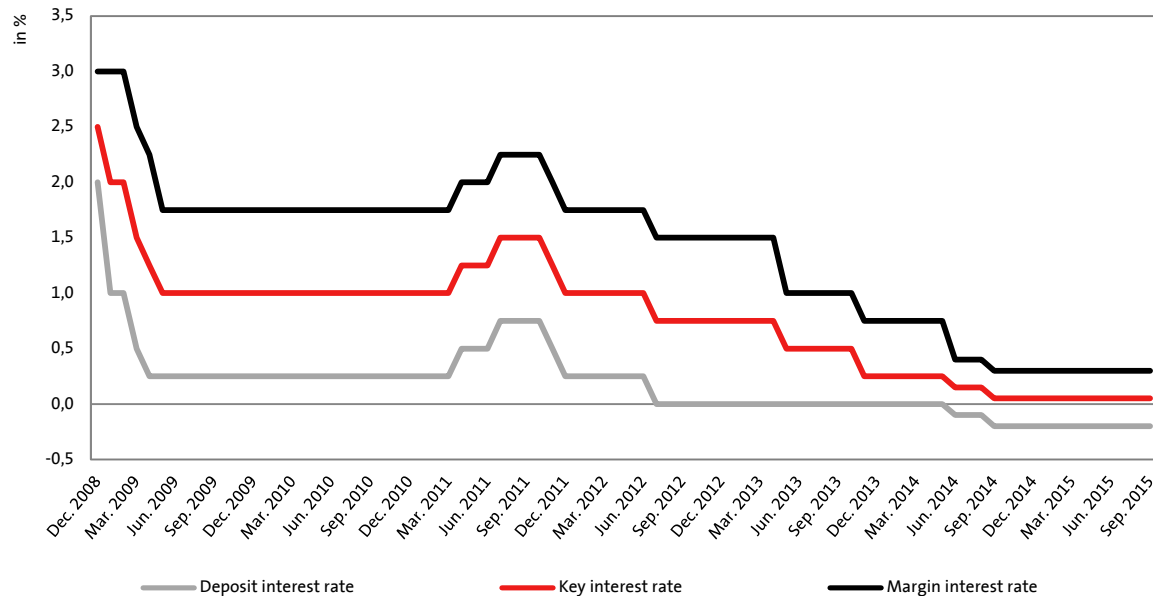


Source: Bloomberg

One of the key risks to which the Company is exposed is low interest rates. With the onset of the debt crisis, the prices of high-quality bonds rose sharply, consequently lowering the return on such securities, which represent the bulk of the portfolio of insurance companies. The start of ECB's quantitative easing in early 2015 only further raised the prices of bonds and created additional pressure on the lowering of required returns. Thus, the portfolios of insurance

companies generated positive capital gains on bonds, but investment return is generated more difficult under these conditions in order for the insurance companies to fulfil their obligations to the policyholders in the future. According to forecasts of the ECB, its policy of low interest rates and quantitative easing, the environment of low interest rates is likely to persist for quite some time, which is why the Company already began to adapt its operations to this kind of environment.

Graph: Movements of the ECB key interest rate (in %)



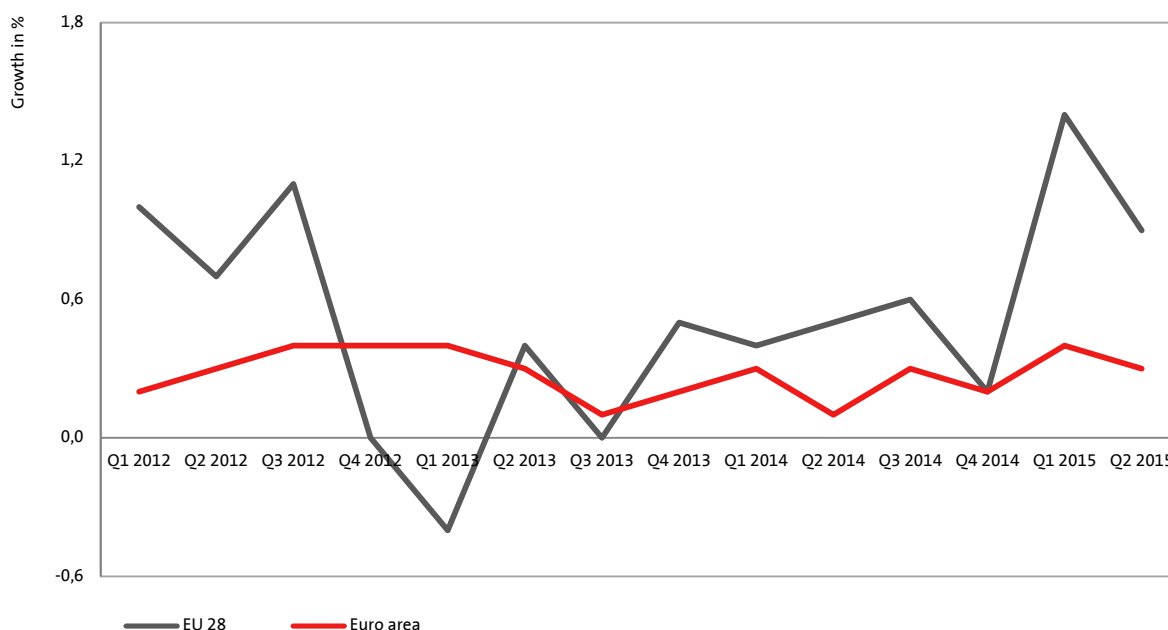
Source: ECB

After bank restructuring, privatisation of several companies and introduction of reforms, the investment risks in Slovenia decreased, whilst the successful performance of the government reduced the political risks. However, the risks associated with sustainability of Slovenia's fiscal policy and an alarming growth in government debt and budget deficit remain, but they decreased dramatically. Two years ago, the fiscal golden rule was introduced into Slovenia's Constitution. In 2015, a law was adopted, which defines in detail how this commitment will be fulfilled. The main element of the golden rule is the requirement that national income and expenditure are balanced in the medium term. This means that in such a situation, the Government is not allowed to borrow more money, at least not in the long run. As a result of the new law, the risks of Slovenia's debt unsustainability were greatly limited.

The highest risks in the near future represent low interest rates, the debt crisis, the slow growth of the euro, and political and macroeconomic imbalances.

Apart from low interest rates, the performance of the Triglav Group is impacted by the credit risk (counterparty's default risk) of government securities, while the credit spread risk is also of great importance. The Group's assets and liabilities will additionally be affected by the development of the economic environment in Slovenia, which is improving but still remains weak, exposing the Company foremost to the risks of lower demand for some insurance products, policyholders defaulting on the payment of premiums and risks related to the selection of underwritten risks. Nevertheless, positive trends of reduced credit risk have been evident for some time now, which is a result of economic growth, a lower unemployment rate and decreased corporate debt.

Graph: Movements of the euro area and EU 28 GDP compared to the previous period (v %)



Source: Eurostat

Disasters (natural or man-made) remain a significant risk for the Company, as they can have negative effects especially on the non-life insurance portfolio.

The Company thus continues to pay particular attention to risk management of the guarantee funds and asset backing liabilities, capital management and capital adequacy management, including the adequacy of the reinsurance scheme.

6.3 Internal audit

In the first three quarters of 2015, the Internal Audit Department complied with its annual and operational work programme. It conducted 14 internal audits of various divisions in Zavarovalnica Triglav and 3 internal audits in subsidiaries and other organisations founded by the Company. The findings have been/will be reported to the management of the audited divisions and the Management Board.

The Internal Audit Department also engaged in informal advisory activities, Internal Auditing Quality Improvement activities, monitored the implementation of recommendations made by internal and external auditors as well as reported to the Management Board, the Audit Committee and the Supervisory Board on the work done.

7. HUMAN RESOURCE MANAGEMENT IN THE TRIGLAV GROUP

7.1 Number of employees

As at 30 September 2015, there were 5,373 employees in the Triglav Group, which is 33 less than at the 2014 year-end. The number of employees went down foremost due to the sale of Triglav Pojišt'ovna. The highest increase in number of employees was recorded in Triglav Osiguranje, Belgrade and Triglav Osiguranje, Zagreb due to strengthening of the internal sales network, in TRI-LIFE, Zagreb and TRI-PRO BH, Sarajevo and Skupna pokojninska družba (takeover of the company)..

Table: Number of employees in the Triglav Group as at 30 September 2015

Subsidiaries of the Triglav Group	Number of employees		Difference
	30 September 2015	31 December 2014	2015-2014
Zavarovalnica Triglav d.d., Ljubljana	2,352	2,365	-13
Pozavarovalnica Triglav Re d.d., Ljubljana	45	45	0
Triglav, Zdravstvena zavarovalnica d.d., Koper	85	84	1
Skupna pokojninska družba d.d., Ljubljana	18		18
Triglav Osiguranje d.d., Zagreb	525	507	18
Triglav Osiguranje d.d., Sarajevo	244	246	-2
Triglav Pojišt'ovna a.s., Brno		126	-126
Lovćen Osiguranje a.d., Podgorica	264	271	-7
Triglav Osiguranje a.d.o., Belgrade	490	460	30
Triglav Osiguranje a.d., Banja Luka	81	78	3
Triglav Osiguruvanje a.d., Skopje	260	256	4
Lovćen životna osiguranja a.d., Podgorica	14	14	0
Triglav Skladi d.o.o., Ljubljana	42	43	-1
Triglav Avtoservis d.o.o., Ljubljana	28	28	0
Triglav Svetovanje d.o.o., Domžale	80	74	6
Triglav Naložbe d.d., Ljubljana		5	-5
Slovenijales d.d., Ljubljana	127	125	2
Golf Arboretum d.o.o., Volčji potok	13	10	3
Triglav, Upravljanje nepremičnin d.d., Ljubljana	23	22	1
TRI-LIFE d.o.o., Zagreb	23	1	22
TRI-PRO BH d.o.o., Sarajevo	33	25	8
Unis automobili i dijelovi d.o.o., Sarajevo	29	29	0
Autocentar BH d.o.o., Sarajevo	43	52	-9
Triglav INT d.d., Ljubljana	27	21	6
Sarajevostan d.d., Sarajevo	120	122	-2
Triglav Auto d.o.o., Banja Luka			0
Lovćen Auto a.d., Podgorica	108	104	4
Avrigo d.o.o., Nova Gorica	208	205	3
Integral Notranjska d.o.o., Cerknica	16	16	0
Integral Zagorje d.o.o., Zagorje ob Savi	47	46	1
Integral Stojna Kočevje d.o.o., Kočevje	28	26	2
Alptours d.o.o., Bovec			0
Total	5,373	5,406	-33

7.2 Educational structure of employees

Compared to the 2014 year-end, educational structure of employees improved, as an increase was registered in the number of employees with university degrees or higher education as well

as with masters or doctoral degrees, whilst the share of employees with secondary school education or less decreased.

Table: Employees of the Triglav Group as at 30 September 2015 and 31 December 2014 - structure by education level

Level of education	Employees as at 30 September 2015		Employees as at 31 December 2014	
	Number	Percentage	Number	Percentage
Level I-IV	1,357	25.3%	1,401	25.9%
Level V	1,480	27.5%	1,552	28.7%
Level VI	633	11.8%	593	11.0%
Level VII	1,710	31.8%	1,676	31.0%
Masters and PhD	193	3.6%	184	3.4%
Total	5,373	100.0%	5,406	100.0%

STATEMENT OF MANAGEMENT'S RESPONSIBILITY

The Management Board herewith confirms the financial statements for the period from 1 January 2015 to 30 September 2015 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 2015 to 30 September 2015 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 Triglav Zavarovalnica 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 2015 to 30 September 2015 includes a fair review of their business developments, results and financial positions, including a description of the major risks to which Zavarovalnica Triglav 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

Benjamin Jošar

Member of the Management Board

Uroš Ivanc

Member of the Management Board

Tadej Čoroli

Member of the Management Board

Marica Makoter

Member of the Management Board

Ljubljana, 10 November 2015

FINANCIAL OVERVIEW

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1. FINANCIAL STATEMENTS

in EUR

STATEMENT OF FINANCIAL POSITION	Triglav Group		Zavarovalnica Triglav	
	30 Sept. 2015	31 Dec. 2014	30 Sept. 2015	31 Dec. 2014
ASSETS	3,514,114,659	3,275,428,004	2,713,844,508	2,721,266,953
Intangible assets	75,311,203	71,770,468	57,716,209	54,373,723
Property, plant and equipment	130,605,487	123,668,545	64,488,697	65,143,015
Deferred tax receivables	12,589,375	20,472,194	0	0
Investment property	87,233,717	104,861,479	55,644,157	37,972,457
Investments in subsidiaries	0	0	127,869,130	133,799,163
Investments in associates	9,560,723	10,371,335	7,259,875	10,427,236
Financial assets	2,852,288,306	2,619,376,329	2,200,018,012	2,240,384,295
Financial investments:	2,410,192,866	2,153,588,590	1,775,284,469	1,790,581,524
- loans and deposits	146,714,895	130,037,423	78,118,036	104,531,182
- held to maturity	257,708,185	210,604,128	183,974,870	186,136,258
- available for sale	1,655,595,514	1,608,664,995	1,321,135,798	1,299,415,075
- recognised at fair value through profit and loss	350,174,272	204,282,044	192,055,765	200,499,010
Unit-linked insurance assets	442,095,440	465,787,739	424,733,543	449,802,771
Reinsurers' share of technical provisions	82,138,778	71,147,717	82,258,317	75,325,350
Assets from investment contracts	0	0	0	0
Receivables	189,150,371	181,810,510	98,848,084	94,732,452
- receivables from direct insurance operations	106,278,104	86,414,518	75,162,996	61,527,739
- receivables from reinsurance and co-insurance operations	39,268,597	41,461,923	7,037,918	6,689,625
- current tax receivables	163,832	1,819,015	0	0
- other receivables	43,439,838	52,115,054	16,647,170	26,515,088
Other assets	9,983,751	8,469,465	2,594,627	3,458,593
Cash and cash equivalents	56,583,615	22,858,388	17,147,400	5,650,669
Non-current assets held for sale	8,669,333	40,621,574	0	0
EQUITY AND LIABILITIES	3,514,114,659	3,275,428,004	2,713,844,508	2,721,266,953
Equity	689,984,785	688,140,772	523,444,746	544,000,467
Controlling interests	678,625,281	681,412,162	523,444,746	544,000,467
- share capital	73,701,392	73,701,392	73,701,392	73,701,392
- share premium	54,905,755	56,908,216	53,412,884	53,412,884
- reserves from profit	300,120,202	299,731,040	281,977,925	281,977,925
- treasury share reserves	452,880	452,880	0	0
- treasury shares	-452,880	-452,880	0	0
- fair value reserve	70,476,906	94,940,028	53,322,795	73,221,229
- net profit brought forward	103,792,506	96,705,983	7,236,150	38,565,461
- net profit for the year	80,076,232	62,769,801	53,793,600	23,121,575
- currency translation differences	-4,447,712	-4,558,557	0	0
- reserve of disposal group held for sale	0	1,214,258	0	0
Non-controlling interests	11,359,504	6,728,610	0	0
Subordinated liabilities	27,992,057	28,065,416	29,964,469	29,958,540
Insurance technical provisions	2,167,598,182	1,874,756,014	1,646,889,556	1,617,090,395
- unearned premiums	286,426,021	245,995,733	209,761,974	182,902,536
- mathematical provisions	1,197,358,139	954,072,939	912,291,501	904,858,200
- claims provisions	657,585,453	648,827,459	503,799,024	508,999,132
- other insurance technical provisions	26,228,569	25,859,883	21,037,057	20,330,526
Insurance technical provisions for unit-linked insurance contracts	439,178,327	458,899,160	421,891,636	442,952,449
Employee benefits	12,403,107	12,265,582	9,685,128	9,408,654
Other provisions	6,445,294	3,946,874	465,286	399,080
Deferred tax liabilities	22,999,684	30,752,195	11,497,752	12,973,041
Liabilities from investment contracts	0	0	0	0
Other financial liabilities	33,307,450	15,084,019	17,372,920	1,693,912
Operating liabilities	49,461,522	58,533,223	20,766,225	25,833,367
- liabilities from direct insurance operations	15,309,018	15,644,384	11,193,458	10,631,799
- liabilities from reinsurance and co-insurance operations	32,886,817	36,341,671	8,783,411	10,406,511
- current tax liabilities	1,265,687	6,547,168	789,356	4,795,056
Other liabilities	64,744,251	65,641,718	31,866,790	36,957,048
Non-current liabilities held for sale and discontinued operations	0	39,343,031	0	0

in EUR

INCOME STATEMENT	Triglav Group		Zavarovalnica Triglav	
	Q1-3 2015	Q1-3 2014	Q1-3 2015	Q1-3 2014
NET PREMIUM INCOME	629,572,413	611,673,457	389,374,792	395,648,855
- gross written premium	718,288,673	688,581,092	463,212,871	463,684,890
- ceded written premium	-62,508,592	-57,185,368	-58,531,444	-53,423,159
- change in unearned premium reserve	-26,207,668	-19,722,267	-15,306,635	-14,612,876
INCOME FROM FINANCIAL ASSETS	199,436,845	176,694,133	180,510,489	156,731,940
INCOME FROM FINANCIAL ASSETS IN SUBSIDIARIES AND ASSOCIATES	5,928,208	572,918	21,330,361	2,259,011
- profit on equity investments accounted for using the equity method	797,742	572,918	0	0
- interest income	25,200	0	1,667,030	2,190,282
- dividends	0	0	19,318,186	60,541
- fair value gains	0	0	0	0
- realised gains on disposals	5,105,266	0	336,863	0
- other financial income	0	0	8,282	8,188
INCOME FROM OTHER FINANCIAL ASSETS	134,577,592	128,087,910	103,325,453	107,676,858
- interest income	53,667,627	55,484,927	36,349,431	44,566,101
- dividends	3,095,703	4,306,530	2,363,000	3,407,915
- fair value gains	23,200,376	21,150,914	20,475,814	20,510,071
- realised gains on disposals	46,722,983	40,921,942	40,395,248	36,304,804
- other financial income	7,890,903	6,223,597	3,741,960	2,887,966
NET UNREALISED GAINS ON UNIT-LINKED LIFE INSURANCE ASSETS	58,931,045	48,033,305	55,854,675	46,796,071
OTHER INCOME FROM INSURANCE OPERATIONS	7,519,757	6,892,496	13,889,713	13,057,454
- fees and commission income	3,797,817	3,304,974	10,341,558	10,000,243
- other income from insurance operations	3,721,940	3,587,522	3,548,155	3,057,211
OTHER INCOME	56,600,498	56,764,277	6,470,646	5,325,268
NET CLAIMS INCURRED	427,420,595	438,270,474	264,269,873	289,347,473
- gross claims settled	435,055,067	440,761,402	283,472,529	296,294,017
- reinsurers' share	-13,073,277	-16,635,702	-15,048,479	-16,343,503
- changes in claims provisions	31,754	8,462,035	-4,154,177	9,396,959
- equalisation scheme expenses for supplementary health insurance	5,407,051	5,682,739	0	0
CHANGE IN OTHER INSURANCE TECHNICAL PROVISIONS (excluding ULI)	34,582,515	41,977,925	23,757,098	40,210,065
CHANGE IN INSURANCE TECHNICAL PROVISIONS FOR UNIT-LINKED INSURANCE CONTRACTS	-19,743,203	28,562,767	-21,060,813	27,512,871
EXPENSES FOR BONUSES AND DISCOUNTS	4,591,431	5,643,451	3,107,198	4,809,276
CHANGE IN FINANCIAL CONTRACT LIABILITIES	0	0	0	0
OPERATING EXPENSES	148,751,081	144,428,843	102,047,734	101,406,717
- acquisition costs	100,444,754	99,871,447	73,764,238	73,533,146
- other operating costs	48,306,327	44,557,396	28,283,496	27,873,571
EXPENSES FROM FINANCIAL ASSETS AND LIABILITIES	131,056,296	36,729,659	141,569,707	31,359,942
EXPENSES FROM FINANCIAL ASSETS AND LIABILITIES IN SUBSIDIARIES AND ASSOCIATES	1,084,276	805,524	31,211,358	10,480
- loss on investments accounted for using the equity method	219,123	805,524	0	0
- interest expense	0	0	0	0
- fair value losses	0	0	0	0
- realised loss on disposals	865,153	0	882,000	0
- loss on impairment of financial assets	0	0	30,271,395	0
- other expenses from financial assets and liabilities	0	0	57,963	10,480
EXPENSES FROM OTHER FINANCIAL ASSETS AND LIABILITIES	64,567,279	23,286,504	47,591,266	19,618,615
- interest expense	1,601,240	2,030,940	1,387,625	1,405,695
- fair value losses	36,345,115	7,485,633	29,484,012	7,308,754
- realised loss on disposals	9,001,383	6,252,010	8,109,733	6,145,098
- loss on impairment of financial assets	2,485,676	123,217	0	0
- other expenses from financial assets and liabilities	15,133,865	7,394,704	8,609,896	4,759,068
NET UNREALISED LOSSES ON UNIT-LINKED LIFE INSURANCE ASSETS	65,404,741	12,637,631	62,767,083	11,730,846
OTHER INSURANCE EXPENSES	12,553,610	16,581,808	5,557,160	8,955,206
OTHER EXPENSES	59,007,212	50,131,246	5,092,916	1,214,619
PROFIT BEFORE TAX	94,909,976	89,698,190	65,904,767	65,947,350
Income tax expense	14,054,567	12,744,474	12,111,167	9,837,294
NET PROFIT FOR THE PERIOD	80,855,407	76,953,716	53,793,600	56,110,056
Earnings per share (basic and diluted)			2.37	2.47
Net profit/loss attributable to the controlling company	80,203,441	76,550,938		
Net profit/loss attributable to the non-controlling interest holders	651,966	402,778		

in EUR

STATEMENT OF OTHER COMPREHENSIVE INCOME	Triglav Group		Zavarovalnica Triglav	
	Q1-3 2015	Q1-3 2014	Q1-3 2015	Q1-3 2014
I. NET PROFIT / LOSS FOR THE PERIOD AFTER TAX	80,855,407	56,953,716	53,793,600	56,110,056
II. OTHER COMPREHENSIVE INCOME AFTER TAX	-24,492,063	55,133,623	-19,898,433	42,485,536
a) Items which will not be transferred in P&L in future periods	0	-548,398	0	-548,398
Fair value gains/losses on PP&E and intangible assets	0	0	0	0
Actuarial gains/losses for pension plans	0	-548,398	0	-548,398
Share of OCI of entities accounted for using the equity method	0	0	0	0
Other items which will not be transferred in P&L	0	0	0	0
Tax on items which will not be transferred in P&L	0	0	0	0
b) Items which could be transferred into P&L in future periods	-24,492,063	55,682,021	-19,898,433	43,033,934
Fair value gains/losses on available-for-sale financial assets	-47,398,983	88,543,923	-42,476,823	76,480,036
- net gains/losses recognized directly in equity	-26,259,110	117,945,596	-21,313,187	106,436,090
- transfers from equity to income statement	-21,139,873	-29,401,673	-21,163,636	-29,956,054
Fair value gains / losses on non-current assets held for sale	-430,356	0	0	0
Fair value gains/losses on cashflow hedges	0	0	0	0
Share of OCI of entities accounted for using the equity method	-356,302	3,156,430	0	0
Liabilities from insurance contracts with DPF	15,611,733	-20,234,730	15,611,733	-20,234,730
Currency translation differences	240,177	-352,116	0	0
Tax on other comprehensive income	7,841,668	-15,431,486	6,966,657	-13,211,372
III. COMPREHENSIVE INCOME FOR THE PERIOD AFTER TAX	56,363,344	132,087,339	33,895,167	98,595,592
Controlling interest	55,970,603	131,459,046		
Non-controlling interest	392,741	628,293		

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD FROM 1 JANUARY 2015 TO 30 SEPTEMBER 2015	Reserves from profit													in EUR		
	Share capital	Share premium	Continge ncy reserves	Treasury share reserves	Legal and statutory reserves	Credit risk reserves	Other reserves form profit	Fair value reserve	Reserve of disposal group held for sale	Net profit/loss brought forward	Net profit/loss	Treasury shares (deductible item)	Translation differences	Total equity attributable to the controlling company	Equity attributable to non- controlling interest holders	TOTAL
OPENING BALANCE FOR THE PERIOD	73,701,392	56,908,216	584,478	452,880	20,014,860	32,431,700	246,700,001	94,940,028	1,214,258	96,705,983	62,769,801	-452,880	-4,558,557	681,412,162	6,728,610	688,140,772
Comprehensive income for the period from 1 January 2015 to 30 September 2015	0	0	0	0	0	0	0	-24,463,122	0	0	80,203,441	0	230,282	55,970,602	392,741	56,363,344
Allocation to net profit/loss brought forward	0	0	0	0	0	0	0	0	0	62,769,801	-62,769,801	0	0	0	0	0
Dividend payment	0	0	0	0	0	0	0	0	0	-56,755,040	0	0	0	-56,755,040	0	-56,755,040
Allocation and use of reserves for credit risk	0	0	0	0	0	127,209	0	0	0	0	-127,209	0	0	0	0	0
Allocation to reserves from profit	0	0	7,791	0	254,162	0	0	0	0	-261,934	0	0	0	19	-19	0
Changes in consolidation area	0	-2,002,461	0	0	0	0	0	0	-1,214,258	1,333,695	0	0	-119,437	-2,002,459	270,892	-1,731,569
External acquisition	0	0	0	0	0	0	0	0	0	0	0	0	0	0	3,967,281	3,967,281
CLOSING BALANCE FOR THE PERIOD	73,701,392	54,905,755	592,269	452,880	20,269,022	32,558,909	246,700,001	70,476,906	0	103,792,506	80,076,232	-452,880	-4,447,712	678,625,281	11,359,505	689,984,785

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD FROM 1 JANUARY 2014 TO 30 SEPTEMBER 2014	Reserves from profit													in EUR	
	Share capital	Share premium	Continge ncy reserves	Treasury share reserves	Legal and statutory reserves	Credit risk reserves	Other reserves form profit	Fair value reserve	Net profit/loss brought forward	Net profit/loss	Treasury shares (deductible item)	Translation differences	Total equity attributable to the controlling company	Equity attributable to non-controlling interest holders	TOTAL
OPENING BALANCE FOR THE PERIOD	73,701,392	56,866,194	534,366	452,880	19,630,611	32,313,485	224,200,000	44,605,435	90,083,115	46,213,507	-452,880	-3,833,225	584,314,877	6,222,580	590,537,457
Comprehensive income for the period from 1 January 2014 to 30 September 2014	0	0	0	0	0	0	0	55,263,722	0	76,550,938	0	-355,616	131,459,044	628,293	132,087,337
Net profit allocation to reserves from profit	0	0	0	0	0	0	0	0	46,213,507	-46,213,507	0	0	0	0	0
Dividend payment	0	0	0	0	0	0	0	0	-38,593,429	0	0	0	-38,593,429	0	-38,593,429
Allocation and use of reserves for credit risk	0	0	0	0	0	127,591	0	0	0	-127,591	0	0	0	0	0
Other reserves from profit	0	0	50,213	0	388,626	0	0	0	-438,718	0	0	0	121	-121	0
Recognition of reserves resulting from intragroup transactions	0	-42,794	0	0	0	0	0	0	0	0	0	0	-42,794	-122,264	-165,058
Other	0	85,546	0	0	0	0	0	0	0	0	0	0	85,546	206	85,752
CLOSING BALANCE FOR THE PERIOD	73,701,392	56,908,946	584,579	452,880	20,019,237	32,441,076	224,200,000	99,869,157	97,264,475	76,423,347	-452,880	-4,188,841	677,223,368	6,728,694	683,952,062

STATEMENT OF CHANGES IN EQUITY OF ZAVAROVALNICA TRIGLAV, D.D. FOR THE PERIOD FROM 1 JANUARY 2015 TO 30 SEPTEMBER 2015	Share capital	Share premium	Reserves form profit			Fair value reserve	Net profit/loss brought forward	Net profit/loss	TOTAL EQUITY	in EUR
			Legal and statutory reserves	Credit risk reserves	Other reserves from profit					
OPENING BALANCE FOR THE PERIOD	73,701,392	53,412,884	4,662,643	30,615,282	246,700,000	73,221,229	38,565,461	23,121,576	544,000,467	
Comprehensive income for the period from 1 January 2015 to 30 September 2015	0	0	0	0	0	-19,898,434	0	53,793,600	33,895,166	
Allocation to net profit/loss brought forward	0	0	0	0	0	0	23,121,576	-23,121,576	0	
Change consolidation area	0	0	0	0	0	0	2,386,983	0	2,386,983	
Dividend payment	0	0	0	0	0	0	-56,837,870	0	-56,837,870	
CLOSING BALANCE FOR THE PERIOD	73,701,392	53,412,884	4,662,643	30,615,282	246,700,000	53,322,795	7,236,150	53,793,600	523,444,746	

STATEMENT OF CHANGES IN EQUITY OF ZAVAROVALNICA TRIGLAV, D.D. FOR THE PERIOD FROM 1 JANUARY 2014 TO 30 SEPTEMBER 2014	Share capital	Share premium	Reserves form profit			Fair value reserve	Net profit/loss brought forward	Net profit/loss	TOTAL EQUITY	in EUR
			Legal and statutory reserves	Credit risk reserves	Other reserves from profit					
OPENING BALANCE FOR THE PERIOD	73,701,392	53,412,884	4,662,643	30,624,276	224,200,000	35,362,843	52,735,703	25,090,466	499,790,208	
Comprehensive income for the period from 1 January 2014 to 30 September 2014	0	0	0	0	0	42,485,536	0	56,110,056	98,595,592	
Allocation to net profit/loss brought forward	0	0	0	0	0	0	25,090,466	-25,090,466	0	
Dividend payment	0	0	0	0	0	0	-38,649,752	0	-38,649,752	
CLOSING BALANCE FOR THE PERIOD	73,701,392	53,412,884	4,662,643	30,624,276	224,200,000	77,848,380	39,176,418	56,110,056	559,736,049	

in EUR

	Triglav Group		Zavarovalnica Triglav	
	Q1-3 2015	Q1-3 2014	Q1-3 2015	Q1-3 2014
A. OPERATING CASH FLOW				
Income statement items	63,925,010	63,676,531	32,672,597	44,241,463
Operating income(excluding revaluation) and financial income from operating receivables	759,814,352	734,026,607	415,532,991	422,129,748
Operating expenses excluding depreciation (except for revaluations) and financial expenses for operating liabilities	-682,935,353	-667,863,379	-374,868,642	-377,888,285
Corporate income tax and other taxes excluded from operating expenses	-12,953,989	-2,486,697	-7,991,752	0
Changes in net current assets (and deferred items, provisions and deferred tax assets and liabilities) and in operating balance-sheet items	-15,747,409	-22,838,343	-7,620,930	-16,740,356
Movements in receivables and prepayments and accrued income	-5,501,175	-16,209,516	-1,248,433	-7,505,018
Movements in deferred tax assets	-2,823,457	-155,544	-2,633,747	0
Movements in inventories	324,229	972,896	-28,400	-23,584
Movements in operating debts	-13,569,332	-4,805,824	-7,137,223	-11,049,902
Movements in accruals and deferred income and provisions	7,207,724	-5,482,678	3,426,873	1,838,148
Movements in deferred tax liabilities	-1,385,398	2,842,323	0	0
OPERATING CASH FLOW	48,177,601	40,838,188	25,051,667	27,501,107
B. CASH FLOWS FROM INVESTING ACTIVITIES				
Cash inflows from investing activities	1,636,272,515	1,962,421,912	1,279,934,031	1,648,079,881
Cash inflows from interest received and profit sharing arising from investing activities	59,528,823	63,018,385	46,371,110	56,599,625
Income from dividends and profit sharing	3,774,325	4,541,881	21,127,184	3,409,903
Cash inflows from the disposal of intangible assets	0	6,679	0	6,679
Cash inflows from the disposal of property, plant and equipment	2,625,211	879,688	302,988	232,852
Cash inflows from the disposal of financial investments	1,563,881,856	1,893,975,279	1,168,994,479	1,580,831,031
Cash inflows for the acquisition of financial investments in associates	6,462,300	0	43,138,269	6,999,792
Cash outflows from investing activities	-1,610,132,131	-1,963,818,524	-1,236,212,032	-1,627,200,544
Cash outflows for the purchase of intangible assets	-3,394,774	-2,086,121	-2,978,392	-1,457,758
Cash outflows for the purchase of property, plant and equipment	-7,533,146	-7,895,562	-20,703,326	-1,465,039
Cash outflows for the purchase of financial investments	-1,590,735,225	-1,953,836,841	-1,147,609,267	-1,617,277,955
Cash outflows for the acquisition of financial investments in associates	-8,468,986	0	-64,921,047	-6,999,792
CASH FLOWS FROM INVESTING ACTIVITIES	26,140,384	-1,396,612	43,721,999	20,879,337
C. CASH FLOWS FROM FINANCING ACTIVITIES				
Cash inflows from financing activities	1,726,881	1,155,418	0	0
Cash inflows from long-term loans received	1,347,445	1,155,418	0	0
Cash inflows from short-term loans received	379,436	0	0	0
Cash outflows from financing activities	-57,783,241	-40,828,269	-57,276,935	-39,437,186
Interest paid from financing activities	-1,785,000	-1,858,378	-1,785,000	-1,785,000
Cash outflows for payments of financial liabilities	-589,136	-376,462	0	0
Cash outflows from dividends paid and profit sharing	-55,409,105	-38,593,429	-55,491,935	-37,652,186
CASH FLOWS FROM FINANCING ACTIVITIES	-56,056,360	-39,672,851	-57,276,935	-39,437,186
D. Opening balance of cash and cash equivalents	22,858,388	29,068,558	5,650,669	5,000,081
E. Net cash flow for the period	18,261,625	-231,275	11,496,731	8,943,258
Mergers and acquisitions	15,456,539	0	0	0
Foreign exchange differences	7,063	-81,919	0	0
Transfer of cash to non-current assets held for sale	0	0	0	0
F. Closing balance of cash and cash equivalents	56,583,615	28,755,364	17,147,400	13,943,339

2. SELECTED NOTES TO THE FINANCIAL STATEMENTS

2.1 Statement of compliance

The financial statements for the period from 1 January 2015 to 30 September 2015 have been prepared in accordance with IAS 34 - Interim Financial Reporting.

Pursuant to requirements of the national legislation, separate financial statements of Zavarovalnica Triglav have been prepared in accordance with IFRS as adopted by the European Union (hereinafter »IFRS«).

In addition to separate financial statements, Zavarovalnica Triglav also prepares consolidated financial statements in line with the IFRS. Entities in which the Zavarovalnica Triglav directly or indirectly holds more than half of the voting rights have been fully consolidated.

To acquire accurate information on the financial position and business results of the entire Triglav Group, separate financial statements of Zavarovalnica Triglav should be considered jointly with the consolidated financial statement.

The financial statements for the period from 1 January 2015 to 30 September 2015 have not been audited.

2.2 Significant accounting policies and estimates

The same accounting policies as for the preparation of the annual financial statements for 2014 were used for the preparation of the financial statements for the first three quarters of 2015. The tax expense calculation for the first three quarters of 2015 was made by applying the average effective tax rate of 2014.

In the reporting period, there were no significant changes of accounting estimates for amounts which were reported in the preceding financial year.

2.3 Seasonal operations

Operations of Zavarovalnica Triglav are not of a seasonal character. In the first three quarters of 2015, 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 following segments:

- business segments (non-life insurance, life insurance, health insurance, non-insurance operations);
- geographical segments (separately for Slovenia and other countries).

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 September 2015						
	Non-life	Life	Health	Other	TOTAL NON- CONSOLIDATED	Eliminations	TOTAL CONSOLIDATED
ASSETS	1,727,189,392	1,853,766,387	50,572,559	203,801,431	3,835,329,769	-321,215,110	3,514,114,659
Intangible assets	68,130,571	1,647,220	308,909	4,576,008	74,662,708	648,495	75,311,203
Property, plant and equipment	86,118,899	9,766,419	1,477,307	33,242,862	130,605,487	0	130,605,487
Deferred tax receivables	9,867,596	599,898	184,462	1,937,419	12,589,375	0	12,589,375
Investment property	67,758,472	2,354,912	0	14,810,518	84,923,902	2,309,815	87,233,717
Investments in subsidiaries	124,509,557	10,577,246	0	58,512,235	193,599,038	-193,599,038	0
Investments in associates	0	4,097,935	0	5,462,788	9,560,723	0	9,560,723
Financial assets	994,515,691	1,790,503,349	43,859,342	53,657,544	2,882,535,926	-30,247,620	2,852,288,306
Financial investments:	994,515,691	1,348,407,909	43,859,342	53,657,544	2,440,440,486	-30,247,620	2,410,192,866
- loans and deposits	96,271,107	61,323,245	3,092,225	13,549,920	174,236,497	-27,521,602	146,714,895
- held to maturity	1,922,815	255,785,370	0	0	257,708,185	0	257,708,185
- available for sale	885,730,567	691,216,816	40,767,117	40,107,624	1,657,822,124	-2,226,610	1,655,595,514
- recognised at fair value through profit and loss	10,591,202	340,082,478	0	0	350,673,680	-499,408	350,174,272
Unit-linked insurance assets	0	442,095,440	0	0	442,095,440	0	442,095,440
Reinsurers' share of technical provisions	161,087,152	19,966	35,817	0	161,142,935	-79,004,157	82,138,778
Receivables	194,583,577	6,022,472	4,627,683	13,734,672	218,968,404	-29,818,033	189,150,371
- receivables from direct insurance operations	103,937,523	600,770	3,579,189	0	108,117,482	-1,839,378	106,278,104
- receivables from reinsurance and co-insurance operations	59,242,678	12,650	9,000	0	59,264,328	-19,995,731	39,268,597
- current tax receivables	133,716	154	0	29,962	163,832	0	163,832
- other receivables	31,269,660	5,408,898	1,039,494	13,704,710	51,422,762	-7,982,924	43,439,838
Other assets	4,165,437	157,367	49,009	5,785,843	10,157,656	-173,905	9,983,751
Cash and cash equivalents	16,452,440	28,019,603	30,030	12,081,542	56,583,615	0	56,583,615
Non-current assets held for sale	0	0	0	0	0	8,669,333	8,669,333
EQUITY AND LIABILITIES	1,727,189,392	1,853,766,387	50,572,559	203,801,431	3,835,329,769	-321,215,110	3,514,114,659
Equity	530,882,963	150,827,645	29,303,577	165,914,262	876,928,447	-186,943,662	689,984,785
Controlling interests	530,882,963	150,827,645	29,303,577	165,914,262	876,928,447	-198,303,166	678,625,281
- share capital	102,173,754	39,057,148	25,822,144	145,485,393	312,538,439	-238,837,047	73,701,392
- share premium	42,947,231	13,658,827	0	23,133,494	79,739,552	-24,833,797	54,905,755
- reserves from profit	255,292,022	47,036,140	0	4,098,128	306,426,290	-6,306,088	300,120,202
- fair value reserve	52,078,967	11,425,676	915,858	19,495,277	83,915,778	-13,438,872	70,476,906
- net profit brought forward	40,663,661	17,844,957	-2,070,412	-33,230,459	23,207,747	80,584,759	103,792,506
- net profit for the year	40,196,752	22,913,464	4,635,987	7,594,809	75,341,012	4,735,220	80,076,232
- currency translation differences	-2,469,424	-1,108,567	0	-662,380	-4,240,371	-207,341	-4,447,712
- reserve of disposal group held for sale	0	0	0	0	0	0	0
Non-controlling interests	0	0	0	0	0	11,359,504	11,359,504
Subordinated liabilities	19,718,399	11,985,785	1,500,000	0	33,204,184	-5,212,127	27,992,057
Insurance technical provisions	1,015,451,155	1,219,055,803	12,231,198	0	2,246,738,156	-79,139,974	2,167,598,182
- unearned premiums	304,472,977	404,439	2,174,697	0	307,052,113	-20,626,092	286,426,021
- mathematical provisions	0	1,197,358,139	0	0	1,197,358,139	0	1,197,358,139
- claims provisions	686,938,661	20,432,846	8,618,141	0	715,989,648	-58,404,195	657,585,453
- other insurance technical provisions	24,039,517	860,379	1,438,360	0	26,338,256	-109,687	26,228,569
Insurance technical provisions for unit-linked insurance contracts	0	439,178,327	0	0	439,178,327		439,178,327
Employee benefits	9,212,788	1,914,711	236,101	1,039,507	12,403,107	0	12,403,107
Other provisions	1,046,936	2,605,678	222,429	2,570,251	6,445,294	0	6,445,294
Deferred tax liabilities	15,330,608	5,366,676	0	2,302,400	22,999,684	0	22,999,684
Other financial liabilities	19,683,447	11,649,372	73,937	17,600,371	49,007,127	-15,699,677	33,307,450
Operating liabilities	63,827,641	5,721,589	1,664,199	179,718	71,393,147	-21,931,625	49,461,522
- liabilities from direct insurance operations	8,606,669	5,713,839	1,527,015	0	15,847,523	-538,505	15,309,018
- liabilities from reinsurance and co-insurance operations	54,254,092	7,750	18,095	0	54,279,937	-21,393,120	32,886,817
- current tax liabilities	966,880	0	119,089	179,718	1,265,687	0	1,265,687
Other liabilities	52,035,455	5,460,801	5,341,118	14,194,922	77,032,296	-12,288,045	64,744,251
Non-current liabilities held for sale and discontinued operations	0	0	0	0	0	0	0

in EUR

CONSOLIDATED STATEMENT OF FINANCIAL POSITION BY SEGMENT - CONTINUED	31 December 2014						
	Non-life	Life	Health	Other	TOTAL NON- CONSOLIDATE D	Eliminations	TOTAL CONSOLIDATE D
ASSETS	1,759,924,416	1,599,102,861	47,400,951	246,079,705	3,652,507,933	-377,079,929	3,275,428,004
Intangible assets	65,313,174	1,981,789	166,917	4,974,788	72,436,668	-666,200	71,770,468
Property, plant and equipment	86,299,084	10,150,879	1,363,295	26,040,287	123,853,545	-185,000	123,668,545
Deferred tax receivables	14,543,422	1,365,064	0	4,563,708	20,472,194	0	20,472,194
Investment property	52,038,598	2,392,292	0	39,451,441	93,882,331	10,979,148	104,861,479
Investments in subsidiaries	137,410,590	1,673,699	0	83,961,758	223,046,047	-223,046,047	0
Investments in associates	0	6,947,477	0	3,423,858	10,371,335	0	10,371,335
Financial assets	1,049,930,735	1,555,734,901	41,606,936	53,053,759	2,700,326,331	-80,950,002	2,619,376,329
Financial investments:	1,049,930,735	1,089,947,162	41,606,936	53,053,759	2,234,538,592	-80,950,002	2,153,588,590
- loans and deposits	126,163,566	43,795,855	3,488,986	8,999,572	182,447,979	-52,410,556	130,037,423
- held to maturity	2,629,394	207,974,734	0	0	210,604,128	0	210,604,128
- available for sale	907,799,452	647,232,852	38,117,950	44,054,187	1,637,204,441	-28,539,446	1,608,664,995
- recognised at fair value through profit and loss	13,338,323	190,943,721	0	0	204,282,044	0	204,282,044
Unit-linked insurance assets	0	465,787,739	0	0	465,787,739	0	465,787,739
Reinsurers' share of technical provisions	148,892,065	98,709	5,134	0	148,995,908	-77,848,191	71,147,717
Receivables	193,017,524	14,438,068	4,185,748	13,053,713	224,695,053	-42,884,543	181,810,510
- receivables from direct insurance operations	92,166,177	528,085	3,714,473	0	96,408,735	-9,994,217	86,414,518
- receivables from reinsurance and co- insurance operations	67,280,352	109,556	3,450	0	67,393,358	-25,931,435	41,461,923
- current tax receivables	1,789,634	154	0	29,227	1,819,015	0	1,819,015
- other receivables	31,781,361	13,800,273	467,825	13,024,486	59,073,945	-6,958,891	52,115,054
Other assets	5,429,449	194,582	48,338	4,071,503	9,743,872	-1,274,407	8,469,465
Cash and cash equivalents	7,049,775	4,125,401	24,583	11,774,295	22,974,054	-115,666	22,858,388
Non-current assets held for sale	0	0	0	1,710,595	1,710,595	38,910,979	40,621,574
EQUITY AND LIABILITIES	1,759,924,416	1,599,102,861	47,400,951	246,079,705	3,652,507,933	-377,079,929	3,275,428,004
Equity	563,764,261	126,570,893	25,582,145	183,580,049	899,497,348	-211,356,580	688,140,772
Controlling interests	563,764,261	126,570,893	25,582,145	183,580,049	899,497,348	-218,085,190	681,412,162
- share capital	119,150,607	32,537,938	25,822,144	164,823,636	342,334,325	-268,632,936	73,701,392
- share premium	42,947,231	13,067,907	0	19,885,891	75,901,029	-18,992,813	56,908,216
- reserves from profit	254,865,877	46,096,003	0	4,019,317	304,981,197	-5,250,157	299,731,040
- fair value reserve	72,205,662	16,062,519	1,830,413	17,166,315	107,264,909	-12,324,881	94,940,028
- net profit brought forward	53,621,488	11,735,279	-10,345,255	-12,794,604	42,216,908	54,489,075	96,705,983
- net profit for the year	23,556,864	8,203,216	8,274,843	-8,840,602	31,194,321	31,575,480	62,769,801
- currency translation differences	-2,583,468	-1,131,969	0	-679,904	-4,395,341	-163,216	-4,558,557
- reserve of disposal group held for sale	0	0	0	0	0	1,214,258	1,214,258
Non-controlling interests	0	0	0	0	0	6,728,610	6,728,610
Subordinated liabilities	19,340,876	11,983,413	1,500,000	0	32,824,289	-4,758,873	28,065,416
Insurance technical provisions	994,560,298	975,570,841	11,769,739	0	1,981,900,878	-107,144,864	1,874,756,014
- unearned premiums	264,596,865	437,169	1,983,919	0	267,017,953	-21,022,220	245,995,733
- mathematical provisions	0	954,072,939	0	0	954,072,939	0	954,072,939
- claims provisions	706,358,800	20,074,018	8,293,272	0	734,726,090	-85,898,631	648,827,459
- other insurance technical provisions	23,604,633	986,715	1,492,548	0	26,083,896	-224,013	25,859,883
Insurance technical provisions for unit- linked insurance contracts	0	458,899,160	0	0	458,899,160	0	458,899,160
Employee benefits	9,170,486	1,677,127	357,461	1,074,822	12,279,896	-14,314	12,265,582
Other provisions	4,353,756	34,682	263,483	2,730,828	7,382,749	-3,435,875	3,946,874
Deferred tax liabilities	18,596,092	10,007,750	2,856	2,145,497	30,752,195	0	30,752,195
Liabilities from investment contracts	0	0	0	0	0	0	0
Other financial liabilities	12,371,023	3	0	41,320,220	53,691,246	-38,607,227	15,084,019
Operating liabilities	77,950,115	6,706,526	3,945,570	959,710	89,561,921	-31,028,698	58,533,223
- liabilities from direct insurance operations	9,918,780	6,658,904	3,527,320	0	20,105,004	-4,460,620	15,644,384
- liabilities from reinsurance and co- insurance operations	62,884,706	18,708	6,335	0	62,909,749	-26,568,078	36,341,671
- current tax liabilities	5,146,629	28,914	411,915	959,710	6,547,168	0	6,547,168
Other liabilities	59,817,511	7,652,464	3,979,697	14,268,579	85,718,251	-20,076,532	65,641,719
Non-current liabilities held for sale and discontinued operations	0	0	0	0	0	39,343,031	39,343,031

STATEMENT OF FINANCIAL POSITION BY GEOGRAPHICAL AREA	30 September 2015				
	Slovenia	Other	TOTAL NON-CONSOLIDATED	Eliminations	TOTAL CONSOLIDATED
ASSETS	3,482,154,721	353,175,048	3,835,329,769	-321,215,110	3,514,114,659
Intangible assets	62,586,528	12,076,180	74,662,708	648,495	75,311,203
Property, plant and equipment	95,543,864	35,061,623	130,605,487	0	130,605,487
Deferred tax receivables	11,523,939	1,065,436	12,589,375	0	12,589,375
Investment property	65,483,000	19,440,902	84,923,902	2,309,815	87,233,717
Investments in subsidiaries	188,153,483	5,445,555	193,599,038	-193,599,038	0
Investments in associates	9,560,723	0	9,560,723	0	9,560,723
Financial assets	2,689,235,431	193,300,495	2,882,535,926	-30,247,620	2,852,288,306
Financial investments:	2,264,501,888	175,938,598	2,440,440,486	-30,247,620	2,410,192,866
- loans and deposits	113,670,952	60,565,545	174,236,497	-27,521,602	146,714,895
- held to maturity	237,092,362	20,615,823	257,708,185	0	257,708,185
- available for sale	1,568,306,772	89,515,352	1,657,822,124	-2,226,610	1,655,595,514
- recognised at fair value through profit and loss	345,431,802	5,241,878	350,673,680	-499,408	350,174,272
Unit-linked insurance assets	424,733,543	17,361,897	442,095,440	0	442,095,440
Reinsurers' share of technical provisions	138,234,858	22,908,077	161,142,935	-79,004,157	82,138,778
Receivables	166,558,159	52,410,245	218,968,404	-29,818,033	189,150,371
- receivables from direct insurance operations	78,732,370	29,385,112	108,117,482	-1,839,378	106,278,104
- receivables from reinsurance and co-insurance operations	56,643,191	2,621,137	59,264,328	-19,995,731	39,268,597
- current tax receivables	3,394	160,438	163,832	0	163,832
- other receivables	31,179,204	20,243,558	51,422,762	-7,982,924	43,439,838
Other assets	7,887,514	2,270,142	10,157,656	-173,905	9,983,751
Cash and cash equivalents	47,387,222	9,196,393	56,583,615	0	56,583,615
Non-current assets held for sale	0	0	0	8,669,333	8,669,333
EQUITY AND LIABILITIES	3,482,154,721	353,175,048	3,835,329,769	-321,215,110	3,514,114,659
Equity	795,368,070	81,560,377	876,928,447	-186,943,662	689,984,785
Controlling interests	795,368,070	81,560,377	876,928,447	-198,303,166	678,625,281
- share capital	242,793,768	69,744,671	312,538,439	-238,837,047	73,701,392
- share premium	78,284,003	1,455,549	79,739,552	-24,833,797	54,905,755
- reserves from profit	289,708,276	16,718,014	306,426,290	-6,306,088	300,120,202
- fair value reserve	81,517,835	2,397,943	83,915,778	-13,438,872	70,476,906
- net profit brought forward	28,872,798	-5,665,051	23,207,747	80,584,759	103,792,506
- net profit for the year	74,191,390	1,149,622	75,341,012	4,735,220	80,076,232
- currency translation differences	0	-4,240,371	-4,240,371	-207,341	-4,447,712
- reserve of disposal group held for sale	0	0	0	0	0
Non-controlling interests	0	0	0	11,359,504	11,359,504
Subordinated liabilities	31,841,272	1,362,912	33,204,184	-5,212,127	27,992,057
Insurance technical provisions	2,047,124,026	199,614,130	2,246,738,156	-79,139,974	2,167,598,182
- unearned premiums	243,628,711	63,423,402	307,052,113	-20,626,092	286,426,021
- mathematical provisions	1,146,419,934	50,938,205	1,197,358,139	0	1,197,358,139
- claims provisions	633,971,187	82,018,461	715,989,648	-58,404,195	657,585,453
- other insurance technical provisions	23,104,194	3,234,062	26,338,256	-109,687	26,228,569
Insurance technical provisions for unit-linked insurance contracts	421,891,636	17,286,691	439,178,327	0	439,178,327
Employee benefits	11,184,665	1,218,442	12,403,107	0	12,403,107
Other provisions	5,785,159	660,135	6,445,294	0	6,445,294
Deferred tax liabilities	22,337,702	661,982	22,999,684	0	22,999,684
Other financial liabilities	36,336,028	12,671,099	49,007,127	-15,699,677	33,307,450
Operating liabilities	58,644,188	12,748,959	71,393,147	-21,931,625	49,461,522
- liabilities from direct insurance operations	12,720,657	3,126,866	15,847,523	-538,505	15,309,018
- liabilities from reinsurance and co-insurance operations	44,710,470	9,569,467	54,279,937	-21,393,120	32,886,817
- current tax liabilities	1,213,061	52,626	1,265,687	0	1,265,687
Other liabilities	51,641,975	25,390,321	77,032,296	-12,288,045	64,744,251
Non-current liabilities held for sale and discontinued operations	0	0	0	0	0

in EUR

STATEMENT OF FINANCIAL POSITION BY GEOGRAPHICAL AREA - CONTINUED	31 December 2014				
	Slovenia	Other	TOTAL NON- CONSOLIDATED	Eliminations	TOTAL CONSOLIDATED
ASSETS	3,271,522,874	380,985,059	3,652,507,933	-377,079,929	3,275,428,004
Intangible assets	59,479,415	12,957,253	72,436,668	-666,200	71,770,468
Property, plant and equipment	89,096,874	34,756,671	123,853,545	-185,000	123,668,545
Deferred tax receivables	19,461,412	1,010,782	20,472,194	0	20,472,194
Investment property	72,360,293	21,522,038	93,882,331	10,979,148	104,861,479
Investments in subsidiaries	217,660,943	5,385,104	223,046,047	-223,046,047	0
Investments in associates	10,371,335	0	10,371,335	0	10,371,335
Financial assets	2,482,842,591	217,483,740	2,700,326,331	-80,950,002	2,619,376,329
Financial investments:	2,033,039,820	201,498,772	2,234,538,592	-80,950,002	2,153,588,590
- loans and deposits	121,707,366	60,740,613	182,447,979	-52,410,556	130,037,423
- held to maturity	186,136,258	24,467,870	210,604,128	0	210,604,128
- available for sale	1,524,569,885	112,634,556	1,637,204,441	-28,539,446	1,608,664,995
- recognised at fair value through profit and loss	200,626,311	3,655,733	204,282,044	0	204,282,044
Unit-linked insurance assets	449,802,771	15,984,968	465,787,739	0	465,787,739
Reinsurers' share of technical provisions	124,802,715	24,193,193	148,995,908	-77,848,191	71,147,717
Receivables	170,001,525	54,693,528	224,695,053	-42,884,543	181,810,510
- receivables from direct insurance operations	65,242,212	31,166,523	96,408,735	-9,994,217	86,414,518
- receivables from reinsurance and co-insurance operations	61,898,332	5,495,026	67,393,358	-25,931,435	41,461,923
- current tax receivables	9,395	1,809,620	1,819,015	0	1,819,015
- other receivables	42,851,586	16,222,359	59,073,945	-6,958,891	52,115,054
Other assets	6,991,615	2,752,257	9,743,872	-1,274,407	8,469,465
Cash and cash equivalents	16,743,561	6,230,493	22,974,054	-115,666	22,858,388
Non-current assets held for sale	1,710,595	0	1,710,595	38,910,979	40,621,574
EQUITY AND LIABILITIES	3,271,522,874	380,985,059	3,652,507,933	-377,079,929	3,275,428,004
Equity	810,807,290	88,690,058	899,497,348	-211,356,580	688,140,772
Controlling interests	810,807,290	88,690,058	899,497,348	-218,085,190	681,412,162
- share capital	254,679,701	87,654,624	342,334,325	-268,632,936	73,701,392
- share premium	74,445,480	1,455,549	75,901,029	-18,992,813	56,908,216
- reserves from profit	288,648,721	16,332,476	304,981,197	-5,250,157	299,731,040
- fair value reserve	101,629,435	5,635,474	107,264,909	-12,324,881	94,940,028
- net profit brought forward	59,387,387	-17,170,479	42,216,908	54,489,075	96,705,983
- net profit for the year	32,016,566	-822,245	31,194,321	31,575,480	62,769,801
- currency translation differences	0	-4,395,341	-4,395,341	-163,216	-4,558,557
- reserve of disposal group held for sale	0	0	0	1,214,258	1,214,258
Non-controlling interests	0	0	0	6,728,610	6,728,610
Subordinated liabilities	31,458,540	1,365,749	32,824,289	-4,758,873	28,065,416
Insurance technical provisions	1,767,894,790	214,006,088	1,981,900,878	-107,144,864	1,874,756,014
- unearned premiums	205,535,342	61,482,611	267,017,953	-21,022,220	245,995,733
- mathematical provisions	904,858,200	49,214,739	954,072,939	0	954,072,939
- claims provisions	635,261,399	99,464,691	734,726,090	-85,898,631	648,827,459
- other insurance technical provisions	22,239,849	3,844,047	26,083,896	-224,013	25,859,883
Insurance technical provisions for unit-linked insurance contracts	442,952,449	15,946,711	458,899,160	0	458,899,160
Employee benefits	10,868,146	1,411,750	12,279,896	-14,314	12,265,582
Other provisions	3,161,259	4,221,490	7,382,749	-3,435,875	3,946,874
Deferred tax liabilities	29,730,023	1,022,172	30,752,195	0	30,752,195
Other financial liabilities	41,809,598	11,881,648	53,691,246	-38,607,227	15,084,019
Operating liabilities	73,568,447	15,993,474	89,561,921	-31,028,698	58,533,223
- liabilities from direct insurance operations	14,159,185	5,945,819	20,105,004	-4,460,620	15,644,384
- liabilities from reinsurance and co-insurance operations	53,050,495	9,859,254	62,909,749	-26,568,078	36,341,671
- current tax liabilities	6,358,767	188,401	6,547,168	0	6,547,168
Other liabilities	59,272,332	26,445,919	85,718,251	-20,076,532	65,641,719
Non-current liabilities held for sale and discontinued operations	0	0	0	39,343,031	39,343,031

in EUR

CONSOLIDATED INCOME STATEMENT BY SEGMENT	Q1-3 2015				
	Non-life	Life	Health	Other	TOTAL
NET PREMIUM INCOME	387,552,534	160,544,166	81,475,713	0	629,572,413
- gross written premium	476,105,634	160,518,814	81,664,225	0	718,288,673
- ceded written premium	-62,505,161	-3,431	0	0	-62,508,592
- change in unearned premium reserve	-26,047,939	28,783	-188,512	0	-26,207,668
INCOME FROM FINANCIAL ASSETS	47,976,994	147,681,874	1,716,829	2,061,148	199,436,845
INCOME FROM FINANCIAL ASSETS IN SUBSIDIARIES AND ASSOCIATES	2,460,610	2,478,443	0	989,155	5,928,208
- profit on equity investments accounted for using the equity method	0	0	0	797,742	797,742
- interest income	0	25,200	0	0	25,200
- realised gains on disposals	2,460,610	2,453,243	0	191,413	5,105,266
INCOME FROM OTHER FINANCIAL ASSETS	45,516,384	86,272,386	1,716,829	1,071,993	134,577,592
- interest income	22,887,592	30,059,701	618,286	102,048	53,667,627
- dividends	1,574,386	953,691	0	567,626	3,095,703
- fair value gains	2,718,704	20,481,535	0	137	23,200,376
- realised gains on disposals	12,397,699	32,996,736	1,098,538	230,010	46,722,983
- other financial income	5,938,003	1,780,723	5	172,172	7,890,903
NET UNREALISED GAINS ON UNIT-LINKED LIFE INSURANCE ASSETS	0	58,931,045	0	0	58,931,045
OTHER INCOME FROM INSURANCE OPERATIONS	5,028,708	2,447,092	43,957	0	7,519,757
- fees and commission income	1,385,085	2,412,732	0	0	3,797,817
- other income from insurance operations	3,643,623	34,360	43,957	0	3,721,940
OTHER INCOME	3,866,037	110,392	26,235	52,597,834	56,600,498
NET CLAIMS INCURRED	223,765,440	134,392,738	69,262,417	0	427,420,595
- gross claims settled	237,562,145	133,962,426	63,530,496	0	435,055,067
- reinsurers' share	-13,073,277	0	0	0	-13,073,277
- changes in claims provisions	-723,428	430,312	324,870	0	31,754
- equalisation scheme expenses for supplementary health insurance	0	0	5,407,051	0	5,407,051
CHANGE IN OTHER INSURANCE TECHNICAL PROVISIONS (excluding ULI)	257,572	34,379,132	-54,189	0	34,582,515
CHANGE IN INSURANCE TECHNICAL PROVISIONS FOR UNIT-LINKED INSURANCE CONTRACTS	0	-19,743,203	0	0	-19,743,203
EXPENSES FOR BONUSES AND DISCOUNTS	4,588,939	2,492	0	0	4,591,431
OPERATING EXPENSES	118,089,273	23,787,972	6,873,836	0	148,751,081
- acquisition costs	84,397,012	14,118,336	1,929,406	0	100,444,754
- other operating costs	33,692,261	9,669,636	4,944,430	0	48,306,327
EXPENSES FROM FINANCIAL ASSETS AND LIABILITIES	18,927,341	111,538,459	173,772	416,733	131,056,296
EXPENSES FROM FINANCIAL ASSETS AND LIABILITIES IN SUBSIDIARIES AND ASSOCIATES	882,000	90,241	0	112,035	1,084,276
- loss on investments accounted for using the equity method	0	90,241	0	128,882	219,123
- realised loss on disposals	882,000	0	0	-16,847	865,153
EXPENSES FROM OTHER FINANCIAL ASSETS AND LIABILITIES	18,045,341	46,043,477	173,772	304,698	64,567,279
- interest expense	813,554	504,831	0	282,855	1,601,240
- fair value losses	1,565,916	34,779,199	0	0	36,345,115
- realised loss on disposals	2,457,132	6,398,763	145,488	0	9,001,383
- loss on impairment of financial assets	2,483,295	2,381	0	0	2,485,676
- other expenses from financial assets and liabilities	10,725,444	4,358,303	28,284	21,843	15,133,865
NET UNREALISED LOSSES ON UNIT-LINKED LIFE INSURANCE ASSETS	0	65,404,741	0	0	65,404,741
OTHER INSURANCE EXPENSES	12,027,975	275,799	249,836	0	12,553,610
OTHER EXPENSES	10,796,730	723,887	205	47,486,390	59,007,212
PROFIT BEFORE TAX	55,971,003	25,426,248	6,756,857	6,755,859	94,909,976
Income tax expense	10,950,173	2,332,872	119,089	652,433	14,054,567
NET PROFIT FOR THE PERIOD	45,020,830	23,093,376	6,637,768	6,103,426	80,855,407
Net profit/loss attributable to the controlling company	44,723,642	22,758,599	6,637,768	6,083,425	80,203,441
Net profit/loss attributable to the non-controlling interest holders	297,188	334,777	0	20,001	651,966

in EUR

CONSOLIDATED INCOME STATEMENT BY SEGMENT	Q1-3 2014				
	Non-life	Life	Health	Other	TOTAL
NET PREMIUM INCOME	393,556,347	137,348,181	80,768,929	0	611,673,457
- gross written premium	470,331,396	137,320,280	80,929,416	0	688,581,092
- ceded written premium	-57,183,803	-1,565	0	0	-57,185,368
- change in unearned premium reserve	-19,591,246	29,466	-160,487	0	-19,722,267
INCOME FROM FINANCIAL ASSETS	46,732,916	126,161,974	1,837,215	1,962,028	176,694,133
INCOME FROM FINANCIAL ASSETS IN SUBSIDIARIES AND ASSOCIATES	0	47,769	0	525,149	572,918
- profit on equity investments accounted for using the equity method	0	47,769	0	525,149	572,918
- interest income	0	0	0	0	0
- realised gains on disposals	0	0	0	0	0
INCOME FROM OTHER FINANCIAL ASSETS	46,732,916	78,080,900	1,837,215	1,436,879	128,087,910
- interest income	24,614,935	30,023,584	659,876	186,532	55,484,927
- dividends	2,578,956	918,288	0	809,286	4,306,530
- fair value gains	1,283,786	19,499,285	0	367,843	21,150,914
- realised gains on disposals	14,179,330	25,565,047	1,177,339	226	40,921,942
- other financial income	4,075,909	2,074,696	0	72,992	6,223,597
NET UNREALISED GAINS ON UNIT-LINKED LIFE INSURANCE ASSETS	0	48,033,305	0	0	48,033,305
OTHER INCOME FROM INSURANCE OPERATIONS	6,752,210	108,692	31,594	0	6,892,496
- fees and commission income	3,243,357	61,617	0	0	3,304,974
- other income from insurance operations	3,508,853	47,075	31,594	0	3,587,522
OTHER INCOME	3,383,777	188,959	9,104	53,182,437	56,764,277
NET CLAIMS INCURRED	252,497,766	121,934,684	63,838,024	0	438,270,474
- gross claims settled	260,499,915	121,292,903	58,968,584	0	440,761,402
- reinsurers' share	-16,633,912	-1,790	0	0	-16,635,702
- changes in claims provisions	8,631,763	643,571	-813,299	0	8,462,035
- equalisation scheme expenses for supplementary health insurance	0	0	5,682,739	0	5,682,739
CHANGE IN OTHER INSURANCE TECHNICAL PROVISIONS (excluding ULI)	-247,587	41,759,224	466,288	0	41,977,925
CHANGE IN INSURANCE TECHNICAL PROVISIONS FOR UNIT-LINKED INSURANCE CONTRACTS	0	28,562,767	0	0	28,562,767
EXPENSES FOR BONUSES AND DISCOUNTS	5,641,788	1,663	0	0	5,643,451
OPERATING EXPENSES	115,058,232	23,416,347	5,954,264	0	144,428,843
- acquisition costs	83,101,349	15,249,048	1,521,050	0	99,871,447
- other operating costs	31,956,883	8,167,299	4,433,214	0	44,557,396
EXPENSES FROM FINANCIAL ASSETS AND LIABILITIES	7,138,242	28,647,963	35,372	908,082	36,729,659
EXPENSES FROM FINANCIAL ASSETS AND LIABILITIES IN SUBSIDIARIES AND ASSOCIATES	0	737,523	0	68,001	805,524
- loss on investments accounted for using the equity method	0	737,523	0	68,001	805,524
- loss on impairment of financial assets	0	0	0	0	0
EXPENSES FROM OTHER FINANCIAL ASSETS AND LIABILITIES	7,138,242	15,272,809	35,372	840,081	23,286,504
- interest expense	923,782	550,513	0	556,645	2,030,940
- fair value losses	696,170	6,642,374	0	147,089	7,485,633
- realised loss on disposals	898,128	5,350,198	3,684	0	6,252,010
- loss on impairment of financial assets	79,174	44,043	0	0	123,217
- other expenses from financial assets and liabilities	4,540,988	2,685,681	31,688	136,347	7,394,704
NET UNREALISED LOSSES ON UNIT-LINKED LIFE INSURANCE ASSETS	0	12,637,631	0	0	12,637,631
OTHER INSURANCE EXPENSES	15,734,221	378,687	468,900	0	16,581,808
OTHER EXPENSES	2,107,178	115,561	3,753	47,904,754	50,131,246
PROFIT BEFORE TAX	52,495,410	18,990,910	11,880,241	6,331,629	89,698,190
Income tax expense	6,573,049	4,221,682	957,256	992,487	12,744,474
NET PROFIT FOR THE PERIOD	45,922,361	14,769,228	10,922,985	5,339,142	76,953,716
Net profit/loss attributable to the controlling company	45,658,566	14,717,925	10,922,985	5,251,462	76,550,938
Net profit/loss attributable to the non-controlling interest holders	263,795	51,303	0	87,680	402,778

CONSOLIDATED INCOME STATEMENT BY GEOGRAPHICAL AREA	Q1-3 2015		
	Slovenia	Other	TOTAL
NET PREMIUM INCOME	525,726,497	103,845,916	629,572,413
- gross written premium	594,409,627	123,879,046	718,288,673
- ceded written premium	-49,001,736	-13,506,856	-62,508,592
- change in unearned premium reserve	-19,681,394	-6,526,274	-26,207,668
INCOME FROM FINANCIAL ASSETS	187,235,563	12,201,282	199,436,845
INCOME FROM FINANCIAL ASSETS IN SUBSIDIARIES AND ASSOCIATES	5,928,208	0	5,928,208
- profit on equity investments accounted for using the equity method	797,742	0	797,742
- interest income	25,200	0	25,200
- realised gains on disposals	5,105,266	0	5,105,266
INCOME FROM OTHER FINANCIAL ASSETS	125,452,680	9,124,912	134,577,592
- interest income	47,043,900	6,623,727	53,667,627
- dividends	3,059,913	35,790	3,095,703
- fair value gains	22,492,127	708,249	23,200,376
- realised gains on disposals	45,475,772	1,247,211	46,722,983
- other financial income	7,380,968	509,935	7,890,903
NET UNREALISED GAINS ON UNIT-LINKED LIFE INSURANCE ASSETS	55,854,675	3,076,370	58,931,045
OTHER INCOME FROM INSURANCE OPERATIONS	4,674,088	2,845,669	7,519,757
- fees and commission income	2,895,424	902,393	3,797,817
- other income from insurance operations	1,778,664	1,943,276	3,721,940
OTHER INCOME	51,751,322	4,849,176	56,600,498
NET CLAIMS INCURRED	370,945,288	56,475,307	427,420,595
- gross claims settled	378,039,721	57,015,346	435,055,067
- reinsurers' share	-9,603,478	-3,469,799	-13,073,277
- changes in claims provisions	-2,898,006	2,929,760	31,754
- equalisation scheme expenses for supplementary health insurance	5,407,051	0	5,407,051
CHANGE IN OTHER INSURANCE TECHNICAL PROVISIONS (excluding ULI)	33,505,023	1,077,492	34,582,515
CHANGE IN INSURANCE TECHNICAL PROVISIONS FOR UNIT-LINKED INSURANCE CONTRACTS	-21,060,813	1,317,610	-19,743,203
EXPENSES FOR BONUSES AND DISCOUNTS	3,209,513	1,381,918	4,591,431
OPERATING EXPENSES	109,243,528	39,507,553	148,751,081
- acquisition costs	73,781,219	26,663,535	100,444,754
- other operating costs	35,462,309	12,844,018	48,306,327
EXPENSES FROM FINANCIAL ASSETS AND LIABILITIES	126,152,805	4,903,491	131,056,296
EXPENSES FROM FINANCIAL ASSETS AND LIABILITIES IN SUBSIDIARIES AND ASSOCIATES	1,084,276	0	1,084,276
- loss on investments accounted for using the equity method	219,123	0	219,123
- realised loss on disposals	865,153	0	865,153
EXPENSES FROM OTHER FINANCIAL ASSETS AND LIABILITIES	62,301,446	2,265,833	64,567,279
- interest expense	1,481,404	119,836	1,601,240
- fair value losses	35,732,007	613,108	36,345,115
- realised loss on disposals	8,518,824	482,559	9,001,383
- loss on impairment of financial assets	2,410,514	75,162	2,485,676
- other expenses from financial assets and liabilities	14,158,697	975,168	15,133,865
NET UNREALISED LOSSES ON UNIT-LINKED LIFE INSURANCE ASSETS	62,767,083	2,637,658	65,404,741
OTHER INSURANCE EXPENSES	5,895,368	6,658,242	12,553,610
OTHER EXPENSES	52,365,259	6,641,953	59,007,212
PROFIT BEFORE TAX	89,131,499	5,778,477	94,909,976
Income tax expense	14,020,055	34,512	14,054,567
NET PROFIT FOR THE PERIOD	75,111,444	5,743,963	80,855,407
Net profit/loss attributable to the controlling company	74,801,325	5,402,116	80,203,441
Net profit/loss attributable to the non-controlling interest holders	310,119	341,847	651,966

CONSOLIDATED INCOME STATEMENT BY GEOGRAPHICAL AREA	Q1-3 2014		
	Slovenia	Other	TOTAL
NET PREMIUM INCOME	506,346,205	105,327,252	611,673,457
- gross written premium	569,499,574	119,081,518	688,581,092
- ceded written premium	-45,640,606	-11,544,762	-57,185,368
- change in unearned premium reserve	-17,512,763	-2,209,504	-19,722,267
INCOME FROM FINANCIAL ASSETS	164,476,764	12,217,369	176,694,133
INCOME FROM FINANCIAL ASSETS IN SUBSIDIARIES AND ASSOCIATES	572,918	0	572,918
- profit on equity investments accounted for using the equity method	572,918	0	572,918
- interest income	0	0	0
- realised gains on disposals	0	0	0
INCOME FROM OTHER FINANCIAL ASSETS	117,107,775	10,980,135	128,087,910
- interest income	48,448,626	7,036,301	55,484,927
- dividends	4,267,000	39,530	4,306,530
- fair value gains	20,981,138	169,776	21,150,914
- realised gains on disposals	39,195,375	1,726,567	40,921,942
- other financial income	4,215,636	2,007,961	6,223,597
NET UNREALISED GAINS ON UNIT-LINKED LIFE INSURANCE ASSETS	46,796,071	1,237,234	48,033,305
OTHER INCOME FROM INSURANCE OPERATIONS	3,908,106	2,984,390	6,892,496
- fees and commission income	2,071,683	1,233,291	3,304,974
- other income from insurance operations	1,836,423	1,751,099	3,587,522
OTHER INCOME	51,680,904	5,083,373	56,764,277
NET CLAIMS INCURRED	376,549,212	61,721,262	438,270,474
- gross claims settled	372,924,831	67,836,571	440,761,402
- reinsurers' share	-11,137,598	-5,498,104	-16,635,702
- changes in claims provisions	9,079,240	-617,205	8,462,035
- equalisation scheme expenses for supplementary health insurance	5,682,739	0	5,682,739
CHANGE IN OTHER INSURANCE TECHNICAL PROVISIONS (excluding ULI)	40,676,353	1,301,572	41,977,925
CHANGE IN INSURANCE TECHNICAL PROVISIONS FOR UNIT-LINKED INSURANCE CONTRACTS	27,512,871	1,049,896	28,562,767
EXPENSES FOR BONUSES AND DISCOUNTS	4,803,501	839,950	5,643,451
OPERATING EXPENSES	105,964,772	38,464,071	144,428,843
- acquisition costs	73,372,191	26,499,256	99,871,447
- other operating costs	32,592,581	11,964,815	44,557,396
EXPENSES FROM FINANCIAL ASSETS AND LIABILITIES	33,813,595	2,916,064	36,729,659
EXPENSES FROM FINANCIAL ASSETS AND LIABILITIES IN SUBSIDIARIES AND ASSOCIATES	805,524	0	805,524
- loss on investments accounted for using the equity method	805,524	0	805,524
- loss on impairment of financial assets	0	0	0
EXPENSES FROM OTHER FINANCIAL ASSETS AND LIABILITIES	21,277,225	2,009,279	23,286,504
- interest expense	1,801,472	229,468	2,030,940
- fair value losses	7,474,100	11,533	7,485,633
- realised loss on disposals	6,215,588	36,422	6,252,010
- loss on impairment of financial assets	0	123,217	123,217
- other expenses from financial assets and liabilities	5,786,065	1,608,639	7,394,704
NET UNREALISED LOSSES ON UNIT-LINKED LIFE INSURANCE ASSETS	11,730,846	906,785	12,637,631
OTHER INSURANCE EXPENSES	9,512,807	7,069,001	16,581,808
OTHER EXPENSES	44,188,367	5,942,879	50,131,246
PROFIT BEFORE TAX	83,390,501	6,307,689	89,698,190
Income tax expense	12,744,474	0	12,744,474
NET PROFIT FOR THE PERIOD	70,646,027	6,307,689	76,953,716
Net profit/loss attributable to the controlling company	70,650,487	5,900,451	76,550,938
Net profit/loss attributable to the non-controlling interest holders	-4,460	407,238	402,778

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 statement of financial position and the income statement by business segment are given below.

in EUR

STATEMENT OF FINANCIAL POSITION OF ZAVAROVALNICA TRIGLAV BY BUSINESS SEGMENT	30 September 2015			31 December 2014		
	Non-life	Life	TOTAL	Non-life	Life	TOTAL
ASSETS	1,217,389,301	1,509,859,629	2,727,248,930	1,227,775,291	1,514,954,062	2,742,729,353
Intangible assets	56,096,208	1,620,001	57,716,209	52,399,202	1,974,521	54,373,723
Property, plant and equipment	54,856,046	9,632,651	64,488,697	55,023,599	10,119,416	65,143,015
Deferred tax receivables	8,973,856	548,371	9,522,227	13,687,399	1,326,197	15,013,596
Investment property	54,342,004	1,302,153	55,644,157	36,650,566	1,321,891	37,972,457
Investments in subsidiaries	119,323,132	8,545,998	127,869,130	132,284,491	1,514,671	133,799,163
Investments in associates	0	7,259,875	7,259,875	0	10,427,236	10,427,236
Financial assets	730,559,000	1,469,459,012	2,200,018,012	766,880,684	1,473,503,611	2,240,384,295
Financial investments:	730,559,000	1,044,725,469	1,775,284,469	766,880,684	1,023,700,840	1,790,581,524
- loans and deposits	42,551,644	35,566,392	78,118,036	73,297,578	31,233,604	104,531,182
- held to maturity	0	183,974,870	183,974,870	0	186,136,258	186,136,258
- available for sale	680,404,917	640,730,881	1,321,135,798	682,592,871	616,822,203	1,299,415,075
- recognised at fair value through profit and loss	7,602,439	184,453,326	192,055,765	10,990,235	189,508,775	200,499,010
Unit-linked insurance assets	0	424,733,543	424,733,543	0	449,802,771	449,802,771
Reinsurers' share of technical provisions	82,238,572	19,745	82,258,317	75,232,980	92,371	75,325,350
Receivables	99,288,448	3,441,831	102,730,279	89,481,822	11,699,435	101,181,257
- receivables from direct insurance operations	74,671,292	491,704	75,162,996	61,078,223	449,516	61,527,739
- receivables from reinsurance and co-insurance operations	7,025,268	12,650	7,037,918	6,678,668	10,957	6,689,625
- current tax receivables	0	0	0	0	0	0
- other receivables	17,591,888	2,937,477	20,529,365	21,724,931	11,238,962	32,963,893
Other assets	2,591,583	3,044	2,594,627	3,455,548	3,044	3,458,593
Cash and cash equivalents	9,120,452	8,026,948	17,147,400	2,679,000	2,971,669	5,650,669
EQUITY AND LIABILITIES	1,217,389,301	1,509,859,629	2,727,248,930	1,227,775,291	1,514,954,062	2,742,729,353
Equity	408,748,381	114,696,366	523,444,746	436,494,941	107,505,526	544,000,467
- share capital	51,340,540	22,360,852	73,701,392	51,340,540	22,360,852	73,701,392
- share premium	40,344,978	13,067,907	53,412,884	40,344,978	13,067,907	53,412,884
- reserves from profit	236,464,034	45,513,891	281,977,925	236,464,034	45,513,891	281,977,925
- fair value reserve	41,527,658	11,795,137	53,322,795	53,067,785	20,153,444	73,221,229
- net profit brought forward	4,849,167	2,386,983	7,236,150	38,565,461	0	38,565,461
- net profit for the year	34,222,004	19,571,596	53,793,600	16,712,143	6,409,432	23,121,575
Subordinated liabilities	17,978,684	11,985,785	29,964,469	17,975,127	11,983,413	29,958,540
Insurance technical provisions	713,886,542	933,003,014	1,646,889,556	691,696,303	925,394,092	1,617,090,395
- unearned premiums	209,385,432	376,542	209,761,974	182,489,705	412,831	182,902,536
- mathematical provisions	0	912,291,501	912,291,501	0	904,858,200	904,858,200
- claims provisions	484,324,432	19,474,592	503,799,024	489,862,786	19,136,346	508,999,132
- other insurance technical provisions	20,176,678	860,379	21,037,057	19,343,812	986,715	20,330,526
Insurance technical provisions for unit-linked insurance contracts	0	421,891,636	421,891,636	0	442,952,449	442,952,449
Employee benefits	7,971,227	1,713,901	9,685,128	7,742,113	1,666,541	9,408,654
Other provisions	465,286	0	465,286	399,080	0	399,080
Deferred tax liabilities	13,806,631	7,213,348	21,019,980	16,170,272	11,816,365	27,986,637
Other financial liabilities	7,845,947	9,526,973	17,372,920	1,693,912	0	1,693,912
Operating liabilities	15,715,824	5,050,401	20,766,225	19,659,271	6,174,096	25,833,367
- liabilities from direct insurance operations	6,149,624	5,043,834	11,193,458	4,457,703	6,174,096	10,631,799
- liabilities from reinsurance and co-insurance operations	8,776,844	6,567	8,783,411	10,406,511	0	10,406,511
- current tax liabilities	789,356	0	789,356	4,795,056	0	4,795,056
Other liabilities	30,970,777	4,778,207	35,748,984	35,944,272	7,461,580	43,405,852

in EUR

	Q1-3 2015			Q1-3 2014		
	Non-life	Life	TOTAL	Non-life	Life	TOTAL
NET PREMIUM INCOME	257,251,342	132,123,450	389,374,792	268,043,758	127,605,097	395,648,855
- gross written premium	330,825,327	132,387,544	463,212,871	335,846,919	127,837,972	463,684,890
- ceded written premium	-58,231,061	-300,383	-58,531,444	-53,158,667	-264,492	-53,423,159
- change in unearned premium reserve	-15,342,924	36,289	-15,306,635	-14,644,493	31,617	-14,612,876
INCOME FROM FINANCIAL ASSETS	50,950,884	129,559,605	180,510,489	35,483,971	121,247,969	156,731,940
INCOME FROM FINANCIAL ASSETS IN SUBSIDIARIES AND ASSOCIATES	21,188,809	141,552	21,330,361	2,198,471	60,541	2,259,011
- interest income	1,667,030	0	1,667,030	2,190,282	0	2,190,282
- dividends	19,176,634	141,552	19,318,186	0	60,541	60,541
- fair value gains	0	0	0	0	0	0
- realised gains on disposals	336,863	0	336,863	0	0	0
- other financial income	8,282	0	8,282	8,188	0	8,188
INCOME FROM OTHER FINANCIAL ASSETS	29,762,075	73,563,378	103,325,453	33,285,500	74,391,358	107,676,858
- interest income	15,251,576	21,097,855	36,349,431	17,079,123	27,486,978	44,566,101
- dividends	1,494,085	868,915	2,363,000	2,489,627	918,288	3,407,915
- fair value gains	2,390,654	18,085,160	20,475,814	1,030,746	19,479,325	20,510,071
- realised gains on disposals	8,399,414	31,995,834	40,395,248	11,138,873	25,165,932	36,304,804
- other financial income	2,226,346	1,515,614	3,741,960	1,547,131	1,340,836	2,887,966
NET UNREALISED GAINS ON UNIT-LINKED LIFE INSURANCE ASSETS	0	55,854,675	55,854,675	0	46,796,071	46,796,071
OTHER INCOME FROM INSURANCE OPERATIONS	13,594,907	294,806	13,889,713	12,911,036	146,417	13,057,454
- fees and commission income	10,046,752	294,806	10,341,558	9,853,826	146,417	10,000,243
- other income from insurance operations	3,548,155	0	3,548,155	3,057,211	0	3,057,211
OTHER INCOME	3,428,601	3,042,045	6,470,646	2,752,585	2,572,683	5,325,268
NET CLAIMS INCURRED	144,730,463	119,539,410	264,269,873	173,087,899	116,259,574	289,347,473
- gross claims settled	163,733,790	119,738,739	283,472,529	180,586,990	115,707,027	296,294,017
- reinsurers' share	-14,438,278	-610,201	-15,048,479	-16,290,075	-53,427	-16,343,503
- changes in claims provisions	-4,565,049	410,872	-4,154,177	8,790,984	605,974	9,396,959
- equalisation scheme expenses for supplementary health insurance	0	0	0	0	0	0
CHANGE IN OTHER INSURANCE TECHNICAL PROVISIONS (excluding ULI)	832,866	22,924,232	23,757,098	204,967	40,005,098	40,210,065
CHANGE IN INSURANCE TECHNICAL PROVISIONS FOR UNIT-LINKED INSURANCE CONTRACTS	0	-21,060,813	-21,060,813	0	27,512,871	27,512,871
EXPENSES FOR BONUSES AND DISCOUNTS	3,107,198	0	3,107,198	4,809,276	0	4,809,276
CHANGE IN FINANCIAL CONTRACT LIABILITIES	0	0	0	0	0	0
OPERATING EXPENSES	79,932,746	22,114,988	102,047,734	78,738,269	22,668,447	101,406,717
- acquisition costs	58,609,393	15,154,845	73,764,238	57,850,223	15,682,922	73,533,146
- other operating costs	21,323,353	6,960,143	28,283,496	20,888,046	6,985,525	27,873,571
EXPENSES FROM FINANCIAL ASSETS AND LIABILITIES	42,830,191	98,739,516	141,569,707	5,179,382	26,180,560	31,359,942
EXPENSES FROM FINANCIAL ASSETS AND LIABILITIES IN SUBSIDIARIES AND ASSOCIATES	31,211,358	0	31,211,358	10,480	0	10,480
- loss on investments accounted for using the equity method	0	0	0	0	0	0
- interest expense	0	0	0	0	0	0
- fair value losses	0	0	0	0	0	0
- realised loss on disposals	882,000	0	882,000	0	0	0
- loss on impairment of financial assets	30,271,395	0	30,271,395	0	0	0
- other expenses from financial assets and liabilities	57,963	0	57,963	10,480	0	10,480
EXPENSES FROM OTHER FINANCIAL ASSETS AND LIABILITIES	11,618,833	35,972,433	47,591,266	5,168,902	14,449,714	19,618,615
- interest expense	854,623	533,002	1,387,625	869,764	535,931	1,405,695
- fair value losses	1,462,600	28,021,412	29,484,012	672,777	6,635,977	7,308,754
- realised loss on disposals	2,247,829	5,861,904	8,109,733	802,830	5,342,268	6,145,098
- loss on impairment of financial assets	0	0	0	0	0	0
- other expenses from financial assets and liabilities	7,053,781	1,556,115	8,609,896	2,823,531	1,935,537	4,759,068
NET UNREALISED LOSSES ON UNIT-LINKED LIFE INSURANCE ASSETS	0	62,767,083	62,767,083	0	11,730,846	11,730,846
OTHER INSURANCE EXPENSES	5,379,196	177,964	5,557,160	8,765,085	190,121	8,955,206
OTHER EXPENSES	4,412,776	680,140	5,092,916	1,130,706	83,913	1,214,619
PROFIT BEFORE TAX	44,000,298	21,904,469	65,904,767	47,275,767	18,671,583	65,947,350
Income tax expense	9,778,294	2,332,873	12,111,167	5,615,612	4,221,682	9,837,294
NET PROFIT FOR THE PERIOD	34,222,004	19,571,596	53,793,600	41,660,155	14,449,901	56,110,056

2.6 Significant items of the statement of financial position

Intangible assets

In the reporting period, the carrying amount of intangible assets of the Triglav Group increased by EUR 3.5 million, mainly as the result of the increase in the long-term deferred acquisition costs amounting to EUR 4.6 million. In the reporting period, new purchases of intangible assets equalled EUR 3.4 million. In the first nine months of 2015, accumulated amortisation reached EUR 4.5 million.

In the reporting period, the carrying amount of intangible assets of Zavarovalnica Triglav increased by EUR 3.3 million. Even in the separate financial statements, the change mainly refers to the increase in long-term deferred acquisition costs. New purchases of other intangible assets in the amount of EUR 2.9 million primarily relate to the purchase of licences and software. In the first three quarters of 2015, amortisation of intangible assets of Zavarovalnica Triglav amounted to EUR 3.2 million.

Property, plant and equipment

In the first nine months of 2015, the carrying amount of property, plant and equipment of the Triglav Group increased by EUR 6.9 million. The value increased due to the purchases of EUR 7.8 million and the transfer from investment property totalling EUR 7.4 million, while it decreased due to depreciation in the amount of EUR 7.3 million and disposals and changes in the Group equalling EUR 1 million.

The carrying amount of investment property fell by EUR 17.6 million. This decrease was mainly a result of transferring the value of the land plot to the non-current assets held for sale, amounting to EUR 9.3 million, and the transfer to plant, property and equipment.

In the reporting period, the carrying amount of property, plant and equipment of Zavarovalnica Triglav decreased by EUR 654 thousand, whilst that of investment property went up by EUR 17.7 million. This increase resulted largely from the purchase of the commercial building, which Zavarovalnica Triglav acquired from its subsidiary for EUR 18.8 million. With this purchase, no gains or losses from the sale were realised at the level of consolidated financial statements. At the Company level, depreciation of property, plant and equipment and investment property totalled EUR 3.4 million in the reporting period.

Financial assets

The tables below show the carrying amount and fair value of financial assets as at 30 September 2015 and the respective values at the 2014 year-end.

Values as at 30 September 2015	Triglav Group		Zavarovalnica Triglav	
	Carrying amount	Fair value	Carrying amount	Fair value
Loans and deposits	146,714,895	146,714,895	78,118,036	78,118,036
Held to maturity	257,708,185	307,527,992	183,974,870	226,998,191
Available for sale	1,655,595,514	1,655,595,514	1,321,135,798	1,321,135,798
Investments recognised at fair value	350,174,272	350,174,272	192,055,765	192,055,765
Unit-linked insurance assets	442,095,440	442,095,440	424,733,543	424,733,543
TOTAL	2,852,288,306	2,902,108,113	2,200,018,012	2,243,041,333

in EUR

in EUR

Values as at 31 December 2014	Triglav Group		Zavarovalnica Triglav	
	Carrying amount	Fair value	Carrying amount	Fair value
Loans and deposits	130,037,423	130,037,423	104,531,182	104,531,182
Held to maturity	210,604,128	258,617,374	186,136,258	231,246,180
Available for sale	1,608,664,995	1,608,664,995	1,299,415,075	1,299,415,075
Investments recognised at fair value	204,282,044	204,282,044	200,499,010	200,499,010
Unit-linked insurance assets	465,787,739	465,787,739	449,802,771	449,802,771
TOTAL	2,619,376,329	2,667,389,575	2,240,384,295	2,285,494,218

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

Triglav Group

in EUR

As at 30 September 2015	L&R	HTM	AFS	FVTPL	Total
Equity instruments	0	0	165,994,590	52,276,126	218,270,716
Debt instruments	24,590,576	257,708,185	1,488,533,613	296,519,726	2,067,352,100
Derivative financial instruments	0	0	0	1,086,851	1,086,851
Unit-linked financial assets	5,301,251	0	429,127	436,365,062	442,095,440
Loans	122,124,319	0	1,067,311	291,569	123,483,199
Total	152,016,146	257,708,185	1,656,024,641	786,539,334	2,852,288,306

in EUR

As at 31 December 2014	L&R	HTM	AFS	FVTPL	Total
Equity instruments	0	0	140,568,392	5,014,064	145,582,456
Debt instruments	22,242,405	210,604,128	1,468,096,607	198,569,359	1,899,512,499
Derivative financial instruments	0	0	0	698,620	698,620
Unit-linked financial assets	11,963,082	0	415,718	453,408,939	465,787,739
Loans	107,795,018	0	-3	0	107,795,015
Total	142,000,505	210,604,128	1,609,080,714	657,690,982	2,619,376,329

Zavarovalnica Triglav

in EUR

As at 30 September 2015	L&R	HTM	AFS	FVTPL	Total
Equity instruments	0	0	110,000,088	11,636,444	121,636,532
Debt instruments	0	183,974,870	1,210,068,395	179,332,470	1,573,375,735
Derivative financial instruments	0	0	0	1,086,851	1,086,851
Unit-linked financial assets	5,135,202	0	0	419,598,341	424,733,543
Loans	78,118,036	0	1,067,315	0	79,185,351
Total	83,253,238	183,974,870	1,321,135,798	611,654,106	2,200,018,012

in EUR

As at 31 December 2014	L&R	HTM	AFS	FVTPL	Total
Equity instruments	0	0	91,400,110	2,655,353	94,055,462
Debt instruments	0	186,136,258	1,206,536,701	197,145,036	1,589,817,995
Derivative financial instruments	0	0	0	698,620	698,620
Unit-linked financial assets	11,801,684	0	0	438,001,086	449,802,770
Loans	104,531,183	0	1,478,264	0	106,009,446
Total	116,332,867	186,136,258	1,299,415,074	638,500,095	2,240,384,294

Legend:

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

Overview of financial assets according to valuation levels

Tables below show financial assets of Triglav Group and Zavarovalnica Triglav, measured at fair value (i.e. financial assets available for sale and financial assets, measured at fair value through profit and loss). In valuing these financial assets the following price hierarchy is applied:

- 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.

Triglav Group

				in EUR
As at 30 September 2015	Level 1	Level 2	Level 3	Total
Equity securities	190,881,261	78,859	27,310,596	218,270,716
Debt securities	487,185,031	1,297,868,308	0	1,785,053,339
Derivative financial instruments	0	1,086,851	0	1,086,851
Unit-linked financial assets	334,179,387	102,614,801	0	436,794,188
Total	1,012,245,679	1,401,648,819	27,310,596	2,441,205,094

				in EUR
As at 31 December 2014	Level 1	Level 2	Level 3	Total
Equity securities	118,936,045	6,876	25,063,177	144,006,098
Debt securities	1,037,735,308	628,779,902	150,756	1,666,665,966
Derivative financial instruments	0	698,620	0	698,620
Unit-linked financial assets	353,737,731	100,086,925	0	453,824,656
Total	1,510,409,084	729,572,323	25,213,933	2,265,195,340

Zavarovalnica Triglav

				in EUR
As at 30 September 2015	Level 1	Level 2	Level 3	Total
Equity securities	111,706,152	0	9,930,381	121,636,533
Debt securities	260,423,796	1,128,977,068	0	1,389,400,864
Derivative financial instruments	0	1,086,851	0	1,086,851
Unit-linked financial assets	317,412,666	102,185,674	0	419,598,340
Total	689,542,614	1,232,249,593	9,930,381	1,931,722,588

				in EUR
As at 31 December 2014	Level 1	Level 2	Level 3	Total
Equity securities	90,422,335	0	3,633,127	94,055,462
Debt securities	900,248,452	503,433,285	0	1,403,681,737
Derivative financial instruments	0	698,620	0	698,620
Unit-linked financial assets	338,338,690	99,662,396	0	438,001,086
Total	1,329,009,477	603,794,301	3,633,127	1,936,436,906

Value assessment techniques and inputs used for measurement purposes

Financial investment type	Value assessment method	Material parameters	Parameter weight applied	Fair value hierarchy
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
Equity securities	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				
Debt securities - government	cash flow discounting according to amortisation schedule	EUR SWAP interest rate curve, issuer credit spreads, comparable issuer credit spreads, indicative listings		level 2
Debt securities - companies and finan. institutions	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				
Debt securities - government	cash flow discounting according to amortisation schedule	Republic of Slovenia interest rate yield curve	1y: 0,1452%, 2y: 0,1231%, 3y: 0,3628%, 4y: 0,5781%, 5Y: 0,819%, 6y: 1,0959%, 7Y: 1,3421%, 8Y: 1,5538%, 9y: 1,7651%, 10y: 1,8975%; credit spreads between 0% and 1%	level 2
Debt securities - companies and finan. institutions	cash flow discounting according to amortisation schedule	Republic of Slovenia interest rate yield curve, issuer credit spreads	1y: 0,1452%, 2y: 0,1231%, 3y: 0,3628%, 4y: 0,5781%, 5Y: 0,819%, 6y: 1,0959%, 7Y: 1,3421%, 8Y: 1,5538%, 9y: 1,7651%, 10y: 1,8975%; credit spreads between 0% and 1%	level 2
Equity securities				
	cash flow discounting	g (growth rate during constant growth period)	2.0%	level 3
		EBIT margin (constant growth period)	30.7%	level 3
		discount rate	13.4%	level 3
		lack of marketability discount	10.0%	level 3

Changes of Level 3 financial assets

	in EUR	
	Triglav Group	Zavarovalnica Triglav
Opening balance	25,213,933	3,633,127
Purchases	589,249	540,586
Disposals	-271,949	-93,889
Revaluations through income statement	-478,673	0
Revaluations through Equity	-104,325	43,924
Transfers from Level 1 and Level 2	-485,631	0
External acquisition	0	0
Changes in consolidation area	-2,963,092	0
Merger	5,806,632	5,806,632
Ex. rate difference CONS	4,452	0
Closing balance for the current period	27,310,596	9,930,381

In the first three quarters of 2015, there were no reclassified assets from Level 1 to Level 2 and vice versa. This applies to the entire Triglav Group.

Impairment

In Zavarovalnica Triglav, a loss arising from impairment of financial assets amounting to EUR 30.3 million was recognised in the reporting period. In the Triglav Group, no impairment losses on financial or other assets were recognised in the reporting period.

The valuation of land and buildings for own use and investment property is being performed in all the subsidiaries of the Group. With regard to the first valuations, provisions for impairments of these assets in the amount of EUR 5 million were formed in consolidated financial statements under other expenses. No impairment loss on other assets was recognised in the reporting period.

Subordinated debt instruments

In the reporting period, Zavarovalnica Triglav did not issue, buy back or redeem any debt securities.

Contingent liabilities

In the second quarter of 2015, Zavarovalnica Triglav issued a guarantee in the amount of CZK 247.7 million (EUR 9.1 million) for receivables from past due premium of Triglav Pojišť'ovna, a.s., arising from its operations in 2014 and 2013. As at 30 September 2015, a provision was made in the consolidated financial statements and financial expenses were recognised for this guarantee in the amount of EUR 3.4 million, while the rest was recognised in the off-balance-sheet items.

Distribution of accumulated profits

On 9 June 2015, the General Meeting of Shareholders of Zavarovalnica Triglav decided on the distribution of accumulated profits for 2014 of EUR 61,687,037 in total. A part of accumulated profit in the amount of EUR 56,837,870 was allocated for dividend payments, i.e. EUR 2.50 gross dividend per share. The distribution of the remaining part of the accumulated profit of EUR 4,849,167 shall be decided upon in the following years. The dividends were paid on 8 July 2015.

2.7 Changes in equity stakes in subsidiaries and business combinations

Gradual acquisition of Skupna pokojninska družba d.d.

Zavarovalnica Triglav acquired a 36.51% equity stake in Skupna pokojninska družba d.d., Ljubljana. Skupna pokojninska družba is a provider of supplemental voluntary pension insurance in accordance with the Pension and Disability Insurance Act. The purpose of the acquisition of a majority stake in this company was to gain synergy effects through cost rationalisation and, consequently, higher competitiveness, joint development of new products and services in the pension insurance segment, and the transfer of investment management to the parent company.

By this acquisition, Zavarovalnica Triglav has become the controlling company of Skupna pokojninska družba d.d. in which it already held a 30.14% equity stake immediately prior to the acquisition. This business combination took place in several stages. It was recognised using the acquisition method according to IFRS 3 – Business Combinations.

At the acquisition date on 9 January 2015, the following values of acquired identifiable assets and assumed liabilities were established.

	in EUR
	9 January 2015
ACQUIRED ASSETS	244,812,544
Intangible assets	15,839
Property, plant and equipment	152,752
Financial assets	16,621,246
- loans and receivables	1,221,095
- held to maturity	1,482,587
- available for sale	13,917,564
Assets from investment contracts	224,841,286
Receivables and other assets	1,390,059
Cash and cash equivalents	1,791,362
ASSUMED LIABILITIES	230,681,868
Liabilities from investment contracts	224,841,286
Employee benefits	210,174
Other financial liabilities	4,518,680
Liabilities for dividends	1,111,728
Net value of acquired assets and assumed liabilities	14,130,676
Consideration for the acquisition of the 36.51% equity interest	4,064,016
Equity interest in the company held prior to the acquisition date	2,901,445
Revaluation of fair value of previously-held equity interest (30.14%) in the acquired company as at acquisition date	4,259,074
Non-controlling interest as at acquisition date (33.35%)	4,711,972
Sum of equity interest and non-controlling interests	13,035,063
DIFFERENCE between net value of acquired assets and assumed liabilities and the sum of equity interest and non-controlling interests (profit)	1,095,613
Consideration for the acquisition of the 5.2 % equity interest after the acquisition date	580,328
DIFFERENCE between the adjustment made to the non-controlling interests and the consideration received	164,260

At the acquisition date, the net value of assets acquired and liabilities assumed measured at fair value was established and equity stakes prior to the acquisition were calculated at fair value. A positive impact in the amount of EUR 1,357,627 million was recognised in the profit or loss. In the acquisition process, the non-controlling interests in the acquired company were restated at

the proportionate share of equity stakes in the recognised amounts of identifiable net assets acquired. The difference between the net value of assets acquired and liabilities assumed and the sum of the equity stake and the non-controlling interest holders' share is the profit in the amount of EUR 1,095,613, which was recognised in profit or loss.

After the acquisition date, Zavarovalnica Triglav also acquired a 5.2% equity stake from non-controlling interest holders. The difference between the amount by which the non-controlling interest is adjusted and the compensation received, equalling EUR 164,260, was recognised directly in equity as share premium. Zavarovalnica Triglav held a 71.87% equity stake and an equal share of voting rights as at the reporting date.

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

In the first half of 2015, Zavarovalnica Triglav provided two tranches of additional capital to its subsidiary Triglav INT. The first capital increase was raised by in-cash contribution of EUR 1 million. The second capital increase was financed through a debt to equity swap transaction of EUR 19,733,017 by the parent company and an equity stake in Pista d.o.o., Belgrade as an in-kind contribution, amounting to EUR 3,266,983.

For this capital raise, Triglav INT issued 24,000,000 new shares at a nominal value of EUR 1 each – increasing its share capital by EUR 24 million.

With the capital increase performed, Zavarovalnica Triglav remains a 100% owner of Triglav INT.

Capital increase and sale of Triglav Pojišt'ovna a.s., Brno

The capital of the subsidiary Triglav Pojišt'ovna a.s., Brno was increased by Triglav INT in January 2015 through the issue of 220 shares at a nominal value of CZK 100,000, totalling CZK 22 million or EUR 797,015. Following this share capital increase, Triglav INT remained the 100% owner of the company.

In May 2015, Triglav INT sold its stake in the subsidiary. Total price stood at CZK 177.5 million or EUR 6,462,300. With the sale of its subsidiary, Triglav INT generated a profit of EUR 1,451,295.

The sale of the Czech company had a negative impact on consolidated financial statements. In the consolidated statements, a loss of EUR 865,153 was recognised under the item Net realised losses on financial assets.

Capital increase of Triglav, Upravljanje nepremičnin d.d., Ljubljana

In the first three months of 2015, the capital increase of the company took place by issuing 95,602 shares in the total amount of EUR 6,195,010, fully paid in by Zavarovalnica Triglav. As a result of the capital increase, the share capital rose by EUR 398,938 and share premium grew by EUR 5,796,072. As a result, the equity stake of Zavarovalnica Triglav in Triglav, Upravljanje nepremičnin increased by 14.32% to 71.27% as at 31 March 2015. The Triglav Group thus increased its stake in the said company by 4.77% to 90.43% as at 31 March 2015.

In the second quarter of 2015, Zavarovalnica Triglav also acquired a 9.57% equity stake from non-controlling interest holders of Triglav, Upravljanje nepremičnin, thereby becoming an 80.84% owner of the company. Following this acquisition, the Triglav Group became a 100% owner of the said company.

The purchase price equalled EUR 1,835,507. The acquisition of a non-controlling interest stake is recognized in consolidated financial statements as a decrease in share premium, totalling EUR 2,142,441.

In Q3 2015, Triglav Naložbe provided additional capital to Triglav, Upravljanje nepremičnin, amounting to EUR 3,130,782. As a result of this capital increase, the share capital of the company rose by EUR 195,576, whilst share premium grew by EUR 2,935,206. With the capital increase performed, the Triglav Group remains a 100% owner of Triglav, Upravljanje nepremičnin.

Merger of Triglav Naložbe d.d.

In Q3 2015, the proceedings relating to the merger of Triglav Naložbe d.d. were concluded. On 27 August 2015, the merger of Triglav Naložbe d.d. to the parent company was entered into the Companies Register of the District Court of Ljubljana and Triglav Naložbe d.d. was stricken off from the Companies Register. The effect of this merger is recognised in the stand-alone financial statements of Zavarovalnica Triglav as financial income, totalling EUR 313,310. The merger had no effect on the consolidated financial statements.

Acquisition of equity stake from non-controlling interest holders in Unis automobili i dijelovi d.o.o., Sarajevo

Triglav Osiguranje d.d., Sarajevo acquired a 4.82% equity stake in Unis automobili i dijelovi d.o.o., Sarajevo from non-controlling interest holders, thereby becoming its 100% owner. The acquisition price was BAM 117,980. The acquisition of a non-controlling interest stake is recognized in the consolidated financial statements as a decrease in share premium, totalling EUR 24,278.

Purchase of an equity stake in Izletnik Celje d.d.

In the reporting period, Avrigo d.o.o. purchased shares of Izletnik Celje d.d. and thus became a 49.49% owner of the company. In the consolidated financial statements, Izletnik Celje is valued under the equity method.

Disposal of the stake in Elan d.o.o.

In Q3 2015, the Company sold Elan d.o.o., which was disclosed as an associated company in the consolidated financial statements. Simultaneously with the sale, the new owners of Elan returned funds from the capital increase in 2008, which the European Commission assessed as illegal state aid.

2.8 Related party transactions

Revenues of the Management and Supervisory Board

In the first nine-months of 2015, the Management Board members were paid the following amounts as compensation for their work:

in EUR

Surname and name	Fixed salaries (gross)	Other additional payments*	Bonuses	Net pay received	Insurance premiums**	Other benefits***	Reimbursements
Slapar Andrej	115,178	867	36,478	54,981	38,385	3,510	1,522
Makoter Marica	109,772	791	36,010	50,641	26,478	3,505	416
Jošar Benjamin	109,772	851	24,007	44,919	26,564	5,877	1,046
Ivanc Uroš	109,772	791	10,803	42,188	27,218	1,256	1,150
Čoroli Tadej	109,772	791	9,002	41,964	27,194	503	392
Vrtunski Stanislav****	0	0	21,606	12,623	0	0	0
TOTAL	554,266	4,091	137,906	247,316	145,839	14,651	4,526

* Other additional payments include holiday allowances.

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

*** Other benefits include company cars.

**** Vrtunski Stanislav received a bonus for 2014 when he served as a Member of the Management Board, although in the reporting period he was no longer a Management Board Member.

In the first nine-months of 2015, members of the Management Board did not receive any payments for their work in subsidiaries.

As at 30 September 2015, Zavarovalnica Triglav had the following receivables from and liabilities to the Management Board members:

in EUR

Surname and name	Receivables as at 30 September 2015	Liabilities as at 30 September 2015
Slapar Andrej	0	19,130
Makoter Marica	16	18,096
Jošar Benjamin	0	18,022
Ivanc Uroš	8,397	8,302
Čoroli Tadej	30	7,797
TOTAL	8,443	71,347

In the first nine-months of 2015, the Supervisory Board members and members of Committees were paid the following amounts as compensation for their work:

in EUR

Surname and name	Compensation	Attendance fee	Reimbursements	Total gross pay	Total net pay
Blažič Matija	8,667	1,650	820	11,137	8,099
Celar Peter	10,833	2,090	0	12,923	9,399
Gobbo Mario	13,000	3,410	17,818	34,228	22,548
Gorjan Branko	6,727	2,475	1,281	10,483	7,624
Kastelic Gregor	13,867	2,090	6,341	22,298	17,280
Krštinč Miran	6,727	2,255	324	9,306	6,768
Molan Boštjan	3,390	275	235	3,900	2,836
Nose Barbara*	4,333	1,650	0	5,983	4,352
Runjak Matej	16,250	2,530	0	18,780	13,659
Sotošek Ivan	3,390	275	0	3,665	2,665
Stankovič Rajko	10,833	2,970	0	13,803	10,039
Total	98,017	21,670	26,819	146,506	105,269

* External committee member.

As at 30 September 2015, Zavarovalnica Triglav had the following receivables from and liabilities to the Management Board members:

in EUR

Surname and name	Net receivables as at 30 September 2015	Net liabilities as at 30 September 2015
Blažič Matija	0	1,462
Celar Peter	0	1,600
Gobbo Mario	0	3,460
Gorjan Branko	0	0
Kastelic Gregor	0	2,734
Krštinč Miran	0	0
Molan Boštjan	0	1,630
Nose Barbara*	0	394
Runjak Matej	0	2,039
Sotošek Ivan	0	1,655
Stankovič Rajko	0	1,546
Štimac Dubravko	157	361
TOTAL	157	16,881

*External committee member.

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	
ASSETS	30 September 2015	31 December 2014
Shares	127,869,130	133,799,162
Debt securities and loans	23,289,257	47,456,254
Other financial investments	1,067,315	1,478,265
Receivables from insurers	1,749,225	1,515,587
Premium receivable from co-insurance	28,669	7,888
Receivables from re-insurers' share in claim	6,214,089	5,529,833
Other short-term receivables from insurance operation	18,718	13,303
Short term receivables from financing	3,506,628	2,922,209
Other short-term receivables	1,045,633	2,224,578
LIABILITIES	30 September 2015	31 December 2014
Liabilities to policy holders	250,174	608,278
Liabilities to agents and brokers	192,616	179,398
Liabilities from direct insurance operations	94	4,209
Liabilities for re-insurance premiums	6,927,579	9,286,094
Liabilities for co-insurers' share in claim	1,205	0
Other short-term liabilities from insurance operations	44,891	30,353
Other short-term liabilities	33,071	194,909

	in EUR	
INCOME AND EXPENSES	Q1-3 2015	Q1-3 2014
Gross written premium	7,711,069	3,589,140
Assumed co – insurance written premium	28,599	7,166
Reinsurance written premium (-)	-49,106,405	-45,434,655
Reinsurance commission income	8,570,550	8,810,889
Other income from insurance	3,520,478	2,802,881
Interest income	1,667,031	2,190,282
Income from land and buildings	185,564	121,149
Income from dividend	19,172,864	0
Other net income from insurance operations	1,813,954	1,252,381
Other income	149,110	495,996
TOTAL INCOME	-6,287,186	-26,164,771
Gross claims settled	1,006,695	1,291,696
Reinsurers' share of claims	-13,023,714	-15,483,042
Coinsurers' share of claims	1,205	0
Other expenses	16,878	0
TOTAL EXPENSES	-11,998,936	-14,191,346

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.

in EUR

ASSETS	Triglav Group		Zavarovalnica Triglav	
	30 September 2015	31 December 2014	30 September 2015	31 December 2014
Shares	9,560,723	10,371,335	7,259,875	10,427,235
Debt securities and loans	4,727,991	0	0	0
Receivables from insurers	25,551	5,208	25,339	5,000
Short-term receivables from financing	145,322	1,111,728	145,322	1,111,728
Other short-term receivables	0	26,121	0	16,121
Long-term receivables	714	0	0	0
LIABILITIES	30 September 2015	31 December 2014	30 September 2015	31 December 2014
Liabilities to agents and brokers	17,454	28,461	17,454	24,920
Other short - term liabilities	211	1,123	0	0
Accrued expenses	0	14	0	0

INCOME AND EXPENSES	Triglav Group		Zavarovalnica Triglav	
	Q1-3 2015	Q1-3 2014	Q1-3 2015	Q1-3 2014
Gross written premium	95,004	113,278	93,244	113,278
Change in provision for unearned premiums, reinsurers' and coinsurers' share (+/-)	15,565,502	10,748,624	0	0
Interest income	25,200	0	0	0
Income from dividend	0	0	145,322	60,541
Other income	0	875	0	875
TOTAL INCOME	15,685,706	10,862,777	238,566	174,694
Gross claims settled	17,097	23,883	17,097	23,883
Acquisition costs	27,040	0	0	0
TOTAL EXPENSES	44,137	23,883	17,097	23,883

2.9 Significant events after the reporting date

No events occurring after the reporting date were material to the consolidated financial statements for the first nine months of 2015.

Events after the reporting date that are important for operations in 2015 are the following:

- On 11 September 2015, the Merger contract between Slovenijales d.d. and Triglav, Upravljanje nepremičnin d.d. was concluded. The General Meeting of Shareholders of both companies approved the merger on 23 September 2015. On 5 October 2015, the merger of Slovenijales to Triglav, Upravljanje nepremičnin was entered into the Companies Register of the District Court of Ljubljana and Slovenijales was stricken off from the Companies Register. The merger was carried out in line with the consolidation of the Triglav Group and further asset management optimisation as strategic guidelines. Zavarovalnica Triglav was the sole shareholder of both companies; the merger was economically neutral for the Company.
- Following its regular annual revision, the A.M. Best credit rating agency reaffirmed the financial strength rating of "A–" (Excellent) and the issuer credit rating of "A–" (Excellent) of Zavarovalnica Triglav. Credit ratings reflect solid risk-adjusted capitalisation, lasting good business results and the leading competitive position of the Triglav Group in the Slovene market and the Adria region. The medium-term outlook of Zavarovalnica Triglav is positive as the credit rating agency assessed that the Company's performance over the past five years was excellent and its business outlook was promising. Despite challenging conditions in the insurance markets of South-East Europe, the Group, in accordance with its strategic objectives, continues to improve its business results and carry out the planned activities aimed at further growth. The outlook reflects a solid capital adequacy and appropriate risk management of the Company.

Furthermore, the A.M. Best reaffirmed the two credit ratings of Triglav's subsidiary Pozavarovalnica Triglav Re, thereby confirming its key role and important contribution to the implementation of the Triglav Group's strategic objectives. Both credit ratings have a stable medium-term outlook.

- On 19 August 2013, Zavarovalnica Triglav received a claim filed by Matjaž Rakovec, in which he requests the annulment of the Supervisory Board's resolution dated 22 May 2013 with respect to the dismissal of Matjaž Rakovec from the office of President of the Management Board and the appointment of Andrej Slapar as temporary President of the Management Board, the annulment of the entry of changes related to the President of the Management Board into the Court Register and the payment of damages amounting to EUR 516,399. Apart from that, the plaintiff requests that the defendant reappoint him President of the Management Board and recognise an uninterrupted performance of the function of President of the ZT's Management Board with all the rights arising from the employment contract for the entire duration of unlawful dismissal from the office of President of the Management Board until his reappointment. Zavarovalnica Triglav responded to the claim lodged by Matjaž Rakovec within the period specified by law. On 3 November 2014, Zavarovalnica Triglav d.d. was served a partial judgement rendered by the District Court of Ljubljana in the case of Matjaž Rakovec, who sued for nullity and voidness of the resolution passed by the Supervisory Board on 22 May 2013, reintegration and payment of damages. Although, in a partial judgement, the Court ruled that the Supervisory Board's resolution on the dismissal of Matjaž Rakovec from the Office of the President of the Management Board was null and void, the Court at the same time rejected the claim of Matjaž Rakovec for the

nullity and voidness of the Supervisory Board's resolution dated 22 May 2013 on the appointment of an acting President of the Management Board of Zavarovalnica Triglav on the grounds of lack of legal interest, because the term of office of Matjaž Rakovec as President of the Management Board had already ended in any event, thus such a judgement of the Court became devoid of purpose. The claim by Matjaž Rakovec for the nullity and voidness of the entry into the Companies Register (of the representative of the President of the Management Board) made on 29 May 2013 was also rejected. Furthermore, the Court rejected the claim by Matjaž Rakovec for the payment of material damage due to the *lis pendens* objection. The Court is yet to decide on the claimed amount of EUR 80,000 for non-material damage. Zavarovalnica Triglav lodged an appeal against the above-stated judgement. On 3 November 2015, a judgement of the Higher Court of Ljubljana was served, by which the latter confirmed the partial judgement rendered by the District Court of Ljubljana dated 3 November 2014 and set aside the resolution with respect to the nullity and voidness of the claim of Matjaž Rakovec for the payment of material damage; at the same time, the Court referred this part of the claim to the Labour and Social Court in Ljubljana.

- The proceedings related to the sale of subsidiaries Avrigo d.o.o. and Goriške opekarne d.d. are carried out in line with the consolidation of the Triglav Group and further asset management optimisation as strategic guidelines.